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## Labour in Global Production: Reflections on Coxian Insights in a World of Global Value Chains

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**ABSTRACT** *This essay reflects on Robert W. Cox's work on global production, labour, and labour governance, and considers how his insights might illuminate the present conjuncture for labour in production. I work with an understanding of that conjuncture as involving the rise to pre-eminence of global production networks (GPNs) and global value chains (GVCs) as the contemporary expression of the ongoing globalization of production. The primary tasks of the essay are twofold: first, to explore the dynamics of labour and power in the GVC-based global economy, with a particular emphasis on labour exploitation; and second, to link these questions to those of the governance of the global economy, focusing on the shift towards transnational private governance as the dominant mode of contemporary governance, and on the evolving strategies of organized labour and the International Labour Organization in that context.*

**Keywords:** labour, global production, global value chains, governance, Robert Cox

When his work was most focused on the issue of labour in production in the 1970s, Robert Cox was observing the expansion of the multinational corporation (MNC) as the pivotal phenomenon in the international economy, and the associated consolidation of the hegemony and the economic dominance of the USA. Cox produced a series of reflections on the implications of this globalizing world economy for labour, the increasing global interconnectedness of labour relations, and the challenges for the union movement. He was also writing fascinating accounts of the politics of the pre-eminent international organization governing labour, the International

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Labour Organization (ILO), seeking to locate its evolution within a story about the rise of corporatism in the USA and the ‘deeper tendencies’ of American hegemony and economic dominance. His insights into both the evolution of labour relations in the early globalization of production, and the political economy of the multilateral governance of labour relations, were unquestionably an inspiration for the future generation of scholarship on labour that has unfolded in the field of international political economy (IPE), although arguably still not come to command the attention that it deserves.

Forty years later, what can we say of the enduring relevance of Cox’s work in understanding contemporary global production, labour, and labour governance? I approach my task here as a reflection on how global production has evolved since Cox was first writing about labour in the 1970s, and to bring to that reflection a consideration of the insights that Cox’s work might provide in understanding the current conjuncture for labour in production. I advance an understanding of that conjuncture as involving the rise to pre-eminence of global production networks (GPNs) and global value chains (GVCs), as the contemporary expression of the ongoing globalization of production. The dominance of GVCs is such that, I suggest, all analyses of labour in production now need to accommodate an understanding of those structures. The 2013 *World Investment Report*, published by the United Nations Commission on Trade and Development (UNCTAD), estimates that around 80% of global trade now flows through GVCs led by transnational corporations (TNCs) (2013). The ILO estimates that one in five jobs world-wide is linked to GVCs (2015). These are arresting figures, and they add substance to a widely accepted proposition that GVCs have become the foundation of contemporary industrial organization: according to one recent contribution, they have become no less than ‘the world economy’s backbone and central nervous system’ (Cattaneo, Gereffi, & Staritz, 2010, p. 7). In a process of striking convergence, all of the major international organizations now deploy the language and concept of GVCs as the foundation for their respective strategies (Gereffi, 2014), and many national governments have come to frame their development strategies as being about connecting to GVCs, securing integration with them, and achieving ‘upgrading’ within value chains.

As the structures around which global production and trade are increasingly and predominantly organized, it seems logical to suggest that an understanding of GPNs/GVCs needs to be central to a contemporary analysis and theorization of labour in global production. At the same time, it is undoubtedly the case that the GPN/GVC debates have been slow to incorporate labour in their analysis of global production, tending to treat it largely as a factor of production and to ascribe primary interest to the issue of labour costs determining the locational strategies of firms. Within the GPN/GVC field, calls to afford labour a more central place in the analysis have been heeded, but equally have tended to focus on the question through the prism of outcomes, exploring the consequences for labour standards of particular chain dynamics (Barrientos, Gereffi, & Rossi, 2011). This scholarship is fascinating and important, but, viewed from within the traditions of Cox’s work, could fairly be said to fall short of contributing an integral account of labour in global production. In this sense, it becomes attractive to explore how Coxian and critical IPE-based insights in turn could usefully fertilize the GPN/GVC debate.

