

Do Labour Standards Improve Employment Relationships in Global Production Networks? A Cross-sector Study of Brazil

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ABSTRACT

Research on private regulation of labour standards in global production networks often highlights their continuing failure despite the fact that lead firms no longer consider them as mere window dressing. Fewer analyses delve into their on-the-ground effectiveness to benefit workers. This article joins a context-specific approach with quantitative analysis to examine whether labour standards used in private regulation improve employment relationships in suppliers of global production networks. Based on a single-country case study of Brazil, we look at the extent of their adoption by suppliers across sectors, their complementarity with national labour institutions, and whether the adoption of labour standards at supplier site level is likely to support labour agency. Our findings show little effectiveness of labour standards against those dimensions. The presence of labour standards at supplier level alone has no significant impact and varies greatly across sectors. It is only if workers are aware of the presence of such standards that it might support their agency when union membership is taken as proxy. Yet, the correlation could also be the other way round: awareness of labour standards depend on being a member of a union in the first place.

KEYWORDS

private regulation; certification; labour standards; corporate social responsibility (CSR); global production networks

Introduction

Research on private regulation of labour standards in global production networks often highlights their continuing failure despite the fact that lead firms and global brands no longer consider them as mere window dressing (Distelhorst et al., 2015; Amengual and Chirot, 2016; Bartley and Egels-Zandén, 2016; Mayer, Phillips and Posthuma, 2017; Amengual and Kuruvilla, 2020). Many case studies exist on the use of codes of conduct and certification schemes such as SA 8000 or Rainforest Alliance to address labour standards covered by the International Labour Organization's (ILO) eight fundamental conventions on core principles and rights at work – freedom of association and collective bargaining, forced or compulsory labour, child labour, and discrimination in respect of employment and occupation. Analyses examine core sectors of global production networks, such as the garment industry, footwear, electronics and agricultural commodities such as coffee, cut flowers, forestry and palm oil. (For recent studies see in particular: Bartley, 2018: chapters 3 and 4; Locke and Samel, 2018; Barrientos, 2019: chapters 5–7; Schuessler, Frenkel and

Wright, 2019; Anner, 2020; Behuria, 2020; Grabs, 2020; Selwyn, Musiolek and Ijarja, 2020; Tyce, 2020; Genoud, 2021). Such studies provide in-depth understanding of distinct sectoral dynamics that impinge upon the ability of private standards to provide social upgrading for final beneficiaries – that is, whether labour standards are likely to improve both measurable dimensions such as wages and working hours and enabling rights such as freedom of association and non-discrimination rules. They fall short, however, in delivering a more comprehensive picture of the use of labour standards and their effectiveness across industries that span the agricultural, manufacturing and service sectors. In addition, most studies do not take into consideration that transnational private regulatory schemes are context-specific. As a result, they are at pains to address the ways in which these schemes are, as Bartley (2022: 188–9) puts it, “routinely evaded, watered down or redefined on the ground”.

This article contributes to filling some of these gaps by using a context-specific approach to address the following question: do labour standards used in private regulation improve employment relationships in suppliers of global production networks? The context-specific approach used here links socio-historical processes to supplier-level employment relationships by looking at sector specificities, connection with public regulation granted by national labour institutions, and employees’ familiarity with labour rights in general and labour standards used by their employer more specifically. Such emphasis on context draws on the importance of delving into the locally and socially constructed variations of on-the-ground compliance of firms and farms supplying global production networks (Amengual and Chiro, 2016; Bair, 2017; Bartley, 2018). As Graz (2022: 183–4) points out, the concept of grounding “advances debates on the importance of localised practices in the politics, the limits and the forms of power that transnational private governance faces in shaping markets across global production networks”. This means that improvements in employment relations expected from labour standards used in private regulatory schemes remain unlikely if they do not affect capital–labour relations at the level of the suppliers of global production networks.

Our study is based on a single case study of Brazil. In view of the literature emphasising the complementarity between state regulation and the effectiveness of private regulatory schemes (Coslovsky and Locke, 2013; Bair, 2017; Distelhorst, Hainmueller and Locke, 2017; Fransen and Burgoon, 2017; Behuria, 2020; Cashore et al., 2021), Brazil represents a most-likely case of effectiveness if one considers the specificities of its legal regime. Conventional views underline a tradition of strong state institutions in the country, including highly coordinated corporatist forms of industrial relations (Becker, 2013; Nölke et al., 2020: 129–32). Moreover, the country provides a wide range of sectors related to global production networks. As we will see, a context-specific approach gives the prospect of questioning such a view.

Our contribution to the literature that discusses the effectiveness of voluntary sustainability standards – and more specifically in the domain of labour – is, first, to have a more engrained understanding of sectoral variance on key indicators of the presence and effectiveness of standards. Second, it engages with conventional assumptions regarding how state institutions are likely to support the effectiveness of labour standards included in private regulatory schemes. Third, our findings contribute to a renewed interest on power and agency in the literature on transnational private governance and voluntary sustainability standards. They highlight a combination of institutional factors and workers’ enrolment to explain some cross-sectoral variance and ingrained weaknesses. Ultimately, our findings provide new empirical ground for the argument that the effectiveness of labour standards depends on workers’ awareness of how they are being used in the company they work for, rather than the mere presence of such standards in their working environment and their use by suppliers’ and lead firms’ management (Lund-Thomsen and Coe,

2015; Bartley and Egels-Zandén, 2016; Pike, 2020). Finally, while our findings result from a quantitative analysis, they are based on face-to-face surveys undertaken at supplier company level combining managers and workers; our analysis thus complements quantitative studies using companies' or international organisations' dataset with a unique cross-sectoral context-specific understanding of the growing consensus that labour standards too often fall short of delivering on their promises.

We used an original survey of managers, workers and union leaders in companies across three industries sampled from the three sectors of economic activity in Brazil (cacao for agriculture, the garment industry for manufacturing, and hotels for services).¹ Certifications adopted by companies and coded as labour standards include provisions for core labour rights such as freedom of association and collective bargaining. Other certifications, such as International Organization for Standardization (ISO) standards or organisational health and safety certificates, were not coded due to their absence of labour provisions.² The field research was carried out in 2018 and 2019 before the COVID-19 pandemic in the following industries and locations:

- 1) cacao industry: farms dedicated to cultivating and exporting cacao beans around the city of Ilhéus, state of Bahia, which is among the largest exporters of cacao beans in Brazil;
- 2) garment industry: factories in the state of São Paulo and in the south of the state of Minas Gerais, which are among the largest sites of production in Brazil (Machado et al., 2020);
- 3) hotel industry: hotels for domestic and international tourists in the cities of Ilhéus and Itacaré (both renowned for their cultural tourism associated with the cacao route) and business establishments in the city of São Paulo, the economic core of Latin America.

