GOVERNANCE OF GLOBAL PRODUCTION
ESPM 290 - Fall 2004

Seminar:
Tuesday 2-4 p.m.
321 Haviland Hall
CCN: 30973

Prof. Dara O'Rourke
orourke@nature.berkeley.edu
Office Hours: Wed. 2-4 p.m.
130B Giannini Hall

CATALOG DESCRIPTION

This graduate seminar will explore critical policy and theoretical questions regarding the governance of global production. The seminar engages current trends in the restructuring of industrial production, distributions of environmental, labor, and social impacts from this production, and new strategies for democratic governance. The course presents existing theories of regulation and governance, assesses market and state "failures," and critically analyzes emerging responses to the limits of traditional regulation. Using cases from the wood products, electronics, garments, shoes, coffee, food, chemicals, and oil industries, the seminar explores the potentials and limitations of new governance strategies, including: corporate voluntary self-regulation, codes of conduct, multi-stakeholder monitoring systems, certification and labeling schemes, fair trade programs, transparency and reporting initiatives, legal strategies, and international accords and agreements. The course seeks to evaluate why these new institutions and policies have emerged, how they function, and when and under what conditions they can be effective in mitigating environmental, labor, or social impacts of production.

COURSE DESCRIPTION

Current debates regarding globalization often center around the adverse impacts of manufacturing and production processes. Public concerns about "sweatshops," "pollution havens," "environmental injustices," and human rights abuses connected to resource industries have fueled both public policy and academic debates about the causes of environmental, workplace, and social problems, and appropriate regulatory responses. As formerly arcane debates have spilled out onto the streets of Seattle, Davos, Washington, and Cancun, a range of actors have proposed responses for better governance of globalization, and specifically, new forms of regulation of global production networks. Calls for more effective regulation of production have focused on both well-worn strategies and new innovations, including: strengthening local command-and-control regulatory systems; incorporating environmental and social clauses into international trade agreements; increasing the use of market-based mechanisms and "voluntary" self-regulation of firm supply chains; expanding information-based regulatory requirements; strengthening codes of conduct and independent monitoring systems; expanding community and worker participation in regulatory systems; and, targeting brand-name firms through transnational advocacy campaigns.

This seminar seeks to explore critical policy and theoretical questions regarding the governance of production networks. The seminar engages current trends in the restructuring and reorganization of industrial production, distributions of environmental, labor, and equity impacts from this production, and new strategies for democratic governance of production. The course presents existing theories of regulation and governance, assesses market and state "failures" (such as externalities, information asymmetries, and state interests), and critically analyzes emerging responses to these failures and limits of traditional regulation. The course will be particularly concerned with the role of civil society in the governance process, increasing public participation in governance, and strengthening mechanisms of accountability of the state to society.

Using cases from the wood products, electronics, garments, shoes, coffee, food, chemicals, and oil industries, we will explore the potentials and limitations of new governance strategies, including: corporate voluntary self-regulation, codes of conduct, multi-stakeholder monitoring systems, certification and labeling schemes, fair trade programs, transparency and reporting initiatives, legal strategies, and international accords and agreements. We will examine why these new institutions and policies have emerged, how they function, and when and under what conditions they actually are effective in mitigating environmental, labor, or social impacts of production.

The course will engage a number of questions, including:

- How do different supply chains (for footwear, apparel, electronics, forest products, oil, coffee, etc.) vary? Are there "typologies" of supply chains that we can specify?
- How are the adverse impacts of production networks currently regulated by local governments? Regional agreements? International accords and treaties?
- What are the potentials and limits of current government regulatory systems?
- How are global firms internally managing their supply chains for environmental and social impacts?
- How do local and transnational advocacy campaigns influence the performance of different production networks?
- What other points of leverage or regulatory strategies exist which might improve labor and environmental conditions in these supply chains?
- When, and under what conditions, is regulation – by states, international bodies, NGOs, or firms themselves – effective over different kinds of production networks?
- Does the structure or nature of a production network render it more responsive to certain types of regulatory pressure? For instance, more responsive to consumer pressure? Or local regulatory pressure?
- Is it possible to build on existing strategies and initiatives to develop more comprehensive or more tailored forms of governance of global production?

ASSIGNMENTS

This is a graduate seminar that will entail significant reading and detailed discussions of books and academic articles. As such, students will be expected to:

1. Attend all of the class sessions and participate actively in discussions. This will count for 10% of the course grade.

