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### Solutions

The TESTab you just watched presented one strategy for mitigating worker exploitation and the worst human rights violations in the global economy that you will be exploring, labor exploitation. By improving health and safety and ensuring decent work - globally and in the U.S.



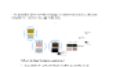
Figure 1: Approach to integrated job and health. This figure shows that the most effective approach to labor exploitation and human rights violations is to address the underlying causes of these issues, such as poverty, lack of education, and lack of access to healthcare. This can be done through a combination of government action, private sector investment, and community-based organizations. The figure also shows that addressing these issues can lead to improved health and safety, which in turn leads to decent work and economic growth.



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**RUTGERS**

School of Management  
and Labor Relations

Week 10

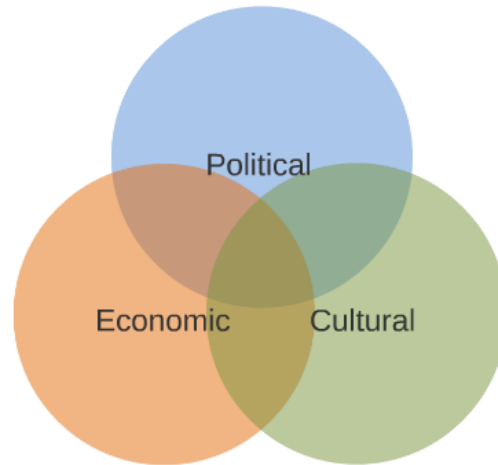
Globalization and  
Tripartite Solutions to OSH Problems

Ashley Conway, Assistant Teaching Professor  
Occupational Safety and Health



Welcome to the Week 10 presentation. As you go through the frames you will be asked to consider how globalization will impact you and your career. Being aware of global influence - whether positive or negative - can be useful in making good career decisions.

## What is globalization?



Globalization is the integration of economic, political and cultural systems across globe.

The world's economies have developed ever-closer links since 1950, in trade, investment and production.

Known as globalization, this process is not new, but its pace and scope has accelerated in recent years and includes more industries and more countries. The changes have been driven by the liberalization of trade and finance; changes in how companies work; and improvements to transport and communications.



## Globalization is not new

For thousands of years, people—and, later, corporations—have been buying from and selling to each other in lands at great distances, such as through the famed Silk Road across Central Asia that connected China and Europe during the Middle Ages. Likewise, for centuries, people and corporations have invested in enterprises in other countries. In fact, many of the features of the current wave of globalization are similar to those that existed before the outbreak of the First World War in 1914.

- Levin Institute, State University of New York

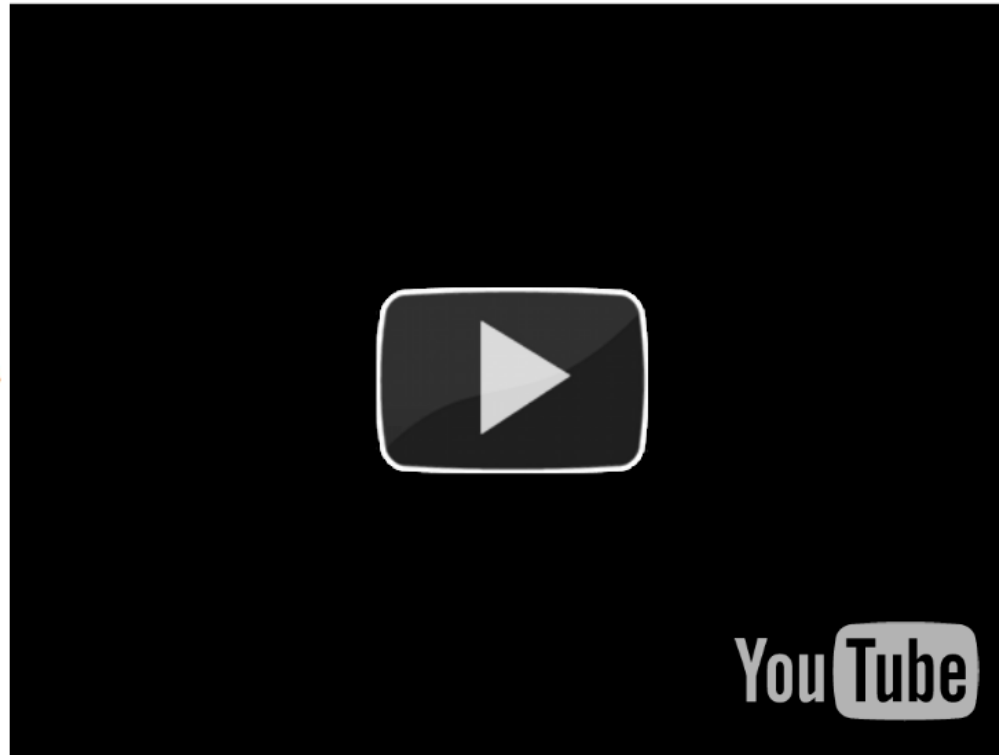
## International trade and investment is now “farther, faster, cheaper and deeper”



Policy and technological developments of the past few decades have spurred increases in cross-border trade, investment, and migration so large that many observers believe the world has entered a new phase in its economic development. Since 1950, for example, the volume of world trade has increased by 20 times, and from just 1997 to 1999 flows of foreign investment nearly doubled, from \$468 billion to \$827 billion. Distinguishing this current wave of globalization from earlier ones, author and economist Thomas Friedman has said that today globalization is “farther, faster, cheaper, and deeper.”

