CSR and Sweatshops

A study of the reasoning of the others

By
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Abstract

The author of this thesis applies the theoretical perspectives of postcolonialism and black feminism to be able to see how the picture of the others has been created. Through the creation of the others, the colonising, and developed, world have been able to have a significant influence on the developing world, by grouping the people of the developing world together into the oppressed group of the others. By examining investigation reports of how the situations are at sweatshops, and by examining how the corporations have formulated their Codes of Conduct, as a part of their work with CSR, the author have used discourse analysis to extract the vagueness in the Codes of Conduct.

As the others are considered as backwards and primitive, the women who are put into the group of the others are considered even more so, opening for the use of women as cheap labour, and who will not protest when their work conditions are bad. This belief have also created a picture of the developed world as the more civilised, who take advantage of the peril of the others, and justify it with that the others are in need of developed world influence.

Keywords: Sweatshop, CSR, postcolonialism, black feminism, the others

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Acronyms

CSR – Corporate Social responsibility
FLA - Fair Labour Association
ILO - International Labour Organization
IMF - International Monetary Fund
OECD - Organisation for Economic Co-operation and Development
UN – United Nations
WRC – Workers Rights Consortium
WTO – World Trade Organization
1 Introduction

The reports about the work conditions in the so called sweatshops have been getting a less prominent place in media lately. This might be a result of the global financial decrease that the world is experiencing now, where the consumption-driven society doesn’t consider poor work conditions for people in developing countries as something that must be defeated at all costs anymore. These poor work conditions will instead create cheaper products so the consumption can continue at current rate, in spite of the financial decrease, as consumption is one of the pillars for welfare in the modern capitalist-democratic state.

Another explanation, perhaps more probable, that sweatshops aren’t breaking news anymore, is that many corporations that hire manufacturing plants in developing countries nowadays have formulated Codes of Conduct. These codes make demands on the corporations to follow certain rules how the production will be conducted. By formulating these codes, the corporations can present them if they are being scrutinised for using sweatshops. This appears, in some cases, to be enough for corporations to avoid bad exposure in media, or to be put under great pressure to stop the cooperation with the factory where the incongruity is claimed to have taken place.

Most of the workers at sweatshops are women, and because sweatshops are located in developing countries, and the corporations are usually based in developed countries, the interest for these women are minimal, both as part of the others, and as they are women. The influence of the developed countries in developing counties are usually considered as a generally good thing, where we can help the others to achieve the same kind of progress that the developed countries believes to be the correct, and thus make the others as advanced and civilised as the developed countries.

1.1 Purpose

The purpose of this thesis is to see if the work conditions in the factories known as sweatshops in developing countries are based upon an opinion of the people living in these countries as people that should rather work for the people in the developed world, rather than work for themselves to get a better life. It will assessed by scrutinising the reported work conditions compared to what the corporations claim
that they want to do, and what the corporations actually do, after receiving a report from a sweatshop.

1.2 Questions

Do corporations work to improve the work conditions and life quality for workers in their factories?

Does the work conditions originate from an opinion that people in developing countries as backward and primitive as members of the group known as the others?

1.3 Outline

I will in chapter 2 Method and material present the methodological point of departure I will use in this thesis. It will also present the material I’ve used and the criticisms that should be mentioned together with the material. Chapter 2 will also include a short presentation of the theoretical perspectives of this thesis and some notions that are important for this thesis will also be presented. Finally, in chapter 2, I will present the limitations that are necessary for the thesis.

The two theoretical perspectives that will be used in this thesis will be presented more detailed in chapter 3 Theory. These theoretical considerations are inspired by black feminism and postcolonialism. With these perspectives I will extract what creates the notion of the others.

In chapter 4 Business and labour standards the relations between these two will be put in relation to labour standards and CSR. This chapter will also include a brief presentation of the UN Global Compact program and the OECD Guidelines for Multinational Enterprises.

Chapter 5 Two Cases is the chapter where the reports from two cases will be dealt with. The chapter will be divided into three parts. First will the WRC be presented and how they conduct their investigation, Then will, in turn, the adidas Group’s and Nike Inc.’s Codes of Conducts be presented, together with the investigation reports from the WRC.

In chapter 6 Analysis, the fifth chapter will be scrutinised with the help of discourse, and the theoretical perspectives will be applied.

Finally, chapter 7 Conclusion & Reflections will consist of the result I believe the analysis has given me, and I will also present my own view on the subject.
2 Method and material

2.1 Method

In the sixth chapter, Analysis, investigate how the Codes of Conduct are complied by using a discourse analysis. This will help me see the material as an entity, instead of picking selected quotes and sentences, treat them out of context.\(^1\) The context is important to see how a statement is related to reality, because out of context, specific statement can produce a different picture than it would having the context in mind. These statements doesn’t exist isolated and independently from each other.\(^2\) To establish the context, the source of the statement must be put in relation to the power and knowledge the source possess’, or are claimed to possess\(^3\), and also in relation to other statements from the same source.\(^4\) In other words the sources must be viewed critically and must be put in relation to the possible gains that the source can achieve.\(^5\)

By using a qualitative text analysis I will, by using the theoretical perspectives I believe fit to the task, be able to analyse the result I get from the critical reading I will conduct from the reports. By this I will be able to compare what the sources are trying to convey with what the theoretical perspectives considers being the relations that are seen as the norm in society.\(^6\)

2.2 Theoretical perspectives

This thesis will be analysed with the help of two theoretical perspectives, postcolonialism and black feminism.

Postcolonialism believes that the world of today, especially former colonised countries, but also the world as a whole, have been shaped out of the features of colonising, and de-colonising.

\(^1\) Mills, Sara Discourse (1999) London: Routledge p.11
\(^2\) Ibid p.17
\(^3\) Ibid p.18
\(^4\) Ibid p.49
\(^5\) Ibid p.42
As I am interested in how this shaping have been created, I will in the theory chapter try to single out what, in both postcolonialism and in black feminism, they regard as the source of the construction of the other.

I acknowledge the fact that different colonising countries have been using different versions of rule, making the formerly colonised countries, after gaining independence, take up different measures to recreate themselves as sovereign countries. Also, not all countries that are grouped together under the general term of developing countries have been former colonies. But, as it is not the purpose of this thesis to scrutinise each developing country in detail, I will take the more general stand of postcolonialism to apply the theory, albeit with a touch of feminism, and the construction of the other.

I will also use black feminism, that is primarily directed towards the double oppression of black women, but I would like to argue that this oppression, and hence this theory, can be applied on all non-Caucasian women.

By discussing both these theoretical perspectives I will be able to cover the issues that are relevant to my questions.

### 2.3 Material

I have chosen to use the WRC’s reports because they publish these reports, as opposed to for example Fair Labor Association (FLA), that works closely with the corporations, only publish brief summaries of their reports. Even though the WRC focus is on corporations that manufacture goods for schools in the US, the factories manufacturing these garments also manufacture goods for the ordinary consumer market, both in and outside the US. Also, the brands I’ve chosen to investigate are two of the most known brands in sport garment, The adidas Group and Nike Inc.

I have used these two corporations’ websites to be able to present their Codes of Conduct and what they claim to be dedicated towards. I was also planning to use case reports that the corporations had published on their websites, but it became apparent that Nike Inc. have not published any case report.

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The adidas Group, on the other hand, presents a few cases on their webpage\(^8\), but they are scarce, not very specific and written in very general words. For example can it be read that the adidas Group have “taken [the system of monitoring] to another level”\(^9\) and that they have “identified the need to improve the payment of social benefits”\(^10\). These reports might be of use for the worried and concerned every-day consumer, but for an academic thesis will they not provide anything useful.

In addition to this I have used academic writing about business and CSR.

For the theoretical perspectives I have chosen to study mainly postcolonialism, because that will give me good understanding of how the construction of the *others* is created. To be more precise I have chosen to focus on the more feminist path in postcolonialism. In addition to this, to be able to make the feminist path stronger, I have chosen use black feminism as an addition to postcolonialism. As black feminism discusses the relation between gender and ethnicity, this will also be of use when understanding the construction of the *others*.

### 2.4 Source criticism

I have, exclusively, chosen to use reports from the WRC. Although they are a third-party organisation, not attached to corporations, but to universities and high schools in the US, they still have an agenda to make the work conditions of the workers in sweatshops, and other factories that manufacture goods for the schools, better. Having this in mind, their reports might be slanted to enlighten the situation of the workers. But, as the organisation receives confidence from both schools and corporations, this will most likely not be a big issue, but the reader should still have the organisations agenda in mind while reading the reports.

Corporations will present their Codes of Conduct if they are being scrutinised, but because the corporation will usually be the one that’s carrying out the supervision that the Codes of Conduct are being followed, there are many reasons to relate rather

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sceptically towards the reports published by the corporations themselves. Because most consumers don’t have access to the factories, nor can participate in an investigation at a factory, may either the Codes of Conduct or the corporations own reports be presented as truthfully reports of how the work with CSR progresses, and with the absence of evidence of the opposite, will be taken as the truth.\textsuperscript{11}

\textbf{2.4 Notions}

In this short part I will present one notion that I believe is of the greatest importance for the understanding of this thesis. There are certainly many other notions that would benefit of being explained more carefully, but I do believe that the notion of sweatshop is the most important.

The notion of the \textit{others} will be explained in the chapter 3 Theoretical Considerations, and will thus not be brought up here.

\textbf{2.4.1 Sweatshop}

A workplace, usually a factory, where the labour is being conducted for low wages and under poor work conditions is called a sweatshop. The word originates from the English word for someone who performs a monotonous work for low wage, a \textit{sweater}. When the developed part of the world became more dependent of consumption the usage of sweatshops were spread to mainly Latin American and Asia during the industrialisation. Later, when international trade was made easier, the spread also became easier and wider.\textsuperscript{12}

The workers in sweatshops usually have to work long shifts with unpaid overtime when the factory have a lot to do, while the workers must leave the factory without compensation when work is scarce.\textsuperscript{13}

\textbf{2.5 Limitations}

For the simplicity of this thesis I have chosen to generalise counties which are the host countries for production as developing countries. The term developing countries

\begin{footnotes}
\item[13] \textit{Ibid}.
\end{footnotes}
can be widely misinterpreted as a group of countries with common features that in one, or many ways, don’t reach the level of industrialised development, democracy, equality etc., as opposed to the developed countries. But, as development doesn’t necessarily creates equally spread economical progress and heightened welfare for people in a developing country, and development isn’t linear, it might be misleading. But, as mentioned earlier, it would take up to much time and space to individually specify every characteristics of every country, and for that reason will I group countries into two groups, developing countries and developed countries.

