

Regulation for the Rest of Us?
Global Civil Society, Social Regulation, and National Impacts

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Abstract

In this paper, I examine the "fluidization of regulatory space," especially with regards to transnational issues and externalities. As globalization has proceeded, and growing numbers of regulatory responsibilities have been transferred from the national to the international arena, social issues that were heretofore dealt with domestically are being ignored. In response, there have appeared a number of transnational or global initiatives, many directed by groups and organizations based in global civil society, to formulate and implement semi-public and private "transnational regulatory regimes." In some instances, these arrangements complement existing interstate regimes, in other cases, they substitute for or are opposed to such institutions. This trend is similar, in a number of ways, to the "double movement" described by Karl Polanyi in *The Great Transformation*. I focus here on efforts to impose such regulation on apparel corporations.

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*Today it seems that the heads of governments may be the last to recognise that they and their ministers have lost the authority over national societies and economies that they used to have. Their command over outcomes is not what it used to be. Politicians everywhere talk as though they have the answers to economic and social problems, as if they are really in charge of their country's destiny. People no longer believe them (Susan Strange, *The Retreat of the State*, 1996, p. 3).*

On March 26, 2000, a rather peculiar demonstration took place in Boston, Massachusetts. As 7,000 attended 'Bio2000,' a five-day conference to discuss the latest advances in biotechnology, 1,500 people rallied in Copley Square to assert their opposition to the production of genetically-modified organisms (GMOs) and food under discussion at the meeting. Police and authorities feared another 'Battle of Seattle,' but the affair remained non-violent. As a reporter for *The New York Times* put it

the demonstration was not wild but wildly creative. Street theater abounded; several protesters ran around dressed as white-coated fanatical scientists wielding giant syringes and several others fluttered about as butterflies to symbolize the monarchs that a study has shown were harmed by genetically altered corn. A man in a Frankenstein costume pushed a shopping cart bearing genetically engineered 'Frankenflakes,' and another wore a papier-mâché killer tomato on his head (Goldberg 2000).

In anticipation of the protest, some 2,000 scientists signed a 'Declaration in Support of Agricultural Biotechnology' because, according to the organizer of the declaration, Dr. C. S. Prakash of Tuskegee University in Alabama, 'biotech crops

allow farmers to grow more food on less land with less synthetic pesticides and herbicides' (cited in Goldberg, 2000).

But what was at stake? For some, it was feeding the hungry and malnourished; for others, it was nothing less than the future of life on Earth. According to its proponents, GMOs promise nothing less than a new Green Revolution; its opponents worry that engineered genes, let loose into the food supply and environment, could wreak havoc on the health of both people and nature. Meanwhile, Americans seem largely indifferent to GMOs in their food, while European distaste for genetically-engineered goods has become so great that that cultivation and sale of such foods has been stopped almost completely. With protests against the many manifestation of contemporary "risk society" (Beck, 2000) becoming almost routine, it behooves us to inquire whether there is more to these movements than what we see in the streets. The answer, it would appear, is "yes."

For some, the growing campaign against globalization is seen as a knee-jerk, misinformed, Luddite response to inevitable and necessary economic and social change (Friedman 1999). This interpretation is not only pejorative, it is also quite blind to the dynamics of globalization and social action around the externalities it generates. I would argue, instead, that they are only the visible tip of a new form of "transnational regime." A growing number of non-governmental organizations, social movements, and lobbying groups, based in what I call "global civil society" (Lipschutz 1996) are crossing political and institutional borders to devise and implement arrangements intended to fill the regulatory gaps left by governments unwilling or unable to devise and implement social policy and regulations. In doing so, global civil society actors are not only intruding on what has long been considered the prerogative of sovereign states--international diplomacy--but they are also transgressing into what has been considered the special preserves of scientists and technical experts. In environmental issue areas, in particular, the resulting institutions are taking on a wide variety of forms and operating at all levels of social and spatial organization (Bass and Simula 1999; Lipschutz 1999), but such activism and activities can be found in many other issue areas, as well. These regimes, and their intrusion into what have been seen traditionally as the shared political spaces of states, are the focus of this paper.