Globalization has been driven by economic reform policies that have opened economies domestically and internationally. In the years since World War II, and especially during the past two decades, many governments have adopted free market economic systems, vastly increasing their own productive potential and creating myriad new opportunities for international trade and investment. Governments have negotiated dramatic reductions in barriers to commerce and have established international agreements to promote trade in goods, services, and investment. Taking advantage of new opportunities in foreign markets, corporations have built foreign factories and established production and marketing arrangements with foreign partners. A defining feature of globalization, therefore, is an international industrial and financial business structure.

WATCH  
THE VIDEO  
OPTIONAL VIEWING ↘



[Karl Fisch. Shift Happens 6.0. \(4:22\)](#)

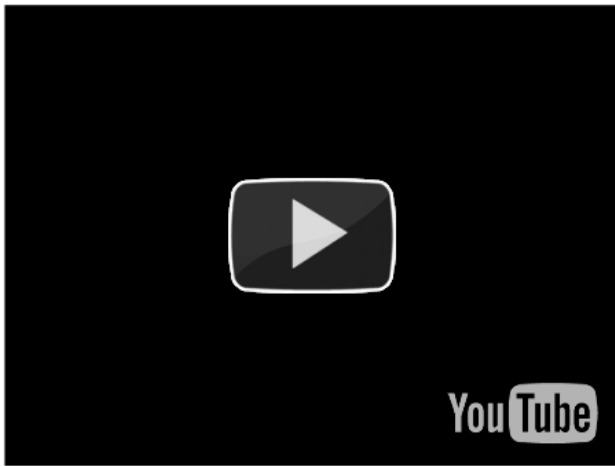
Technology is one of the principal drivers of globalization. Advances in information technology, in particular, have dramatically transformed economic life. Information technologies have given all sorts of individual economic players—consumers, investors, businesses—valuable new tools for identifying and pursuing economic opportunities, including faster and more informed analyses of economic trends around the world, easy transfers of assets, and collaboration with far-flung partners.

Think<sup>1</sup>about It

How would globalization look if there were no computers?



Globalization is deeply controversial. Proponents of globalization argue that it allows poor countries and their citizens to develop economically and raise their standards of living, while opponents of globalization claim that the creation of an unfettered international free market has benefited multinational corporations in the Western world at the expense of local enterprises, local cultures, and common people. Resistance to globalization hasm therefore, taken shape both at a popular and at a governmental level as people and governments try to manage the flow of capital, labor, goods, and ideas that constitute the current wave of globalization.



Issues of globalization and trade are currently in the news as President Trump imposes stiff tariffs on China. This Wall Street Journal video will give you a glimpse of how interventions in globalized trade reverberate around the world in deep and profound ways.

RIGHT HERE  
RIGHT NOW

Wall Street Journal. (11/15/2018) How U.S. Workers Would Lose in a Trade War With China. (2:24)

### ***Three general camps in the globalization debate:***

Supporters: those who are the staunchest advocates of globalization, believing the markets, not governments, tend to best promote economic development and human society;

Reformers: those who support globalization with reservations, believing that markets should be promoted and international barriers to trade and investment should be reduced, but that government regulation can help mitigate some of the harsher aspects of the new changes; and

Opponents: the most severe critics of globalization, who believe that global economic and political integration corrodes many human values, and who support efforts to promote an economic system that emphasizes local production.



- Rosskam

What do  
*you* think?

Where are you on the globalization continuum? Are you a supporter? A reformer? An opponent?

Is globalization a force for economic growth, prosperity, and democratic freedom?



OR

Or is globalization a force for environmental devastation, exploitation of the developing world by the dominance of developed countries, and the suppression of human rights?



## Issue: Should American businesses have a responsibility to ensure that sweatshops and child labor are not used to fill their manufacturing needs?

Sweatshops are not new. The term sweatshop was coined in the 19th Century in the garment industry and is presently a term used to describe any working environment considered to be unacceptably difficult or dangerous — especially by those from developed countries with high standards of living. The Chinese Staff and Workers Association adds that low wages, forced overtime, deprivation of basic employee's benefits, unsafe and unhealthy working conditions, and child labor are the characteristics of sweatshops.

The issue of sweatshops sometimes comes up when globalization is discussed. The next two frames contain opinion pieces from the Bloomberg News Service presenting two different positions on sweatshops.





***Should American businesses have a responsibility to ensure that sweatshops and child labor are not used to fill their manufacturing needs?***

Pro: Good, and Good Business  
By Daniel Viederman, Verite'

To begin, a fundamental fact: Most of what we buy from developing countries is grown or manufactured by workers whose rights are ignored in important ways. Cell-phone components from China, fruit grown in Mexico, and the Indian cotton in your shirt are commonly processed by workers who were not paid minimum wage, who were exposed to hazardous chemicals or dangerous machinery, who were forced to work overtime, or who were prevented from organizing to negotiate changes in such conditions.

From an ethical perspective, the answer seems obvious. But from a business standpoint, we still need to ask: Why should U.S. companies care?

First, avoiding sweatshops is good business. Not only do poorly treated workers typically make poor-quality goods, but U.S. companies that aren't careful about sweatshops could face the costly job of reputation repair if a watchdog group links their brands to workplace abuses. Furthermore, desirable employees want to work for companies whose values they share, just as consumers want to buy from companies that put values into practice.