My task in this short essay is thus to consider how well Cox’s work on labour travels in a very different world from the one in which he was writing in the 1970s and, subsequently, what his insights can contribute to our understanding of the contemporary GVC-based economy, and what is the extent of their enduring relevance. Given the richness of his contributions, such a task could open an expansive terrain of themes and questions, theoretical and empirical, linking to hegemony and counter-hegemony, states, multilateralism, international organizations, labour unions, firms, civil society, social marginalization, historical societal transformations,

public policy, nationalism and transnationalism, and so on. Given present constraints on space, I will focus my energies in two areas, and organize this essay accordingly: first, exploring the dynamics of labour and power in the contemporary form of global production underpinned by GVCs, with a particular emphasis on labour exploitation; and second, linking these questions to those of the governance of the global economy, focusing on the dismantling of corporatism and the shift towards transnational private governance as the dominant mode of contemporary governance. A short descriptive outline of the contours of the GVC-based global economy is first warranted in order to frame the discussion.

### Global Production and the ‘GVC World’

The concept of GVC refers to a pattern of production coordinated by TNCs, which is geographically dispersed and in which the various stages and functions of production are fragmented (Gereffi, Humphrey, & Sturgeon, 2005; Milberg & Winkler, 2013). It rests predominantly on the trade of intermediate goods and services, wherein trade is no longer about the international exchange of final goods, but rather about ‘trade in tasks’ (Grossman & Rossi-Hansberg, 2008). The functional fragmentation of the production process is associated with its geographical fragmentation, as lead firms progressively outsource and/or offshore productive functions, resulting in patterns of specialization structured geographically by global asymmetries in production costs. As such, the trends identified by Froebel, Heinrichs, and Kreye (1980) in their early identification of a new international division of labour, and by Cox in his consideration of the expansion of MNCs and the shift of industrial manufacturing from what was often termed ‘north’ to ‘south’ (1976), have crystallized more recently in the consolidation of GVCs as the often staggeringly complex structures through which global production processes now flow. The focus of Cox and others on the power of MNCs—what in the GPN/GVC lexicon tend to be called lead firms—was apposite and relevant to the emerging understanding of economic globalization. Indeed, while the architects of the neoliberal globalization project envisaged a world of free market competition, what has instead emerged has been a ‘highly leveraged form of managed trade’ in which lead firms control production, not markets or states, and in which the value in the system is captured by the most powerful actors within it.<sup>1</sup> The GPN/GVC explanatory framework, in other words, re-conceptualizes global market engagement ‘from a passive process involving the reaction of independent actors to market signals, as in international trade theories, to a set of industrial transformations constructed within system-wide dynamics of coordination and control by economic and non-economic actors’ (Neilson, Pritchard, & Yeung, 2014, p. 1).

The concept of a ‘value’ chain is useful precisely because it goes beyond a description simply of how and where things are produced, to the question of how and where value is created, and where, how, and by whom or what it is captured. It is in this sense a key to understanding the continued evolution of power relations in the global economy, which is the core interest that has sustained Cox’s work for half a century. The GVC-based pattern of production is driven, at root, by corporate strategies to create and harness global asymmetries of market power in the interests of generating and capturing profit. Creating these market asymmetries rests on securing a geographically differentiated structure in which firms at the top occupy oligopolistic positions, but competitive markets prevail among lower tier suppliers, as a foundational element of firms’ cost-cutting strategies to help maintain cost mark-ups (Milberg & Winkler, 2013, pp. 123–124). Structures of this nature establish the mechanisms through which lead firms can transmit commercial pressures on conditions of price and supply along the length of value chains, maximize the process of value capture by varying these conditions at any point in

time, and offload risk onto supplier firms, who in turn pass on the burdens to small producers and workers (Anner, Bair, & Blasi, 2013; Barrientos, 2013; Nathan & Kalpana, 2007). Through these pressures, ‘entry barriers’ are erected to safeguard the positions of the dominant firms, such that many suppliers, producers, and workers in the lower tiers are denied or squeezed out of advantageous participation in value chains (Gibbon & Ponte, 2005; Kaplinsky, 2005). The competitive struggle by firms within GVCs is waged to a significant extent on the terrain of factor costs, most notably labour input costs, but also rests on an array of institutional conditions (Milberg & Winkler, 2013, p. 103) ranging from market conditions, such as those relating to labour and technology, to the social conditions which in turn shape labour market conditions, and the political, policy, and regulatory environment that prevails in a given setting.

