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## The Work of Globalization: How Standardization May Impact the Globalization of Work

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## **“THE WORK OF GLOBALIZATION”: HOW STANDARDIZATION MAY IMPACT THE GLOBALIZATION OF WORK**

Are globalization and market mechanism one of the same thing? Does the globalization of product markets entail a globalization of labor? Does the current move towards globalization favor the countries with a low-cost working force and does it jeopardize the countries where workers benefit from better legal protection and incomes? In order to answer this type of questions, I'll try to highlight the link between the impossible globalization of work and the continuous emergence of standardization as a “work of globalization”. In order to seize the issues at stake, we could for instance listen to a gathering of socially aware organizations—the “group for ethics on labels” (collectif de l'éthique sur l'étiquette)— which militates in order to...

make the consumers aware of the often scandalous working conditions in which the products they buy are made. [...] This public awareness campaign is aimed at encouraging consumers to buy products of good social quality, products made in decent conditions. For the moment, consumers do not have any reliable information on this subject. That's why the group for ethics on labels proposes to put pressure on distributors in order to make them accept to participate in the building of an

information system (social label). [...] To create the social label, the group tries to rely on the international system of standardization and certification, in which governmental agencies are deeply involved: ISO (International Standards Organization), CEN (European Committee for Standardization) and AFNOR (French Standards Organization).<sup>1</sup>

With the initiative of the group for ethics on label, we discover a new issue for a globalized labor market: that of the international standardization of labor. In the above statement, one clearly has to rely on the historical know-how of industrial standardization (“ISO”, “CEN”, “AFNOR”) in order to set up a standard and a certificate (“social label”) liable to lead to the codification and traceability of labor (“reliable information”) and relate the evaluation of products to the quality of their production (“social quality”). In order to measure the impact of this initiative on labor and globalization, it is first necessary to replace it among three other alternative solutions. These solutions were proposed by international regulative agencies (World Trade Organization and International Labor Organization), by multinational companies (codes of conduct) and by the Council on Economic Priorities (SA 8000 standard).

## **I. WTO versus ILO, or the impossible common regulation of commodities and labor**

The place of labor in international trade is of the greatest interest for the two worldwide organizations that deal with such issues: WTO for trade, ILO for labor. If, on the one hand, the ILO preamble asserts that “the non-adoption by any nation of a really human labor regulation is an obstacle for the efforts of the other nations which are eager to improve the situation of workers in their own countries”, on the other hand the WTO (as

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1. <http://www.crc-conso.com/etic/default.htm>

the protector of free trade) carries the implicit idea that social progress is not the condition but the consequence of an enlarged trade (Siroën, 1998). The separation of these two instances makes it very difficult to improve the way in which labor problems are taken into account in world trade regulation. Of course, the OECD tried to gather the two points of view:

“We reaffirm our commitment to respect fundamental labor standards that are internationally recognized. The International Labor Organization (ILO) is the authority liable to set up these standards and deal with them, and we declare that we support the activities it conducts in order to promote such standards. We think that economic growth and development favored by an increase of commercial exchanges and by a further liberalization of trade contribute to the promotion of these standards. We reject the use of labor standards for protectionist purposes, and we admit that the comparative advantage of developing countries with low wages should absolutely not be called into question. In this respect, we note that the WTO and ILO secretarial offices will continue to collaborate at they currently do” (Declaration of the ministry conference of OECD countries, December 1996, Singapore, quoted *in* Siroën 1998, p. 59, n. 81).

But we see that the institutional separation of the two questions—labor and human beings’ protection on the ILO side (Bonvin, 1998), trade and objects’ circulation on the WTO side (Siroën, 1998)—hinders any real progress. In the quoted declaration, the middle of the argument literally “destroys” the intentions expressed at its beginning and its end. Without a joint treatment of trade and labor matters, the one will continue to tolerate low wages in order to avoid any kind of “social protectionism” (*cf. supra*), while the others will persist in condemning the same practices in order to fight against “social dumping” (*cf. the old idea of a “social clause” for international trade contracts that ILO has always supported [Servais, 1989; Siroën, 1997; Grenouillet, 1999]*).