Second, respect for human rights leads to social and economic development. Some business advocates say that labor standards raise costs and thus limit the number of jobs that would otherwise be available to poor people. But fair work is a critical underpinning of social stability. Businesses that respect labor rights put more money in the hands of workers, helping them to educate their children, live healthier lives, and eventually, inevitably, buy American brands. Americans in general benefit when U.S. businesses act to enhance the rule of law in China, to be a model for anti-discrimination in the Middle East, to find education for child workers in India—all of which result from efforts to prevent sweatshops.

So the question becomes not if U.S. businesses should clean up their supply chains, but how. From 11 years of social monitoring, our organization knows where and when problems exist—and the companies do, too. The task at hand is investing in solutions, which are complicated but urgent and ultimately good business for everybody. To get there, companies have to measure themselves—and consumers, investors, and advocates have to measure companies—on how they meet this challenge.



Con: Already Doing Their Best  
By Bloomberg Week Staff

The overwhelming majority of Americans are horrified by reports of inhumane conditions in overseas factories. The U.S. itself has a proud tradition of unions and oversight boards that work to prevent such abuses as child labor, denial of overtime pay, exposure to toxic substances, and stiflingly hot working environments. Every day, immigrants cross the border for an opportunity to work hard in return for fairer, better-paying employment than they can find in their homelands.

Nonetheless, even in the U.S., many violations slip past authorities. Remember the controversy about some Wal-Mart (WMT) stores locking in employees—a fire hazard—to make sure they didn't steal? It's no secret that illegal aliens, under the threat of deportation or violence, have been forced to toil at agricultural or sweatshop jobs. Just this May, it came to light that a number of families living in the U.S. were forcing immigrants into slavery, making them perform household chores for up to 16 hours a day without pay.

That's right, slavery on American soil, 144 years after the Emancipation Proclamation. With so many unscrupulous (and some downright evil) employers able to perpetrate injustices in the U.S., how can anyone expect American private enterprise to prevent them in foreign lands thousands of miles away? The Internet, video conferencing, and ease of trade rules notwithstanding, no one's eyes can see that far.

And the fact is, U.S. corporations are already making a noble effort, with minimum-wage and overtime agreements with overseas companies to which they outsource business. Nike, for example, recently made headlines with its pledge to crack down on abusive levels of OT at the 700 factories the shoemaker contracts with worldwide. And many other U.S. corporations set guidelines for humane working conditions, and conduct factory inspections.

But the manufacturers, particularly those in China, know how to skirt regulations, whether by keeping multiple sets of books, hiding cramped worked quarters, or contracting consultants to help them pass surprise inspections. Clearly, the local governments tasked with enforcing labor regulations have fallen down on the job; otherwise, abuses wouldn't happen.

Overseas factory workers deserve fair treatment 100% of the time. But the revolution must come from within. Corporate America simply cannot take responsibility for injustice taking place in other lands across the seven seas.

***Should American businesses have a responsibility to ensure that sweatshops and child labor are not used to fill their manufacturing needs?***

*Did you know?*

that Rutgers has a local chapter of United Students Against Sweatshops (USAS)?

This is a description of the USAS mission and vision:

"United Students Against Sweatshops (USAS) is a grassroots organization run entirely by youth and students. We develop youth leadership and run strategic student-labor solidarity campaigns with the goal of building sustainable power for working people. We define "sweatshop" broadly and consider all struggles against the daily abuses of the global economic system to be a struggle against sweatshops.

We envision a world in which society and human relationships are organized cooperatively, not competitively. We struggle towards a world in which all people live in freedom from oppression, in which people are valued as whole human beings rather than exploited in a quest for productivity and profits".



## How does globalization affect you?



According to Mattera and Guadett, “corporate globalization” refers to corporate strategies within the globalization process aimed at the downward leveling of working conditions, living and environmental standards around the world. Rosskam adds that globalization isn't simply a market-driven phenomenon but a political and ideological movement that grants authority of capital over governments and labor. She goes on to say that this transfer of authority hinders national efforts to promote work security and safety and may impact the well-being of communities world-wide.

Trade agreements decrease barriers to the movement of trade and investment. Corporations can move to where they can maximize profits by paying the lowest wages. Less stringent environmental regulations go hand-in-hand with cheap labor. However, trade agreements can be used to negotiate Favorable Trade Agreements (FTA), which are so critical to corporate globalization that companies such as GE spend huge sums of money to lobby and campaign in support of trade agreements.

Since the beginning of the 1990's, the need to create a minimum social foundation for the development of trade - one that guarantees certain safeguards against social dumping\* - has resulted in the signing of an increasing number of Free Trade Agreements (FTAs) which include a labor dimension. Such labor clauses list minimum commitments for the protection of human rights at work and refer to specific international labor standards adopted by the International Labour Organization (ILO). For instance, NAFTA (North American Free Trade Agreement) includes minimum health and safety standards for workers.

As corporations grow, however, employment falls. The global phenomenon of rising profits and falling employment is largely explained by the worldwide outsourcing trend. By shifting more and more jobs to contractors, companies can distance themselves from potential charges of labor rights abuses and other illegal behavior and keep labor costs low by forcing contractors to compete with an ever smaller number of giant purchasers. (from “The Top 200: The Rise of Corporate Power”)

Outsourcing is often thought of in connection with manufacturing, but the trend is also entrenched in the service sector – public and private. In the public sector, outsourcing is usually referred to as privatization. An inherent danger of the privatization of public services is the dominance of profit over services. Services such as education, water supply, and prisons have been privatized. Suppliers are sometimes forced to migrate with the larger corporations they provide products, increasing the shift from the US to other countries. The shifting doesn't necessarily end with one move. Some American companies have made multiple moves: from the Midwest and Northeast “rust belt” to southern U.S. states; to Maquiladora plants in Mexico; and then to China. The current worker protests in China against low wages and unsafe, unhealthy working conditions have resulted in substantial changes. Some economists predict that raising the work standards in China will result in corporations seeking lower wages and more autonomy in work conditions in other countries and continents, such as Africa.