The selection of these industries and companies was based on their economic importance in the overall Brazilian economy, and because the companies were export-oriented and located in a sufficiently homogeneous region. This also includes the upper echelon of the hotel industry selected in our study, as it remains heavily related to services consumed in Brazil by a pool of tourists and business customers from abroad (that is, as a “mode 2” service according to the definition of the World Trade Organization) or provided by the commercial presence of foreign hospitality groups such as Accord (that is, a “mode 3” service supplied by the territorial presence of a supplier from abroad through, for instance, ownership or lease of premises). With this selection, we sought to ensure the feasibility of data collection without losing the representativeness of the Brazilian industries (see following section for further detail on each sector). Data was collected from surveys conducted in sixty-one companies (eighteen in agriculture, twenty in manufacturing, and twenty-three in the hotel sector) with sixty-one managers, twelve union leaders and 189 workers – a total of 262 interviewees. Depending of the category of our interviewee, the survey included around forty questions, most of them closed-ended questions. Companies were contacted either via unions, employer organisations or the labour inspectorate, depending on context and accessibility. In each establishment, workers selected for face-to-face interviews were chosen randomly from different areas of work by field researchers whenever this was possible. In

¹ Responses from union leaders could not be used on the quantitative analysis because there were too few responses.

² This includes a set of international standards published by the ISO. ISO 26000 on social responsibility or ISO 45001 on occupational health and safety were not mentioned. While ISO 45001 is intended for certification purposes, ISO 26000 is not, and would therefore not be coded as a standard potentially present in the company.

the few cases where managers objected to this approach, field researchers asked them to make sure that workers were at least sampled from different departments of the company and could be interviewed on a strictly confidential basis in a separate room. Both the sampling strategy and the collection of data were jointly done with local research partners. We explore our data with bivariate and multivariate regression analyses.

The article is structured as follows. We first provide background on the sectors under study and summary statistics of our survey regarding the use of labour standards among suppliers of global production networks in Brazil. We then proceed with our context-specific analysis of the sectoral variance and low adoption of labour standards in our sample of suppliers in Brazil. We start at the sectoral level, by examining the specificities and wider dynamics of the global production network of the industries concerned; we follow at the national level, with an engrained analysis of Brazilian labour institutions and why they are not likely to support labour standards included in private regulatory schemes. We complete the analysis at the local level of suppliers who have adopted labour standards by examining the extent to which their effectiveness can be related to greater labour agency. Our conclusion wraps up our findings, their limitations and further implications.

Sectors and Labour Standards in Brazil – Background and Summary Statistics

The industries analysed in this study are all integrated into global production networks, but differ in their inscription in such networks, the types of companies concerned and the working conditions involved. We briefly outline background information on these characteristics for the hotel, garment and cacao sectors in Brazil.

The global hotel industry involves a large and concentrated network of just over a dozen hotel brands operating in many countries; to a great extent, the headquarters of these groups are in the United States and in European countries, such as France and Spain. According to studies from the hotel industry, approximately 6 per cent of establishments in Brazil were affiliated to international groups in July 2019. Although foreign investment – concentrated in luxury properties with high-cost services – has a small share of the number of Brazilian establishments, international groups hold almost 20 per cent of the accommodation capacity (JLL, 2019: 12). Moreover, the largest national brands, such as Nobile, serve many international business customers.

As noted in the introduction, we assume that this conjunction of mode 2 and mode 3 services in the upper echelon of the hotel industry selected for this study makes it part of global production networks, even if most hotels in Brazil are small and local businesses with up to nine employees, concentrated in the Southeast region of Brazil; they comprise 40 per cent of the country's overall number of establishments. For the upper echelon of city hotels with an average daily rate above R\$398 (€100) in 2018, 45.5 per cent of guests were foreigners (JLL, 2019: 16). As is also the case in the garment industry, establishments can switch from domestic customers to others from abroad and are thus dependent on demands from international markets. Regarding the share of the industry, the state of São Paulo, a business tourism hub, is in the leading position (19 per cent), followed by the state of Minas Gerais (12 per cent). The Northeast region accounts for 23 per cent of hotels, with the state of Bahia in the lead (8 per cent) due to the importance of its leisure tourism. In 2018, the hotel sector was responsible for 618 000 formal jobs in the country, which represents 1.2 per cent of the overall number of formal jobs within the service sector (MPT/OIT, 2018)).

The garment industry is notorious for the control exerted by major brands and top retailers throughout the chain, as well as for the use of intensive and degrading work in what has been

defined as “sweatshops” (Gereffi, 1994; Abernathy et al., 1999; Rosen, 2002). It is a significant contributor to the manufacturing sector in Brazil, which is itself among the largest producers worldwide. This industry accounted for about 16 per cent of jobs and 5.7 per cent of revenues in the manufacturing sector in 2018. With over 25 000 formal companies in 2018, the sector is the second-largest employer within the manufacturing industry, with 1.5 million direct employees – 8 million if indirect jobs are also considered (ABIT, n.d.). This labour-intensive industry relies heavily on female workers, informality and precarious working conditions. It has one of the highest records of labour practices considered as modern slavery, especially in greater São Paulo, where the sector’s labour force is significantly made up of South American immigrants, mainly from Bolivia.

In respect of the research design of this study, it is important to note that, in contrast to other major producers in developing countries, the garment industry in Brazil is heavily oriented towards domestic consumption, which accounts for 97.5 per cent of the production. Yet, as described above, we ensured that the sites included in our survey had a substantial proportion of their production for export. Moreover, integration into global production networks goes beyond sheer volumes for export. As Nassar (2009: 64) points out, it implies “vertical integration and value aggregation strategies”, in which no clear distinction exists between domestic production and insertion into global production networks. As the decision whether to sell in the domestic market or to export depends on conjunctural conditions, the structure of garment production remains similar to the one used in countries producing mainly for export, and the market remains deeply embedded in constraints characterising global production networks (Phillips and Sakamoto, 2012: 291). Furthermore, as we will see below, it is a scandal affecting a foreign brand that gave rise to the private regulatory scheme widely used in the garment industry in Brazil. Against this background, we can assume that the garment workers and managers surveyed by our study in Brazil remain representative of issues relating to global production networks.