I have also chosen, for simplicity, to call those who work at the factories for workers, instead of employees, because proper employment contracts are rare. In addition, I will call the manufacturing part of the business for factory, and the buying part, or the part that orders the product and put its name on it, for the corporation.

There is a multitude of definition of Corporate Social Responsibility, but I have for this thesis chosen to use the definition stated by Ruth Pearson, that will be presented below in chapter 4.2 Business and CSR.

The corporations I have chosen, the adidas Group and Nike Inc., have been chosen because they are two of the most known brands in sports apparel world wide. I believe that these two corporations can represent the apparel industry as an average, by not being among those corporations who are neither the worst nor the best actors in following the Codes of Conduct.

As both discourse and the theoretical perspectives are open for interpretation, I am aware of, just as I have used these analysis grounds for my work, that other readers might interpret the same texts differently. In addition to this, I am also aware of that this thesis might go through the same treatment as I have given the texts, especially be analysed using discourse.

The final, and perhaps the most, crucial limitation, is that I have never visited a sweatshop, and can hence not provide first hand impressions, but has to rely on the literature that I have found.
3 Theoretical Considerations

In this chapter I’ll present the two theoretical perspectives, postcolonialism and black feminism, I believe will be useful in the approach to my question. Both of them focuses on how people are depicted from the outside, rather than letting the people themselves create and administer their own perception of themselves and their identity. Neither of the two theoretical perspectives makes any conclusions about how to solve different problems or how to create an ideal world, so they are merely help to interpret the world. Both of the theoretical perspectives show an interest of how people, or rather groups of people, are given an identity by being labelled from the outside.

3.1 Black Feminism

Black feminism discusses in general how black women are living under a double oppressed, partly by men, partly by whites. It amalgamates in other words racism and sexism. The theory has it’s origin in the US and discusses foremost the situation for African-American women, but I believe that this is valid for all non-Caucasian women, because they are also put under a double oppression and I consider”black” in this sense to describe all people who are being differentiated from Caucasians through the oppression they are exposed to from Caucasians.14 Furthermore, black feminism discusses the social structures between ethnicity and gender, not exclusively the social structures related to a persons skin colour.15

Differences in both gender and ethnicity are behind a legitimisation of one group’s domination over another. This brings that the dominating group have the opportunity to legitimate it’s dominance over the other group by having the position of being able to decide which stereotypes of the other group will be mediated. Typical stereotypes that are attached to gender are that women are passive, weak followers to men, who in turn are the opposite, they are the strong leaders.16 Women are also considered as

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passive and emotional, while men are active and stable. As women are more emotional than men, makes them more submissive and easier to control. Women are also traditionally considered to be the more suitable to take care of the household and children, they are thus depicted as caring and nursing, while men are supposed to hunt and go to war. These features together create a template for how women, or men, should be and behave to be considered as a real woman and thus adjust herself into the construction of a woman.

Women are not grouped together by sex only, but also because they share a similar place in society, from a sociological perspective, as oppressed. This shared experience creates a picture that is regarded as obvious, because they are assumed to be a homogenous group, together with every other adult woman in developing countries, i.e. as the role of mother and wife. As this grouping is a result of the construction of the other, the women who are regarded to be in this oppressed group will not necessarily consider themselves as oppressed and submissive, but through the creation of them as different from women in the developed world, they are believed to only be able to perform the duties that are expected from them.

Similar stereotypes are attached to ethnicity, where Caucasians see themselves as the natural leaders and non-Caucasians shall thus be docile followers. In this way racism and sexism is integrated, Caucasians regard themselves being superior to non-Caucasians, and men regard themselves superior to women. This feeling of superiority is an expression of an institutionalised racism and sexism, but because it is institutionalised many might be unaware when using it and with a feeling of it being obvious, it’s not always a conscious behaviour.

The institutionalised racism and sexism will make people of an other culture appear as a entity, making the expected gender roles to be further fixated and the current, perceived gender order will be accepted as the true one within the culture from people visiting that culture, even if this is a gender order that wouldn’t be accepted in a

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18 Ibid p.212
19 Ibid p.213
European, Caucasian culture.\textsuperscript{21} People are excluded from power and influence due to their ethnicity and gender, thus making the differences of the \textit{others} highlighted to maintain the current social order.\textsuperscript{22}

Thus, by being a non-Caucasian woman results in a double oppression.\textsuperscript{23} A person that belongs to a minority in a society of non-Caucasian, where furthermore the culture and traditions of the majority becomes the hegemonial norm and the legally correct, will make the women in the minority group to be exposed to a triple oppression.

By categorising people to different ethnicities creates general conceptions from people with other ethnicities. These conceptions are attached to the whole group and hence believed to be something that is typical for that group. This is further augmented when the view is particularised to look at the differences between men and women within the ethnical group.\textsuperscript{24}

When it comes to labour it is a non-Caucasian woman’s duty to please Caucasians in general and men in particular, which creates a greater acceptance to take advantage of non-Caucasian women and their labour, because labour is perceived as a greater part in the life of a non-Caucasian woman’s life, than it does for a Caucasian woman.\textsuperscript{25}

\section*{3.2 Postcolonialism}

To be succinct, postcolonialism can be described as a struggle against European colonialism with the emerge of new, non-European, political and cultural actors on the international stage.\textsuperscript{26} In a more theoretical way, postcolonialism studies the experience of colonialism and it’s effect both during and after colonialism on a state

\begin{thebibliography}{9}
\bibitem{Okin} Okin, Susan M. ”Reply” in Okin, Susan M. (1999b) \textit{Is multiculturalism bad for women?} New Jersey: Princeton paperbacks p.118
\bibitem{De los Reyes} De los Reyes, Paulina & Mulnari, Diana 2005 \textit{Intersektionalitet} Malmö: Liber AB p.14
\bibitem{Sterba} Sterba, James P. ”Racism and sexism: The common ground” in Zack, Naomi (ed.) (1997) \textit{Race/Sex: Their sameness, difference, and interplay} New York: Routledge p. 62
\bibitem{Corlett} Corlett, J. Angelo ”Parallels of Ethnicity and Gender” in Zack, Naomi (ed.) (1997) \textit{Race/Sex: Their sameness, difference, and interplay} New York: Routledge p. 83
\bibitem{Hill} Hill Collins p.43
\end{thebibliography}
by state perspective and on the world as a whole. When the repercussions of colonialism are being studied on the world as a whole, even on the countries that have been neither colonisers nor colonised can be contemplated within the scope of postcolonialism.

It’s difficult, not to mention unrealistic, to always treat developing, ex-colonised, countries as nation-state units, where the whole population is viewed upon as an entity. The difference between the people living in cities and people living on the countryside is too far to create a single identity for them. But, through colonising, the people that isn’t part of the European Caucasian norm, was grouped together into what is known as the others. By not being part of the European, Caucasian norm constitutes the very notion of the others. To augment their own status as a dominating culture, the Europeans have created the label of others upon people and cultures that doesn’t fit in with the European ideology of the world.

The creation of the other comes from the consensus of what should be the norm. This consensus originates from those with power, which usually are Caucasian men, making possession of power as a norm, together with being a Caucasian male. As colonisation brought the European template for development and modernity, and made it into the norm how development should be, if it supposed to be done properly. By grouping people of the developing world as the others, it has thus created anonymity for these people, as opposed to the individualisation through the European ideal.

By applying a norm and then claim that everything different from that norm should be treated as a unit, creates a picture of the other that have been accepted, taking away the importance of meeting people because, as the others, the constructed perceived image will overrule the actual truth. Because of this in advance perceived belief how a certain people, nation or culture should be, these people will be perceived differently

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28 Maynard p.17
31 De los Reyes & Mulinari p.43
32 Ibid p.75
in relation to the context than it would be if no perceived notion would exist.\textsuperscript{33} In other word, before even encountering the non-European, non-Caucasian people on whom the European, Caucasian norm applies, there is already a presupposition on how they will be, behave and react in different situations.

This presupposition also creates a belief that all people within that certain group, nation or culture, will be attached to certain notions that defines the culture, believing that the culture have been the same for a long time, and will hence not change, thus creating a notion of the others as backwards, primitive and unable to progress, which in turn are the very opposite to what defines the European, Caucasian normative culture.\textsuperscript{34}

The postcolonial developing countries are also recreating themselves, making them more sensitive to tribal belonging, ethnical differences and identities. These identities are not always the traditional identities, but identities created by the colonising power, thus making nation-state borders less determined and group belonging more important.\textsuperscript{35} These belongings can be created by people having been forced away from their home and forced together elsewhere, thus creating new bonds in an imagined community.\textsuperscript{36}

But recreating the de-colonised country to what it was before the colonisation is hard, because then all the influences and changes the colonising countries brought with them must be discarded, which would leave the country in turmoil and without any goal to target with their independence.\textsuperscript{37}

The change of representation is also a rather vital part of postcolonialism. During colonisation, the colonising country, hence the more powerful country, took upon them self to be the voice of the colonised country, making these two become as one in terms of interest, or at least appear as they have the same interest. Through this power to represent the colonised country the colonising country was able to control it.\textsuperscript{38}


\textsuperscript{34} Tamir, Yael "Siding with the underdogs" in Okin, Susan M. (1999) \textit{Is multiculturalism bad for women?} New Jersey: Princeton paperbacks p. 47


\textsuperscript{36} \textit{Ibid} p.145-146


Just as colonisation has made an impact and impression on the world, the de-colonisation has made the same. Even countries that weren’t colonised during the era of colonisation were affected, just as they are likewise affected by the de-colonisation, and by the absence of physical colonisation today.\footnote{Bartolovich p.138} But, even though the physical annexing version of colonisation is not in practice anymore, the tendency to impose economic, political, military and cultural power on another countries, might today be compared to the colonisation, and be called neo-colonialism\footnote{Ibid p.140} This give that even countries that wasn’t, or isn’t, actively involved in colonisation, can be view from a postcolonial perspective.\footnote{Pease, Donald E. "US Imperialism: Global Dominance without Colonies” in Schwartz, Henry & Ray, Sangeeta (ed.) (2005) Companion to Postcolonial Studies Oxford: Blackwell Publishing Ltd p.208}

Postcolonialism is thus not all about how the colonisers annexed and influenced the colonies, but how this annexation and the influence have been perceived. This applies for the repercussions of the colonisation and the end of colonisation.\footnote{Said, Edward "From Orientalism” in Williams, Patrick & Chrisman, Laura (ed.) (1994) Colonial Discourse and Post-colonial Theory: A Reader Edinburgh Gate: Pearson Education Limited p.148} As the neo-colonialism of today isn’t as visible as a physical annexation would have been, it would be the more accurate to examine the perception of colonising power. But, even though a foreign power might concentrate their interest on one region within a country, or one area within a region of developing countries, it doesn’t automatically lead to that power, politics and culture that are brought to that area, will become the dominating one. If the newly arrived power isn’t overwhelming enough, or weak enough to be suppressed, the foreign power might be mixed together with the already existing power and thus will, by definition, a "new" culture be created.\footnote{Bartolovich p.137}

As the European, Caucasian cultures see themselves as modern, and in constant progress, they will assume the liberty to claim the right to dominate other cultures. But to be able to dominate other cultures, those would need to allow such domination. If this isn’t done voluntarily, the need for modernisation and progress will be tried to be proven, or there might be the use of coercion, or even physical force.\footnote{Wallerstein p.71}

The colonised countries have been labelled with both different and similar features, but these features have been labelled from the outside, from the colonising countries. In the same way the colonised countries have labelled, not only the colonising
countries, but the whole region where these countries were situated. Just as it is unsuitable to describe the whole of Asia as the "East", is it equally unsuitable to generalise the whole of the North America and the western, non-communist, part of Europe as the "West", as an entity.\textsuperscript{45} Despite this these terms have been excessively used, partly to simplify, partly to generalise. Compare the use of "North" and "South" today, just if there would be a collection of similarities to these countries apart from the physical location on the globe.