In the 1970s and the 1980s, Cox and others were observing the geographical shift of industrial manufacturing from ‘north’ to ‘south’, where the lead firms in the process were generally US and ‘northern’ corporations. In Cox’s work, this was linked to a conceptualization of the global hegemony of the USA, in the process of being consolidated by the globalization of production, the rise of the MNC, and the pre-configuring of what later have become known as GVCs (1976). In the associated transformations of capitalism in the advanced economies to what he identified as a model of ‘post-industrial’ society and later ‘evolved capitalism’ (Cox, 1973–1974, 1999), the process was understood as one in which value chains came to connect production located in the low-cost economies of the ‘south’ to the consumer markets of the ‘north’. Yet this empirical description—production in the south, end markets in the north—no longer holds. Trends in global industrial organization have been characterized by a shift in end markets and an increasing regionalization of value chains, such that dominant lead firms are no longer primarily (or not only) North American or European (Cattaneo et al., 2010; Gereffi, 2014; Kaplinsky & Farooki, 2010; Yeung, 2014). Likewise, the largest consumer markets are already—and increasingly will be—in China, India, possibly Africa, and elsewhere, fuelled by the explosive growth of the middle classes in those regions (Guarin & Knorringa, 2014).

This has significant implications for the governance of global production, including, as we will see shortly, the governance of labour and labour standards. It also has important consequences for the question that exercised Cox so much in his work on these issues, namely, the understanding of the transnational class structure that was and is still being ushered in by the forces of economic globalization and the consolidation of GVCs.

### **Labour and Labour Exploitation in Global Production**

In a contribution in 1976, Cox identified this new social configuration as being threefold, dominated by a ‘transnational managerial class’ at its apex, running through a large class of ‘established labour’ in what at the time was beginning to be understood as the primary labour market, to the group of ‘social marginals’ who are either excluded from industrial production or integrated into the secondary labour market on the basis of markedly precarious forms of employment (Cox, 1976, pp. 351–352). In a later contribution in 1999, Cox modified his typology slightly, maintaining the core workforce of the highly skilled at the top, and envisaging them as flanked by a larger number of ‘precarious workers’, their condition resulting from fluctuating levels of demand for products, their lesser skill levels, and the premium placed on flexibility in the use of labour by firms. The third group is then identified as those excluded from international production (Cox, 1999, p. 9). While it might fairly be said that there was an implicit geographical categorization in the typology that Cox elaborated in the former article, by 1999 there was a much more explicit recognition of the transnational character of this social structure, where

the excluded were to be found in both richer and poorer countries, capturing an important dimension of the social transformations brought about by the consolidation of GVCs.

Many of the forces pushing in these directions that Cox identified in the 1970s have continued and intensified as the globalization of production has advanced towards the consolidation of a GVC world. In many different types of GVCs, producers, suppliers, and employers seek to manage the aggressive competitive pressures transmitted by lead firms predominantly through the mechanisms of labour costs. What matters in shaping outcomes for working conditions is the manner in which multinational firms organize their production activities, and outsourcing emerges as the critical factor in that respect, representing the primary means by which lead firms in GVCs lower costs and increase the share of income taking the form of profit (Milberg & Winkler, 2013, pp. 14–16; Mosley, 2011; Phillips, 2013). For supplier firms too, outsourcing (particularly to smaller and household enterprises and to home workers) represents the key means of cutting costs and achieving flexibility in response to variable market conditions and the commercial pressures imposed by lead firms, as well as the primary mechanism by which they escape the pressures of social compliance and the reach of regulation and monitoring. A direct consequence is the continued expansion of precarious, insecure, and exploitative work as the hallmark of many contemporary GVCs, performed by a highly vulnerable and disenfranchised workforce, of which informal, migrant, and contract workers have come to be the primary constituents.