## II. The ambiguities of voluntary codes of socially responsible behavior

What international organizations cannot do because of their separation, multinational companies try to do for the fulfillment of their own interest... under public pressures. Violent criticisms were recently launched against the exploitation of labor in developing countries in the frame of international subcontracting. For instance, the sport shoe manufacturer Nike was the butt of public denunciations and boycott calls in the American media<sup>2</sup>, for the incredibly low wages and the physical and sexual abuses that are supposed to occur in the Vietnamese and Chinese plants working for the company<sup>3</sup>. In order to answer these critics, Nike decided to adopt a voluntary code of conduct. This type of code proclaims the “responsibility [of businesses] for the protection of workers who manufacture their products”. The company adopting such a code generally commits itself to proscribe hard work, child labor, discrimination, and to provide satisfactory working conditions of health and safety, to limit the weekly working time to 60 hours, to guarantee union rights, etc.<sup>4</sup>. The problem is of course that these codes are more “displayed” than “enforced”<sup>5</sup>, since their implementation and control rely on the single

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2. *cf.*, for instance, the following web links :  
<http://www.saigon.com/~nike/>;  
<http://www.media.mit.edu/%7Eperetti/nike/>

3. Nike built all his strategy on the search of the lowest labor cost: the salary of workers represents only 0.02 % of the selling price of a pair of shoes!!! (versus 39.9 % for distribution costs, 29.4 for raw materials, machine costs, transportation and storage, 10.8 % for administration costs, 9.5 % for advertising and sponsoring, etc. (*Capital*, mars 1997, quoted in Grenouillet, 1999).

4. For the study of a similar case, see “Levi’s, la face éthique de l’étiquette”, *La Lettre d’Utopies*, n° 6, Spring, 1996.

5. ... even if Nike pretends it has made considerable efforts in order to implement “social inspections” in its own production sites (Le Monde, 1999).

responsibility of the concerned companies. This difficulty is the argument raised by Nike's competitor Reebok, in order to justify its own refusal to implement the same form of "social responsibility". Indeed, according to Reebok, the only way to give legitimacy to voluntary codes would be to set up an independent auditing system. In doing so, Reebok implicitly recognizes the emergence of "ethics" as a new way to compete at the global level (*cf. infra*). From this point onward, the old debate that still preoccupies WTO and ILO—free trade versus social protection—is progressively replaced by a new choice: the choice of the best way to compete through labor protection.

### **III. Social standardization: an intermediary solution**

On the one hand, the will to solve the problems at the global level while maintaining the institutional separation between the social side (for ILO) and the economic side (for WTO) of negotiations leads to paralysis. On the other hand, the opportunistic adoption of voluntary codes of conduct leads to hypocrisy. But a new way to overcome these two deadlocks is now emerging: it is the development of a form of "social standardization". Social standardization would set up standards for working conditions and give a "social label" to the companies that would implement it; of course the attribution of the label would be guaranteed through a third party auditing system<sup>6</sup>. As we guessed it, this third way is followed in France by the group for ethics on labels, and more generally it is the way which is being promoted internationally by all those who advocate the development of a standardization and certification of labor.

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6. Here we discover the historical movement of product qualification: the anonymous product of classical economics was first replaced by the brand's responsibility, then the branded product was guaranteed by standards and certificates, whose advantage is to introduce the impartial viewpoint of a third party (Cochoy, 1998).

The most advanced endeavor in this field is the setting of the “SA 8000” standard. This standard is directly inspired by the quality management standards, and is thus oriented towards the third party certification of the firms following the standard specifications. The SA 8000 device was officially presented on October 15, 1997. This device was developed under the authority of the Council on Economic Priorities, a nonprofit organization working since 1969 for the betterment of the social and environmental behavior of companies. The Council gave the responsibility for the standard development to an ad hoc agency: the CEPAA (Council on Economic Priorities Accreditation Agency). This agency gathers nonprofit organization (such as the National Child Labor Committee), trade unions, companies (like Reebok), and scholars, following a template that greatly recalls the functioning of official standardization agencies<sup>7</sup>.

The SA 8000 standard mixes the general principles of ILO<sup>8</sup> with quality management tools (e.g. the ISO 9000 series)<sup>9</sup>. Indeed, the standard is founded on eight fundamental principles: the banning of child labor and hard labor, the implementation of safety and health policies, the guarantee of union rights and collective bargaining, the banning of any kind of discrimination, the banning of any physical or moral violence, the limitation of the working time to 48 hours and of the overtime work to 12 hours weekly, the fixing of wages at a level which is at least equal to the minimum legal rate and which can at least cover the employees’ basic needs. But whereas the ILO was only able to formulate a list of points which could hardly be implemented and verified, because they

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7. [http:// www.cepaa.org](http://www.cepaa.org)

8. More precisely, the standard refers not only to ILO conventions, but also to the Universal Bill of Human Rights and to the United Nations Convention on Children Rights.