According to the study “NAFTA at 7”, globalization is reducing wages nationally as workers displaced from higher paying jobs tend to find jobs in low wage or service industries. 99% of new jobs in the US since 1989 are in the service sector, where the average wage is 77% of the average manufacturing wage. Additional causes of wage reduction due to globalization are the “threat effect” of capital mobility – employers threatening to relocate if workers try to organize a union or push in any way for better wages).

In some cases, immigration patterns are directly linked to trade agreements and other global economic forces. For instance, one study showed that after NAFTA was passed, US corn exports to Mexico drove many Mexican farmers out of business. Some farmers secured work in newly created industrialized zones where American corporations relocated, but many others migrated to the US joining the flow of immigrants harvesting and processing US food in often dangerous and low wage conditions. The use of low cost, temporary immigrant labor is a central component of outsourcing and job-shifting strategies.



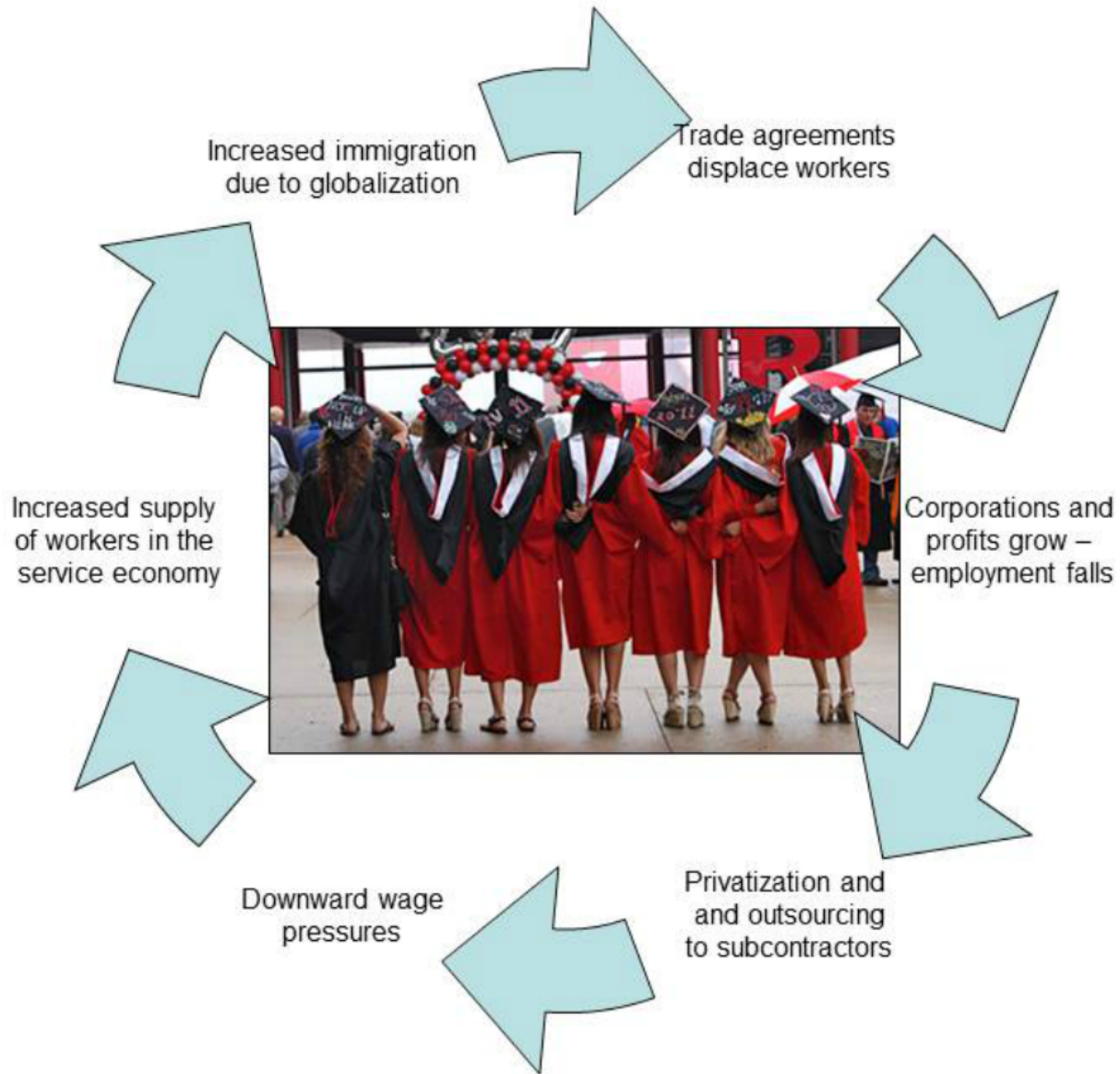
\*Social dumping: the practice of allowing employers to lower wages and reduce employees' benefits in order to attract and retain employment and investment. The term is mainly used in the European Union, where social dumping generally refers to unfair competition due to the application of different wages and social protection rules to different categories of workers. (Collins Dictionary and Eurofound)



**Have you or someone you know felt the effects of globalization in employment? In what ways? What do you think the cause was? How do you think globalization will impact your future career?**

Source: Mattera, Nancy Della and Guadett, Jennifer. *Coming to a Town Near You: Corporate Globalization and Its Impact on Massachusetts Workers*. New Solutions Journal, 2002.