For the purposes of this paper, I focus on attempts to regulate the social externalities associated with production of apparel for the U.S. market, especially in East Asia. These externalities involve labor conditions and human rights, including wages, working conditions, forced overtime, child labor, and lack of the right to free association (union organizing). There has been a great deal of publicity around this topic, particularly with respect to the Nike corporation, but many other well-known clothing companies have been targeted, too. Part of the complexities of this issue also has to do with the international division of labor in the apparel industry: many U.S.-based companies operate no factories themselves but contract with producers—often owned by companies based in Japan, South Korea, and Taiwan—in the host developing countries. When challenged by social activists, American companies respond, somewhat disingenuously, that they have no control over labor conditions in factories they do not own, even as the countries in which the goods are being produced have weak or non-existent regulations applying to these production sites. Finally, under WTO rules, countries cannot legislate against the conditions under which imported goods are produced (with a few exceptions) and, therefore, recourse to Congressional legislation is not feasible.

It is into gaps such as this that campaigners, such as those in the “anti-sweatshop” movement, have stepped. In the case of the apparel industry, with organizations and campaigns in both the United States and Europe, the movement has gained growing visibility and support in its efforts to shame, cajole, or bully apparel companies into paying more attention to the conditions in their subcontractors’ factories. By threatening to reduce market share by influencing consumer preferences, such movements are relying increasingly on economic means to achieve political ends. Whether reliance on markets and consumer behavior will work, in the medium-term, to address these social externalities is an empirical question. In the longer-term, however, it seems likely that social regulations at the transnational level—that is, regulatory harmonization through political means—will be required to effectively address these externalities. Already, some corporations in developed countries (such as Canada) are complaining that pressure on them to observe non-governmental social regulations will render them uncompetitive, and they would prefer to have global rules imposed on all countries and corporations through interstate

regimes. Developing countries are somewhat less concerned about this but, if these consumer oriented-campaigns are successful, they may change their minds about opposing global social regulation.

I begin this paper with a brief discussion of the context within the new transnational division of regulatory labor fits, the conditions motivating this change, and an analytical framework for examining it. Given the general problematic of states acting collectively within an anarchic framework, what alternatives are available to social actors interested in fostering transnational collective action? In the second part of the paper, I turn to a description of the apparel industry case. In recent years, much attention has been focused on several American apparel corporations that have increasingly subcontracted production to factories in Asian and Latin American countries; indeed, a few corporations, such as Tommy Hilfiger, own no production facilities at all. (In the semi-conductor industry, this is called fabless fabrication; see Mazurek, 1999). Because the Nike Corporation has garnered the greatest publicity in this regard, my discussion focuses on efforts to pressure it to improve labor conditions in its many subcontractors operations.

In the third part of the paper, I assess the results to date of these campaigns and their future prospects. Here, I suggest that, in the absence of a very strong corporate commitment, the degree of independent surveillance and monitoring required to ensure compliance with various social regulations is difficult, if not impossible, which is why consumer preference is the weapon wielded as a motivating threat. For better or worse, however, such market mechanisms are unlikely to generate full compliance for the same reasons that collective action or cartels are so difficult to maintain (the “open access commons” problem). In other words, in the absence of an authority that will oversee property rights and guarantee contracts—in this case, social regulation—and discipline agents who violate those laws, spillover from specific factories to specific countries as a whole is unlikely. It appears, in conclusion, that a “state,” whether national or supranational, remains essential to ensuring that labor rights are protected.

Finally, in line with the specific goal of this workshop, I consider the impact of transnational movement activism in the local context. While my normative

interests are in support of various efforts to improve working conditions in the apparel industry's far-flung operations, my scholarly interest lies in assessing how these activities, taken alone and together, are affecting and changing global and national regulatory landscapes. Do these projects erode national sovereignty in those areas of social welfare that are normally deemed the responsibility of the state, or might they, ultimately, increase sovereignty? Do such efforts point toward the globalization of social policy through international institutions (that is, regulatory harmonization) or will the "race to the bottom" among states become the norm? And, what do such projects, and their impacts, tell us about the opportunities for political and social change in a global system that is dominated by market norms and principles and in which there are no forums—except, it would seem, the streets—for popular participation?

