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Minding their own business? Firms and activists in the making of private labour regulation

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Appendix I: The eight private regulatory organizations

1. Introduction

This appendix summarizes some characteristics of the eight private regulatory organizations for labour conditions in the clothing production chain. The information presented here also features within the main text, but it is collected here in order to offer the reader the key points at a glance. First it summarizes the main points in the history of the development of the organizations (as discussed in Chapter Four); then it rehearses how stringent these organizations are (as established in Chapter Three); and finally it presents their main policy characteristics (as in Chapter Three).

2. History

The eight regulatory organizations were developed between 1996 and 2004 in the United States and Europe, through formally independent negotiations. However, some firms and activist groups were party at more negotiation tables and the research shows that information about developments diffused between different sets of negotiators.

- The *Fair Labour Association (FLA)*, www.fairlabor.org started as the Apparel Industry Partnership (AIP) in 1996, including at first American apparel and sporting goods firms including Nike, Reebok and Liz Claiborne, trade unions and NGOs in the discussion on development of a code of conduct and an implementation scheme;
- *Social Accountability 8000* by the Council on Economic Priorities Accreditation Agency (CEPAA, later renamed *Social Accountability International, SAI*, www.sa-intl.org), was established by the US social research institute Council on Economic Priorities and included brand and retail firms, as well as NGOs and unions in development, from 1996 onward;
- The *Ethical Trading Initiative (ETI)*, www.ethicaltrade.org was negotiated in the UK from 1996 onwards, as a result of the engagement of NGOs and trade unions with company representatives, of mainly multi-product retailers, which are the biggest players in the UK market for consumer products;
- The *Fair Wear Foundation (FWF)*, www.fairwear.nl was the result of negotiations starting 1995 in the Netherlands. FWF is a collaboration of two clothing industry related trade associations, Modint and Mitex, Dutch trade unions, and Dutch labour and developmental NGOs;
- *Worker Rights Consortium (WRC)* www.workersrights.org was developed from 1999 onwards as an initiative by the US United Students Against Sweatshops, the American trade union federation AFL-CIO, together with a group of American NGOs as well as garments union UNITE

- *Worldwide Responsible Apparel Production programme (WRAP, www.wrapapparel.org)* was initiated by the American Apparel Manufacturers Association (nowadays American Apparel and Footwear Association, AAFA) from 1998 onwards, with input from consultants and US university staff;
- *Business Social Compliance Initiative (BSCI, www.bsci-eu.org)* was negotiated from 2003 onwards in the European business association for retailers, the Foreign Trade Association (FTA);
- *Initiative Clause Sociale (ICS)* was developed by a group of French retailers, including Carrefour and Casino, from 1998 onwards.

3. Stringency

Figure 1 depicts how the organizations are more or less stringent, following measurement of different policy variables before policy adjustments commenced.

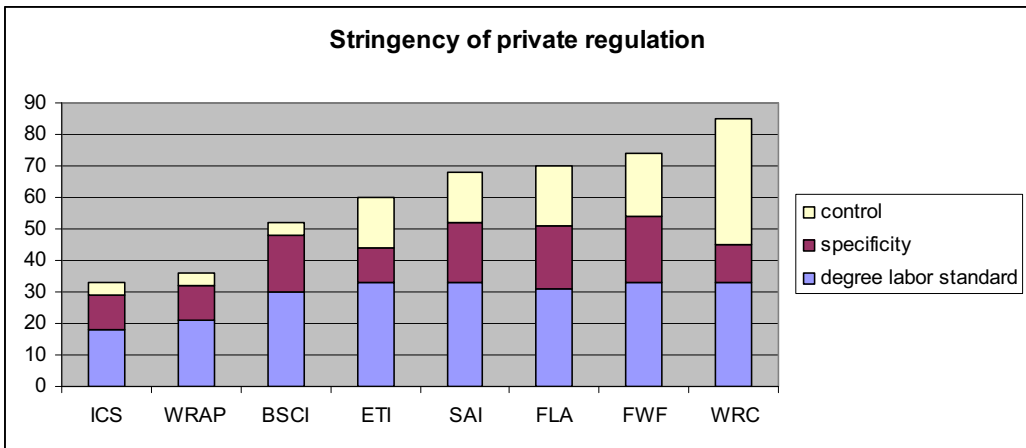


Figure 1. Stringency of private regulation

4. Policy characteristics

Central policy characteristics are summarized in Figure 2 below.

| | <i>Labour standards</i> | <i>Implementation</i> | <i>Governance</i> | <i>Control</i> |
|------|--|--|-------------------|-----------------------|
| ICS | ILO Conventions, unspecified about content | Less specific: audit & report | Business | Business controlled |
| WRAP | Local laws, except discrimination, forced and child labour | Less specific: audit & report | Business | Business controlled |
| BSCI | ILO conventions, discretion on living Wage | More specific: management implementation; audit; complaints; remediation | Business | Business controlled |
| ETI | ILO conventions, including living wage issue | Less specific: complaints; experimental on monitor; verification; remediation | Multi-stakeholder | Business > Societal |
| FLA | ILO conventions, excluding living wage issue | More specific: management implementation; monitor; verification; complaints; remediation | Multi-stakeholder | Business > Societal |
| SAI | ILO conventions, including living wage issue | More specific: management implementation; auditing; complaints | Multi-stakeholder | Business > Societal |
| FWF | ILO conventions, including living wage issue | More specific: management implementation; monitor; verification; complaint; remediation | Multi-stakeholder | Business - Societal |
| WRC | ILO conventions, including living wage issue | Less specific: external monitor and report | Societal | Societally controlled |

Figure 2. Policy characteristics of private regulatory organizations