In this sense, Cox's insights into the 'far-reaching transformation' wrought by the expansion of the MNC (1976, p. 345) remain strikingly apposite, as do his insights into labour exploitation as, as Jeffrey Harrod later framed it, 'normal processes of power within production' (1987, p. 4; Davies & Ryner, 2006). Yet developments in three arenas offer a slightly different contemporary slant on how these processes are realized, and the conclusions that Cox draws for the challenges of labour governance. First, perhaps more in his earlier than his later work, Cox draws a distinction between workers employed directly by MNCs, and those who could be said to operate outside the MNC sector (1976, pp. 361, 363). The sense, implicit or explicit, was that the group of 'social marginals' fell into the latter category. At the time this may have been a fair characterization of the landscape, but this distinction has latterly been challenged by the evolution of GVC structures centred around the continued expansion of TNCs. The sheer scale and complexity of GVCs mean that now vastly more workers are integrated into what Cox was referring to as the MNC sector, even while very few of them can be said to be directly employed by the lead firm itself. Much of the inside/outside dichotomy suggests a parallel formal/informal dichotomy, wherein the MNC sector is deemed to represent the formal economy, and the rest the universe of informal workers and social marginals that are deemed to lie outside it. Instead, we now have a situation in which the MNC sector—which we could redefine as the structures of GVCs—incorporates vast swathes of the formal and informal economies to the extent that the distinction breaks down as a useful descriptor of the landscape of labour relations. The mechanisms of outsourcing mean that GVCs incorporate huge numbers of 'invisible' firms, entrepreneurs, and workers in the informal economy, even though the firms or enterprises in question may be subcontractors to registered firms. The implications for labour are that these firms and entrepreneurs generally lack any incentives to boost their profile of 'social legitimacy' in the context of cut-throat price competition (Knorringa, 2014), and the pressure on wages and working conditions is relentless.

In this sense, a proportion of the world's 'social marginals' identified by Cox may well exist in conditions of exclusion from employment in global production, but a far greater proportion is now integrated into it, not least as this type of employment has become the cornerstone of a

development orthodoxy around poverty reduction (Milanovic, 2003). In relation to global production, the condition of most interest in the contemporary period could therefore be said to be not (or not only) exclusion, but rather the swelling ranks of workers integrated into GVCs on highly precarious and adverse terms. The concept of adverse incorporation has been developed to explain why, contrary to the orthodox view of employment as the key to poverty reduction, many integrated workers remain in conditions of chronic poverty (Hickey & du Toit, 2007; Phillips, 2011, 2013; Ponte, 2008; Wood, 2003). In 2012, the World Bank's poverty figures demonstrated the first aggregate decline in levels of extreme poverty in the developing world since it started monitoring in 1981, but also reported that the numbers living between the \$1.25 per day extreme poverty line and the \$2 per day poverty line had almost doubled between 1981 and 2008, to reach 1.18 billion people (2012). This is, essentially, the population of the global working poor—a category that orthodox economic and development policy thinking has long struggled to accommodate, and the arena of poverty that is shaped by the processes of adverse incorporation. The question of marginality in this sense has never been more pronounced or pressing, but marginality stems as much from the terms of inclusion as from a condition of exclusion.

The second issue is that, at the same time, a significantly decreasing number of workers are employed directly by TNCs or their upper-tier suppliers in the value chain. Outsourcing involves not only the functional disaggregation of the production process, but also the outsourcing of the functions and responsibilities associated with employment. Indeed, many workers in the lower tiers of GVCs have no knowledge of the fact that their labour is integrated into structures coordinated by TNCs, and have no knowledge of whether they are performing productive functions for a global branded retailer. More to the point, the outsourcing of employment functions facilitates a rupture in the traditional employment relationship. This implies both a significant dismantling of employers' obligations to workers and a considerable challenge for an organized labour movement, where the target of action is even less clear-cut than it was around the time that Cox was analysing the fragmented and partial responses of the union movement to the expansion of the MNC.

Add into this mix a further dimension of the outsourcing of employment, namely, the increasing outsourcing of labour recruitment to private labour contractors in GVCs, which represents 'a logical extension of the commercial dynamic through which global outsourcing is implemented by global buyers' (Barrientos, 2013, p. 1065). Labour contractors range from being legitimate and registered, to informal, unregulated, and essentially invisible, through to illicit and criminal with strong overlaps into trafficking networks. Workers are increasingly often employed directly by the labour contractor rather than the firm or enterprise which uses their labour, such that a further rupture is enabled in terms of labour rights and entitlements in GVCs. Even where lead firms take corporate social responsibility (CSR) seriously and impose social compliance requirements on suppliers, the outsourcing of contracting to third parties, and the consequent absence of a documented employment relationship, has enabled the latter frequently to evade responsibility for implementing these requirements and to disclaim the use of workers at any particular time. Workers recruited by contractors are usually bound to provide their labour to a particular employer, and, perhaps most significantly, the arrangement usually involves the payment of advance wages which are then owed as debts by the worker, enhancing already high levels of vulnerability and exploitation.