Turning now to cacao, global production consists of between five and six million producers spread across Africa, Asia, Latin America and Oceania. More than 80 per cent of the world’s cacao is produced by families on small patches of land and contributes to the income of up to 50 million people (Gayi and Tsowou, 2016). With more than 95 per cent of production destined for global markets, the cacao industry is highly concentrated. Just nine companies globally perform most of the grinding of beans – a step that precedes the manufacturing of chocolate. These elements are generally put forward to explain the vast social inequalities and the “disrespect for human and labour rights in the cacao chain” (MPT/OIT, 2018: 19; see also Gayi and Tsowou, 2016: 14–15).

Brazil is the world’s seventh-largest cacao producer, with a highly concentrated industry. In cacao farms, land is cultivated by farm workers (employees or small owners) who establish a so-called partnership with owners of large plots of land. Formal and informal relationships are intertwined, with both permanent and fixed-term (that is, linked to the harvest) labour contracts, combined with a partnership type in which the landowners temporarily grant farmers the use of their land. Such labour relations foster an archaic system of endemic poverty prone to child labour and conditions identified as modern slavery. This phenomenon is reinforced by the fact that a large share of these farms is located in municipalities with a Human Development Index (HDI) that is far below state and national averages (MPT/OIT, 2018: 17). Since many cacao farms supplying raw materials are either owned by chocolate factories or designated as exclusive suppliers to these factories, they are often expected to comply with environmental, labour and quality standards (Coutinho, 2018).

Following this brief outline of the production network, types of companies and working conditions for each industry examined in this study, we turn to the summary statistics describing the adoption of labour standards used in private regulation across those sectors in Brazil and the

extent to which workers employed by those suppliers are aware of such standards. Table 1 presents these first findings from our site-level surveys from the workers' perspective on the matter and suggests a significant variation across sectors.

Table 1. Presence of labour standards – differences across sectors – worker level

	Cacao		Garment		Hotels		Total		Difference across 3 sectors χ^2^a
	N	%	N	%	N	%	N	%	
Number of workers	57	30.2	59	31.2	73	38.6	189	100	
Standard presence (S2)									55.1 ***
Absent	36	75.0	19	33.3	61	95.3	116	68.6	
Present	12	25.0	38	66.7	3	4.7	53	31.4	
Standard awareness (S2w)									20.6 ***
Not aware	56	98.2	44	77.2	67	97.1	167	91.3	
Aware	1	1.8	13	22.8	2	2.9	16	8.7	

^a Pearson's Chi-squared Test of Independence: *** $p < .001$, ** $p < .01$, * $p < .05$. ^b Scale from 0 (very poor) to 4 (very good).

^c Kruskal-Wallis Rank Sum Test: *** $p < .001$, ** $p < .01$, * $p < .05$.

The data shows, first, that the use of labour standards is virtually non-existent in the hotel industry: more than 95 per cent of the workers in this sector work in companies with no standard present, and less than 3 per cent of workers in the hotel sector were aware of them. Second, 25 per cent of the interviewed workers in the cacao industry work for suppliers where a standard is present, but only one worker was aware of this. Third, the garment industry stands out, with more than 66 per cent of workers working in a company with a standard present, and more than 22 per cent saying they were aware of this.

For the purpose of our analysis, it is also important to have a clear view of the adoption of labour standards used in private regulation at the company level (see Table 2). The presence of such standards is a binary measure that we operationalised by asking managers whether or not a standard was present at the company. We consider only instruments that contain provisions for core labour standards, such as freedom of association, right to organise, ban on forced labour, minimum age, non-discrimination, and health and safety protection.³

Table 2 shows that respondents from all but one company in the hotel industry confirmed the absence of private schemes including labour standards.⁴ Only four companies in the cacao industry

³ Apart from ABVTEX described below, the schemes including labour standards used in Brazil by more than one supplier of global production networks are the following: In the garment industry, Disney's Facility and Merchandising Authorization (FAMA), C&A's Supplier Code of Conduct, and Renner's Code of Conduct. In the cocoa industry, we only found the UTZ certification programme (now part of the Rainforest Alliance) in more than one supplier. In the hotel industry, the only company including standards with a labour content was one using a distinct supplier qualification programme in the State of Bahia.

⁴ Most standards referred to in the hotel sector could not be coded as labour standards as they were quality management systems such as those of the ISO 9000 family which establish a quality management model. While they require organisations to document and reach a consistent level of quality in domains such as responsibility, resources, products and measurement, they do not include any substantial requirements in domains such as labour or environmental issues.

and thirteen in the garment industry claim to have a certification, with three of the cacao farms certified under the UTZ programme; the garment companies widely use the certification developed by the Brazilian Textile Trade Association (ABVTEX) (see below).

Table 2. Presence of labour standards – differences across sectors – company level

	Cacao		Garment		Hotels		Total		Difference across the 3 sectors
	N	%	N	%	N	%	N	%	χ^2^a
Number of companies	18	29.5	20	32.8	23	37.7	61	100	
Standard presence (S2)									19.2 ***
<i>Absent</i>	13	76.5	7	35.0	22	95.7	42	70.0	
<i>Present</i>	4	23.5	13	65.0	1	4.3	18	30.0	

These findings show that the potential effectiveness of labour standards used in private regulation at supplier level varies greatly across sectors operating in Brazil. For the industries sampled in our study, this concerns mostly the garment industry and to a much lesser extent cacao farms. Following the existing literature on private regulation, the remainder of this article analyses such variance as context-specific with a focus on the three following dimensions:

- at the sectoral level – the specificities and wider dynamics of the global production network of the industries concerned;
- at the national level – whether Brazilian labour institutions and regulation are likely to support labour standards included in private regulatory schemes;
- at the local level – whether the adoption of labour standards at supplier site level for the few cases concerned is nevertheless likely to support labour agency in terms of knowledge and training on labour rights, as well as the capacity to organise and act collectively with the support of trade unions.

The three sections below address each dimension successively.