I. Affluence and effluents: Globalization and social externalities

In the interests of economic competitiveness and growth, states are decentralizing, deregulating and liberalizing in order to provide more attractive economic environments for financial capital (Strange 1996; for an argument that such deregulation has not taken place, see Vogel 1996; for arguments against the globalization thesis, see Hirst and Thompson, 1999). This is not a new argument and, strictly speaking, it is not a new phenomenon either. Liberalization began in earnest after World War Two, with the Bretton Woods regimes (Ruggie, 1983; Lipschutz 2000:ch.2) and began to pick up pace during the 1970s. What is new today is the scale on which domestic regulatory authority is being yielded to international regulatory regimes and organizations, such as the World Trade Organization. We can attribute much of this process to the paradoxical and contradictory aspects and effects of globalization. Globalization suggests the notion of a single world, integrated via the global economy, in which economics dominates politics and cultures are homogenized. There are major problems with this image, inasmuch as we see also the fragmentation of authority into ever-smaller pieces (Lipschutz 2000), but the cognitive image provides considerable impetus to arguments that "efficiency" requires regulatory reform.

In response, there has been a growing tendency by governments to implement policies attuned to a global economy through regulatory

harmonization. But such global rules are largely restricted to certain activities, such as trade; social regulations are pointedly excluded (Braithwaite and Drahos 2000; Zaelke, Orbuch and Houseman 1993). Consequently, as governments proceed along this path, and seek to reduce social costs to corporations in order to attract investment, the safety net historically provided by the welfare state is being dismantled (Mishra 1999). As states shed these responsibilities, many are being taken up by other institutions. A growing number are private or semi-public, some transnational, others local or regional, organized by civil society actors and corporate organizations (Cutler, Haufler, and Porters 1998; Cascio, Woodside, and Mitchell 1996).

That is, two, apparently contradictory tendencies are underway, best understood as an integral part of a dialectic of globalization, involve the transfer of functional responsibility and authority downward to the regional and local levels and upward to the global level. The state remains the primary actor in international relations even as jurisdictional authority long monopolized by states is spread throughout an emergent, multi-level and, for the moment, very fragmented system of widely-distributed globalizing governance. All of this is taking place with the full connivance of national governments, aided and abetted by a wide variety of other institutions and actors.

II. The New Transnational Division of Regulatory Labor (NTDRL)

While the most publicized aspects of opposition to the social and organizational externalities generated by globalization and under-regulated market activities have been the protests in Seattle, Boston, Washington, Geneva, Prague, and elsewhere, these are only the tip of the new regulatory "iceberg." There are numerous, less-visible efforts underway to promulgate and implement transnational regulatory systems outside of the existing framework of interstate regimes--the WTO, IMF, and others. I argue, in essence, that these efforts, initiated by various groups, organizations, associations, and coalitions, operating under the context of "global civil society," represent one contemporary version of Karl Polanyi's (1944/1957) "double movement" against unregulated and "free" markets.

How are we to explain this explosion of activism? The past 15 years or so have seen a considerable change in patterns of social regulation. Not only have "non-state actors" gained growing representation in international meetings and institutions (e.g., Keck and Sikkink, 1998), they have also become instrumental in the establishment of a growing number of semi-public and private "international regimes" designed to fulfill regulatory objectives not addressed through public ones, as suggested above. Moreover, many of these actors are taking upon themselves the functional responsibilities for seeing that such regulations--both national and international--are adhered to by both public and private actors and, in some instances, they are even fulfilling international regulatory requirements themselves. Private and semi-public regulation are nothing new, of course, even at the transnational level (Murphy, 1994; Braithwaite and Drahos, 2000), but there are reasons to think that we are seeing something of a resurgence, and certainly an expansion, in the privatization of international regulation (Cutler, Haufler, and Porters, 1998). Recent work has suggested that, in a number of arenas, there is considerably more activity than has been previously identified, and that the resulting arrangements may be considered "private" systems that are altering environmental "regulatory space." As Earl Meidinger has observed about environmental regulation,

Private organizations have recently established numerous programs aimed at improving the environmental performance of industry. Many of the new programs seek to define and enforce standards for environmental management, and to make it difficult for producers not to participate in them. They claim, explicitly and implicitly, to promote the public interest. They take on functions generally performed by government regulatory programs, and may change or even displace such programs. Private environmental regulatory programs thus have the potential to significantly reshape domestic and international policy institutions by changing the locus, dynamics, and substance of policy making (Meidinger, 2000:2).