The third arena in which we can identify an acceleration of change from the time that Cox was most actively writing about these issues relates to the question of migration in constituting the global labour force. Cox was acutely conscious both of the dynamics of migration and the

associated political challenges for national governments and unions in Western Europe. He noted how the importation of labour into Western European economies from Mediterranean countries was acting to '[transform] a geographical periphery into an internal social periphery' (Cox, 1976, p. 348)—a characterization of huge enduring relevance. What has perhaps changed, though, is that this is no longer, as Cox saw it, a phenomenon which distinguished Europe from the USA, where the preference was for offshoring productive functions rather than importing labour. In the USA, while different in nature from the European context, the dynamics of immigration have yielded the same reconfigurations of labour relations and the political landscape around labour issues. Moreover, the question of the migrant labour force has become properly global, no longer centred on Europe or on a 'south–north' movement from poorer to richer countries, but now in large proportion 'south–south' (United Nations Department of Economic and Social Affairs, 2013), strongly associated with the reorganization of global production and the consolidation of global and regional value chains. The key phenomenon in China and elsewhere is also that of massive internal movements of people, which have become as pivotal as cross-border movements in shaping the dynamics of labour in production. Global migration today takes the more traditional forms of movements into industrial manufacturing, such as flows of both internal and international migrants to the industrial zones of southern China, or less traditional forms associated with Cox's shift towards post-industrial society and the demand for service-providing labour fuelling post-industrial lifestyles. Again, this is not necessarily rooted in the 'evolved' capitalist economies of North America and Europe, but is also represented by, as an example, the significant flows of domestic workers within East and South-east Asia.

Globally, migration policy is frequently an integral element of neoliberal political strategies for the 're-commodification' of labour—a reassertion of the connection between the welfare of citizens and the price of their labour on an imagined free market, pursued through the rolling back of the strong welfare state, the deregulation of employment, and the transformation of citizenship and welfare arrangements (Schierup & Castles, 2011). The dynamics of precarious employment which Cox illuminated so forcefully are magnified through the exploitation of a global migrant labour force which lacks the power to engage in political action around wages and conditions, and whose condition of exclusion from rights and entitlements associated with citizenship or residency, as well as their condition of economic need, reinforce their vulnerability to the forms of 'adverse incorporation' and/or exclusion we explored earlier. This is not to claim that these positions are static or universal: there is an appreciable fluidity between the various levels of labour hierarchies, and migration remains a key to socio-economic advancement. But it also remains the case that processes of accumulation in the global economy and within GVCs both produce and reproduce the conditions in which the vulnerability and 'disposability' of the marginal workforce—and in specific ways for the migrant labour force—are for large parts of that workforce chronic and durable in nature. Global migration, in other words, is central to the forms of 'durable inequality' (Tilly, 1998) which remain a core feature of labour relations in contemporary global production.

### **Governance and Labour**

Since the time that Cox was writing about the ILO and the organized labour movement, the political foundations of the global economy have quite dramatically been re-drawn. Driven by ideological imperatives on the part of states and the power of economic actors, the major shift has been the dismantling of corporatism, which Cox identified compellingly as the historical basis



for the tripartite ideology of the ILO and the strategies of the organized union movement (1977). In its place, gradually, we have seen the emergence of a form of global economic governance that rests on the pre-eminence of private governance, wherein corporations are the primary agents of governance and the primary vehicle is that of voluntary corporate self-regulation. In part this mode of governance has been driven forwards by the rise of GVCs and the primacy of brand name loyalty in contemporary retailing, which have shifted the power to negotiate terms with companies decisively to consumers, away from governments and even further away from workers (Esbenshade, 2012). Yet there is a wider politics to this process, wherein, driven by neoliberal ideological imperatives and responsiveness to interests, powerful states have been the active agents of the shift to private governance, pursued through strategies of systematic deregulation and market facilitation, and an active role in shaping the evolution of the CSR agenda (Mayer & Phillips, 2015).