*An institutional economic view of how globalization affects American workers:*



- Every day 6,000 workers die as a result of work related injury or illness.
- Every year there are 2.2 million work-related deaths.
- Work related accidents and diseases cost countries anywhere from 0.4 – 4% of GNP\*.



Read Loewenson, R. (2001). Globalization and Occupational Health: A Perspective from Southern Africa. Bulletin of the World Health Organization.



## How has health and safety fared in globalization?

The movement of capital and technology, and changes in work organization appear to have outpaced the systems for protecting workers' health.

Work in the agriculture, manufacturing, and mining sectors is already associated with high rates of injury from mechanical, electrical, and physical hazards. The expansion of chemical, electronic, and biotechnology industries and of the service and transport sectors has introduced new risks, widened the spread of work-related risks and increased their interaction with non-work factors in ill health, such as environmental pollution. For the large majority of workers in less industrialized countries globalization has been accompanied by the transfer of obsolete and hazardous technologies, chemicals, processes and waste, including asbestos and pesticides no longer produced or used in industrialized countries.

In addition to old and prevalent problems, such as traumatic injury, respiratory disease, occupational dermatitis and musculoskeletal injury, workers now also suffer new stresses, such as new asthmatic disorders, psychological stress, and the ergonomic and visual effects of using video display units. Work is increasingly characterized by a high level of demand, with little control over the nature and content of the work, leading to digestive disorders, sleep difficulties and musculoskeletal problems.

While many of these conditions above are recognized as problems when they occur in industrialized countries, they are less well recognized in lower income countries, such as those found in southern Africa. Many of the diseases are chronic, and with insecure employment, particularly in small enterprises, they are likely to go undetected. Weak monitoring and regulatory systems coupled with inadequate public health infrastructures imply that a significant share of occupational illness is not routinely reported. Chronic illnesses due to chemical, ergonomic and psychosocial factors are particularly at risk of going undetected.

Health problems may also be under reported due to job insecurity and high labor turnover, factors exacerbated by employment patterns created by globalization, such as migrant labor. In many countries in southern Africa, even the most comprehensive reporting systems do not cover small-scale (informal-sector) production, despite the fact that informal-sector production is expanding more rapidly than that in the formal sector in many liberalized economies. Informal-sector risks include poor work organization, poor access to clean water and sanitation, ergonomic hazards, hazardous hand-tools, and exposure to dusts and chemicals. Surveys of informal-sector workers have found occupational injury and mortality rates similar to those in the formal sector, but higher rates of occupational illness.

\* GNP: the total value of all goods and services produced within a nation in a year



## Women in a Global World

Women are disproportionately affected by globalization employment patterns, because they tend to work in under-capitalized and insecure production activities, with inadequate access to credit, land, services, and training. They have taken on more jobs and work longer hours, in part due to the double workload of household work and employment in formal or informal sectors, occupying low-skilled, low-paid jobs where rates of union membership are low. The work is often strenuous, monotonous, and ergonomically unsound and they have little control over the job pace or content.



While new production patterns have brought women into the labor force, challenged traditional gender roles, and provided women with greater income opportunities, this has been at the cost of increased exposure to occupational risk, decreased rest time, and increased work related stress.

## What are the "informal economy" and "informal employment"?

Informal work is also referred to as "contingent work" or "precarious work"

According to the International Labour Association the term 'informal economy' refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements (for instance, health and safety regulations). The informal economy comprises half to three-quarters of all non-agricultural employment in developing countries. Although it is hard to generalize concerning the quality of informal employment, it most often means poor employment conditions and is associated with increasing poverty. Some of the characteristic features of informal employment are lack of protection in the event of non-payment of wages, compulsory overtime or extra shifts, lay-offs without notice or compensation, unsafe working conditions and the absence of social benefits such as pensions, sick pay and health insurance. Women, migrants and other vulnerable groups of workers who are excluded from other opportunities have little choice but to take informal low-quality jobs (ILO).