While regulation is generally thought of in terms of rules stipulating standards for permitted and forbidden behaviors and practices, mandated by legislatures, promulgated by some administrative agencies, monitored and enforced by others, and affirmed by the judicial organs of the state (Braithwaite and Drahos, 2000), the newly emerging forms of global regulation are much

more diverse. This diversity arises from a number of the points addressed above as well as two others: first, the character of international relations, to wit, the lack of a single sovereign authority empowered to mandate, promulgate, monitor, enforce, and affirm international law; and, second, the reluctance of some states to regulate global processes having origins or impacts within their individual boundaries. The first consequence of these factors is a proliferation in the numbers and types of organizations and institutions engaged in regulatory efforts, in many instances in competition with more conventional interstate regimes. Among the issue areas in which such campaigns are underway are: rights regimes for individuals generally, women, indigenous peoples; environmental, including climate, biodiversity, GMOs, toxics, food; health, including AIDS and tobacco; land mines, small arms, child soldiers; anti-free trade and fair trade; anti-big dams; labor in the apparel and sports equipment industry; and diamond production, among others.

Second, because of the concatenation of interests and influence within states, the positions of national delegations in international forums often eschew command and control regulation in favor of market-based methods. Most of the regulatory projects within the NTDLR fall under the rubric of "private regimes." These are emerging through a growing reliance on markets and market-based strategies as mechanisms to foster compliance. As progress in the formulation of conventions and protocols has slowed and state and corporate resistance to regulation has grown, something especially evident in the environmental issue area, there has also developed a general trend toward greater reliance on markets. The out-of-court settlement in 1999 over working conditions in Saipan, between a number of apparel manufacturers and the Union of Needletrades, Industrial and Textile Employees, Global Exchange, the Asian Law Caucus of San Francisco, and Sweatshop Watch of Oakland, suggests that the trend toward market-based regulatory instruments is being applied in other social welfare and justice issue areas, as well.

Over the past decade or so, for both ideological and cost reasons, market-based mechanisms, such as tradable pollution permits and independent certification, have begun to replace or supplement command and control methods. The potential complications arising from tradable permits are especially visible in terms of environmental regulation. The market-based

approach has the supposed virtue of increasing the efficiency with which financial resources are used--it is less clear that this is the case in other areas--but it is also driven by the ability (or desire) of the rich to purchase rights to pollute from the poor. This could result in a transfer of financial resources from the former to the latter, thereby allowing the poor to pay the costs of environmental and social improvement. But there might be undesirable consequences, as well. If market-based auctions and sales operate as suggested by neo-classical economics, they may have the effect of pricing poor countries completely out of the market to pollute and still leave them with insufficient funds to purchase newer environmentally-friendly technologies and goods.

One approach growing in popularity is certification (see, e.g., Caldwell, 1998; Markandya). Generally speaking, producers absorb the costs (or pass them on to consumers) of internalizing social externalities by adhering or subscribing to a set of regulated behaviors and practices that, when vetted by the appropriate authority, certify them as "socially-responsible." These regulations are expected to appeal to consumers who, looking for the appropriate certifying mark, will prefer socially-responsible goods. While the change in behavior is motivated by economic concerns, the form of the regulations is not, in itself, market-based; rather, these rules are somewhat akin to a moral code that fosters "civic virtue," hoping that a shift in consumer demand for such goods will lead to a commensurate shift in supply, thereby fostering "socially conscious markets."

III. The case of the apparel industry and Nike

Private campaigns to institute or impose labor regulations on the global apparel industry through American and European corporations are proliferating. Table 1 lists the matrix of social relations in which a typical American apparel company finds itself. The list of actors that can play a role in a such a company's fortunes can be multiplied by the number of countries in which it does business and the number of subcontractors and factories with which it deals (up to 600 in the case of Nike's operations in the People's Republic of China). As a result, a company may find itself subject to all kinds of attacks: informational, physical, legal, competitive, consumerist, and so on.

Table 1: The Agency-Structure Environment facing an Apparel Firm

Actors	Institutions	Procedures
Legislatures	Domestic laws & regulations	Legislation
Executive agencies	Customs & customary law	Regulations
Judiciaries	Int'l laws & regulations	Monitoring
Worker groups	International regime system	Enforcement & penalties
Labor Unions	Transnational actor networks	Lobbying
Sub-contractors	Markets	Legal action
Corporate associations	Coordination of production	Boycotts
Private Auditors		Publicity
Third Party Auditors		Shareholder pressure
Movement NGOs		Auditing & inspection
Corporate NGOs		Certification & labeling
Mixed NGOs		
International agencies		
Wholesalers		
Retailers		
Consumers		