CSR represents a movement with a long history of multiple conceptual and political trajectories, reaching back to early notions of social responsibility in the late nineteenth and early twentieth centuries. Its contemporary connections with the ongoing process of neoliberalization stand at odds with some of its more socially progressive and anti-imperialist incarnations in previous eras. In the 1970s, these were represented by the early activism of such bodies as the World Council of Churches in the anti-Apartheid effort or non-governmental organizations (NGOs) involved in the boycott of the Swiss firm Nestlé, and the pivotal agenda of the United Nations in its creation of a Commission on Transnational Corporations and a Centre on Transnational Corporations (UNCTC). The reaction against this current in CSR thinking was driven by US corporations, the US government, and organizations such as the World Business Council for Sustainable Development, such that, at the 1992 UN Earth Summit in Rio de Janeiro, the final nail was driven into the coffin of UN proposals for a mandatory international code of conduct on transnational corporate activity (Sadler & Lloyd, 2009; Sagafi-Nejad, 2008).<sup>2</sup>

The drive towards greater regulation was thus replaced with a drive towards corporate self-regulation as the basis for a newly pre-eminent mode of private governance. The political argument against binding regulation had apparently been accepted fully—either from conviction or from pragmatism—by the time of the negotiation of the UN Guiding Principles on Business and Human Rights in the mid-2000s (see Ruggie, 2013). By moving in this context from a strategy of defensiveness to proactive leadership in relation to CSR, firms themselves were effective in both neutralizing opposition and capturing the power to shape the CSR agenda—a hegemonic strategy, in Gramscian terms, which has proved highly effective in insulating firms from oppositional activism, and ensuring that many issues relating to global injustice have remained essentially off-limits (Utting, 2008, p. 966). Together with an ongoing corporatization of civil society, a compelling argument presents itself that CSR has, in its dominant neoliberal incarnation, been emptied of much of its radical transformative potential (Shamir, 2004).

Unfortunately, space prevents a discussion of the limits of this dominant mode of transnational private governance in securing progressive outcomes for labour, the environment, or development. What is of most relevance for present purposes is its implications for two of the issues that have absorbed so much of Cox's interest, namely, the strategies of the organized labour movement and the strategies of the ILO. Let us take each in turn, necessarily briefly, as the conclusion to this essay.

Cox observed in 1976 that 'labor today has managed to generate only a confused, partial and lopsided response to the multinational corporation' (1976, p. 344). It would be fair to argue that much of that confusion and lopsidedness persists. Many of the limits to effective action also remain at least partially unresolved, including the difficulty the union movement has had in

developing strategies that reach beyond the core of organized workers to the many millions working in the informal economy and in the darkest corners of the global economy, where the barriers to organization are in any case extreme. The arduous process through which many unions have passed in order to try to accommodate immigration and migration in their strategies remains tricky terrain, not least in view of the pronounced politics of anti-immigration which have come to prevail in many parts of the world. Equally, as Jill Esbenshade observes, the model of private regulation rarely empowers workers: workers have no formal role in this model of regulation, and considerable risk still attaches to their activism, both in terms of punitive retaliation from employers and managers, and in the consequences to the firm's business of exposure of labour rights violations (2012, p. 552). Yet, in general terms, we have seen some considerable movement in organized labour strategies in the context of a global economy dominated by TNCs, and interestingly it has not been in the direction that Cox perceived as the most likely in his horizon-scanning exercise in the 1970s.

Cox posed the challenge of a world dominated by MNCs for organized labour as a choice between a 'transnational' strategy of trying to negotiate directly with MNCs wherever they locate, on the one hand, and, on the other, a more 'national' strategy in which the unions would try to use their political leverage in their own nations to regulate and control the MNCs and protect jobs. Cox argued that it would only be in a minority of cases that the transnational strategy would be pursued, and that instead the focus would be on trying to influence national government policies to mitigate the impact on jobs of the globalization of production. Yet, from our vantage point in a world dominated by GVCs 40 years later, the transnational strategy has in fact become a more dominant mode of action than Cox expected, and the national strategy much less robust. A 'tentative transformation of the international union movement' (O'Brien, 2000) has been associated with attempts more robustly to pursue a transnational strategy of engaging directly with both international organizations and TNCs, developing transnational campaigning strategies and building 'transnational labour solidarity' (Bieler, 2014; Bieler, Lindberg, & Sauerborn, 2010; Seidman, 2008).