Sectoral Distinctiveness and the Effectiveness of Standards

Existing studies infer sectoral variations in the effectiveness of voluntary sustainability standards from wider dynamics of global production networks and their market structure. Conventional explanations emphasise that industries that heavily rely on brands are more likely to push for stricter compliance with private standards as they would otherwise suffer reputational damage in case of sustained and extensive violations along their supply chain (Distelhorst et al., 2017; Amengual, Distelhorst and Tobin, 2020; Oka, Egels-Zandén and Alexander, 2020). In industries characterised by few buyers and many suppliers, buyers benefit from a huge power asymmetry that enables them to impose constraining sourcing practices on price, delivery times and high order volatility. This in turn makes compliance with labour standards hard to follow and their enforcement can only be audited on a weak and partial basis. In the same vein, industries that depend on a market

characterised by high price competition and low profit margin along the lower part of the suppliers are less likely to comply with labour standards in a way that would ultimately benefit workers. As LeBaron (2020: 49) points out, “in these industries, businesses face severe pressure to keep their labour costs low, which gives rise to informal, temporary, and contract work rather than permanent jobs. [This] can increase worker vulnerability to exploitation”. Moreover, industries characterised by a low-skilled workforce are less likely to comply with labour standards than those depending on workers with higher skills; in the latter scenario, better working conditions may help companies to keep their most productive employees (Malesky and Mosley, 2018: 716).

This allows us to propose a *first hypothesis* as follows:

(H1) The adoption of labour standards included in private regulation by suppliers of global production networks depends on a combination of high brand reputation, limited market competition, and a skilled and formal workforce in the sector concerned.

Against this first hypothesis on sectoral distinctiveness, cacao farms epitomise most criteria likely to lead to a low or non-existent presence of labour standards. Lower-end suppliers rely on a low-skilled workforce while the lead firms are highly concentrated and commoditised, with an oligopsonic structure that provides a “favourable environment for the exercise of market power by well-integrated and [very few] big players” (Gayi and Tsowou, 2016: 18). This argument is supported by further characteristics of workers from the cacao sector in Brazil.⁵ Compared to other industries, Afro-descendants make up a significant share of the sector’s workforce (82 per cent), which is substantially higher than the country’s average (56.1 per cent). This high percentage reflects the precarious working conditions in the cacao sector as Afro-descendants in Brazil are more likely to work in informal, low-wage jobs and have lower education levels. The sector has an extremely high level of informality (94.8 per cent), with 78.4 per cent of workers earning up to the minimum wage, and 77.4 per cent of workers having not even completed the first stage of the Brazilian compulsory curriculum, which comprises five years of formal education. Against the three dimensions from which we appraise the sectoral distinctiveness characterising the adoption of labour standards, the reputational effect of brands is the only one which might match the cacao sector in Brazil. But because we collected our data at suppliers’ site level, we do not have systematic information on chocolate brands such as Barry Callebaut or trading companies such as Cargill for which the beans are intended. Moreover, this reputational factor might be limited considering that Brazil is only the seventh-largest cacao produce worldwide.

Regarding the hotel industry, it relies mostly on formal employees and is thus less subject to the pressure exerted by the informality of the Brazilian national labour market; informal workers represent only 21.7 per cent of the sector’s workforce. Although precarious work conditions are found across the hotel industry, 51 per cent of its workers have a high-school degree, and 52 per cent of them earn between one and two minimum wages. Moreover, this industry is not characterised by a mixture of highly different working conditions. In other words, contrary to the garment industry, it does not resort to informal labour, undocumented immigrants, sweatshops and/or labour practices close to slavery, all of which have the potential to negatively affect the image of transnational companies. In contrast to farms and factories, the industry is also characterised by limited competition at the global level. Hotels cannot as easily relocate their business in search of cheaper labour, given their reliance on a consumer market that is

⁵ Data extracted from the national database PNADC (Continuous National Household Sample Survey) for the last quarter of 2019.

geographically based. There are a few global brands in Brazil (as well as in our sample). Interestingly, the ACCOR group – the biggest one operating in Brazil among those affiliated with national or international hotel chains (JLL, 2019) – has a certification called Planet 21, but we could not code it as a labour standard considering its lack of provision on working conditions. While such brand reputation, together with limited market competition and a rather skilled workforce and a formal labour market, would be an incentive for higher adoption of standards, we see here that this is not the case when it comes to accounting for labour standards in our sample of the hotel industry in Brazil.⁶

For its part, the garment sector can be seen as a mixed bag. Regarding the labour market and its workforce, 53.8 per cent of the workers are in informal jobs, 84 per cent of them earn up to two minimum wages (42.2 per cent between one and two minimum wages), and 43 per cent have a high school degree and thus represent a rather skilled workforce. As expected for garment production networks, the market is characterised by high-price competition and low-profit margin, and thus is less likely to comply with labour standards. The dynamics behind the pressure for lowering costs lead to extremely diversified work conditions in terms of the presence of formal work contracts, wages, working hours and qualifications. At one end of the production chain, there are a few jobs in automated production that are mostly occupied by male workers under qualified formal contracts. At the other end, sweatshops play an essential role; they are sustained mainly by the informal work of immigrants from Bolivia – including child labour and labour practices considered as modern slavery. At the same time, the high visibility and reputational risks of the garment industry have prompted most leading brands to pay particular attention to the way they address labour standards and other corporate social responsibility commitments. That is the case with the only private regulatory initiative we found in our sample, a programme created by the ABVTEX⁷ following accusations of labour practices close to slavery in the subcontracting network of the Dutch fast-fashion retail clothing company C&A in 2006. The Supplier Qualification Programme (SQP) of ABVTEX was launched in 2010 to fight labour practices close to slavery by implementing compliance practices among suppliers and subcontractors in the Brazilian garment industry.⁸ In addition to opposing the use of precarious working conditions in the sector, the programme aims to discourage companies from buying products from the informal sector (ABVTEX, 2019: 3). According to data provided by the association, 36 688 audits were carried out and 3 685 companies were certified in 618 municipalities by 2019 – that is, in nine years.

When appraised against the three dimensions of the sectoral distinctiveness likely to characterise the adoption of labour standards, none of the industries sampled for our study in Brazil display a straight alignment of either high- or low-value scores on all three dimensions of brand reputation, market competition and nature of their workforce. As a result, our first hypothesis provides some indications, but remains inconclusive in explaining the sectoral variance and low adoption of labour standards in our sample of suppliers in Brazil. To address this issue, we turn to

⁶ Another explanation for the absence and ineffectiveness of labour standards in the hotel industry is the weakness of union organisations – something we will come back to later on.

⁷ The ABVTEX is an association formed by retail companies in the Brazilian garment sector. Created in 1999, it currently represents the main fashion brands in Brazil; at the time of our data collection it had twenty-two members who were managers of sixty different textile brands.