The views that were created were often presented so the colonised country was depicted from a negative perspective, hence a backward country in need of rescue.\textsuperscript{46} The inhabitants of the colonies were being compared to the people of the colonisers that was perceived of having little, or no, intellect (i.e. women, poor, or mentally unstable) and their culture and civilisation was considered backwards and arrested in development. Hence, these people was in need to be saved and because their whole civilization needed to be ruled and controlled by those who considered themselves knowledgeable enough, the inhabitants were also in need to become subjects.\textsuperscript{47}

These views didn’t appear only because the colonisers actually believed it, but also to vindicate the colonisation and to make the Europeanised way of living appear more positive and attractive.\textsuperscript{48} Without the interference of developed countries, or such capitalist-democratic institutions as the World Bank or the IMF, the developing countries might have created themselves, and their self-image that would be different from the one that the developed countries would like them to assume.\textsuperscript{49}

The non-European countries were described from a European standard, describing the non-European countries lack of European development as something the inhabitants of these countries were unable to perform, making their countries appear backward, primitive and stuck in time.\textsuperscript{50} The advances of the Europeanised world would be considered as the correct and could not have started anywhere else, which created a picture of the colony’s inhabitants as a generalised others, who are personating the belief of people that aren’t up to the European standard are

\textsuperscript{45} Said p.132
\textsuperscript{46} Mills p.107
\textsuperscript{47} Said p.145
\textsuperscript{48} Mills p.107
\textsuperscript{49} Larsen p.38
\textsuperscript{50} Mills p.111-112
primitive.\textsuperscript{51} Not only national identities, but all kind of collective identities cover and hide the individual differences between individuals.\textsuperscript{52}

This becomes especially clear when the notion of that the others are that they are unable to understand and to do as well as the inhabitants of the colonising countries.\textsuperscript{53} When people are joined and labelled in collective identities, it is done so because of a certain context-related reason, regardless if the collectivisation is created from within a group, or from without. The creation of a homogeneous group as the others is the target, not to individualise or specify differences.\textsuperscript{54} To be grouped and labelled as the others also means that the people are standing outside the conformity of Europeanism, and will be looked upon with another kind of template and hence be treated in a different way than e.g. people from a European-esque culture.\textsuperscript{55}

Because the citizens of the colonising country rarely were able to actually visit any of the colonies they had to rely on the information, or misinformation, they received from sources such as media and the government. This information was received, and perceived, as truths because the sources was able to monopolise the torrent of information so it appeared to be the actual knowledge that was spread among the citizens of the colonising countries. Through this perceived knowledge, the information was received as the truth, hence creating a stereotypical, generalised view on the colony’s religion, culture, and how the women of the colony would be like, to name a few examples.\textsuperscript{56}

These generalised views were relayed through media and official channels and became thus a truth to believe. Singular encounters with the colony’s religious practice or certain occurrences came to represent the truth about the colony, e.g. the exotic sense of sensuality and sexuality.\textsuperscript{57} Women of the colonies were viewed as purely sexual and willing creatures, who had no control over their own sensuality and their needs and are on an intellectual level so that they need to be controlled, which

\textsuperscript{51} Said p.138
\textsuperscript{53} Said p.138
\textsuperscript{54} Schwartz p.5
\textsuperscript{55} Larsen p.46
\textsuperscript{56} Mills p.109
\textsuperscript{57} Said p.142-143
would make them the ultimate male fantasy for short-term relationships. Through this the differences culture and civilisation were reinforced.

The global images of women of developing countries and of other cultures are focused around their labour and their sexuality. Women in developing countries are usually portrayed as someone that can work hard, who are obedient and willing to please. These two images, the sexual and the laborious woman, must be seen as an entity, because they are closely linked within the opinion of a woman in a developing country.

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58 Said p.145  
59 Ibid p.142-143  
4 Business and labour standards

4.1 The State and the Corporation

In many manufacturing industries it isn’t the material that is the biggest expense, it’s the labour cost.\(^6\) This cost can be greatly reduced by moving the production, from a high-wage developed country, to a low-wage, developing country.

Although international organisations, such as the World Bank and the World Trade Organization (WTO), have helped in making this change easier by posting demands on developing countries to make it easier for foreign corporations to invest in these countries. If these demands are met, the developing countries will be rewarded by being granted loans. There have been movements within these international organisations, especially in the WTO, to raise the issue about labour conditions. But the biggest resistance came from the developing countries where the worst cases of work conditions are. These protests arose because the developing countries became worried that if the labour standards were to become better, these countries would lose their advantage to get foreign investors.\(^6\)

The interdependence between a state and a corporation is somewhat vague. The state might need the corporation to help raise the living standard of the citizens, but at the same time the state doesn’t want the corporation to take to many liberties, e.g. environmentally or with workers rights. The corporation needs the state to make certain that there will be a work-force and that the infrastructure is good enough, but doesn’t want that the state interfere too much in the corporations business.\(^6\)

To increase a developing country’s chances of getting foreign corporations to invest in the country, it would have to have a workforce that have, through experience and training, become better skilled. Thus any job, no matter the standard or in which conditions they are performed, would be favourable for the development.\(^6\) If a state then can make a tempting offer, providing both a high quality production and be able to offer this at the lowest price possible, it might be an offer to good to refuse.

\(^6\) Ibid. p592
\(^6\) Ibid. p.312
The developing part of the world can produce a much larger work-force, it has been approximately doubled every 30 years, than the developed part of the world, for whom it would take about 90 years for the same increase.\(^{65}\) Hence, the number of people that are ready for labour, i.e. in working age, in the developing part of the world greatly exceeds the need for labourers, and therefore the competition for work are hard, paving the way to drop wages, making it very attractive to move production from a developed country to a developing country.\(^{66}\)

It’s not only international organisations that have power and influence over the corporations. The consumers that purchase the corporations products can practise influence through their actions, by for example stop buying the products if it’s revealed that the manufacturing is made in a factory with poor work conditions. Corporations must thus be able to show that they are abiding to the call of the consumers and that they can improve the conditions for the workers. If the companies delivers products that the consumers doesn’t want, i.e. products manufactured under unsatisfactory conditions, they will not be able to stay on the market, selling their goods at the rate that they would like. It is believed that consumers are willing to purchase products at a higher price if they have been manufactured under decent work conditions, because it makes the consumer feel better, with a cleaner conscience.\(^{67}\)

### 4.2 Business and CSR

Ruth Pearson defines Corporate Social Responsibility (CSR) as "the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve the quality of life"\(^{68}\). However, the corporations that have already implemented Codes of Conduct focus foremost on environment and the workers rights and not much on the part that discuss the worker’s family, village or society.\(^{69}\)

Corporations are encouraged to formulate their codes so that they will counteract any form if discrimination and to recognize the rights of indigenous people if these, in

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\(^{65}\) Dicken p.556

\(^{66}\) *Ibid* p.557


\(^{69}\) *Ibid*.
any way, might be affected of the factory in the host country. This is mentioned because the rights of indigenous people, such as the right to land, are rarely neglected in developing countries.

Workers at the factories must be allowed to form unions, to organise themselves and to negotiate the wages collectively. Furthermore must the work environment be safe and the workers shall be able to present complaints without risking any repercussions. These are still the rights that are most commonly disregarded. The Codes of Conduct must be clear when it comes to that child and forced labour is never allowed, in any way. Thus, most corporations formulate their Codes of Conduct so that child labour are to specifically be avoided, while just a few mention the workers right to organise themselves.

Corporations adopt Codes of Conduct to be able to make sure that the production of the corporations products are made in a way so the workers rights are attended to and respected. Commitment to the Codes of Conduct shows that corporations aren’t only interested in maximizing their profits on other people’s expenses, but that they really take responsibility for the society and respect the human rights, even in developing countries. But, most codes doesn’t include or specify how they will be audited, creating a risk that they only will be posted on the factory wall and work will continue as usual.

Also, as the Codes of Conduct are only applicable on the factories that the corporations directly do business with, not the subcontractors, the codes might just be sent to the subcontractors as a memo that needn’t follow the codes.

Through a widened understanding about the work conditions in the so called sweatshops, the employment of Codes of Conduct have increased, and the consumers, in many cases even the corporation’s stockholders have shown themselves sensitive of the work conditions in the factories where the products are manufactured. But, despite this, and despite the opinion that competition between different Codes of

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71 Ibid.
72 Ibid.
73 Elliott & Freeman p.58-59
75 Elliott & Freeman p.58-59
76 Ibid p.706
77 Ibid p.58-59
78 Pearson p. 732
Conduct can improve the quality of codes, and also create an advantage when it come to get the consumers confidence\textsuperscript{79}, many multinational corporations doesn’t have Codes of Conduct.\textsuperscript{80} Also, corporations aren’t likely to formulate codes that are very strong or restrictive, because these would be easier to violate and thus be harder to present as a positive outcome for the work with the codes.\textsuperscript{81}

4.3 UN Global Compact & OECD’s Guidelines for Multinational Enterprises

There is a multitude of different programs of CSR and Codes of Conducts that corporations can affiliate themselves to, among others OECD’s Guidelines for Multinational Enterprises and UN’s Global Compact.

The guidelines set up in the OECD’s and the UN’s programs don’t, in general, differ too much from each other, but the guidelines from OECD are more detailed while UN’s guidelines in Global Compact are more general. Although OECD’s guidelines are divided into ten different chapters while UN’s recommendations consist of only ten paragraphs, the recommendations from the UN refer to international documents, so they will too, in the end, be counted as detailed.