9. For an analysis of the social impact of the ISO 9000 standards, see Cochoy & al., 1998.

ultimately depended on the goodwill of nations (Swinerton & Schoepfle, 1994), the SA 8000 standard tries to concentrate its effort at the local and managerial level of productive organizations. The effort is twofold. On the one hand, the standard asks for the setting of organizational devices liable to “manage” its implementation: it requires that a management representative took the responsibility of managing the standard; it calls for the setting of a traceability of the social practices of the company, etc.. On the other hand and most importantly, the standard includes the principle of third party audits endorsed by specialized consulting agencies: since the inception of the SA 8000 standard, some of the most prominent consulting groups have joined the system (Société Générale de Surveillance, Bureau Veritas, Intertek Testing Service...). The result of such a combination of legal principles and managerial techniques is very ambiguous. On the one hand, the SA 8000 standard is somewhat dishonest, since it asks no more than international law requirements while presenting it as a privilege and a competitive advantage<sup>10</sup>. On the other hand, the SA 8000 standard may promote the legal standards more efficiently than the law itself, by connecting legal issues with market and managerial forces.

## **Conclusion**

What can we think about social standardization? What is its potential impact on the global job market? This device being still at its experimental stage, a direct answer to such questions would be premature. Nevertheless, if the SA 8000 standard is replaced in the frame of the general transformations that preceded or accompanied it, it seems that some evolutions may be foreshadowed. We can notice that the SA 8000 device clearly takes the standardization of quality as its model and stepping stone: its first objective is to open a company

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10. For an excellent analysis of this issue, see Isabelle Daugareilh contribution in this book.



certification, before developing a “social label” as a potential commercial weapon. Given this initiative of the supply side, it is important to know that, on the demand side, consumers have learned for a long time how to go beyond the appearances of products, in order to focus on brand, warranties (Cochoy, 1998), technical characteristics (Cochoy, 2000) and more recently manufacturing conditions (Cochoy, 2001) and the environmental dimension of products (Menon & Menon, 1997)<sup>11</sup>. Given this general evolution, it is highly probable that the idea of “social certification” might become, just like product traceability or environment care, a component of goods and services that may be demanded by consumers. In any case, this is evidenced by the convergent results of several surveys dealing with consumer’s receptiveness to “ethical”

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11. It is important to notice that this environmental dimension is itself coupled with the history of quality through the ISO 14000 Standard. For additional information on this point, see Reverdy, 1998.

consumption<sup>12</sup>, and by the works of “political consumerism” specialists<sup>13</sup>.

In other words, the emergence of a consumer preference for the social characteristics of products is in fact just a particular case of a more general drive towards the incorporation in the market dynamics of a series of dimensions that were a priori alien to it<sup>14</sup>. Today, environment, health and social exclusion

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12. A survey published in the *New York Times* showed that “88 % of consumers are more likely to buy from a company that is socially responsible” (Smith, 1996); another survey, issued in *USA Today*, confirmed this result: “76 % of consumers would switch brands or stores that show concern about the community” (Jones, 1997) (references quoted in Maignan & al., 1999). These attitudes do not concern only American consumers, but can also be observed in Europe: a French survey of the CREDOC conducted in mars 1996 established that the percentage of consumers preoccupied with the “humanitarian quality” of products moved from 40 % to 54 % over a three year period. At the same time, another survey of the Centre Régional de la Consommation (CRC) observed that 71 % of the surveyed persons would accept to pay more for a product if they had the certainty that it was made without children exploitation (<http://www.crc-conso.com/etic/default.htm>). If we add to this series of facts the older success of “ethical” financial products which today represent 10 % of American financial market and grow faster than the remaining part of this market (Capron, 1999), and if we replace social standardization in the general movement for «corporate citizenship» (Maignan & al., 1999), one can bet that the move towards social standardization is more a fundamental trend than an epiphenomenon.

13. See the first “Seminar on political consumerism” (Michele Micheletti, ed.) held at City University of Stockholm, May 31-June 2, 2001 (<http://www.cityuniv.se/polcon/>) and Michele Micheletti’s book on the subject (Micheletti, forthcoming).

14. Let us note that the WTO sat up a Committee of Trade and Environment, while the same institution had always refused to institute a similar group on the “fundamental labor standards” (Siroën, 1998, p. 58). The greater advancement of the environment file may be explained by the closest proximity between environmental issues and industrial and objective matters which WTO is more used to deal with, compared to human and social problems that have always embarrassed it and being rejected as ILO’s responsibility. But the growing hybridization between technical and social matters and the proliferation of “haired objects” resulting from it (Latour, forthcoming) makes the move from objects to social to labor more and more difficult to avoid.

matters are at the heart of economic issues (Capron, 1999). Numerous empirical studies converge to show to what extent, since the sixties, the actors of the liberal and capitalist world have found the ways to “internalize externalities”, to “frame” the “overflowing” (Callon, 1998), and to allow capitalism to borrow from the arguments of its own critics in order to transform and renew itself (Boltanski & Chiappello, 1999). In many respects, the secular social embeddedness of markets (Granovetter, 1985) is now complemented by a symmetrical movement of economical commitment of societal issues. At the same time, it is difficult to understand this move towards the internalization of externalities without seeing that it relies less on a general transformation of the “spirit of capitalism” than on the progressive development of local techniques, devices and know-hows which mostly have a very loose relationship with the ideologies, doctrines and actors of the “big bad capital”. To put it differently, it is not capitalism which digests its critique, it is society itself; it is the coalition of “stakeholders”: industry captains, managers, experts, unionists, consumers—all the actors whose interaction produces the emergence of common solutions (Capron, 1999).