⁸ The programme requires compliance with labour legislation concerning several aspects related to labour relations and working conditions, such as conditions of labour of minors, wages, working hours, freedom of association and collective bargaining agreements. There are also additional requirements regarding the absence of forced labour, the work of undocumented immigrants, and forms of harassment and discrimination. For further detail, see Posthuma and Bignami (2014).

the national level of labour institutions and regulation likely to support labour standards included in private regulatory schemes before appraising in a subsequent section the local level.

The Idiosyncrasies of Labour Regulation and Institutions in Brazil

The high variance of standards' presence between sectors in our case study could also be a rough indicator of the weakness of labour standards in Brazil. Scholarship on labour standards in global production networks stresses the importance of examining in detail the mechanisms affecting compliance policies in the distinct context of their implementation. National labour laws and state institutions clearly lie at centre stage in discussing such contextual factors. They link up public and private regulation, state officials and civil society organisations likely to support or hinder state capacities.

Many studies underline the complementary relationship between private and state regulation (Coslovsky and Locke, 2013; Bair, 2017; Distelhorst et al., 2017; Fransen and Burgoon, 2017; Behuria, 2020; Cashore et al., 2021;). They examine cases where private regulatory schemes are likely to strengthen the implementation of governmental labour regulation and where they depend on state institutions as well (Amengual, 2010; Coslovsky and Locke, 2013; Distelhorst et al., 2015). For instance, if labour inspectors acting on behalf of state ministries are in a position to impose substantial fines to suppliers identified by auditors as being in breach of labour rights, the likelihood of remediation is seen as higher than in weaker state regulatory contexts (Distelhorst et al., 2015). In contrast, in Bangladesh, the government and the local garment industry were able to considerably weaken the multistakeholder agreements negotiated in response to the collapse of the Rana Plaza building in 2013 that killed more than 1 100 workers (Bair, Anner and Blasi, 2020). Against this background, the power of the state at the point of implementation of labour standards, far from being transcended, is subject to accommodation in the construction of compliance (Bartley, 2022). As Payne and Philips (2014: 475) point out, “most complex governance arenas inevitably require that both types of actors [private and public] are comprehensively engaged if progress towards solutions to policy dilemmas is to be achieved”.

In the wake of the discussion above on the complementarity between private and state regulation, we propose a *second hypothesis*:

(H2) The weakness of national labour institutions explains the cross-sectoral variance and low rate of labour standards used in private regulation at supplier level in the Brazilian context.

We operationalise this second hypothesis by examining the following factors characterising labour institutions and regulation in Brazil. We start with the Brazilian labour market and continue with the weak enforcement of unequal and limiting features of national legislation, before addressing drawbacks of the corporatist model of union organisation.

Being historically uneven and flexible, the Brazilian labour market is defined by high informality, as we saw for the three sectors analysed here – high turnover rates, an excess supply of labour and significant heterogeneity in the extension of workers' rights. The regulation of labour relations in Brazil in the 1940s created what Dos Santos (1979) calls a “regulated citizenship”: a restrictive way of giving access to social protection in which a large proportion of the population – including rural workers – was excluded from the ongoing process of extending workers' rights. Many of the precarious hiring arrangements that have been created since the adoption of the

Consolidation of Labour Laws (Consolidação das Leis do Trabalho, CLT) in 1943 have been used to conceal the existence of the nature of employment relationships – and not only in rural areas. As many workers are either hired as employees without having an entry made to their *carteira de trabalho* (work and social insurance book), or work as self-employed without contributing to social security and without CNPJ⁹ registration, they do not have access to their legitimate rights and even face difficulties when they wish to retire.

Despite extensive labour legislation¹⁰ that has helped to secure, after much struggle, some rights for a fraction of the labour force, national labour laws are poorly observed, and such weak implementation has reinforced exclusion and inequalities (Véras de Oliveira, 2018; Oliveira, 2002: 175–6). While the flexibility of the Brazilian labour market is far from new, studies have emphasised a process of increasing precarity throughout the neo-liberal era with constant changes in labour legislation (Krein, 2013).¹¹ As is the case in other countries, violations of the law are stimulated by the lack of inspections and the low cost of fines (Cardoso and Lage, 2005; Amengual and Fine, 2017). In the last decade, labour inspections have been further weakened as a result of major economic and political crises and the undermining of public institutions during the Bolsonaro government. In this sense, it has been more cost-effective for employers to face a judicial process – even if the final court’s decision is favourable to the worker – than to pay contractual labour benefits.

Moreover, in contrast to the prevailing view, the labour institutions in Brazil are also weakened by the state corporatism at the core of the Brazilian union structure (Rodrigues, 1990). Such corporatism favours the creation and reproduction of a type of unionism dependent on the state (Boito Jr., 1991). In turn, this corporatist union structure restricts workers’ autonomy to organise and mobilise by imposing the establishment of occupational groups, enforcing the principle of union unity (known as *unicidade sindical*),¹² and ensuring that unions – until the labour reform of 2017 – had a secure source of funding through compulsory contributions from workers. These features of the Brazilian union structure have stimulated union fragmentation, since any small group of workers can create a union – that is to say, it receives authorisation from the Ministry of Labour to represent a workers’ collective from the same locality and economic category and has guaranteed resources without necessarily organising these workers or representing them in practice. In this sense, the state’s control of unions stimulates the creation of unions that are restrictive in their representation and this is likely to discourage grassroots mobilisation (Galvão, 2019). Labour organisations within the workplace – with union delegates or company commissions – are rare in Brazil, and labour unions are usually absent from the shop floor.

In sum, the idiosyncrasies of labour regulation and institutions in Brazil outlined so far tend to support our second hypothesis. The weakness of national labour institutions can explain to some

⁹ The National Registry of Legal Entities (Cadastro Nacional da Pessoa Jurídica, CNPJ) is an identification number issued to Brazilian companies by the Department of Federal Revenue of Brazil.

¹⁰ The CLT has more than 900 articles.

¹¹ The 2017 labour reform in Brazil made it easier for employers to establish precarious forms of work contracts; however, as this study was carried out just one year after the reform’s approval, we did not address its consequences on labour regulation (see: Véras de Oliveira, 2018; Krein, Véras de Oliveira and Filgueiras, 2019).