In OECD’s Guidelines for Multinational Enterprises it’s the fourth chapter that brings up the question about workers in factories that corporations from an OECD country hires. In that chapter it is mentioned, as the very first paragraph, the workers right to be represented by unions, in other words, the paragraph gives the worker right to associate.\textsuperscript{82} Another paragraph in the same chapter encourages corporations to make sure that the work conditions for the workers at the factories aren’t worse than the conditions for the workers in the country in which the corporation are located.\textsuperscript{83}

However, in the introduction of the fourth chapter it says that the regulation should be within the national law of the country where the factory is situated.\textsuperscript{84} This can be interpreted as if the country doesn’t have laws that acknowledge the workers any greater rights, for example if the country want to attract foreign investment or follows

\textsuperscript{79} Elliott & Freeman p.63-64
\textsuperscript{80} Utting p.700
\textsuperscript{81} Elliott & Freeman p.64
\textsuperscript{82} OECD Guidelines for Multinational Enterprises IV:1a p. 17 (http://www.oecd.org/dataoecd/56/36/1922428.pdf) 2009-05-17
\textsuperscript{83} OECD Guidelines for Multinational Enterprises IV:4 p.17
\textsuperscript{84} OECD Guidelines for Multinational Enterprises s.17
the World Bank’s advice to facilitate competition, the corporation doesn’t need to follow OECD’s guidelines further than the country’s law.

Regarding UN’s Global Compact it has, as previously mentioned, a more general direction, but it refers to the international documents for human rights. The corporations are not just requested to follow the human rights, they are also encouraged to prevent violation against the human rights.\textsuperscript{85} This might, however, be interpreted as if factories violates human rights that are in a document that the hosting country have not, for any reason, ratified, no violation against the Global Compact have occurred.

5 Two cases

I will in this chapter make use of investigation reports made at factories that manufacture products for corporations based in the US or in Europe. The factories are located in developing countries.

The reports I will use have been collected from the website of Workers Rights Consortium (WRC). The reports will be compared to the corporations Codes of Conduct to see how the understanding of the conditions at the manufacturing plants differ, and in what extent the Codes of Conduct are complied. I will also present the changes the corporations have made after the reports were published.

The database on the WRC webpage provides lists of factories and information about which corporation uses which factory. The location of the factories and what products are manufactured at the factories are disclosed, together with a list of which schools each factory serve.\(^{86}\) This is rather rare, because, as the very periphery factory leafs on the trunk of corporations, this is rarely revealed. The corporations doesn’t want to disclose where their factories are, because they claim the industrial secrets might be stolen, but a more critical thought would claim it is because the corporations are afraid that the incongruities, if any, might be revealed.

The database is updated quarterly, meaning that though the information isn’t the absolutely most recent findings, it will be adequate for the purpose of this thesis. The data depends on the corporations own willingness to provide the data. With some corporations moving their production fairly often, the list of factories and the conditions therein will be fairly correct, but at the time when a report is published, the corporation might have moved the manufacturing to another location.\(^ {87}\) Nike actually provides a list of the factories they are using, which is updated regularly.\(^ {88}\) But as the reports posted are investigated during a certain corporation’s presence at the factory in question, I believe that the database will supply me with information relevant enough.

The database is searchable through country, school, factory’s name and by the corporation hiring the factories, or in a combination of any of the above.

\(^{86}\) WRC: About the Factory Disclosure Database (http://www.workersrights.org/search/about_fdd.asp) 2009-04-13

\(^{87}\) Ibid

I have conducted the search by choosing the corporation’s name and read the reports from one of the factories connected with the corporation and have then compared how the claims are valid in relation to the corporation’s Codes of Conduct.

5.1 The Workers Rights Consortium

The Workers Rights Consortium is an independent labour rights monitoring organisation. Their mission is to help protecting the workers rights, especially those working in factories making garment for the US market. The WRC are supported by 187 colleges and universities and five high schools in the US. The list of products the factories the WRC monitors manufacture are such products that will bear the schools name or logo, such as sweaters, baseball caps and coffee mugs. The companies and corporations that hire the factories that manufacture the products will pay the schools fees to obtain the rights to sell the products bearing the schools name or logo.

The WRC have created a template for Codes of Conduct that the affiliate schools can adopt, but schools may formulate Codes of Conduct on their own. These Codes are also the basis on which the WRC conduct their investigation at the factories. If the schools adopt the recommended codes from the WRC, the manufacturing plant may get two set of codes to comply with, the codes of the WRC through the schools and the codes implemented from the corporation that places the orders and that acts as the middleman of the products between the factory and the school.

5.2 WRC monitoring

The WRC performs investigations if the receive complaints from workers at the factory, but might also perform investigations as a precautionary measure. But, a worker complaint might not be enough to start an investigation, the issue will be considered from how serious the allegation is. The local non-governmental organisation that cooperates with the WRC will also be contacted to confirm the

89 WRC: Mission (http://www.workersrights.org/about/) 2009-04-13
90 WRC: Affiliate Schools (http://www.workersrights.org/about/as.asp) 2009-04-13
91 WRC: About the Factory Disclosure Database
credibility of the complaint. The precautionary measures will be taken if the factory is a big supplier to the schools, but there’s little information of the conditions at the factory. Also, in deciding to perform an investigation, the WRC takes in consideration if the schools that are affiliated with the WRC are big buyers of the factory’s production.\textsuperscript{93}

When the WRC conducts investigation, they work together with local NGOs and with people who are familiar with the local labour laws, because the WRC staff does not always visit the factories themselves, but works as coordinators for the investigation. To allow the workers to speak more freely, interviews are not conducted at the factory, but rather where the worker stays. Further interviews are conducted with the factory’s management and with local authorities. An actual visit to the factory will only be conducted if the factory management allows it.\textsuperscript{94}

If violations of the codes are found, the WRC makes recommendations to the factory’s management how to improve the work conditions and how to avoid violations in the future. The WRC publish all their reports on their webpage, but the factory will be informed on the findings before this is done, so any positive changes can be included in the published report.

\section*{5.3 The adidas Group}

The adidas Group’s (formerly known as adidas-Solomon\textsuperscript{95}) Codes of Conduct, or Workplace Standards as they have chosen to call them, are based upon the values of sport; performance, passion, integrity and diversity. Their goal is to be able to measure both their own corporation and the manufacturers with the same gauge, hence expect that all the companies working with the adidas Group will work for these goals, from the corporation itself, to the subcontractors.\textsuperscript{96}

\footnotesize
\begin{itemize}
\item[\textsuperscript{93}] WRC: Factory Investigations (\url{http://www.workersrights.org/Freports/monitoring.asp}) 2009-04-13
\item[\textsuperscript{94}] Ibid
\item[\textsuperscript{95}] As the company changes its name from adidas-Solomon to The adidas Group following the merge with Reebok within the time span for the report I’m concerned with, I have chosen to refer to the company by its present name.
\item[\textsuperscript{96}] adidas: Our Workplace Standards (\url{http://www.adidas-group.com/en/sustainability/suppliers_and_workers/code_of_conduct/default.asp}) 2009-04-14
\end{itemize}
The general principle for the adidas Group is that they, and all their partners must follow the local law while doing business. Further are some conditions for the worker specified.\textsuperscript{97}

The adidas Group will not use any kind of forced labour and workers shall not be forced into labour by any use of intimidation, or as a punishment. Nor will harassment will be tolerated, or any kind of punishment as a disciplinary measure.\textsuperscript{98} This should make certain that the risk of being laid off by refusing to work unpaid overtime would be reduced to nothing.

Children under the age of 15 are not allowed to work at any of the adidas Groups partners. But in countries where the children finish the compulsory school system at an age over 15, this age should be the age in effect.\textsuperscript{99} This is more rigid conditions than the International Labour Organization’s (ILO) convention regarding minimum age, where countries with insufficient educational and economical means may allow children of 14 to work.\textsuperscript{100}

The adidas Group tolerates no discrimination, and special measures must be taken to protect migrant workers from discrimination, and in addition, give the migrant workers the additional attention and support they might need.\textsuperscript{101}

The wages paid to the workers must be either equal to the minimum wage stated by law, or the minimum wage that is the generally accepted wage in the same line of business, whichever is the highest, but it should preferably exceed it. The factories should not employ unpaid overtime, but the workers should be compensated according to local law. The adidas Group attempts to cooperate with factories that actively work to increase the workers living standards.\textsuperscript{102}

The adidas Group states that, unless necessary, the weekly working hours should not exceed 60 hours, or the hours regulated by local law, whichever would be the least. But, if it does, the work shall be compensated with the overtime pay stated in the local law, or with the usual hourly pay. The workers shall have one full day (24 hours) off every week and have the right to paid vacation.\textsuperscript{103}

\textsuperscript{97} Our Workplace Standards: adidas
\textsuperscript{98} Ibid
\textsuperscript{99} Ibid
\textsuperscript{100} ILO C138 Minimum Age Convention, 1973 Article 2(4)
\textsuperscript{101} Ibid
\textsuperscript{102} Ibid
\textsuperscript{103} Ibid
The workers at the adidas Group’s partners must be informed of their right to associate and to negotiate the salary collectively. The partners must also have instruments to solve any irregularities that might occur, e.g. somewhere, or someone, where dissatisfied workers can turn to. This must be known to every worker at the factory, so that all workers can practise their right to complain without fear of losing their job, or any other kind of retaliation.\textsuperscript{104}

The workers must be sufficiently protected while working with potentially harmful substances. Both the workplace and the living quarters must be adequately lit and well ventilated and the workers must at all time have access to clean sanitation facilities.\textsuperscript{105}

The adidas Group have appointed a team of supervisors by themselves, that should monitor how the corporation’s suppliers follow the Workplace Standards, but they also welcome third-party investigations. As member of the FLA in the US, the adidas Group have formulated their own Codes of Conduct on the FLA model.\textsuperscript{106}

### 5.3.1 Report from the WRC concerning the adidas Group

This part of the thesis will be based on reports made by the WRC concerning a factory in Indonesia manufacturing shoes for the adidas Group.

