

## How to regulate work in transnational supply chains

### Stream convenor

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Today, over 80 per cent of global trade occurs in global production networks (supply chains) associated with a transnational corporation (United Nations Conference on Trade and Development 2013), with around 453 million workers toiling within these complex arrangements at a conservative estimate (International Labour Office 2015). That is at least one in five workers globally (International Labour Office 2015).

Those higher in supply chains increase their margins by pressuring those lower to produce goods more and more cheaply. Practices in supply chains are so bad in the clothing industry, for example, that when H&M, the world's second largest clothing retailer, announced in 2013 that its strategic suppliers should have pay structures in place to pay a fair living wage by 2018 (Hennes & Mauritz) it was hailed by some as a hero. But this is an admission that living wages are not currently paid in its supply chains.

Part of the problem is that individual countries fear both increasing the minimum wage to a living wage level and enforcing existing labour laws due to a realistic concern that big retailers and brands will look for cheaper labour elsewhere. A further problem is that labour law is national in scope, whereas supply chains are international.

More than one year has passed since the adoption of the resolution and conclusions submitted by the Committee on Decent Work in Global Supply Chains (GSC) at the International Labour Conference. Since that time the ILO and its constituents have developed a roadmap "Follow-up to the resolution concerning decent work in global supply chains: roadmap for the programme of action" of the ILO programme of action 2017-21. A key aspect of this is the implementation of the ILO GSC research and knowledge agenda.

This stream will contribute to this research agenda by inviting papers that consider ways to regulate work in transnational supply chains. Participants in this stream will give particular consideration to transnational initiatives or regulatory mechanisms.

### References

International Labour Office, *World Employment Social Outlook: The Changing Nature of Jobs*, 2015).

International Labour Office, *World Employment and Social Outlook: Trends 2016* (World of Work, 2016).

United Nations Conference on Trade and Development, *GVCs and Development: investment and value added trade in the global economy*, 2013).

Hennes & Mauritz, 'A fair living wage to garment workers'

(<<http://about.hm.com/en/About/sustainability/commitments/responsible-partners/fair-living-wage.html>> accessed 20 August