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‘Rising Powers, labour and environmental standards and the governance of global production, trade and consumption’

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Khalid Nadvi

Institute for Development Policy & Management
School of Environment, Education and Development
University of Manchester, UK

khalid.nadvi@manchester.ac.uk

Rising Powers – Emerging Research Agenda

- ❑ ***Well Known: China, India and Brazil – the ‘Rising Powers’***
 - ❑ Economic growth, rising incomes, emerging middle classes
 - ❑ Emergence of new ‘global’ firms
 - ❑ Trade and the growing dominance of RPs in key sectors
 - ❑ Investment and capital flows
 - ❑ Innovation and technology
 - ❑ Rising Powers as new ‘Developmental Actors’

- ❑ ***Less Well Known: Are the Rising Powers ‘Game Changers’?***
- ❑ **How might the Rising Powers impact (and alter) Global Governance?**
 - ❑ How do they challenge (change) the ‘rules of trade’?
 - ❑ How do RPs act in global institutions where trade rules are shaped?
 - ❑ Who are the key actors in the RPs who engage with the process of shaping trade rules?
 - ❑ States, Firms (Private and Public), Civil Society
 - ❑ What are the consequences of this for:
 - ❑ Other developing countries (the Global South) and the ‘developmental project’?
 - ❑ OECD states (the Global North)?

Our Agenda

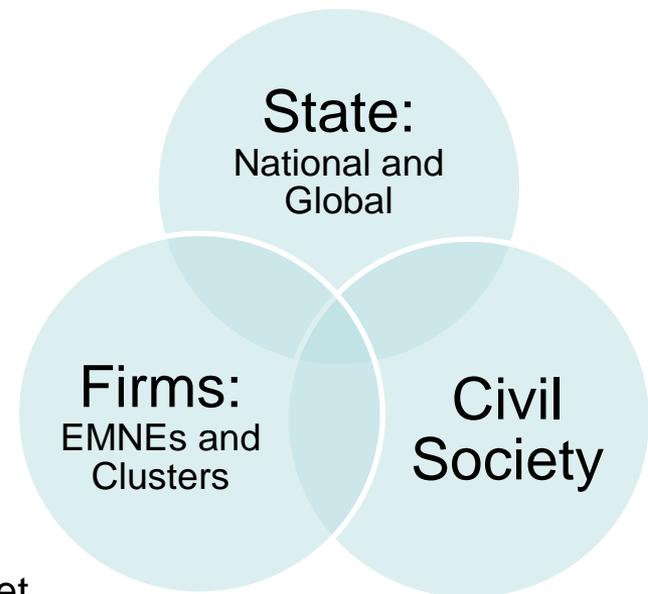
- ❑ Labour Standards Matter in Global Production and International Trade
 - ❑ Codes of Conduct; CSR; ILO standards; Sectoral Codes; NGO Initiatives; Bilateral Trade Agreements;
 - ❑ Ongoing debates on
 - ❑ Governance of Global Production Arrangements
 - ❑ Labour Outcomes
 - ❑ Public-Private Regulations
 - ❑ Labour Standards in Trade Policy
 - ❑ But leading producers who organise global production in a number of sectors are in the RPs, and growing middle class consumer markets are in the Rising Powers
 - ❑ How might Public and Private Actors in the Rising Powers affect the governance of labour standards?



Rising Powers, Labour Standards and the Governance of Global Production

- ❑ How do China, India and Brazil challenge the ‘rules of the game’ on labour standards in global production?
 - ❑ Will Rising Powers drive a race to the bottom on labour standards?
 - ❑ Might RP s move from being ‘standard takers’ to ‘standard makers’?
 - ❑ What can we learn from comparative study across Brazil, China and India?

- ❑ Research Focus:
 - ❑ Firms
 - ❑ Lead Firms & Small Firm Clusters
 - ❑ Civil Society
 - ❑ Civil society bodies/initiatives that inform this process
 - ❑ States
 - ❑ Labour Regulations and Enforcement
 - ❑ Rising Power States’ engagement in international arena where trade rules are set
 - ❑ What Consequences?



How are we doing this research?