The factory PT Panarub was, as of 2004, the employer of about 10,000 people. The adidas Group, together with Oxfam Community Aid Abroad\textsuperscript{107}, received claims from workers that their rights had been violated, thus they forwarded these claims to the WRC who conducted an investigation. The investigation was conducted through interviews of workers, management staff, staff from the adidas Group, officials and with union representatives at the factory. In addition to this several official documents was reviewed.\textsuperscript{108}

One of the complaints from the workers was the lack of menstrual leave, which is regulated by law in Indonesia and gives women two days paid leave when

\textsuperscript{104} Our Workplace Standards: adidas
\textsuperscript{105} Ibid
\textsuperscript{106} adidas: How We Work With Suppliers (http://www.adidas-group.com/en/sustainability/suppliers_and_workers/how_we_work_with_suppliers/default.asp) 2009-04-14
\textsuperscript{107} Oxfam Community Aid Abroad is a part of Oxfam Australia, and is mostly concerned with development in Timor-Leste: Oxfam Australia: Timor-Leste (East Timor) (http://www.oxfam.org.au/world/asia/timor-leste/) 2009-05-12
experiencing menstrual pain. The female workers had to undergo a degrading examination to prove that they were experiencing menstrual pains, making the females rather not seek the paid leave. Those who went through the examination and got the paid leave was denied permission to leave the area.\(^{109}\)

The WRC recommended these examinations to end, meaning that no women should need to be forced, or even asked, to prove that she’s menstruating. The adidas Group agreed with the findings and the recommendations and the factory did take the necessary measures to change the procedure. Both for menstrual and for sick leave the workers could now leave straight from the clinic, instead of be required to go through some bureaucracy at the factory’s office.\(^{110}\)

Another complaint was the workers were refused sick leave, because the factory management was calculating sick leave according to production schedule rather than the actual physical health of the worker. If there, according to management, was time to take sick leave, the process of getting sick leave was complicated.\(^{111}\) The staff at the clinic was to be instructed that sick leave should be granted on the person’s physical, or mental, condition, and the leave should reflect the workers health problem, not by the number of days stipulated by the factory’s management. The staff should also be informed of the Indonesian law’s section about labour, and the collective agreements PT Panarub are a part of, concerning sick leave.\(^{112}\)

The Indonesian law prescribes that workers’ spouses and children should have the right to health care through the workers’ employer. In the case of PT Panarub, it was only the men’s spouses and children that were taken care of in this fashion, discriminating the female workers and their families, leaving literally thousands of people without necessary medical assistance.\(^{113}\) As mentioned in chapter 4.2 Business and CSR, one of the undertakings with CSR is to contribute, not only to the individual worker, but also to the workers families.

The WRC recommended, and the adidas Group agreed, that measures should be taken to enrol all workers into a health plan that at least would follow the regulations stipulated by Indonesian law.\(^{114}\)

\(^{109}\) Workers Rights Consortium Assessment re PT Panarub (Indonesia) p.3
\(^{110}\) Ibid p.4
\(^{111}\) Ibid
\(^{112}\) Ibid
\(^{113}\) Ibid p.2
\(^{114}\) Ibid p.5
Women, who had to work overtime until late at night, were reimbursed for this work, but they weren’t provided with neither food, nor transportation after work, which are violations against the Indonesian law.\textsuperscript{115} Men, on the hand, do not have the lawful right to be provided with transport while working late.

The WRC recommended the adidas Group to provide food, drinks and transportation for women working night shift. Although the adidas Group did provide transportation, they wanted to redo the investigation themselves to verify the findings.\textsuperscript{116}

The greater part of the workers at PT Panarub are expected to work two hours of overtime every day, those who refused have sometime been exposed to public humiliation by the supervisors. Although the overtime usually is paid, this would be considered, because of the punishment for those who refuse, as mandatory, hence illegal according to Indonesian law.\textsuperscript{117} Some overtime, on the other hand, isn’t paid, it isn’t even recorded. Some workers claimed that they had to stay until late evening at work when a deadline for production is coming up, but requested to record that they left work at the usual hour.\textsuperscript{118} The WRC recommends that overtime should be voluntary and it must be clearly presented to the workers that they will not be punished if they refuse.\textsuperscript{119}

In the report the WRC admits that the PT Panarub does allow the right to association, but it is limited insofar that out of the two unions present at the factory, one of them gets advantages from the management, while the other is what would almost be called suppressed, hence limiting the workers right to association. This will raise the question if the worker actually is free to join the union of its choice.\textsuperscript{120} To solve the problem, the recommendation was that a third qualified, non-union, part should be introduced at the factory, to supervise the progress of a new work process between management and the two unions and re-negotiate both union’s agreements with PT Panarub.\textsuperscript{121}

It was also found that harmful substances was handled without sufficient protective gear and the facemasks provided was not appropriate for the kind of toxics and fumes

\begin{footnotes}
\item[115] Workers Rights Consortium Assessment re PT Panarub (Indonesia) p.4
\item[116] Ibid p.5
\item[117] Ibid p.19
\item[118] Ibid p.20
\item[119] Ibid
\item[120] Ibid pp.6-8
\item[121] Ibid p.9
\end{footnotes}
that was present at the factory.\textsuperscript{122} In some cases the ventilation was placed below the
container that discharged the fumes, making the ventilation inadequate.\textsuperscript{123} The
machines that were used were lacking in protection for fingers and the gloves
provided were loose fitting, adding to the risk of getting stuck in one of the
machines.\textsuperscript{124} This was however taken care of when the report was published.\textsuperscript{125}

The WRC recommends that the protective gears, including the gloves, should be
updated. This should be complemented with regular health check-ups to find in which
areas the factory the risks are the biggest and where the primary effort should be.\textsuperscript{126}
While the adidas Group consented with this, they were though apparently sceptical to
the WRC’s advice of supplying the workers working with small handheld tools some
kind of protection.\textsuperscript{127}

It was also reported that the workers have been abused by the supervisors, both
verbally and physically. The WRC recommended that the identified supervisors
should apologise to the workers and post a letter of apology in their section.\textsuperscript{128} The
adidas Group opposed to this and gave the supervisors a serious warning and the
management distributed letters of apologies to every worker at the factory. This way
was accepted by the WRC.\textsuperscript{129}

I believe that if the WRC recommendation to publicly apologise to the workers
would be put in practise it would have been counted as a kind of abuse too. To
publicly humiliate those who have violated the rules would not improve the work
conditions at the factory.

In an update, dated February 15, 2006, on the conditions at the PT Panarub the
WRC reports that the issues concerning work hours and health and safety conditions
have been improved greatly. However, the right to associate have been weakened as
the entire leadership in one of the unions have been fired due to a strike. As some of
the workers wanted to participate in the strike, the factory doors were closed and
guarded. The WRC recommended that the persons fired during the strike were to be
reinstated, something that the adidas Group opposed to do. But, as the issue was

\textsuperscript{122} Workers Rights Consortium Assessment re PT Panarub (Indonesia) pp.9-11
\textsuperscript{123} Ibid p.10
\textsuperscript{124} Ibid p.11
\textsuperscript{125} Ibid p.12
\textsuperscript{126} Ibid p.13
\textsuperscript{127} Ibid p.14
\textsuperscript{128} Ibid p.15
\textsuperscript{129} Ibid p.16
addressed in the original report, the two unions are now equally accessible for the workers.\textsuperscript{130}

In another update, from December 19, 2006, the latest so far, it is reported that the adidas Group have not tried to reinstate the unlawfully laid off people. They have instead decided, for unrevealed reasons, to reduce the orders to the PT Panarub, making the reinstatements even more difficult. The WRC concludes, based upon the adidas Groups decision to reduce the orders "in the midst of discussions regarding major labor rights violations[...] adidas effectively communicated to PT Panarub that labor rights compliance is not a meaningful factor in the brand’s sourcing decisions"\textsuperscript{131} as the reduced orders give the adidas Group a lessened influence over the factory’s conditions.\textsuperscript{132}

\section*{5.4 Nike Inc.}

The Nike Inc. Codes of Conduct, first drafted in 1991\textsuperscript{133}, is a very brief document that only takes up one page. The keywords they use are "trust, teamwork, honesty and mutual respect"\textsuperscript{134}, something that the corporation also expect all of their factories to follow.\textsuperscript{135} Nike’s goal is to "create performance innovation products that minimize environmental impact"\textsuperscript{136}, and have set their target that all the Nike products should meet the basic demand set by their own standards by 2020, reducing waste by 17%.\textsuperscript{137}

Nike considers their brand being powerful enough to be used as an instrument to create a meaningful change through their corporate social responsibility. They also believe that these changes can be used to make their turnover even bigger, and thus be a part to help creating growth and welfare.\textsuperscript{138}

The four basic principles of the Codes of Conduct, which the factories are to put up in all bigger workspaces in the language of the workers, are that the factory

\begin{thebibliography}{9}
\bibitem{130} WRC Memo: February 2006 (http://www.workersrights.org/Freports/Update_Feb2006.asp#Panarub) 2009-04-15
\bibitem{131} WRC Memo: December 2006 (http://www.workersrights.org/Freports/Update_Dec2006.asp#Panarub) 2009-04-15
\bibitem{132} \textit{Ibid}
\bibitem{134} Nike Code of Conduct p.2 (http://www.nike.com/nikebiz/nikeresponsibility/tools/Nike_Code_of_Conduct.pdf) 2009-05-17
\bibitem{135} \textit{Ibid}
\bibitem{136} Nikebiz: Nike Responsibility (http://www.nikebiz.com/responsibility/) 2009-04-16
\bibitem{137} \textit{Ibid}
\bibitem{138} \textit{Ibid}
\end{thebibliography}
managements should respect the workers’ right, with special care about the workers right to association.\textsuperscript{139} But, it is duly noted, that the codes say that the workers rights should be respected and not explicitly protected.

The second of the basic principles discusses Nike’s goal to minimise the environmental impact and in the third, the corporation promises to make sure that the work places are safe and healthy.\textsuperscript{140}

The fourth and last of the basic principles is that Nike should ”promote health and well-being of all employees”\textsuperscript{141}. As opposed to the third principle, where Nike say that they will provide safety to the workers, while this fourth principle just makes the claim to promote the well-being of the workers, but it doesn’t state that Nike would consider this as a specified goal, upon which they will assume the responsibility.