Table 2 provides a sample list of actors, in addition to apparel corporations, currently involved in efforts to regulate labor conditions in the industry. As can be seen from the table, there are a considerable number. These range from international organizations, such as the ILO and WTO, charged with oversight of international conventions (and, in the case of the WTO, judgements on the legality of national laws regarding trade), to a large number of activist campaigns, largely aimed at the consumer market, and several campaigns and companies offering second and third party audits of contractor and sub-contractor factories. Interestingly, there appear to be no "transnational" apparel labor campaigns, to which both public and private organizations belong, as is the case with forestry (see Lipschutz & Fogel, forthcoming). The reasons for this may have to do with the somewhat artificial distinction between "natural" and human resources.

Why so many disparate organizations and campaigns? Although the production of apparel (and other products for domestic consumption and trade) is a material process occurring in specific locations within national territories, it does not involve explicit questions concerning property rights to specific land or the exploitation of natural resources or national space, so to speak, as does forestry. Strictly speaking, labor conditions should fall within the purview of

human rights regimes and organizations, which are also treated as a matter of both national and international concern. Whereas human rights matters have been manipulated heavily in the instrumental pursuit of countries' foreign policy

Table 2: Organizations engaged in apparel industry campaigns (incomplete)

Group/initiative	Type	Membership	Goals
International Labour Organization	UN Agency	States	Oversee conventions; no enforcement
World Trade Organization	UN Agency	States	Oversee convention & enforce provisions
AFL-CIO	Activist	Unionized workers	Publicity & organizing
UNITE	Activist	Unionized workers	Campaign against Nike
ICFTU	Activist	National unions	Publicity & organizing
WRAP	Private	Corporations	Factory certification
Price Waterhouse Coopers	Private	Contracts with companies	Provides 2 nd party factory audits
Ernst & Young	Private	Contracts with companies	Provides 2 nd party factory audits
Business for Social Responsibility	Activist-private (non-profit)	Corporations	Encourage companies to adopt codes of conduct
Lawyers Committee for Human Rights	Activist	Membership group (lawyers)	Member/organizer of Fair Labor Assoc.
Fair Labor Association	Activist-private	Companies, NGOs, Universities	Code of conduct & auditing services
Verite	Activist	Contracts with companies	Provides 3 rd party factory audits
Social Accountability International	Activist	Contracts with auditors	Accredits 3 rd party auditors
Campaign for Labor Rights	Activist		
Clean Clothes Campaign	Activist		
Sweatshop Watch	Activist		
Global Exchange	Activist		
NikeWatch	Activist		
Press for Change	Activist		
United Students Against Sweatshops/Workers' Rights Consortium	Activist		
Academics Studying Nike	Activist		
Corporate Watch	Activist		
National Labor Committee			
Ethical Trading Initiative			
COVERCO			
As You Sow Corporate Accountability program			
Fair Wear (Australia)			
Nat'l Mobilization Against Sweatshops			
Maquila Solidarity Network (Canada)			
Nikeworkers.org	http://www.nikeworkers.org/index.html		
U.S. Department of Labor			"No Sweat" campaign

objectives (especially those of the United States), labor rights, in general terms have not.

The apparel industry was not an automatic target for activist movements concerned about international justice, human rights, and economic development. Rather, it became a focus of a number of campaigns as a consequence of a "polity-centered" process (Skocpol 1992) that had emerged during the 1980s in reaction to Third World debt crises, U.S. involvement in the Central American wars, and apartheid in South Africa. Numerous activist organizations were established during this time, operating within various political opportunity spaces to mobilize public opinion. The success of the international anti-apartheid movement provided something of a model for future activist campaigns, and the winding down of the Cold War raised new issues, especially those having to do with the global justice and the North-South distribution of wealth.

Pinpointing the beginning of the contemporary anti-sweatshop movement is not so straightforward but, during the 1980s, the AFL-CIO became increasingly concerned about what some academics called "the global factory" (Grunwald & Flamm, 1985). This was the growing trend of shifting production from the United States to foreign sites, something that was having an especially serious impact on older, unionized industries and factories in the "Rust Belt." In 1988, Jeffrey Ballinger, a representative of the AFL-CIO in Indonesia, "discovered" that late-19th and early-20th century apparel sweatshops were being reproduced in Jakarta and other places throughout Asia. He launched a crusade against Nike, the most visible company in the sports shoe industry, which was joined subsequently by various organizations, existing and new (Schoenberger, 2000:206-208).

