

Fair Trade, Corporate Accountability and Beyond

Experiments in Globalizing Justice

EDITED BY
**KATE MACDONALD
AND SHELLEY MARSHALL**

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FAIR TRADE, CORPORATE ACCOUNTABILITY AND BEYOND

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Nic Maclellan works as a journalist and researcher in the Pacific islands. Nic has travelled extensively throughout the islands region and lived in Fiji between 1997 and 2001, working with the Pacific Concerns Resource Centre. In 2006 he worked with Oxfam International as Senior Policy Advisor on the Pacific. He has written widely on trade, labour mobility and development issues in the Pacific and is co-author of a number of books on the region, including: *La France dans le Pacifique: de Bougainville à Moruroa* (Editions La Découverte, Paris, 1992); *After Moruroa: France in the South Pacific* (Ocean Press, Melbourne, 1998); and *Kirisimasi* (PCRC, Suva, 1999).

Andrea Maksimovic worked at the Victorian Textile Clothing and Footwear Union and the Victorian Trades Hall Council in Melbourne before moving to Brussels to work for the International Trade Union Confederation. She now works for SOLIDAR, a European NGO network as the International Cooperation Coordinator, on issues such as trade, aid, labour rights and migration. SOLIDAR leads the Decent Work, Decent Life campaign, aiming to put decent work at the heart of all policy-making.

Shelley Marshall is a lecturer in the department of Business Law and Taxation at Monash University, Australia. Shelley began her career as a public interest and labour lawyer before coordinating an Australia-wide campaign to improve the conditions of homeworkers. Shelley's research interests include industrial democracy, corporate governance and development. She has conducted a number of consultancies for organizations such as Homeworkers Worldwide and the International Labour Organization concerning novel methods of regulating informal and vulnerable workers. Shelley's recent publications include the edited volume *Varieties of Capitalism, Corporate Governance and Employees* (Melbourne University Press, 2008) which she co-edited with Richard Mitchell and Ian Ramsay.

Alex Nicholls, MBA, is the first lecturer in social entrepreneurship to be appointed at the University of Oxford and became the first staff member of the Skoll Centre for Social Entrepreneurship in 2004. Nicholls' research interests range across several key areas within social entrepreneurship, including: the interface between the public and social sectors; organizational legitimacy and governance; the development of social finance markets; and impact measurement and innovation. Nicholls is widely published in peer reviewed journals and has done consultancy work for not-for-profits, social enterprises, and the UK government. He is the co-author (with Charlotte Opal) of a major research book on fair trade: *Fair Trade* (Sage, 2005). His ground-breaking 2006 edition of a

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Preface

It is often lamented that academics, activists and practitioners engaged in corporate accountability and improving labour standards do not jointly reflect upon the subject of their work enough. Academics talk to practitioners when they want information and practitioners don't often have the time to step back and reflect upon the efficacy of their strategies, except in planning meetings. This book arose out of a workshop held in December 2007 which aimed at creating a new space for reflection and collaboration. Its purpose was to bring normative and empirical scholars from philosophy, law, politics and economics together with practitioners, activists, social entrepreneurs, and companies with an interest in socially responsible supply chain practices, to reflect upon the challenges confronting the goal of strengthening labour regulation, social governance and human rights in a globalizing economy, and to explore new directions for building an effective and legitimate system of global social governance.

The workshop was organized by the Centre for Employment and Labour Relations Law at the University of Melbourne and the Centre for Applied Philosophy and Public Ethics at the Australian National University, with the support of the Centre for Governance of Knowledge and Development at the Australian National University and the Fair Trade Association of Australia and New Zealand. We are especially grateful to Cameron Neil from the Fair Trade Association of Australia and New Zealand for working with us on this project. He brought together a range of fair trade 'practitioners' who shared the stories of the development of Fair Trade and critically compared those stories with the parallel development of other forms of corporate social responsibility.

We were fortunate to have funding from an Australian Research Council grant received by Govnet (The ARC Governance Research Network), from CAPPE (Centre for Applied Philosophy and Public Ethics) as well as a small grant from AusAid. This funding allowed us to fly corporate responsibility scholars, practitioners and activists from the economic South, as well as those located in Europe and North America, to Melbourne, Australia for two days of discussions.

There are people who made significant contributions to the workshop, whose efforts are not apparent in this book, but without whom the workshop, and thus the book, would not have been a success. Jessica Cotton and Charlotte Morgans provided efficient administrative support. Later, Anna Tucker and Kamillea Aghtan provided outstanding research and editing assistance. Cheryl Kernot worked hard behind the scenes to publicize the workshop. Damien Carrick of ABC Radio and Jiselle Hannah of 3CR both put together radio programs based on the proceedings that helped us shape the book. A number of people from the procurement departments of companies attended and provided insights into the difficulties of turning large flotillas of companies around so that their practices reflect new values. We are grateful to everyone who attended the workshop and shared his or her views, leading to what was often a heated and passionate conversation.

These debates about the failure of existing governance arrangements to ensure decent work and livelihoods for millions of workers and producers around the world, and the potential of new governance initiatives to reassert principles of social justice in the governance of a globalizing economy, are what drive this collection.

List of Acronyms

ACFTU	All-China Federation of Trade Unions
AMRC	Asia Monitor Resource Centre
APEC	Asia Pacific Economic Co-operation
ATNC	Asian Transnational Corporation Monitoring Network
AWATW	Asian Women at Work
AWFA	Asia Wage Floor Alliance
BSL	Brotherhood of St Laurence
CA	corporate accountability
CCC	Clean Clothes Campaign
CR	corporate responsibility
CSR	corporate social responsibility
EFTA	European Fair Trade Association
EPA	economic partnership agreement
ETI	Ethical Trading Initiative
FDI	foreign direct investment
FLA	Fair Labor Association
FLO	Fairtrade Labelling Organization
FTO	fair trade organization
GRI	Global Reporting Initiative
HWCP	Homeworkers Code of Practice
HWCPCL	Homeworkers Code of Practice Committee
IFAT	International Fair Trade Association (formerly the International Federation of Alternative Trade; now the WFTO)
ILO	International Labour Organization
IOC	International Olympic Committee
ISO	International Organization for Standardization
ITUC	International Trade Union Confederation (formerly the ICFTU)
MNC	multinational corporation
MNE	multinational enterprise
MOLISA	Ministry of Labour, Invalid and Social Affairs (Vietnam)
MSI	multi-stakeholder initiative
NCP	National Contact Point (of the OECD Guidelines for MNEs)
NEWS	Network of European Worldshops
NGO	non-governmental organization
OECD	Organisation for Economic Cooperation and Development
OSHA	Occupational Safety and Health Administration
PACER	Pacific Agreement on Closer Economic Relations
PICTA	Pacific Island Countries Trade Agreement
SME	small or medium enterprise
TCF	textile, clothing and footwear

TCFUA	Textile, Clothing and Footwear Union of Australia
TNC	transnational corporation
UNCTAD	United Nations Conference on Trade and Development
UNRISD	United Nations Research Institute for Social Development
VGCL	Vietnam General Confederation of Labor
WFTO	World Fair Trade Organization (formerly IFAT)
WRAP	Worldwide Responsible Apparel Production
WTO	World Trade Organization

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