The codes also consist of a series of core standards. These states, among other things, that Nike do not tolerate any kind of forced labour.\textsuperscript{142}

Nike differentiates between the manufacturing of their shoes and their other products. The workers that manufacture shoes must be 18 years of age, while it is enough for the worker to be only 16 while manufacturing other of the Nike products. But, if the factory have workers that are below these ages, but no younger than 15, these workers may still keep their jobs, but the factory management must adhere to the Nike codes and in the future not hire anyone below 16, or the lowest age stated by national law. To ensure that these codes are followed, manufacturing will not take place anywhere else but in the factory, where the workers age can be under supervision.\textsuperscript{143}

The normal working week should not exceed 60 hours and overtime will only be used when it is called for, and the worker should then be compensated fully. The workers should be informed when they are hired if the factory uses mandatory overtime.\textsuperscript{144} To eliminate excessive overtime is one of Nike’s key targets.\textsuperscript{145} Although Nike aims to eliminate excessive overtime, they claim that they are not being able to control that all factories will adhere to this target.\textsuperscript{146}

\textsuperscript{139} Nike Code of Conduct p.2
\textsuperscript{140} Ibid
\textsuperscript{141} Ibid
\textsuperscript{142} Ibid
\textsuperscript{143} Ibid
\textsuperscript{144} Ibid
\textsuperscript{146} Ibid p.45
The key targets Nike has for the workers in the factories are, among others, that they will eliminate excessive overtime and have full freedom association at all factories.\textsuperscript{147} To provide freedom for association to all workers should be the specific target in factories located in countries where the freedom of association is prohibited by national law.\textsuperscript{148}

It is calculated that about 80\% of the workers are women between the ages of 18-24.\textsuperscript{149} But, as it is an official document, this would only be calculated from the official workforce that has the correct work contracts, and not those who have short-term contracts or no contract whatsoever.

Nike has a vision to cease viewing the workers as commodities and instead consider them as resources, and to do this they have the vision to treat the worker better and give the worker sufficient compensation.\textsuperscript{150}

Nike aims to compensate the workers with at least the minimum wage stated by law in the country were the factory is located, and to help the development of the workers. But, to help develop the workers is a way for Nike to help the brand becoming more competitive.\textsuperscript{151}

\textbf{5.4.1 Report from the WRC concerning Nike Inc.}

For the Nike case I will look into the Kukdong\textsuperscript{152} case in Mexico. The WRC received written complaints from four workers at the Kukdong factory in early 2001. Just a few days later the WRC sent a team to the factory to collect information.\textsuperscript{153}

Besides going through the documents that was relevant in the case, the team also interview several workers, both at the factory and at their homes. The general manager and others from the factory’s management was also interviewed, as was representatives from the two unions that are active at the Kukdong factory. The team

\begin{itemize}
\item[\textsuperscript{147}] Nike: Workers in Contract Factories p.16
\item[\textsuperscript{148}] Ibid p.44
\item[\textsuperscript{149}] Ibid p.16
\item[\textsuperscript{150}] Ibid p.24
\item[\textsuperscript{151}] Ibid p.47
\item[\textsuperscript{152}] The Kukdong International factory is now called Mexmode, S.A. de C.V., but as the factory was known as Kukdong during the investigations, I will refer to the factory by using the name of the factory used in the reports.
\end{itemize}
also interviewed officials and academics, as well as a representative from an other corporation who was on site to conduct an investigation for the other corporation.154

One of the complaints from the workers was that the factory hired people less than 15 years of age to work between nine to ten hours daily, while the Mexican law only allows people less than 16 years to work six hours daily. The factory’s management admitted that this was the case155, but only once, and the management wasn’t aware of the workers real age.156 The WRC didn’t find that the practice of hiring under-aged workers is still in use157, but the WRC still recommends the factory not to hire anyone that is below 14 years.158

The workers have repeatedly been exposed to both physical and verbal abuse. Tools have been used as weapons and workers have been assaulted and hit on the head. The management did admit that these occurrences have taken place, but not to the extent that the workers claim.159 The physical abuse has, through harsher discipline, ceased. However, the verbal abuse has still continued and is considered to be a big problem.160 But, the management claims that the verbal abuse is very rare, and the workers have mistaken the high pitched voices of the management (as they are Koreans) as shouting and yelling.161 The WRC recommends, of course, that this practice is discontinued and hard disciplinary measures will be taken against the abusers.162

In defiance of Mexican law the workers at Kukdong have been denied maternity and sick leave.163 Workers have sometime contracted sickness from being served bad food at lunch, provided by the factory. These lunches were part of the deal when hiring people that would otherwise be in risk of falling into severe poverty, or they would not eat, if they had to pay for their lunch. Some workers also have a long way to commute between their home and work.164 Between the first and second report of the

154 WRC Investigation re Complaint against Kukdong (Mexico) January 24, 2001 p.2-3
155 Ibid p.3
156 Ibid p.3
157 Ibid p.4
158 Ibid p.11
159 Ibid p.10
160 Ibid p.41
161 Ibid p.10
162 Ibid p.10
163 Ibid p.10
164 Ibid p.4

37
WRC, the Kukdong factory have improved the food provided at the factory, there appears to be no spoiled or bad food whatsoever.\textsuperscript{165}

The wages paid at the Kukdong factory wasn’t enough to support a family of two or three\textsuperscript{166} and the management at the factory states that the wage would probably not even support a family of one.\textsuperscript{167} As the estimated daily expenses for a three-person family would outdo the daily wage by approximately three times as the wage one person would receive, it would not even be enough if two people of the household was working.\textsuperscript{168} The wages at the factory was below the minimum wage stated by Mexican law, and even lower than the average wage within the same industry in the same part of Mexico.\textsuperscript{169} Nike agrees that there are workers at Kukdong that doesn’t receive the minimum wage, but they claim that these persons aren’t eligible for the minimum wage because they aren’t part of the manufacturing staff, or that they aren’t part of the work force, but rather trainees.\textsuperscript{170} However, concerning minimum wage, the Mexican law does not distinguish between people who are workers and people who are trainees.\textsuperscript{171} The WRC’s findings shows however that even regular work force, working in manufacturing, have been receiving wages below the minimum wage.\textsuperscript{172}

The Kukdong factory did raise the wage for most of the workers, but this raise didn’t even give the workers the minimal wage, even though the wages are higher than before.\textsuperscript{173} The WRC recommends that the wages should, primarily, be raised to minimum wage, and ultimately that the wages should reach a level so at least the basic needs can be attained, and preferably to a level where the workers can raise their living standard. To carry out this, Nike, and other corporations hiring the Kukdong factory, must take responsibility to help the factory to make this happen.\textsuperscript{174}

Workers, who tried to start a new union at the factory, were laid off without any reason stated at the time of dismissal, but accusations were put retrospectively.\textsuperscript{175} One of the unions was working with the support of the factory’s management, thus gaining

\textsuperscript{165} WRC Investigation re: Complaint against Kukdong (Mexico) June 20, 2001 p.51
\textsuperscript{166} Ibid p.5
\textsuperscript{167} Ibid p.4
\textsuperscript{168} WRC Investigation re Complaint against Kukdong (Mexico) January 24, 2001 p.4
\textsuperscript{169} WRC Investigation re: Complaint against Kukdong (Mexico) June 20, 2001 p.45
\textsuperscript{170} Ibid
\textsuperscript{171} Ibid p.42
\textsuperscript{172} Ibid p.7
\textsuperscript{173} Ibid p.9
\textsuperscript{174} Ibid p.10
\textsuperscript{175} WRC Investigation re Complaint against Kukdong (Mexico) January 24, 2001 p.4
the upper hand and was able to threaten workers who wouldn’t join that union\textsuperscript{176}, which wasn’t supported by the majority of workers at the factory.\textsuperscript{177} As these accusations weren’t presented by the time of the dismissal, the WRC consider this as evidence that the workers were laid off because they tried to practice their right to association.\textsuperscript{178} As this would constitute a clear violation, not only to the Codes of Conduct by Nike, but also against Mexican law and the ILO conventions.\textsuperscript{179}

The dismissals were followed by a strike, which armed police forces violently stopped.\textsuperscript{180} These police interventions were directed by the leading union at the factory.\textsuperscript{181} Several of the workers who took part in the strike was not allowed to return to their work after the strike had ended and many of them was forced into signing letters of resignations. The factory first denied these people the chance of being reinstated, but after the first report published by the WRC\textsuperscript{182}, this decision have been almost fully reversed.\textsuperscript{183}

The WRC reports that Kukdong have evolved a lot in regard of granting the workers right to association and freedom of speech, but with the violence shown earlier, the steps taken is still not enough. The management can’t continue its support for one union, while suppressing the other unions that the workers would like to join.\textsuperscript{184}

As it has been proven that the influence from Nike and other corporations hiring Kukdong have created positive changes, the WRC requests these corporations to keep working with Kukdong, to further help develop the work conditions at the factory.\textsuperscript{185}

\section*{5.5 Summary}
Although both the adidas Group’s and Nike’s Codes of Conduct are documents that at some points exceeds the necessary measures stipulated by international documents, it appears that external investigations are needed. Despite its high standards the adidas Group have formulated together with the slogan combining the values of sport;

\begin{thebibliography}
\bibitem{176} WRC Investigation re: Complaint against Kukdong (Mexico) June 20, 2001 p.19
\bibitem{177} Ibid p.24
\bibitem{178} WRC Investigation re Complaint against Kukdong (Mexico) January 24, 2001 p.4
\bibitem{179} Ibid p.6
\bibitem{180} WRC Investigation re: Complaint against Kukdong (Mexico) June 20, 2001 p.5
\bibitem{181} Ibid p.20
\bibitem{182} As of January 24, 2001
\bibitem{183} WRC Investigation re: Complaint against Kukdong (Mexico) June 20, 2001 p.5
\bibitem{184} Ibid p.13
\bibitem{185} Ibid p.14
\end{thebibliography}
performance, passion, integrity and diversity, the realization will be slow unless the actual work conditions are illuminated and reported to the public. Also Nike, with their equally catchy slogan, who wants the factories they are hiring to show the same dedication as they do, doesn’t seem to want to make changes unless someone from the outside illuminates the problem and are ready to go public with them.

The investigation of the PT Panarub was initially started by the adidas Group themselves by alerting the WRC of the complaints that they received. Changes have been made, but as the adidas Group appears to be reluctant to follow the WRC’s recommendations full out, the work conditions at the factory will not be up to standard according to the Codes of Conduct formulated by the adidas Group.

The case with the Kukdong factory was, in contrast to the adidas Group case, instigated by reports from workers at the factory, but Nike show the same reluctance as the adidas Group to actually respond to the recommendations made by the WRC.

As seen in the reports, it’s the freedom of association that is the common right that is violated by both corporations. Both the adidas group and Nike mention these rights in their Codes of Conduct, but when the workers tries to exercise these rights, they will be weighed against the risk of reduced profit, where the need for profit will be of higher value for the corporations that the workers rights.