¹² According to this principle, only one union per occupational group and locality is recognised as legitimate by the national government. However, the principle of union unity does not prevent unions from creating divisions, as they find creative ways to split up occupational groups, either by reducing the groups’ territorial scope or stating that there are actually distinct occupational groups within a group.

extent the cross-sectoral variance and low rate of labour standards used in private regulation at supplier level in the Brazilian context. The adoption of labour standards used in private regulation cannot count on extensive institutional complementarity with public regulation, state enforcement mechanisms and reinforcing labour markets. On the contrary, despite the existence of a supposedly strong state regulatory system, Brazil carries a legacy of historical and structural issues related to unregulated and flexible labour markets, a high level of informality and an excess of labour supply. It provides weak enforcement of unequal and limiting features of the national legislation, which cannot be compensated for by a strong labour movement considering the many shortfalls related to trade union corporatism. In that sense, state regulation and private regulation establish a relationship that differs from what has been observed in the literature. While in other cases complementarity enables transnational private regulation to reinforce labour standards, in Brazil it appears to be reinforcing the precarious working conditions characteristic of labour market institutions and regulation.

Searching for Effective Standards – Suppliers’ Site Level and Labour Agency

In addition to explanations focused on national-level complementarity between transnational private regulatory schemes and the institutional context governing the labour market, we now turn to the local level. Studies show that the improvement in labour conditions supposedly granted by labour standards included in those schemes eventually depends on how compliance is constructed on the ground by firms and farms supplying global production networks (Amengual and Chiro, 2016; Bair, 2017; Bartley, 2022; Graz, 2022). More importantly, scholars emphasise that workers’ agency is essential to the effectiveness of labour standards used in private regulation; they underline various mechanisms through which worker voice is a key dimension for improving labour standard compliance (Lund-Thomsen and Coe, 2015; Bartley and Egels-Zandén, 2016; Bair et al., 2020; Graz, Helmerich and Prébandier, 2020; Pike, 2020). As seen above, both the state oversight of national norms and the organisation of workers at the workplace are limited in Brazil. Even though the institutions responsible for these tasks are crucial to ensuring compliance with labour standards, our research design does not include a comprehensive analysis of labour unions and public labour inspection. Yet, our surveys were designed to capture workers’ perceptions and knowledge of labour rights and discrimination rules, as well as the types of training received by workers on these issues. This allows us to raise a *third hypothesis* which can be operationalised from the cases of suppliers that have adopted labour standards:

(H3) The effectiveness of labour standards is likely to be higher when workers know about the labour rights granted by state law and receive training for improving such knowledge.

This third hypothesis supports the argument that the ability of labour standards used in private regulation to improve working conditions in workplaces related to global production networks ultimately depends on workers’ collective agency, which is itself related to their knowledge about domestic labour rights. From this perspective, it is clearly not enough for buyers to push for standards and suppliers to adopt such standards. This would only reproduce what Ponte (2019: 17) calls “sustainability management” – that is, “the practices that corporations put in place to address sustainability issues in ways that facilitate continuous capital accumulation”. To discuss this third hypothesis, we start with descriptive statistics of workers’ training and knowledge of domestic labour rights regardless of whether or not the company that employs them has standards in place.

Table 3. Workers' training and awareness of labour rights – differences across sectors

	(1)		(2)		(3)		(4)		(5)
	Cacao		Garment		Hotels		Total		Difference across 3 sectors
	N	%	N	%	N	%	N	%	χ^2^a
Number of workers	57	30.2	59	31.2	73	38.6	189	100	
Knowledge of labour rights (KLR1)									2.1
<i>Good or very good</i>	27	49.1	35	60.3	35	48.6	97	52.4	
<i>Neither good nor poor, poor, very poor or does not know</i>	28	50.9	23	39.7	37	51.4	88	47.6	
Awareness of any CBA between workers and company (R1)									33.3 ***
<i>Aware of any CBA</i>	3	5.4	32	55.2	21	30.4	56	30.6	
<i>Not aware (No or DK)</i>	53	94.6	26	44.8	48	69.6	127	69.4	
Received any training (T1)									46.4 ***
<i>Received training</i>	11	19.3	27	45.8	57	79.2	95	50.5	
<i>No training</i>	46	80.7	32	54.2	15	20.8	93	49.5	
Types of training received (T2)									
<i>Labour rights</i>	3	5.3	7	11.9	14	19.4	24	12.8	5.8
<i>Environmental issues</i>	5	8.8	7	11.9	19	26.4	31	16.5	8.5 *
<i>Health and workplace safety</i>	8	14.0	17	28.8	33	45.8	58	30.9	15.2 ***
<i>Work performance related training</i>	6	10.5	24	40.7	57	79.2	87	46.3	61.4 ***
Awareness of the legal rules on discrimination at work: in country (DC1Country)									36.7 ***
<i>yes</i>	17	29.8	50	84.7	45	62.5	112	59.6	
<i>no</i>	40	70.2	9	15.3	27	37.5	76	40.4	

^a Pearson's Chi-squared Test of Independence: *** $p < .001$, ** $p < .01$, * $p < .05$.

Table 3 shows that the general knowledge of labour rights is higher in the garment industry, although the differences across sectors are not significant. However, regarding collective bargaining agreements (CBA), there is a significant variation across sectors. Whereas more than half the workers from the garment sector are familiar with the presence of any collective bargaining agreement where they are employed, this is true for only 5 per cent of workers in the cacao sector (3 workers among our respondents!). The hotel sector lies in between, with 30 per cent of the workers being familiar with any collective bargaining agreement. When we look at training, we again find significant differences across sectors. We observe that, in general, workers from the hotel sector receive much more training than workers from the other sectors. Training in the cacao sector is relatively scarce, with only a fifth of workers having gone through some form of training. It is worth noting that training on labour rights is, for all three industries, the domain on which workers

have received the least training – which clearly will not help workers learn about the rights supposedly supported by transnational labour standards. When it comes to knowledge of existing legal rules on discrimination at work, we observe a similar trend, even though frequencies of knowledge are higher overall. There are significant differences across sectors, again with the cacao sector showing the lowest knowledge on the matter, and the garment sector leading the pack.

Our findings show that workers in the garment industry have more knowledge of general and distinct labour rights and receive more training than those in the hotel sector and, even more drastically, in the cacao sector. Yet, it is important to keep in mind that this third hypothesis is not just about whether workers' knowledge of labour rights in their country and their ability to receive proper training is likely to improve the effectiveness of labour standards. It ultimately attempts to appraise the extent to which the presence of standards at suppliers' site level is likely to have any effect in this regard.