Robert O'Brien explains the roots of this shift as lying in the expulsion of unions from the corridors of power in key states, and in developing interactions with social movements and civil society organizations—facets of the 'reversal of corporatism' that Cox observed as resulting from the world crisis of capitalism of the 1970s (1999, p. 8). Neoliberal globalization is seen both to challenge the power of organized workers and to offer an opportunity for the transcending of national concerns and a dilution of 'working class nationalism' (O'Brien, 2000, p. 538), the latter being an important foundation of the national strategy that Cox identified as the most likely future focus for organized labour. Finally, O'Brien argues that we have seen a shift away from the support for US capitalism on which organized labour was premised around the time Cox was writing, and which he described as the underpinning of tripartism in the ILO (2000, p. 538). Instead, the union movement has become both more oppositional in character in relation to neoliberalism, but also more transnational in its strategic orientation. The traditional corporatist focus on the state, in other words, seems decisively to have been superseded.

One of the most interesting features of this engagement with TNCs, beyond the usual focus on collective bargaining, has been an attempt to work on the terrain of their private governance strategies. We might term this an attempt to leverage private governance mechanisms, particularly in relation to the incorporation of a focus on corporate codes of conduct into unions' and labour activists' strategies (O'Brien, 2000). It is unquestionably the case that private regulation and corporate codes of conduct have not been effective as mechanisms for dealing with labour exploitation in the global economy (Esbenshade, 2012; Locke, 2013; Taylor, 2011; Vogel, 2010;

Wells, 2007). Nevertheless, the interventions of organized labour, in conjunction with consumer groups, have added a layer of impetus and accountability to corporate self-regulatory initiatives which has contributed to ramping up pressure on TNCs to address egregious violations of labour rights. The interesting point is that this approximates something of the scenario Cox sketched when he described the possible transnational strategy for organized labour, not only in the emergence of such a strategy, but also in the marginal status within it of national states. Inasmuch as 'those who have cultivated this [transnational] vision have tended to regard the state as an obsolescent structure' (Cox, 1976, p. 354), many of the patterns of transnational engagement by unions have been targeted not at the state in their traditional corporatist mode of action, but at TNCs themselves, social movements of various descriptions, and international organizations.

It is nevertheless unquestionably the case that this shift towards a transnational mode of action remains complicated, patchy, and still limited. In this sense, Cox's assessment of the problems and obstacles to an effective strategy of this nature remains highly apposite (1976). He noted the myriad challenges relating to transnational organizing, in which he observed that MNCs held a significant advantage given their operational structures, and that unions were at a distinct disadvantage, particularly given the highly variable strength and capacities of union movements across the world. He noted that it would take a fragmentation of national labour organization in order to allow particular segments to pursue transnational integration. Equally, he saw the potential of the transnational strategy to be limited by the fact that it could only be realized by increasing the distance of the organizing bodies from the workers they purported to represent, wondering 'what guarantees [there would be] that a multinational union could hold all its members in different countries to a centrally negotiated agreement' (Cox, 1976, p. 354). Even while the path for a transnational strategy has been partially cleared since the time that Cox was writing, all of these challenges remain in place. As such, the corporatist conditions facilitating a national strategy have been eroded, and a national strategy is manifestly anachronistic in a world of GVCs and the challenges that such a world presents for labour. Yet, at the same time, a transnational strategy remains to be fully articulated, and transnational labour agency remains nascent rather than developed.

A transnational strategy for organized labour has thus become more dominant than Cox expected, but his assessment of some of the challenges to its articulation remains pertinent. At the same time, it should be observed that his scenarios for the national and transnational strategies reflected a preoccupation with labour unions as the key agents of labour activism. The combined consolidation of a GVC-based global economy and the rise of transnational civil society and social movements has instead put in place a labour politics that reaches more widely than its traditional trade union base. We noted earlier that, in the GVC context, the key relationship for firms has shifted to lie with consumers, not governments or workers—a shift that has run alongside the well-documented decline in union membership and the concerted maintenance or erection of barriers to unionization and collective bargaining across the global economy. In this context, the concept of transnational labour agency has expanded to go significantly beyond trade unions, and encompasses a wide variety of NGOs, activist organizations, alliances of informal workers, women's organizations, landless and peasant movements, and so on. There is an argument that this process acts to reinforce the distance that Cox observed, and thought to be problematic, between the organizations purporting to represent labour and the workers themselves. Alternatively, in some of its manifestations, and notwithstanding the potential for generating fragmentation and incoherence, it could be interpreted as a key means by which the transnational strategy now demanded of labour in a GVC economy has become more feasible than Cox might have envisaged in the 1970s.