Although changes were made at both factories, these didn’t take place until after the WRC investigation, and in some case reluctantly, putting the corporations in a position where incongruities would be published, thus making the corporation appear irresponsible. It would thus appear that the changes would not be made if the reports wasn’t done and published, and the changes made was just according to the recommendations, no further steps appears to have been taken.
6 Analysis

As this thesis deals with how people who are grouped together as the others and most workers at sweatshops are women, it will be of the uttermost importance to not split the issue into ethnicity or gender. To be able to see the full scope of the thesis, ethnicity and gender must be analysed together.\textsuperscript{186}

By both looking at the reports and academic material I have gotten the opinion that the general view on how corporations use the Codes of Conduct they formulate is rather negative. This is because the corporation doesn’t formulate and implement their Codes of Conduct through a responsibility for the society, but rather through pressure from media, consumers and programs, such as the UN Global Compact.\textsuperscript{187} If corporations doesn’t formulate Codes of Conduct, they might be left behind in competition of the customers and lose consumer confidence, thus making corporations formulate Codes of Conduct to not appear less responsible than other, similar, corporations.\textsuperscript{188} This might actually have a positive influence, because the competition on a free market can work as motivation for corporations to formulate Codes of Conduct of their own.

However, there is a resistance against implementing Codes of Conduct, and CSR in general, within the neo-liberal thought. Codes of Conduct are views as something that removes the focus of corporations’ role in society, which is to secure a profit for the stockholders.\textsuperscript{189} By moving this focus, CSR is viewed as a regulation of the free market, making the development of welfare to slow down, or to cease.\textsuperscript{190} But, if the market remains unregulated, or is deregulated which some international trade organisations demand to grant loans to countries, this might lead to bigger advantages for the corporations, and workers might need to make bigger sacrifices to be able to keep their jobs.\textsuperscript{191} Furthermore can countries trade away their citizens’ rights to make foreign investment easier.\textsuperscript{192}

\textsuperscript{186} De los Reyes & Mulinari p.14
\textsuperscript{187} Gereffi, Gary; Garcia-Johnson, Ronie & Sasser, Erica ”The NGO-Industrial complex” in Foreign policy Jul/Aug2001 Issue 125 p.56-57
\textsuperscript{188} Ibid p.64
\textsuperscript{189} Senser, Robert A. “Corporate Social Responsibility” in Dissent Winter2007, Vol.54, Issue 1 p.77
\textsuperscript{190} Jenkins, Rhys ”Globalization, Corporate Social Responsibility and poverty” in International Affairs, May2005, Vol.81, Issue 3 p.536
\textsuperscript{191} Senser p.80
\textsuperscript{192} Oxfam “Trading away our right: women working in global supply chains” p.29 (http://www.oxfam.org.uk/what_we_do/issues/trade/downloads/trading_rights.pdf) 2009-04-21
Some believe that the different view on CSR should depend on the local tradition and cultural heritage in the country or region where the codes apply. This might be interpreted as an excuse to treat people differently in different places. The local tradition and culture might not be the actual culture, but a new one, created through colonial and postcolonial influence, making the corporations part of creating the culture they claim they want to honour.

This reluctance is continued even after the Codes of Conduct are formulated, because as long as there are no risk of being exposed violating the codes, the corporations seem reluctant to actually carry through the changes that would be needed for the codes to be in force, unless there are violations so obvious that they can’t be excused with the need for profit.

The requirement to maximize profits does often put the Codes of Conduct as a non-prioritised question and is something that only appears on paper, but not transferred to real life. This is maybe more important now than ever, having the current financial crisis in mind, when the orders to the factories are unsure, meaning that when an order does come in the work will intensify during a short period of time and unpaid overtime might become mandatory to get the order done in time. When orders on the other hand don’t come in, the workers have to leave the factory, with no compensation whatsoever. By using Ruth Pearson’s definition of CSR (as done in chapter 4.2 Business and CSR) where corporations should not only take responsibility for the workers, but also the workers family, is it clear that Codes of Conduct are something get pushed aside when the corporations profit is at stake.

As the world have shifted to be more dependent of economic interests, corporations and their, usually, short-term thinking in maximising profits, the corporations have become more and more influential. This makes the corporations more prone to take advantage of market power and resources for their own good, rather than the common good. This appears to show that self-regulation and self-auditing doesn’t work.

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195 Ibid p.725
because the reporting won’t result in any significant changes, unless these changes will lead to benefits for the corporation.\(^{196}\)

Women are those who are the most vulnerable and will be most affected if the Codes of Conducts that are formulated aren’t followed. Because women are considered less knowledgeable and less educated than men, they will be given a lower wage than men, making them more attractive to hire as workers, as the expenses will be lower. As the main functions of women who are attached to the others are considered to be reproduction and caring for the household, taking a job will only be considered as a side occupation, hence adding up to the reasons why women won’t receive the same salary as men. The understanding of women as less knowledgeable is of course a norm created by men to be able to continue to dominate women. The domination is further strengthened by the Caucasian norm, considering those who aren’t Caucasians more primitive, thus making the Caucasian norm not only a reason to dominate the others, but also taking up a responsibility to educate the others, who are considered primitive and backward who are not believed to be able to progress themselves.

Women are preferred to work at sweatshops not only because of the lower wages. As women attached to the others, they are also considered to be more passive, easier to lead, and raised into a tradition where women do as they’re told, thus making them more susceptible to accept poor work conditions without protesting or raising complaints. As many of the developing countries have strong patriarchal structures, women are raised to obey men, thus creating a role for women where they might not try to emancipate, even though they are oppressed. This also comes from the Caucasian norm, where men with power are the norm. Even though men in developing countries have more power than women, men in developed countries has power over, not only women, but also men in developing countries, making the role of the female others very weak and thus exposed to a double oppression.

The others are supposed to obey without protesting, because they are more primitive and don’t appear to know what’s best for them, thus being compared to people in developed countries that have limited rights, e.g. mentally unstable persons, something the developed world is happy to enlighten them of, as a vindication of the

influence they want to practise. As the developed world considers themselves as natural leaders, something that can be seen even in the hierarchy at factory level, the corporations vindicates the use of cheap labour in sweatshop, reasoning that they are actually helping these people, by offering them an income.

As in the adidas Group case, the family of men that work at the factory will receive the medical care they are entitled to according to Indonesian law, while families of women working at the factory are neglected.

As the child care and education systems in developing countries are not rarely insufficient, or missing all together, the women are supposed to stay at home taking care of the children. If they then get a job the women will be forced to bring the children to the factory, where they might be put in work, for a small compensation.197 This can also be a result of the policy that the PT Panarub is using, where the women’s families aren’t take care of, thus making the women continue with taking care of her children, even at work.

The lack of child care, together with that both the parents in a family works at a factory that have both long work days, and is located far from their home creates a situation that even if the total income exceeds the expected income, the parents won’t be able to care for either themselves nor their children in a adequate way. This, in turn, creates a situation where the expected development the country had counted on, by allowing factories with poor work conditions to increase foreign investment, might slow down, or cease all together.198

In patriarchal societies men are considered to be the bread-winners, while women are supposed to stay at home, caring for the household and children. When a woman thus gets a job she will receive a lower wage, not only because she is claimed to be lacking in knowledge and education, but also because if a woman takes a paid job it will be considered as a bonus income for the household.

It is, however, still the state that would be considered as the responsible part in caring for the citizens’ welfare and must thus be able to enjoin those who operate within the country borders to heed a social responsibility. As the global economy of today doesn’t follow national borders the multinational corporations finds themselves far away from the legislative power and the institutions that have been created to

198 Oxfam s.26
oversee that the law are complied with. It will thus become difficult for states to make sure that the laws are complied with, and if the state despite this tries to get the corporations to abide to national law, there will be a risk of withdrawn investments and relocated manufacturing. The WRC is an exception, because they demand the corporations to disclose the locations of the factories, so they can be investigated and also it’s possible to form an opinion about the laws, in relation to the corporations Codes of Conduct, in the country where the factory is located in advance, thus making investigations easier and swifter.

But the time of physical annexation as a mean of colonialism is over and has now moved to a more abstract version of colonisation, where the cultural, political and economical influences are as strong as they were during colonialism, but without the physical invasion of countries. So, implementing Codes of Conduct through CSR that are based upon the European view of human rights might be interpreted as a neo-colonial movement, trying yet again to spread the European way of living, as how to make business, as the norm. A central concern about CSR isn’t if they should be formulated and implemented, but on whose values should they be based upon.

To be able to influence a developing country into following the set norm without using physical coercion, the power of the norm have to be of such magnitude that the developing country don’t have any options, or arguments against it, but to follow the norm and thus put themselves into the template of the others. As the labelling of the others are partly created to make people who doesn’t fit the Caucasian norm anonymous, everyone in a developed country will thus be treated as they are primitive and backwards. This, together with the view of women as passive followers, a role created by men of the others, will make them particularly vulnerable to be taken advantage of.

In countries where factories are using sweatshop-esque work conditions, the corporation might relocate the manufacturing and cease investing if the country wants to regulate the work conditions. Regulated work conditions might mean larger expenses for the factory, and hence the corporation. This creates a situation where the country comes in a conflict of interest with itself. On one hand does the country

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199 Barrientos & Smith. p.717
201 Jenkins p.527
want foreign corporations to invest in the country, thus creating job openings, but, as it is the state’s responsibility to safeguard the citizens welfare, taking measure to do so, might thwart the corporations interest in investing.

There might also be an interest from the importing country to prevent goods that are manufactured by children or in sweatshops to be sold in the country. The Senator Tom Harkin have on several occasions put forth a proposition to the US Senate that importing goods manufactured by children will be punishable by law.\(^{202}\) This may, of course, be interpreted as a protectionist policy, but Senator Harkin’s proposal wasn’t directed towards states, but rather against US importers.\(^{203}\)

If Senator Harkin’s proposal would have been approved, the import stop that would have followed the decision would have been a serious threat to, for example, the Bangladeshi garment industry, because almost 95% of the production is exported to Europe and North America.\(^{204}\) Even though the proposition was direct towards the importers of the goods manufactured by children, they would not have been those hardest affected, because an importer can find an other source of goods that are manufactured according to the regulations. An exporter, or the manufacturer of the stopped goods will, on the other hand, find it harder to sell their goods, and might need to rearrange their whole company.

Another problem might of course be rather obvious. If a country has been granted an exception from the ILO 138, so children that are 14 years are allowed to work, this would be considered as child work in most of the countries that are the importers of the garments. But, as it is tolerated by the convention to do this kind of exception, and thus be an accepted kind of child work, would it still be considered as child work in the importing country, because the own national laws would be needed to be followed.