2. Write reaction briefs on the readings. Students will write a one-page reaction brief on the readings for 10 of the 14 weeks. Students should email the briefs to the class list by Monday at 5 pm each week. These reaction papers should include summaries, critiques, disagreements, questions, concerns, or reactions to the most important aspects of the readings. Reaction briefs will count for 20% of the course grade.

3. Seminar facilitation and review essays. Two weeks during the semester, each student will jointly lead the discussion. For these weeks, the student will submit a 3-5 page review essay of the readings and day's general topic. This will count for 25% of the course grade.

4. Submit an outline for a proposed term project. The outline will be due on **October 5th, 2004**. This will count for 5% of the course grade.

5. Complete a research paper analyzing the organization and restructuring of a global supply chain and/or critically assessing a new governance strategy or policy initiative. The research paper will count for 40% of the course grade.

EVALUATION:

The course grade will be based on the following activities:

10%	-	Class participation
20%	-	Reaction papers
5%	-	Outline for term paper
25%	-	Seminar facilitation and review essays
40%	-	Term paper

READINGS:

The primary readings for the course will come from a course reader and articles available on the web or via the Berkeley Library Electronic Catalog. Students will need to purchase only one book: International Forum on Globalization, *Alternatives to Economic Globalization*, San Francisco: Berrett-Koehler Publishers, 2002.

SCHEDULE OF TOPICS AND READINGS

Aug 31 - Introduction to the Course

Overview of the course topics, assignments, and expectations.

Sept. 7 – Reorganization of Production

Kaplinsky, R., and M. Morris (2002), *A Handbook for Value Chain Research*, paper prepared for the IDRC, available at: http://www.ids.ac.uk/ids/global/man&hand.html Read pages: 1-35, 49-62, 66-75, 101-104.

Gereffi, Gary, John Humphrey, and Timothy Sturgeon (2003), "The Governance of Global Value Chains," *Review of International Political Economy*, available at: www.soc.duke.edu/sloan_2004/Papers/**governance**_of_gvcs_final.pdf

OECD (2002), *Global Industrial Restructuring*, report of the Committee on Industry and Business Environment (CIBE) or the OECD, available at: http://www.oecd.org/dataoecd/59/47/1947035.pdf?channelId=34553&homeChannelId=33703&fileTitle=Global+Industrial+Restructuring

Lang, Tim (2004), *Food Industrialization and Food Power: Implications for Food Governance*, London: IIED, available at: http://www.iied.org/docs/gatekeep/GK114.pdf

Sept. 14 – Problems of Global Production and Governance

Rodrik, Dani (1997), *Has Globalization Gone Too Far?*, Washington, D.C.: Institute for International Studies, pp.: 1-36.

International Forum on Globalization, (2002), "A Critique of Corporate Globalization," Chapter 1 in *Alternatives to Economic Globalization*, San Francisco: Berrett-Koehler Publishers, pp.: 17-53.

Brecher, Jeremy and Tim Costello, (2004), *Outsource This? American Workers, the Jobs Deficit, and the Fair Globalization Solution*, report prepared for the North American Alliance for Fair Employment, April 2004, available at: www.fairjobs.org/docs/OutsourceThis!.pdf

Bhagwati, Jagdish (2004), *In Defense of Globalization*, New York: Oxford University Press, pp.: 51-195.

Sept. 21 – Traditional Theories and Strategies of Regulation

Sunstein, Cass (1990), *After the Rights Revolution – Reconceiving the Regulatory State*, Cambridge: Harvard University Press, pp.: 1-110.

Braithwaite, John, and Peter Drahos (2000), *Global Business Regulation*, New York: Cambridge University Press, pp.: 3-10, 27-36, 222-296.

Muchlinski, Peter, (1999), "A Brief History of Business Regulation," in S. Picciotto and R. Mayne (eds.) *Regulating International Business – Beyond Liberalization*, New York: St. Martin's Press, pp.: 47-59.

Sept. 28 – New Theories of Regulation and Governance

Reinicke, Wolfgang H. (1997), "Global Public Policy," *Foreign Affairs*, Nov-Dec, vol. 76, no. 6, pp.: 127-138.

Slaughter, Ann-Marie (2004), *A New World Order*, Princeton: Princeton University Press, pp.: 1-35, 261-271.

Held, David (2002), "Cosmopolitanism: Ideas, Realities and Deficits," in D. Held and A. McGrew (eds.), *Governing Globalization – Power, Authority and Global Governance,* Cambridge: Polity Press, pp.: 305-324.