Over the following decade, the anti-sweatshop campaign grew into a bona-fide social movement and became increasingly sophisticated. In 1989, the Center for Research on Multinational Corporations (SOMO) in the Netherlands began an investigation into the subcontracting practices of C&A, a large European clothing company based in the Netherlands. In 1990, SOMO launched the Dutch Clean Clothes Campaign, which was subsequently enlarged to include all of Europe as well as countries where apparel was produced. In the United States, similar campaigns were initiated by organizations concerned about Third

World development (e.g., Global Exchange and the Transnational Action Research Center, both in San Francisco), and others founded out of concern about the existence of sweatshops in the United States (Coalition to Eliminate Sweatshops in California) and abroad (Sweatshop Watch). These groups were later joined by student-initiated campaigns on American university campuses (United Students Against Sweatshops), labor unions (UNITE, formerly the garmentworkers union) and NGOs concerned about labor conditions in free trade zones around the world (Maquila Solidarity Network).

The campaign against Nike is a particularly instructive example of this activism. During the 1980s, Nike was probably the best known and most visible athletic shoe company in the world. Founded in 1962 as "Blue Ribbon Sports," Nike became the company's name in 1972. Revenues went from about \$2 million in 1971 to almost \$1 billion in 1984, \$2 billion by 1989, and almost \$10 billion today. In 1979, the company claimed to hold 50% of the U.S. running shoe market in 1979 although, as the market became more competitive, Nike's market share dropped. From the very beginning of the company, in the late 1950s, Nike relied on foreign sources, in Japan, to supply its domestic market. In 1971, the company began to contract directly with factories in Japan to produce its shoes (<http://www.nikebiz.com>). Today, there are more than 600 Nike subcontractors around the world, employing several hundred thousand workers (<http://cbae.nmsu.edu/~dboje/nike/statistics.html>).

The anti-Nike effort which, by now, includes as many as a dozen separate campaigns and hundreds of organizations and groups, appears at first glance to have been quite effective. Among other things, the Nike Corporation has adopted a Code of Conduct and a Memorandum of Understanding setting conditions for its subcontractors (1992), signed on to the Athletic Footwear Associations' "Guidelines on Business Practices of Business Partners" (1993). It has hired Ernst and Young to conduct audits in selected overseas factories (1994), joined the Apparel Industry Partnership initiated by the White House (1996), established a Labor Practices Department (1996), and agreed to pay minimum wage to Indonesian workers (1997). Nike became a major corporate sponsor of Business for Social Responsibility (1998), announced that it would adopt U.S. OSHA standards at subcontractor factories (1998), and raised the pay of its Indonesian workers to \$6.07 a week (1999).

On the one hand, Nike's response to growing pressure by activists suggests that it has been sensitive to the possibility of public disapproval. What is less than clear is whether the campaign has actually had an effect on the company's profits. In May, 1998, the value of Nike's stock dropped almost 27%, perhaps due to a decline in sales growth as a result of bad publicity, alternatively a result of a short-term change in consumer tastes. The experience of Levi-Strauss, an early proponent of corporate social responsibility which lost substantial market share because of a failure to keep up with fashion trends (Schoenberger, 2000), illustrates the difficulty of telling the difference between consumer ethics and tastes.

On the other hand, it is not entirely clear that Nike's actions (or those of other apparel companies) speak louder than its words. There have been repeated reports that audits conducted by Ernst and Young on behalf of Nike have been incomplete, that codes of conduct are posted on factory walls and routinely ignored, that only a few "Potemkin" plants are open to inspection by activists, and that efforts by workers to exercise their rights of association are constantly undermined by factory owners. According to reports issued by campaigners, none of the steps taken by Nike has fundamentally altered conditions in the company's many subcontractor factories around the world (UNITE, 2000).

IV. Hitting the ground or hitting the wall?

A more problematic issue is the degree to which corporate actions in discrete factories serve to change the fundamental political environment in host countries. If labor conditions are improved in one factory, does this lead to similar improvements in others? If labor conditions are improved in the plants subcontracting for one apparel company, does this lead to improvement in the plants subcontracting to others (sometimes, of course, one plant produces for more than one company)? If labor conditions are improved in the apparel sector of one country, do they improve in other sectors? And, most important, do selective improvements enhance the overall power of labor in relation to capital? In other words, do transnational activist campaigns intended to impose global social regulation on transnational capital through market mechanisms constrain

the very "self-regulating" markets that generate social externalities in the first place?