Similarly, when we turn to the ILO in a consideration of the implications for governance of the GVC-dominated economy, we see a significant change from the time that Cox was writing about the connections between hegemony and multilateralism. This should not surprise us, given what we have already said about the dismantling of the corporatist state as the basis on which the tripartite ideology of the ILO was built. Inasmuch as the structure of power that Cox observed ‘prevented the ILO from confronting effectively the real social issues of employment-creation, land reform, marginality, and poverty in general’ (1977, p. 385), we might expect to see the reconfiguration of this power structure creating some change in the ILO’s effectiveness as an international organization charged with addressing some of these issues.

To an important extent, this has been the case. The Decent Work platform is the ILO’s flagship programme, which increasingly has been taken up by other international organizations in their attempt to say something about matters of work and employment in broader development agendas. Yet this is not a story of complete change: the ‘hegemonic order’ in the ILO can still be considered to be strongly influenced by the ‘corporate/state-centric version of corporatism’ which has always permeated its operations, and the Decent Work agenda to represent a ‘skilful effort at mediating escalating tensions inside the ILO between global capital, backed by a majority of industrialized states, and an increasingly vocal group of member states, trade unions, women’s organizations and other NGOs concerned with improving the lives of marginalized workers’ (Vosko, 2002, p. 20).

The effort has not been entirely successful, and indeed many of the limits placed by US power on the functioning of the ILO remain intact. The tripartite structure remains a potential advantage for governance, but the agenda is continually defined by the politics of mediating those tripartite interests, and particularly the powerful corporate/state nexus. To this extent, the ILO struggles still to achieve critical force in much of its agenda, where the big questions of capitalism and globalization remain politically sensitive issues which are often skirted, and the question of the power relations in global production which produce systemic exploitation is left often untouched (Lerche, 2007; Phillips & Mieres, 2014; Rogaly, 2008; Selwyn, 2013). The ILO has come latterly to embrace the GVC concept along with other international organizations, in its case using the language of global supply chains. At the time of writing, the contours of its new agenda are not yet known. Given the nature of the ILO and its institutional architecture, one might expect a more progressive concern with the implications of GVCs for labour standards than that of many other international organizations which have adopted this framework of thinking, but still working within an assumption that improvements in labour conditions can be achieved by moving onto the terrain of a mode of governance informed by perceptions of the potential of TNCs to act as the primary agents of this improvement.

## Conclusion

Together, these new dynamics of governance reveal starkly the tension that ran as a leitmotif through Cox’s work: the challenges of governance in a transnational world, where the primary instruments of governance remain national. The ILO’s provisions, as with the strategies of many other actors in the system, rest on national practice for their implementation and enforcement, and there still exists nothing akin to ‘an international jurisdiction administered by an international authority to which MNCs could be made accountable’ (Cox, 1976, p. 359). The influential development of the United Nations Global Compact and later its Guiding Principles on Business and Human Rights offer studies in one of the alternative forms of global governance that have emerged, based on the principle of voluntary self-regulation on the part of powerful

firms. Yet they are two of many disparate initiatives and a huge number of similarly disparate organizations populating the increasingly crowded terrain of CSR and the governance of the GVC-based economy, stretching from left to right of the political spectrum and the approach to CSR, across the spectrum of modes of engagement with TNCs, and across the terrain of labour agency. At the same time, the level of engagement by TNCs with a CSR agenda remains extremely limited: in 2007, for example, the UNCTAD reported that the UN Global Compact, as the world's largest CSR initiative, had 3600 participating companies, while the universe of TNCs was calculated to stand at 78,000 TNCs and 780,000 affiliates (UNCTAD, 2007; Utting, 2010).

The world of CSR and labour governance is thus fragmented and incoherent, the articulation of transnational labour agency is similarly complicated, and meaningful challenges to the entrenchment of private regulation as the dominant model for delivering corporate accountability are few and far between. In such a context, we continue to lack clear alternative forms of transnational governance capable of mediating the power relations embedded in a GVC world and meeting the challenges of progressive governance. It becomes compelling to conclude that we remain, just as Cox worried, a long way from dealing with the potential for social conflict that is inherent in the increasingly consolidated transnational social structure of inequality.

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### **Notes**

- 1 I owe this formulation to a conversation with Frederick W. Mayer, and thank him for allowing me to use his phrase here.
- 2 I am indebted to one of the anonymous reviewers of my paper for her/his suggestions of some of the detail in this passage.

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