We conducted a bivariate analysis to assess such potential correlation between the presence of standards at the suppliers' site and workers' training and awareness of domestic labour rights, both on specific issues and on workers' general understanding. Our findings here directly question the relevance of standards as no significant correlation whatsoever could be found between the presence of a standard at the company level and higher levels of knowledge among workers regarding domestic labour rights – be it on knowledge of labour rights in general, on familiarity with the presence of a collective bargaining agreement, or on knowledge about the national legal rules on discrimination at work. Similarly, our findings show that the presence of standards in a company is unlikely to increase the proportion of workers receiving any training. At first sight, our findings show that workers from companies with no standard present are even more likely to receive training than workers from companies in which labour standards are present. However, when tested in multivariate analysis, the results are no longer significant – sectorial variation, as well as company size, are more significant, with workers from the hotel sector and from larger companies being more likely to receive training (see all tables in the annex).

In brief, our study shows that workers in the garment industry are more familiar with the labour rights granted by state law than those in the hotel and cacao sectors, and receive more training for improving such knowledge. However, these findings are in no way correlated with the presence of standards at suppliers' site level. In this sense, we cannot provide evidence for our third hypothesis which appraises the effectiveness of labour standards at the local level of suppliers in respect of greater knowledge of labour rights by workers – taken here as proxy for their potential greater collective agency. A question remains: instead of appraising the relationship between standards presence among suppliers of global production networks and workers' knowledge and training on labour rights in general, could the awareness of workers about the presence of labour standards used by private regulatory schemes at their employment site make a difference? This is what we look at now with a fourth and last hypothesis.

If labour standards are expected to support workers' agency to improve their working conditions in global production networks, this supposes that workers are aware that such standards exist at their site of production in the first place. Without such awareness, standards would not help workers understand what they can claim from management, how to use their union membership, how to rely on organising strategies, and how to leverage various forms of social dialogue and industrial action to strengthen their bargaining position.

It is therefore important to probe whether workers' awareness of the adoption of labour standards at the level of the company supplying buyers of a global production network is likely to increase workers' agency. While the presence of a union at the company level is a core guarantee for organising employees to take collective action in support of their interests, it only gives a rough

indication of the forces on which unions can count. Moreover, we have seen that in Brazil the principle of union unity formally guarantees some form of representation, while at the same time it undermines workers' ability to organise at the workplace. Therefore, a better proxy to estimate workers' agency is the union membership rate for workers employed in a particular production site. This prompts us to propose a *fourth hypothesis* on the effectiveness of transnational standards regarding the improvement of employment conditions resulting from workers' agency at the site level of suppliers related to global production networks. It can be stated as follows:

(H4) The awareness by employees of the presence of labour standards used by private regulatory schemes in a company supplying global production networks is likely to increase union membership among its employees.

Our surveys included questions that inform us of both workers' individual union membership and on what they know about standards likely to be used at the site of their employment. Our findings show that, in cases where workers are aware of the presence of labour standards, there is a 40 per cent probability that they will be affiliated with a union. Among those workers who are not aware of the standards, this probability is only 19.7 per cent (see Table 4).

Table 4. Union membership and awareness of labor standards

<i>Union membership</i>	<i>Standard awareness</i>		<i>Total</i>
	Not aware	Aware	
Not member	126 80.3 %	9 60 %	135 78.5 %
Member	31 19.7 %	6 40 %	37 21.5 %
Total	157 100 %	15 100 %	172 100 %

$$\chi^2=2.235 \cdot df=1 \cdot \varphi=0.139 \cdot \text{Fisher's } p=0.095$$

We ran a multivariate analysis to control for other potential variables that could explain union membership. This is all the more important since we saw that the garment sector stands out regarding the number of workers employed in a company having adopted labour standards. After controlling for such sectorial differences, but also for the number of employees, and the sex and gender of workers, the link between standard awareness and union membership remains significant (see Table 5). More specifically, after controlling for these other variables, we estimate that a worker who is aware of the presence of standards is 26 per cent more likely to be member of a union than a worker who is not aware of any standard present.

In a nutshell, our analysis shows that the presence of labour standards alone has no significant impact on union membership; it is only when workers are aware of such presence that one finds a significant correlation with union membership. This validates our fourth hypothesis: the effectiveness of transnational standards regarding the improvement of employment conditions at

sites of production depends on workers' own awareness about core labour standards referred to in private regulatory schemes to support collective action mediated by trade unions.

Table 5. Union membership and awareness of labor standards – multivariate analysis

	M3-1		M3-2	
Standard (Presence)	0.02	(0.10)		
Standard (Awareness)			0.26*	(0.12)
Garment ^a	0.15	(0.14)	0.08	(0.14)
Hotels ^a	0.25*	(0.12)	0.23*	(0.11)
log Number Employees	0.00	(0.03)	0.00	(0.03)
Woman	-0.06	(0.08)	-0.03	(0.08)
Age	0.00	(0.00)	0.00	(0.00)
AIC	203.17		195.42	
BIC	230.68		222.81	
Log Likelihood	-92.59		-88.71	
Num. obs.	157		155	
Num. groups: A1	59		60	
Var: A1 (Intercept)	0.04		0.03	
Var: Residual	0.13		0.13	

***p < 0.001; **p < 0.01; *p < 0.05

^a Category of reference: Cacao

Discussion and Conclusions

This article examines whether labour standards used in private regulation improve employment relationships in suppliers of global production networks. Drawing on a context-specific approach, it shows that variations of on-the-ground compliance with transnational standards are locally – and socially – constructed. Based on an original cross-sectoral study of the Brazilian case, our findings provide empirical evidence to address the effectiveness of transnational regulatory initiatives using labour standards; this is based on hypotheses focused on sectoral dynamics, national labour

institutions and workers' agency at suppliers' sites at local level.

We first saw that the high variance and low adoption of labour standards in our sample of suppliers in Brazil could not just reflect the sectoral distinctiveness of the global production networks concerned (H1). None of the industries sampled for our study display a straight alignment of either high- or low-value scores on the core dimensions of brand reputation, market competition and nature of their workforce. Such sectoral explanation remains inconclusive.

In order to engage with scholarship emphasising the complementarity between state regulation and the effectiveness of private regulatory schemes, we showed that Brazilian labour institutions and regulation are weaker than conventional views when assessed against the nature of its labour market, the enforcement of its national legislation and the drawbacks of its corporatist model of union organisation (H2). While this study could not delve into the relative weight of one or the other of these factors, the weakness of the Brazilian labour institutions and regulation may contribute to an explanation of the cross-sectoral variance and low rate of labour standards used in private regulation at supplier level in the Brazilian context. In this context it is unlikely that public institutional complementarities will reinforce the adoption of labour standards used in private regulation across sectors.