International Forum on Globalization, (2002), "Ten Principles for Sustainable Societies," Chapter 2 in *Alternatives to Economic Globalization*, San Francisco: Berrett-Koehler Publishers, pp.: 54-78.

Oct. 5 – Corporate Accountability Demands

Bendell, Jem (2004), "Barricades and Boardrooms: A Contemporary History of the Corporate Accountability Movement," Technology, Business and Society Programme Paper No. 13, June, Geneva: UNRISD, available at: http://www.unrisd.org/unrisd/website/document.nsf/0/504AF359BB33967FC1256EA9003CE20A?OpenDocument

Evans, Peter (2000), "Fighting Marginalization with Transnational Networks: Counter-Hegemonic Globalization," *Contemporary Sociology*, Vol. 29, No. 1, pp.: 230-241.

Klein, Naomi (1999), *No Logo – Taking Aim at the Brand Bullies*, New York: Picador, pp.: 3-26, 345-446.

International Forum on Globalization, (2002), "Corporate Structure and Power," Chapter 5 in *Alternatives to Economic Globalization*, San Francisco: Berrett-Koehler Publishers, pp.: 121-150.

➡ Outline of term project due.

Oct. 12 – Corporate Self-Regulation

Haufler, Virginia (2003), "Globalization and Industry Self-Regulation," in M. Kahler and D. Lake (eds.) *Governance in a Global Economy – Political Authority in Transition,* Princeton: Princeton University Press, pp.: 226-252.

Coglianese, Cary and Jennifer Nash (2001), "Environmental Management Systems and the New Policy Agenda," Chapter 1 in C. Coglianese and J. Nash (eds.), *Regulating from the Inside: Can Environmental Management Systems Achieve Policy Goals?*, Washington, DC: Resources for the Future, pp.: 1-25. Available at: http://www.rff.org/rff/rff_press/bookdetail.cfm?outputID=2942

Global Environmental Management Initiative (2004), *Forging New Links – Enhancing Supply Chain Value Through Environmental Excellence*, available at: http://www.gemi.org/supplychain/

King, A. and Lenox M. (2000), "Industry Self-Regulation Without Sanctions: The Chemical Industries Responsible Care Program," *Academy of Management Journal,* 43(4), available at: www.aom.pace.edu/amj/August2000/king.pdf

Oct. 19 – Codes of Conduct and Independent Monitoring

O'Rourke, Dara (2003), "Outsourcing Regulation: Non-Governmental Systems of Labor Standards and Monitoring," *Policy Studies Journal*, vol. 31. no. 1, available at: http://nature.berkeley.edu/orourke/

O'Rourke, Dara (2002), "Monitoring the Monitors: A Critique of Corporate Third-Party Labor Monitoring," in Rhys Jenkins, Ruth Pearson and Gill Seyfang (eds.) *Corporate Responsibility and Ethical Trade: Codes of Conduct in the Global Economy*, London: Earthscan, available at: http://nature.berkeley.edu/orourke/

Utting, Peter (2002), "Regulating Business via Multistakeholder Initiatives: A Preliminary Assessment," in P. Utting (ed.) Voluntary Approaches to Corporate Responsibility, Geneva: UNRSID, pp.: 61-126, available at: www.somo.nl/monitoring/reports/Utting-Multistakeholder.pdf

Esbenshade, Jill (2004), *Monitoring Sweatshops – Workers, Consumers, and the Global Apparel Industry*, Philadelphia: Temple University Press, pp.: 165-207.

Oct. 26 – Certification and Labeling

Cashore, Benjamin (2002), "Legitimacy and the Privatization of Environmental Governance: How Non-State Market-Driven (NMSD) Governance Systems Gain Rule-Making Authority," *Governance*, vol. 15, no. 4, pp.: 503-529, available at: http://www.yale.edu/forestry/cashore/a.html

Bartley, Tim (2003), "Certifying Forests and Factories: States, Social Movements, and the Rise of Private Regulation in the Apparel and Forest Products Fields," *Politics and Society,* 31(3):433-464.