The enrollment of the consumer in this move is absolutely crucial. For a century managers have never stopped claiming that the consumer is king (Cochoy, 1999; Neuville, 1999). It is thus time to remind them of their commitment and to set up procedures designed to show them who is (or who should be) their master (and also to educate the king in order to enlighten and redirect his goodwill). This is how the advocates of “ethics on labels” understand their own cause, for instance when a representative of this group notes:

Any means goes. Today, if one takes into account how ultra-liberalism is deeply rooted in our society, one discovers that any political action is very difficult to forward. The only means to push things forward is to use the lever that the consumer represents. (quoted *in* Grenouillet, 1999).

In order to understand the standardization of work and the implications of its globalization, it is necessary to become

aware that such processes rely both on the strategic opportunities this type of standardization provides to actors of the capitalist world and, on the other hand, on the possibilities opened by the sharing of decisions between a host of participants.

As far as the first point is concerned, it is clear that social standardization conveys strategic opportunities that go far beyond the ethical virtues it puts forth. Just as the standardization of products defines circulation spaces reserved to standardized products, the standardization of labor could circumscribe clubs of companies and labor groups that would control the access to the global market. This process will happen to the detriment of all those who would not be able to keep up with the required standards and thus would be condemned to remain out of the game. Of course, from a general standpoint, social standards have an immense advantage: by directing competition on job and product quality, rather than on cost and price reduction, they provide a welcome alternative to the employment policies aiming at wage cuts and labor flexibility... a kind of policies that have finally endangered the very foundation of our advanced societies (Lallement, 2001; Visser, 2001), through the deepening of social inequalities, social struggles, job casualness and poverty. Social standards, by counteracting such processes, are of a prominent interest for multinational companies, consulting agencies, but also for workers (Barbier, 2000) and consumers (Cochoy, 2001) of advanced countries:

The labeling of [the “moral” quality of goods and services] could help us to restore the comparative advantage of developed countries in productions with a high labor content. If the (total or partial) eviction of non-labeled varieties (of bad moral quality) succeeds, it is to the detriment of the developing countries and to the advantage of industrial countries which have an obvious comparative advantage in the manufacturing of products of high moral quality (Siroën, 1998, p. 62).

The standardization and the certification of work cumulates two advantages. Firstly, the promotion of the ethical content of

goods provides a comparative advantage standing against almost two centuries of job protection and codification in the concerned countries; secondly, the setting of job standards provides a managerial advantage which a century of standardization, quality management and auditing skills ended up reserving to the same countries.

However—and here comes the second point—, the process relies on the promotion of ethical values which are hard to condemn, it brings together groups with various interests where each one will recognize at least a cause he supports, and it also relies on network externalities carrying mechanisms of irreversibility (David, 1985). Of course, bringing principles into facts is in urgent need. It is necessary to act so that all those who could participate or at least be represented join the standard setting institutions, committees and procedures, enlarge the “hybrid forums” of today (Callon, 1997), and take their part in the building of the common world (Latour, forthcoming)<sup>15</sup>. From this point of view, the absence of government, of official standardization bodies and of less developed countries in the setting of the SA 8000 standard should be corrected, in order to avoid the risks of any form of standardization taking place in “private consortia” (Hawkins, 2000)<sup>16</sup>. In other words, it is necessary to fight within the

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15. Callon and Latour have shown that in order to solve problems in situation of radical uncertainty, such as the mad cow crisis, the OGM controversy or the heating of the atmosphere, new public arenas of discussion are emerging. In these “hybrid forums”, politicians, experts, scientists but also activists groups and the general public meet together, on an equal basis, in order to find common solutions. The Kyoto conference is a good example of such a forum and process.

16. A “private consortium” is a group of industrial partners who meet in order to set up their own standardized solutions, objects or services (for instance a protocol for communication technologies) without the participation of the public, of the official standardizing bodies, or of the State agencies. According to Hawkins, avoiding public and political control and participation in the setting of standards jeopardizes the development of a “technical democracy”.

globalization process rather than against it. Globalization is a type of machine which is designed to move forward but also to exclude. Consequently, it's probably better to step in and to go behind the wheel in order to choose the right direction or to slow down if necessary, instead of remaining on the side of the road, shouting and running, at the risk of being passed, if not run over.

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