
REWRITING THE RULES

**THE ANTI-SWEATSHOP MOVEMENT; NIKE,
REEBOK AND ADIDAS' PARTICIPATION IN
VOLUNTARY LABOUR REGULATION; AND
WORKERS' RIGHTS TO FORM TRADE
UNIONS AND BARGAIN COLLECTIVELY**

**Submitted for the degree of Doctor of Philosophy
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Declaration

This work contains no material which has been accepted for the award of any other degree or diploma in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. I give consent to this copy of my thesis, when deposited in the University Library, being made available for loan and photocopying subject to the provisions of the Copyright Act 1968.

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I hereby certify that part of the work embodied in this thesis has been done in collaboration with other researchers and carried out in another institution. I have included as part of the thesis a statement clearly outlining the extent of collaboration, with whom and under what auspices.

(Signed):

Tim Connor

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Table of Contents

Declaration	2
Acknowledgments	3
Abstract	5
Abbreviations	7
Introduction	11
Chapter 1 Philosophical dilemmas and their implications	18
Chapter 2 Just fading away? Globalisation and the future of organised labour	56
Chapter 3 Research methodology	90
Chapter 4 Narratives and networks. The international anti-sweatshop movement's campaign targeting Nike	119
Chapter 5 Labour codes of conduct in the sportswear industry: from "I don't know that I need to know" to "a new paradigm of people, planet, profit"?	167
Chapter 6 Anti-sweatshop campaigns, voluntary codes and trade union rights in individual workplaces: "shock therapy" for factories or "the bitter irony of organising"?	221
Chapter 7 Conclusion	275
References	311

Abstract

This thesis contributes to debates regarding the future of organised labour, the ability of global civil society networks to influence the practices of powerful institutions, and the value of non-state forms of corporate regulation. It focuses on the anti-sweatshop movement's campaigns targeting three transnational corporations (TNCs) which design and market sportswear—Nike, Reebok and Adidas. These three TNCs are members of the Fair Labour Association (FLA), a voluntary, non-state regulatory system negotiated between participating companies and a number of civil society organisations. The thesis assesses how the FLA's processes, the companies' own labour programs, and interventions by labour activists are combining to influence sportswear workers' rights to form trade unions and bargain collectively.

The thesis is based on decentred, institutionalist characterisations of the firm and its regulation. From this perspective, an effective system for regulating corporate labour practices must powerfully insert discourses promoting workers' rights into the internal debates, power plays and resulting regularised processes which produce corporate behaviour. Whereas many theoretical approaches portray voluntary regulatory initiatives as antithetical to state regulation, this thesis is influenced by those institutionalist thinkers who argue that effective voluntary initiatives can help build the political will necessary for regulatory reform by states.

Research methods employed in this thesis include interviews with Indonesian workers, FLA board members, company representatives and anti-sweatshop activists. This research indicates labour compliance staff within Nike, Reebok and Adidas have made serious, if inconsistent, efforts to persuade suppliers to respect labour rights. These efforts have been undermined by their colleagues in buying departments, who have intensified demands that suppliers produce cheaply and quickly. Partly as a result of this tension, the labour programs of Nike, Reebok and Adidas have only contributed to improved respect for trade union rights in a relatively small number of sportswear factories, and in some cases these improvements have proved fragile.

The FLA's regulatory system relies on participating TNCs threatening to cut orders if their suppliers fail to comply with the FLA's labour code. This thesis argues that if TNC compliance staff could also offer incentives—such as higher prices or more stable, long-term ordering relationships—then it would enhance their ability to convince suppliers to respect trade union rights. Such a change would require TNCs to give a higher priority to labour rights than to cost-minimisation. Unfortunately, within Nike, Reebok and Adidas, labour rights and other ethical agendas appear to be in the process of being subsumed into a more dominant discourse associated with profit-making and growth, so that labour compliance staff must establish the “business case” for each aspect of their regulatory work.

The anti-sweatshop movement has a loose, networked form of organisation which has proved remarkably successful in putting public pressure on sportswear corporations to accept responsibility for labour conditions in their supply networks. If the movement wants to see substantial improvements in respect for sportswear workers' trade union rights, then it needs to persuade sports companies to go further and make costly improvements to their labour rights programs. Relatively broad agreement across the movement on a system of rating companies' progress would likely help achieve this ambitious goal, not least by offering opportunities for re-invigorating the movement itself.