This would be a wake-up call for workers' voice. Yet, when examined at suppliers' local level, the effectiveness of labour standards included in private regulation does not fare much better. While such effectiveness is likely to be higher when workers know about labour rights granted by state law and receive training for improving such knowledge (H3), our findings show that there is no significant correlation between the presence of standards in a company (in our case, predominantly in the garment industry) and the fact that workers are more familiar with their rights and receive more training for improving such knowledge than in companies without standards (in our case, the hotel sector and, to a lesser extent, the cacao sector).

To find any potential effectiveness of labour standards used in in the private regulation of global production networks, we had to look at workers themselves, more specifically at their awareness that such standards are used by their employer to uphold their need to organise to improve their employment relation. Our study shows that the effectiveness of private regulatory schemes is likely to depend on such restrictive conditions. Taking union membership as a proxy for appraising workers' agency regarding labour standards, our findings emphasise that the presence of labour standards alone has no significant impact; on the other hand, the relationship between workers' awareness of such presence and their propensity for being a member of a union is significant. This validates our fourth hypothesis appraising the effectiveness of labour standards as dependent on both the awareness by employees of their presence in the company they work for and their rate of unionisation (H4).

While this article leads us to keeping a sober view on the effectiveness of labour standards used in private regulation to improve employment relationships at supplier level, it underlines the importance of workers' awareness of labour standards and active engagement on their part at site level to grant private regulation regulatory schemes the slightest chance of effectiveness. More broadly, this contributes to a renewed interest in power and agency in addressing labour exploitation in global production networks (Merk, 2015; Schulze-Cleven, 2017; Zajak, Egels-Zandén and Piper, 2017; Ponte, 2019; Graz et al., 2020; Bartley, 2022).

The article has, however, important limitations. First, with sixty-one companies and a total of 262 interviews, our survey includes a relatively small sample of firms and workers in Brazil, with even smaller subsets of cases when disaggregated by sectors. While the validation of our findings is based on conventional hypothesis testing and statistical models, this makes reaching statistically significant results difficult. One could also suppose a selection bias resulting from difficulties in

reaching out to companies or workers for face-to-face interviews. However, should this be the case, a potential bias towards a better than average behaviour of companies agreeing to surveys would give more positive findings, rather than the low ones eventually found.

Second, our research design, methodological choices and the nature of industrial relations in Brazil (particularly the principle of union unity) have prompted us to leave aside important aspects of social dialogue at the workplace, such as those related to organisation and recognition, as well as the involvement of unions in collective bargaining agreements, industrial action and litigation. Further qualitative research would be needed to complement such understanding.

Finally, and most importantly, our findings, based on bivariate and multivariate analyses of a dataset built from a cross-sectional survey, provide robust evidence of correlations, yet prevent us from making causal claims between the effectiveness of labour standards in terms of labour agency on the shop floor and workers' awareness of such standards in the company they work for. As a result, the correlation between workers' awareness of the presence of standards and their level of union membership taken as a proxy for standards' effectiveness related to labour agency could be interpreted the other way round. It might well be that being a member of a union is what increases workers' awareness of the use of labour standards in the company they work for. Should this be the case, it would echo studies emphasising the stakes involved in the inclusion of worker representation and organisations in the enforcement of labour standards (Amengual and Fine, 2017; Anner, 2017). More bluntly, it highlights the overall weakness of private regulatory schemes used in global production networks. This clearly calls for further qualitative context-specific research.

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Annex: Labour Standards in Brazil

Table A1. Interaction between standard presence and awareness of the national legal rules on discrimination at work

<i>Awareness of legal rules on discrimination at work</i>	<i>Standard presence (S2)</i>		<i>Total</i>
	Absent	Present	
No	47 40.9 %	15 28.3 %	62 36.9 %
Yes	68 59.1 %	38 71.7 %	106 63.1 %
Total	115 100 %	53 100 %	168 100 %

$$\chi^2=1.951 \cdot df=1 \cdot \varphi=0.121 \cdot p=0.163$$

Table A2. Interaction between standard presence and awareness of collective bargaining agreements

<i>Awareness of collective bargaining agreements in the company</i>	<i>Standard presence</i>		<i>Total</i>
	Absent	Present	
Aware	30 26.8 %	23 44.2 %	53 32.3 %
Not aware (No or DK)	82 73.2 %	29 55.8 %	111 67.7 %
Total	112 100 %	52 100 %	164 100 %

$$\chi^2=4.176 \cdot df=1 \cdot \varphi=0.174 \cdot p=0.041$$

Table A3. Interaction between standard presence and knowledge of labour rights

<i>Knowledge of Labour rights</i>	<i>Standard presence</i>		<i>Total</i>
	Absent	Present	
Neither good nor poor, poor, very poor or does not know	59 52.7 %	20 37.7 %	79 47.9 %
Good or very good	53 47.3 %	33 62.3 %	86 52.1 %
<i>Total</i>	112 100 %	53 100 %	165 100 %

$$\chi^2=2.648 \cdot df=1 \cdot \varphi=0.140 \cdot p=0.104$$

Table A4. Interaction between standard presence and training received by employees

<i>Received any training</i>	<i>Standard presence</i>		<i>Total</i>
	Absent	Present	
Yes	66 57.4 %	19 36.5 %	85 50.9 %
No	49 42.6 %	33 63.5 %	82 49.1 %
<i>Total</i>	115 100 %	52 100 %	167 100 %

$$\chi^2=5.424 \cdot df=1 \cdot \varphi=0.193 \cdot p=0.020$$

Table A5. Interaction between standard presence and training received by employees – multivariate analysis

	<i>Training</i>	
Standard (Presence)	-0.16	(0.09)
Garment ^a	0.20	(0.13)
Hotels ^a	0.47***	(0.12)
log Number Employees	0.11***	(0.03)
Woman	-0.15	(0.08)
Age	-0.00	(0.00)
AIC	227.59	
BIC	255.65	
Log Likelihood	-104.79	
Num. obs.	167	
Num. groups: A1	59	
Var: A1 (Intercept)	0.01	
Var: Residual	0.16	

***p < 0.001; **p < 0.01; *p < 0.05

^a Category of reference: Cacao