EPA (1998), Environmental Labeling Issues, Policies, and Practices Worldwide, Washington, D.C.: Environmental Protection Agency, pp.: 1-66. available at: http://www.epa.gov/oppt/epp/documents/envlab/report.htm

Also, scan recent case studies on Forest Certification in developing countries at: http://www.yale.edu/forestcertification/symposium/casestudies.html

Nov. 2 – Corporate Reporting and Transparency

Fung, Archon, Mary Graham, and David Weil (2002), *The Political Economy of Transparency: What Makes Disclosure Policies Sustainable?*, Research Paper OPS-02-03, Harvard University Ash Institute, available at: http://www.ashinstitute.harvard.edu/Ash/FGW.pdf

O'Rourke, Dara (2004), "Opportunities and Obstacles for Corporate Social Responsibility Reporting in Developing Countries," report for the Corporate Social Responsibility practice of the World Bank group, Washington, D.C.: World Bank, available at: http://www.worldbank.org/privatesector/csr/

Also check out: The Global Reporting Initiative: http://globalreporting.org
The Sunshine Standards: http://www.stakeholderalliance.org/sunstds.html

Nov. 9 – Fair Trade

Heeks, Richard and Richard Duncombe (2003), "*Ethical Trade: Issues in the Regulation of Global Supply Chains*," Paper No. 53, Centre on Regulation and Competition, available at: http://www.eldis.org/static/DOC12859.htm

Leclair, Mark (2002), "Fighting the Tide: Alternative Trade Organizations in the Era of Global Free Trade," *World Development,* vol. 30, no. 6, pp.: 949-958.

Oxfam, (2003), *Mugged: Poverty in Your Coffee Cup*, London: Oxfam, available at: http://www.oxfamamerica.org/campaigncoffee/art3395.html

Murray, Douglas, Laura Raynolds, and Peter Taylor (2003), One Cup at a Time: Poverty Alleviation and Fair Trade Coffee in Latin America, Fair Trade Research Group, Colorado State University, available at: http://www.colostate.edu/Depts/Sociology/FairTradeResearchGroup/

Nov. 16 – Product Policies

Fishbein, B. (2000), "Extended Producer Responsibility: What Does it Mean? Where is it Headed?," New York: Inform Inc., available at: http://www.informinc.org/eprppr.php

European Commission (2001), *Green Paper on Integrated Product Policy*, available at: http://europa.eu.int/comm/environment/ipp/2001developments.htm

Lowell Center for Sustainable Production (2003), "Integrated Chemicals Policy – Seeking New Direction In Chemicals Management," available at: http://www.chemicalspolicy.org/repo.shtml

Nov. 23 – Legal Strategies

Collingsworth, Terry (2003), "The Alien Tort Claims Act – A Vital Tool for Preventing Corporations from Violating Fundamental Human Rights," available at: http://www.laborrights.org/

Howse, Robert, and Makau Mutua (2000), *Protecting Human Rights in a Global Economy*, available at: http://www.ichrdd.ca/english/commdoc/publications/globalization/wtoRightsGlob.html

Reclaim Democracy (2003), "Kasky v. Nike," available at: http://reclaimdemocracy.org/nike/

Weil, David (2002), "Regulating Noncompliance to Labor Standards," *Challenge*, vol. 45, no. 1, January/February, pp.: 47-74.

Nov. 30 – Trade Agreements, Standards, and Institutions

Elliott, Kimberly and Richard Freeman (2003), *Can Labor Standards Improve Under Globalization?*, Washington, D.C.: Institute for International Economics.

Polaski, Sandra (2004), "Protecting Labor Rights Through Trade Agreements: An Analytical Guide," *Journal of International Law and Policy*, University of California, Davis, available at: http://www.ceip.org/files/publications/2004-07-polaski-article.asp

International Forum on Globalization, (2002), "From Bretton Woods to Alternatives," Chapter 7 in *Alternatives to Economic Globalization*, San Francisco: Berrett-Koehler Publishers, pp.: 208-242.

Dec. 7 – Towards Democratic Experimentalism

Fung, Archon, Dara O'Rourke, and Chuck Sabel (2001), "Realizing Labor Standards," *The Boston Review,* New Democracy Forum, February, 2001, available at: http://www.bostonreview.net/BR26.1/fung.html

Rogers, Joel and Wolfgang Streeck (1994), "Productive Solidarities: Economic Strategy and Left Politics," in D. Miliband, (ed.), *Reinventing the Left,* Cambridge: Polity Press.

Sabel, Chuck (2004), "Theory of a Real-time Revolution," draft manuscript, available at: http://www2.law.columbia.edu/sabel/papers.htm

➡ Term Papers Due in Class.