DEFINE IT

## The Informal Economy

### What kind of work is informal?

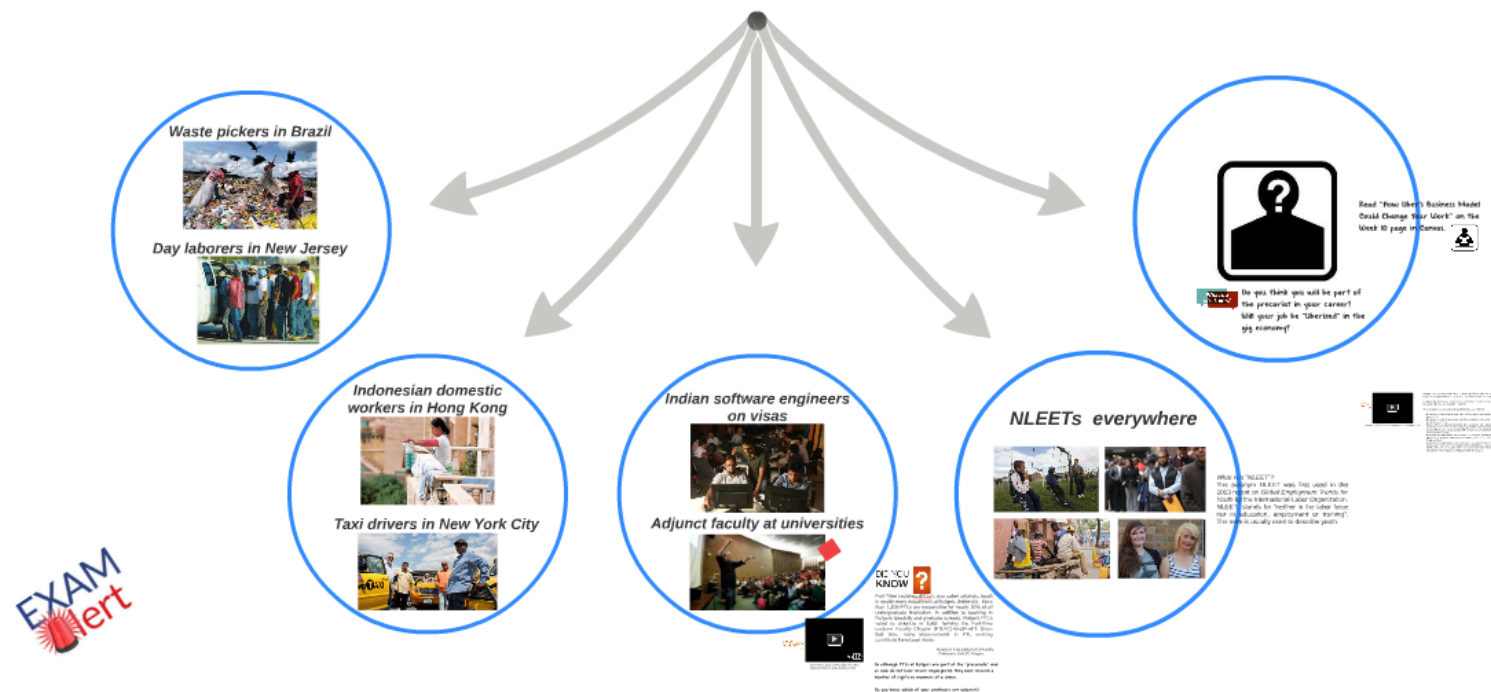
Informal employment refers to workers who are self-employed (or are themselves employers) in unregistered enterprises and workers who are employed in informal, unreported jobs. Economists originally thought that as countries became integrated into the global economy their unregulated informal sectors would shrink as more jobs were created that afforded benefits and secure work. However, decades later just the opposite is occurring and the International Labour Organization reports that the bulk of new job growth in the developing world is in the informal sector. For instance, over 90% of all work in India and sub-Saharan Africa is informal. Often the most vulnerable workers are found in the informal sector such as older workers, women, ethnic minorities, migrants, and children.



You may also hear informal sector work referred to as "precarious work". Precarious work is non-standard employment that is poorly paid, insecure, unprotected, and cannot support a household (Fudge & Owens). The next frame digs deeper into what precarious work is.

DEFINE IT

"The precariat" (those workers engaged in precarious work) can be seen everywhere - and increasingly in the U.S.



## What do they have in common?

- All are excluded from their national labor laws either because they are not covered or because the law is not enforced
- They have no recourse to traditional collective representation mechanisms

## ***Waste pickers in Brazil***



## ***Day laborers in New Jersey***



***Indonesian domestic workers in Hong Kong***



***Taxi drivers in New York City***



# *Indian software engineers on visas*



# *Adjunct faculty at universities*



**R**

**DID YOU  
KNOW**



Part-Time Lecturers (PTLs), also in nearly every department at Rutgers, more than 1,300 PTLs are responsible for undergraduate instruction, in addition to Rutgers specialty and graduate students. Rutgers voted to unionize in 1988, forming the Rutgers Lecturer Faculty Chapter (PTLFA). At that time, many improvements



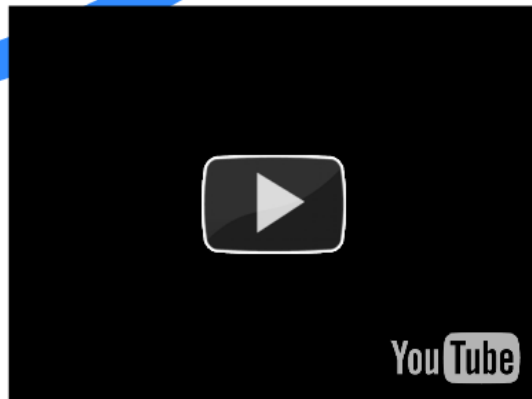
## DID YOU KNOW



Part-Time Lecturers (PTLs), also called adjuncts, teach in nearly every department at Rutgers University. More than 1,300 PTLs are responsible for nearly 30% of all undergraduate instruction, in addition to teaching in Rutgers specialty and graduate schools. Rutgers PTLs voted to unionize in 1988, forming the Part-Time Lecturer Faculty Chapter (PTLFC)-AAUP-AFT. Since that time, many improvements in PTL working conditions have been made.