In the case of the apparel sector, the answer is not so clear. As the existence of sweatshops in the United States makes clear, even a country with relatively strong labor laws and a history of strong textile unions may choose, in response to the competitive pressures of globalization, selective enforcement of those laws and not to allocate the resources necessary to their enforcement. Both producers and policymakers respond that the market necessitates such conditions and were laws to be fully-enforced, the jobs provided by such enterprises would be lost to overseas production. It is hardly to be expected that countries with much more limited resources and histories of unionization will eagerly protect the rights of their workers. And, when the costs of labor represent a small fraction of the final retail price of a consumer good for which there is considerable demand, it is hardly to be expected that any corporation will seek to kill the geese that lay the golden eggs.

Can we expect consumers to respond enthusiastically to normative campaigns such as these, especially if they lead to higher prices for goods? Activists are often criticized for being protectionist wolves in human rights clothing, seeking stronger social and environmental regulations in order to protect American jobs, but this is a disingenuous argument, at best. Not only does it privilege the protection of capital, it also regards workers as no better than the raw materials and semi-processed goods that go into the products they make. And, in attacking activists in this manner, those who oppose global social regulation also demonstrate an alarming degree of short-sightedness. The successes of both democracy and capitalism are predicated on the illusion that low-cost consumption is qualitatively the same as a growing standard of living. Lost in this cynical calculus is the possibility that the long-term consequences of an import-led strategy of consumer politics could well be a world even more impoverished than it is now.

V. Some concluding thoughts

It might be useful here to refer back to Karl Polanyi's *Great Transformation*, written and published during World War Two (1944/1957).

Among other matters, Polanyi attacked the notion of “self-regulating markets,” that is, the idea that the best form of capitalism is that in which governments intervene the least. Polanyi argued that such arrangements led, ultimately, to social disruptions that forced governments into what he called the “double movement.” After deregulating economic affairs, the externalities resulting from the operation of unfettered capitalism impelled governments to reregulate with a vengeance, thereby exacerbating frictions between states that, eventually, led to the two World Wars. Governments today are reluctant to defect from international regimes out of fear of both domestic and international consequences, but they—and especially the United States—are also unwilling to press too strongly for inclusion of social policies within the mandates of these regimes. Discussion about the inclusion of environmental concerns during the next round of WTO negotiations has not, so far, produced much support for the idea. Even as more and more matters are being taken under the wing of trade-related regimes, social issues are being left to the domestic arena. And this is a matter of concern to growing numbers of people.

There are two points made by Polanyi that are important in considering the effect of transnational campaigns on local and national human rights. First, markets cannot function without some degree of regulation; as is now widely recognized, they are human institutions and require rules to operate. When actors in markets are left to regulate themselves, the resulting rules are liable to be weak, at best, and destructive, at worst. Second, in the absence of effective transnational regulation, whether consensual or hierarchical, states are liable to defect from such a system, with undesirable consequences. Polanyi argued for a version of what John Ruggie (1983) has described as the essence of the Bretton Woods agreement--“embedded liberalism”--which would be open, democratic, and respectful of domestic conditions and differences. There are, clearly, many shortcomings in the liberal approach but, for better or worse, we have to begin somewhere.

Naomi Klein has, perhaps, put it best when she writes

There is no doubt that companies like Nike have learned that labor-rights abuses can cost them. But the spotlight being shined on these companies is both roving and random: it is able to shine down on a few corners of the

global production line, but darkness still shrouds the rest. Human rights, far from being protected by this process, are selectively respected: reforms seem to be implemented solely on the basis of where the spotlight's beam was last directed. There is absolutely no evidence that any of this reform activity is coalescing into a universal standard of ethical corporate behavior that will be applied around the world;' and no system of universal enforcement is on the horizon (Klein, 2000: 434).

Ensuring the practice of human rights will not come about without activism beyond markets, involving a restoration of politics to global life as we find it under contemporary conditions of globalization. Recourse to markets to put pressure on capital may result in limited successes, but this is hardly sufficient. If the history of social movements--and particularly labor--demonstrates anything, it is that only through political action and mobilization can demands and the need for social and environmental regulations be successfully articulated and achieved.

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