- GPN conceptual framework but also drawing on IB approaches and methodologies
- Various types of secondary data analysis
- Comparative quantitative and qualitative studies of RP and OECD lead firms and RP SME clusters in apparel, agro-processing and electronics sectors
- In-depth case studies
 - Firms (lead firms and clustered SMEs)
 - Civil Society (national and global)
 - State actors (national and global)
- 7+ Research colleagues in China, India, Brazil, EU and UK
- 2 linked PhDs
- 2 post docs (to be appointed)



Initial Observations

- Brazil:
 - Firms
 - Some emerging MNEs (especially in mining, agro-processing, and also in niche engineering)
 - Strong public and private sector engagement with CSR discourse, especially on labour and the environment
 - GRI, UNGC, ISO26000
 - Key private sector codes – FSC, Bonsucro
 - State Regulation and Enforcement
 - Labour Inspectorate Regime and Labour Judiciary
 - Civil Society
 - Strong NGO activism around environmental and labour concerns
 - But limited consumer ‘activism’ on social and environmental standards
- Outcome: Debate on the ‘Brazil Costs’ and low productivity. Can strong social standards enhance Brazilian competitiveness?



Initial Observations

- **India:**
 - **Firms**
 - Some globally branded MNEs (steel, autos, IT services, agro-processing, and pharmaceuticals)
 - But, very large informal and unregulated sector
 - **Civil Society**
 - Growing NGO activism on environmental (but less so on labour) concerns
 - Growing consumer ‘activism’ on social and environmental standards, using the judiciary
 - **State Regulation and Enforcement**
 - Labour Laws but very weakly enforced. High levels of rent seeking
 - New CSR regulations – 2% of firm net profits for CSR activities
 - Growing (but uneven) use of judicial institutions to enforce rules
 - High levels of inter-state variations
- **Outcome:** Informality undermines public regulatory interventions. Bigger question on whether and how India is a ‘Rising’ Power?



Initial Observations

- China:

- Firms

- Numerous emerging MNEs and brands (especially in electronics, autos, textiles and garments)
 - Strong links with the State (including major SOEs) and at various levels
 - Growing interest on CSR (at least at the level of discourse)
 - An emphasis on Chinese standards – CST9000 (on textiles), CCC mark

- State Regulation and Enforcement

- Labour Contract Law and Minimum Wage Legislations (leading to shifts in production geographies)
 - Growing emphasis on environmental legislation – ‘green economy’
 - But, regional variations in enforcement

- Civil Society

- What is ‘civil society’ in China?
 - Some consumer ‘activism’ on standards – particularly on food safety
 - Growing discontent and pressure on environmental norms

- Outcome: Growing state engagement on ‘shaping’ standards, but on what.. And with what outcomes? China, ‘game changer’?



ESRC's 'Rising Powers and Interdependent Futures Research Programme'

(www.risingpowers.net)

❑ Broad Aim

- ❑ Better understand the dynamics and consequence of economic growth in BRICs, implications for UK and for 'interdependent futures'.

❑ Already Completed:

- ❑ 12 Pathfinder micro-data studies (China, India, Brazil)
- ❑ 9 Research Networks (to build links with academics in RP countries)

❑ 12 Major Research Grants (2012-2016)

- ❑ Variety of projects (agriculture, technology, global governance, production), disciplines (dev studies, management, soc anthro, law) and country coverage.

❑ Other Programmes:

- ❑ DFID 'Brazil in Africa' (£2.2M, Manchester)
- ❑ ESRC/DFID 'China and Africa Research Programme' (£4.5M – proposals being reviewed)

Key areas of ESRC RP programme

- ❑ China-Russia comparative studies (6 of 12)
 - ❑ Comparative political economy/law and regulatory frameworks
 - ❑ Border 'Relations'
 - ❑ China/Russia/Mongolia
 - ❑ China/Russia and Central Asia
 - ❑ Innovation
- ❑ China and Developmental Outcomes in SSA
 - ❑ China and African Agriculture
 - ❑ China and Infrastructure (Chinese hydel/dams projects in SSA and Southeast Asia)
 - ❑ China/Brazil and Clean Technology
- ❑ BRICS Comparative Studies
 - ❑ Innovation
 - ❑ (China-Russia nanotech; China –Brazil and low carbon clean tech for SSA; China-India and biomedical innovation and ethics)
 - ❑ Social Policy (Brazil, China, India, South Africa)
 - ❑ Labour standards, global production, 'rules of trade' (Brazil, China, India)



For more details check out
www.risingpowers.net