Abbreviations

AAFLI	Asian American Free Labor Institute (later ACILS)
ACILS	American Centre for International Labour Solidarity (the US AFL-CIO union federation's international solidarity organisation, previously known as AAFLI)
AFL-CIO	American Federation of Labor-Congress of Industrial Organisation (the largest federation of trade unions in the US)
AIP	White House Apparel Industry Partnership (some of the groups who were involved in the AIP have since formed the FLA)
AMRC	Asia Monitor Resource Centre (labour rights NGO based in Hong Kong)
APINDO	The Indonesian Employers Association.
CAA	Community Aid Abroad (now known as Oxfam Australia, was for a period known as OCAA)
CBA	Collective Bargaining Agreement
CCC	Clean Clothes Campaign (a European network of 200 trade unions, labour rights, development and women's groups)
CFMEU	Construction, Forestry, Mining and Energy Union
CLR	Campaign for Labor Rights (labour rights network in the US)
COVERCO	Guatemalan Commission for the Monitoring of Codes of Conduct
CSR	Corporate Social Responsibility
ETI	Ethical Trading Initiative
FBSI	Federation of All-Indonesia Labourers (from 1973 FBSI was the only legal union in Indonesia, it was re-named SPSI in 1985)
FLA	Fair Labor Association
FMNE	Foreign multi-national enterprise
FOA	Freedom of Association

FTZ	Free Trade Zone
FTZGSEU	Free Trade Zones and General Services Employees Union (Sri Lanka)
FWF	Fair Wear Foundation
Global Alliance	Global Alliance for Workers and Communities
GMIES	Independent Monitoring Group of El Salvador
Golkar	Party of the Functional Groups (was the ruling party in Indonesia during Suharto's regime and continues to be one of the biggest political parties in Indonesia)
GSBI	Association of Independent Trade Unions (an Indonesian trade union federation)
GSP	Generalised System of Preferences (system whereby beneficial trade arrangements are granted to developing countries by the US and the EU)
ICCR	Interfaith Center for Corporate Responsibility (US NGO, was a member of the AIP, but didn't join the FLA)
ICFTU	International Confederation of Free Trade Unions (was the world's largest international confederation of trade unions until it was dissolved on 31 October 2006 when it merged with the World Federation of Trade Unions to form the ITUC).
ITEM	The FLA's program of independent external monitoring
ILO	International Labour Organisation
ILRF	International Labor Rights Fund (US labour rights NGO)
IMF	International Monetary Fund
ITGLWF	International Textile, Garment and Leather Workers Federation
ITUC	International Trade Union Confederation
JO-IN	Joint Initiative on Corporate Accountability and Workers' Rights
Komnas HAM	The Indonesian Government's Human Rights Commission.
LAC	Labour Action China

LBH	Lembaga Bantuan Hukum (Indonesian Legal Aid Council).
LBL	Labour Behind the Label (UK anti-sweatshop network, member of the CCC)
LCHR	Lawyers' Committee for Human Rights
Lean	The lean manufacturing philosophy, also known as “the Toyota way” (see LEI 2007)
MFA	The Multi-Fibre Arrangement (trade arrangement under which the US and the European Union allocated apparel quotas to individual countries based on bi-lateral negotiations, was in place from 1974 until the end of 2004)
MIT	Massachusetts Institute of Technology
MSN	Maquila Solidarity Network (Canadian anti-sweatshop network)
NCL	National Consumers League (US consumer organisation)
NGO	Non-government organisation
NLC	National Labor Committee (US anti-sweatshop group)
OCAA	Oxfam Community Aid Abroad (now known as Oxfam Australia, previously known as CAA)
PAR	Participatory Action Research
P4D	The Regional Committees for Labour Dispute Settlements (Panitia Penyelesaian Perselisihan Perburuhan tingkat Daerah) in the Indonesian Ministry of Labour
P4P	The Central Committee for Labor Dispute Settlements (Panitia Penyelesaian Perselisihan Perburuhan tingkat Pusat) in the Indonesian Ministry of Labour
Perbupas	The Labor Union for Shoe Factory Workers (footwear sector union of GSBI)
PFA	Play Fair Alliance
PFAO	Play Fair at the Olympics campaign
PIGS	Public Interest Groups

PwC	PricewaterhouseCoopers
SAI	Social Accountability International
SETMI	Mandarin International Workers' Union (El Salvador)
SISBIKUM	Channel for Social Information and Legal Guidance (Saluran Informasi Sosial dan Bimbingan Hukum).
SITRAKIMIH	Kimi Workers Union (Honduras)
SPN	National Workers' Union (was formed by unions who broke away from the textile, garment and leather workers' section of SPSI)
SPSI	All Indonesian Working Peoples Union (was formed in 1985 when the Indonesian Minister of Labour restructured and renamed FBSI, until 1998 SPSI was the only legal union in Indonesia)
SPTSK	Textiles, garment and leather workers union (Serikat Pekerja Tekstil Sandang dan Kulit)
TLRC	Thai Labour Review Committee
TNC	Transnational Corporation
UCM	Urban Community Mission (labour rights NGO based in Jakarta, Indonesia)
UK	United Kingdom
UN	United Nations
UNITE	Union of Needletrades, Industrial, and Textile Employees (US and Canada)
US	United States of America
USAS	United Students Against Sweatshops (US student campaign network)
WRC	Worker Rights Consortium (US organisation which investigates respect for labour rights in factories producing garments licensed to carry the logos of universities which are members of the WRC)
WSCF	World Student Christian Federation
WTO	World Trade Organisation