This can be illuminated by using an example. A larger US retailing chain, Wal-Mart, was in the early 1990’s criticised for selling products manufactured by children. Thus, they let go of all of the nearly 5 000 children that was manufacturing the products in developing countries. But, these children were not offered any chance to attend school, nor were the families reimbursed for the loss of income.\(^{205}\) To prevent this from happening again some corporations, and in some cases industrial organisations, have

\(^{202}\) Harkin, Tom (Sen.) webpage: Child Labor (http://harkin.senate.gov/issue/i.cfm?guid=c428ce18-3f51-404c-bd0f-9576acbf46004) 2009-05-17 The Child Labor Deterrence Act, also known as The Harkin Bill.
\(^{203}\) Nielsen p.559
\(^{204}\) Ibid p.562
\(^{205}\) Ibid p.569
formulated that children of a certain age will be taken off work and put in school, and that the family will be reimbursed with the same amount of money that the child was earning.\textsuperscript{206}

By joining the different CSR programmes the corporations will receive certifications that show that they have joined and are working to implement the Codes of Conducts they have chosen for their activity.\textsuperscript{207} However, this certification does only apply on the factories that are directly linked to the corporation, and not the sub-contractors.\textsuperscript{208}

The demands of the certification are usually supervised by the corporations itself, and there are no ruling powers that can introduce sanctions against the corporations that don’t follow the Codes of Conduct they have set of for their own corporation, unless they break the national law.\textsuperscript{209} Supervision of the Codes of Conduct may raise the costs of production, making this yet another reason for a corporation to move their manufacturing elsewhere.\textsuperscript{210} To be able to show that the progress of the Codes of Conduct goes as planned is it not unusual that factories use a so called double book keeping, where the corrected version is the one that are shown at an inspection, or get presented if the factory is supervising itself.\textsuperscript{211} Workers might also be threatened with repercussions if they, at a third-party inspection, won’t state that the work conditions at the factory are good.\textsuperscript{212} By making it possible for the workers to have access to instruments where they can raise complaints to a third-party investigator, as in the case with the WRC, will put a pressure upon the corporation to really implement the Codes of Conduct as intended, and might also put pressure on the corporations to carry out their investigation more accurate, so that they won’t be accused of neglecting their own Codes of Conduct.

The implementation of Codes of Conduct can be used as way to move the focus from the bads the corporation might be doing to what good it’s making, or at least to show that the corporation is showing that they are repenting their former behaviour.

\textsuperscript{206} Nielsen p.560  
\textsuperscript{207} Gereffi, Garcia-Johnson & Sasser s.57  
\textsuperscript{208} Ibid. p.65  
\textsuperscript{209} Ibid s.57  
\textsuperscript{210} Jenkins p.536  
\textsuperscript{211} Barrientos & Smith p.725  
\textsuperscript{212} Oxfam p.62
The Codes of Conduct can hence be used as a smoke screen for corporations to unburden themselves from public criticisms.\textsuperscript{213}

It might appear that many corporations implement CSR and Codes of Conduct as something they feel the need to do. Not because they, as a company, feel the need to take responsibility for the workers, but because there’s a popular demand, and it will appear fashionable to do so. But, on the other hand, even if a corporation implements Codes of Conduct based upon a fashionability, these codes will still be a document that the corporation should follow, thus creating a good, even though it might come from the corporations will to appear better in media.\textsuperscript{214}

The consumers and media can, on the other hand, be somewhat of a condemning nature, where the corporations actually need to show that they are following the Codes of Conduct they have formulated. Corporations can hence not be said to make the changes a society responsibility would mean, but changes in their activity and the formulations of Codes of Conduct is just following what the media and the consumers point out as the most important at the time.\textsuperscript{215} It is up to the corporation to formulate the Codes of Conduct, which can be used as a damper on criticism, or to market themselves by highlighting a problem. However, corporations will not formulate Codes of Conduct they won’t be able to fulfil.\textsuperscript{216} Corporations will, on the other hand, formulate codes that they may not consider very important, but as the media and the consumers consider them as important, they will be incorporated anyway.

As a comparison I can mention the attention the issue that was illuminated in early 2009 when it was reported in media that the manufacturers of down jackets plucks the birds alive. This wasn’t new way of plucking the birds, it’s been the way to do for quite some time, but thanks to the media it became public knowledge. The manufacturers of these kinds of jackets quickly decided to change their Codes of Conduct to include how the birds should be treated. This shows that corporations make changes to their Codes of Conduct, rather to protect their own reputation than to help the workers at the factory (or in this case, birds), and these changes will take place after something have attracted attention to an issue. Furthermore will the

\textsuperscript{213} Waddock p.76
\textsuperscript{215} Jenkins p 527
\textsuperscript{216} Utting p.702
changes only concern the present issue, expanding the Codes of Conduct ever so slightly.\footnote{Jenkins p.528}
7 Conclusion & Reflections

The notion of the others isn’t something that appeared during the colonisation. Ancient Greece considered everyone that wasn’t Greek and spoke Greek, as barbarians, and ancient China considered everyone that didn’t speak mandarin, had a different culture, and wasn’t Chinese as uncivilised barbarians. This differentiation between us and them was further strengthened when the New World was discovered, rising the issue if ethnicity mattered when it should be deemed who was civilised and who wasn’t. But, regardless if the others are people who are considered different based upon culture, lifestyle or ethnicity, women have always been those who suffered the most. Even women who are considered to be together with us, instead of the others, and sharing the same ethnicity, have been treated differently from men. This treatment have been enforced through the definition of the others, where those belonging to this group would be considered more primitive and backwards, something that women already was considered, creating yet another oppression.

I believe that I have managed to give a rather clear picture of how to answer the questions that are stated at the beginning of this thesis. Corporations do, in some extent, put up rather clear goal in their Codes of Conduct. Both the adidas Group and Nike Inc. have formulated their codes to be more extensive that the recommended codes in the programmes that they have joined. But, there is apparently a long way to go between formulating the codes, and actually carry them out as claimed.

The Ruth Pearson definition of CSR I have used in this thesis makes it clear that it isn’t just the actual workers and their situation, both at work and off work, which should be considered, it is also the workers family and society that should benefit from the corporations use of a factory in a developing country. This is rarely done. The differentiation made between men and women becomes very clear when men working at a factory, and their families, are able to benefit from medical care, while women at the same factory will have trouble receiving medical care even for themselves, making it almost impossible to get medical care for their families.

So to answer the question if corporations try to improve the work conditions for the workers relatives, I would say that they don’t. The understanding I have gotten by reading both the corporations Codes of Conduct, and the investigation report made by the WRC, is that the corporations only focus on the people that actually works at the
factory. The only consideration that is made concerning the people not working at the factory, but still lives in the vicinity, is the issue of the environment. This, I would claim, is not the result of corporations caring for the people living close to a factory, but because the environment is such a big issue nowadays, not caring about the environment would create such bad publicity. So even if there would be an economical loss in taking action at factories for the sake of environment, hence the people living in the vicinity, the win should be able to supersede the economical loss.

The second question of this thesis is of a more abstract nature. The notion of the others is something that is difficult to point out and say what it is, and no-one would certainly admit that people are treated differently because they are believed to be more primitive and backwards.

But still, the work conditions doesn’t only have economical reasons, but they do originate from the belief that people in the developing world, the others, should appreciate that they are offered somewhere to work and receive an income, no matter the standards. The investment and influence corporations make in developing countries are considered, by themselves, as something that is exclusively good, much because of the notion that the others aren’t capable of progressing to the same kind and level of civilisation that the developed world have, also creating a picture of how the world is supposed to look like. This picture of us as the norm, makes the others deviate from the norm, thus creating an understanding as it would be the developed world’s task to help and educate the others to be able to live a better life. This would be done as charity, but, following the capitalist, Caucasian norm, this help are considered to be a win-win situation, both for us and the others.

So, to conclude the question if the work conditions originates from notion of the others as backwards and in need of help, I would say that it is so. As the Codes of Conduct are being formulated, the corporations are willing to publish how they want to continue business, but truth is different. The violations of the codes and the work conditions continue and are widespread until someone from the outside notices them, and the work conditions might then be improved, but rarely more than just enough to make the bad publicity go away. This improvement aren’t made because of the others are entitled to it, but because it might hurt the corporations on the market in the developed world, thus making the situation of the other unimportant, unless it is noticed by the developed world.
It appears that the developed world, regardless to how much the propagation of free speech and democracy, is focusing on themselves. The regard for other people and their needs, is secular to the need of be able to make money and to get anything for money, may it be garment or sex. The question for democracy and human dignity is pushed aside when the richer world is in danger of being deprived of something that is considered as something that is naturally ours, and thus justified with the developing countries citizens need for e.g. shelter and food.

As Codes of Conduct are formulated by more and more corporations, the work conditions should become better at the same rate, due to the belief of the self-regulating market, but as long as the actual implementation of the codes costs money, the corporations seem more interested to move their production elsewhere, than to stay and improve the work conditions. It appears that corporations are more willing to spend money on finding new factories and moving production, than they are to improve the others work and living conditions, even if this might costs less. So to conclude this thesis, I would claim that there is a belief that the others isn’t just in need of the help from the developed world, but it also believed that the others should endure almost anything to be able to get that help, no matter the situation, condition or degrading treatment that will arise. The others should be grateful that they are offered somewhere to work, even if they won’t be able to support themselves, or their family.

Finally, the Codes of Conduct appears to be something that is formulated to soothe the concerned people of the developed world, than to actually be something that would be help create a better life for the others.

The issue of CSR and business in relation to the others that have been the main aim in this thesis is by no means emptied out. Every answer creates even more questions. For example, questions that might be interesting to investigate with further research should be; how can female worker’s right be protected so they can, at least, enjoy the same rights as men? Must the whole social structure be changed, or would it be enough to offer women equal salary and to offer proper child care so women wouldn’t need to be confined to caring for children and household?

Another important question, I believe, is how corporations should take responsibility to the whole picture, as described by Ruth Pearson. The mistreatment of a few, will have repercussions to many others, not only the closest family members, but also members of the same society.
As the developing world appears to be able to produce a much larger work force than the developed world, it will not only create a field day for corporations when it comes to keeping the wages down, but also creates opportunities to throw people aside when they are in need of medical care, and hire someone else. This makes the question of medical care interesting, should the corporation only supply the workers with the medical care for injuries that might occur at work, or should a complete medical program be put in force?

I believe that the most interesting, and important, question is probably the one concerning the *others*. As I’ve showed in the beginning of this last chapter, the notion of the *others* isn’t new, and it is always tempting to blame the *others* for anything that goes wrong, based upon presuppositions and prejudices. It would be interesting to investigate and make further research concerning the issue of how to rid people of the label as the *others*, to see if people in developing countries in general, and workers at factories in particular would be able to gain the rights they are granted through the international documents, and promised through the corporations’ Codes of Conduct. As long as the *others* are considered more primitive and in need of help from *us*, I do not believe that they will be able to receive the rights they are entitled to, because the lack of rights grants the developed world cheap and easily available products, which are central in a capitalistic society. When the developed world can accept that products will cost more because the workers making them are granted the same rights as the people in the developed world, the issue between *us* and *them* will still be of interest, but perhaps not decisive.
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