- American Association of University Professors (AAUP) Rutgers

WATCH  
THE VIDEO



NJTV News. (2015) Universities hire more adjunct professors and pay less. (2:51)

**So although PTLs at Rutgers are part of the "precariate" and as such do not have secure employment, they have secured a number of rights as members of a union.**

**Do you know which of your professors are adjuncts?**

# ***NLEETs everywhere***



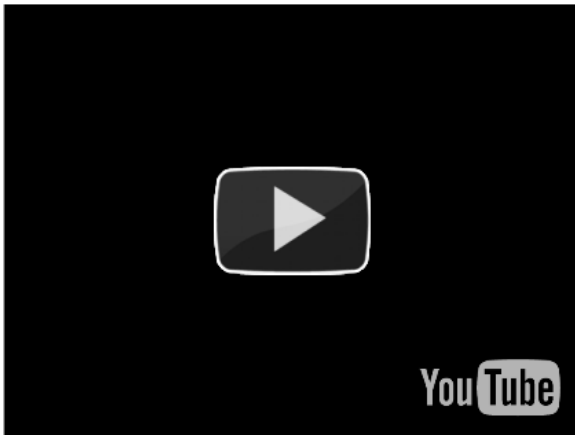
*What is a "NLEET"?*

The acronym NLEET was used in a 2013 report on *Global Employment Trends in Youth* by the International Labour Organization. NLEET stands for "neither in employment nor in education, employed". The term is usually used to



Professors (PTLs), also called adjuncts, teach in the psychology department at Rutgers University. More than 100 PTLs are responsible for nearly 30% of all psychology instruction, in addition to teaching in undergraduate and graduate schools. Rutgers PTLs organized in 1988, forming the Part-Time Faculty Chapter (PTLFC)-AAUP-AFT. Since then, there have been many improvements in PTL working

WATCH  
THE VIDEO



Al Jazeera. (2012) *Britain's "lost generation" of unemployed*. (2:33)

Although unemployment in the U.S. continues to fall, the outlook is not as bright for young people who may be left out of the economic recovery.

Young people face higher hurdles in the job market. They have fewer skills, less work experience and smaller networks.

The consequences are devastating and the facts bear this out.

- Unemployment for 18 to 29 year olds is 15.8%, more than double the general rate.
- Unemployment for 18 to 29 year old African-Americans is 23.8%. For Hispanics it is 16.6%.
- Those with more education do better but no group is held harmless. Unemployment rates for recent college graduates increased from 3.1% in 2008 to 8% in 2010. (Young people with no high school diploma had 33% unemployment in 2010).
- High youth unemployment rates predate the recession. In 2000, the general unemployment rate was approximately 4%. For 15 to 24 year olds it was over 9%.
- High youth unemployment is not confined to the United States. For the 33 "developed" countries in the Organization for Economic Co-operation and Development (OECD), combined 2013 youth unemployment was 16%. (It ranged from 7% in Japan to a whopping 58% in Greece.)



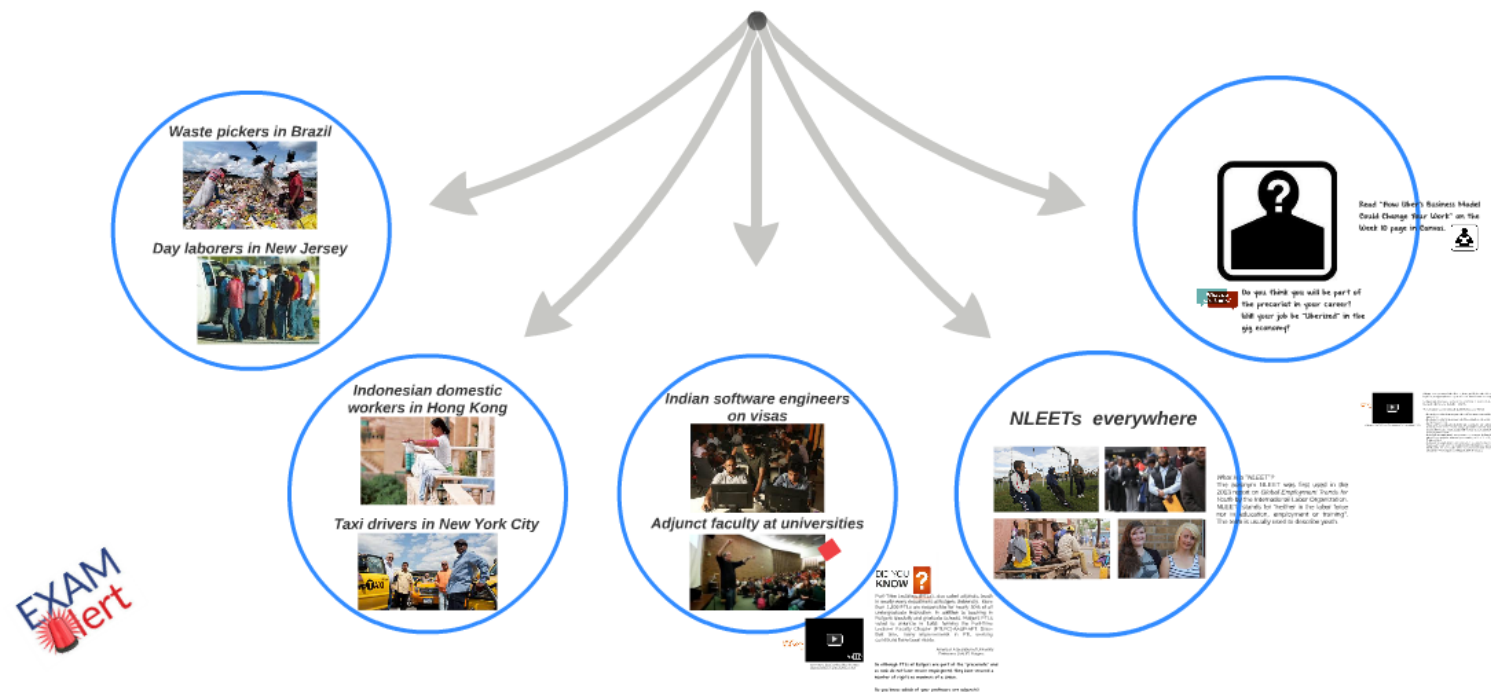
Read "How Uber's Business Model Could Change Your Work" on the Week 10 page in Canvas.



What do  
*you* think?

Do you think you will be part of the precariat in your career?  
Will your job be "Uberized" in the gig economy?

"The precariat" (those workers engaged in precarious work) can be seen everywhere - and increasingly in the U.S.

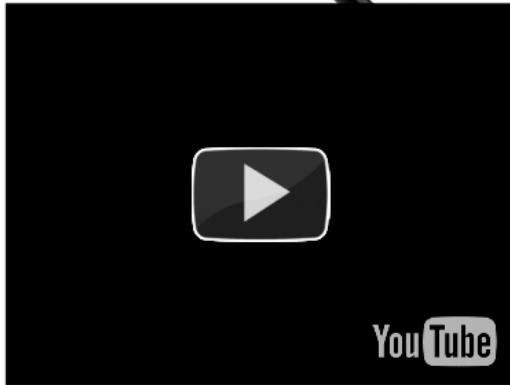


## What do they have in common?

- All are excluded from their national labor laws either because they are not covered or because the law is not enforced
- They have no recourse to traditional collective representation mechanisms

Take a **closer** look!  
The Informal Economy from a Labor Perspective

Watch Part I



IFWEA. (2010) Build Rights Build Unions - The Informal Economy (5:51)

Watch Part II



IFWEA. (2010) A Place in a Union - The Informal Economy. (5:20)

Watch Part III



IFWEA. (2014) Building Solidarity - The Informal Economy. (5:19)



ifwea.org



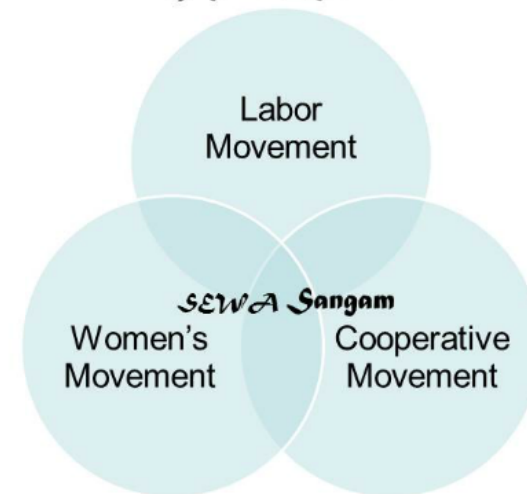
International Federation of Workers' Education Associations

### How can workers in the informal economy protect themselves?

The Self-employed Women's Association (SEWA) is an example of a trade union of poor self-employed women workers in the informal economy. SEWA has a strong foundation of democratic, worker participation. As you read in the previous slide, over 90% of workers in India are self-employed and 94% of women workers in India are unorganized and are not in unions. Because of this, the work of women in India remains largely uncounted and invisible.

SEWA is both an organization and a movement. The SEWA movement considers itself a "sangam" or confluence of three movements: the labor movement; the cooperative movement; and the women's movement. But it is also a movement of self-employed workers - their own, home-grown movement with women as the leaders.

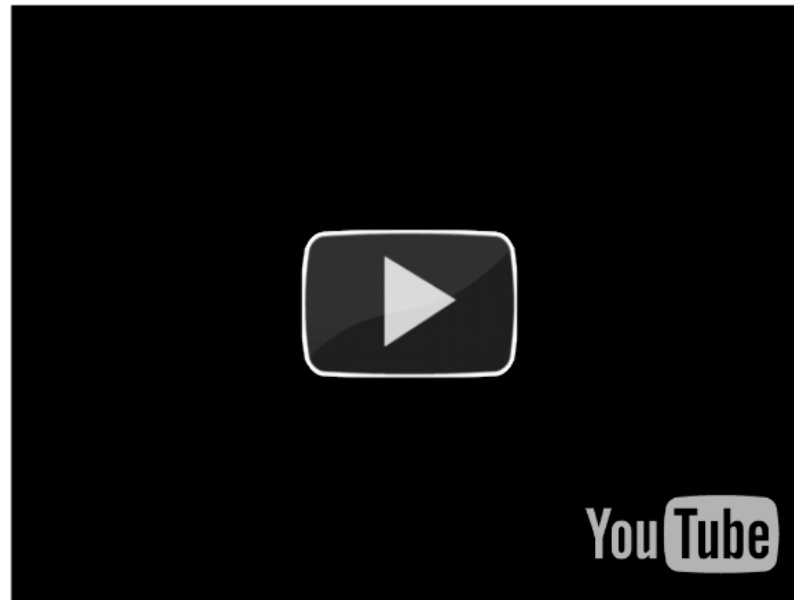
### Self-Employed Women's Association Gujarat, India



While I was at an IFWEA (International Federation of Workers' Education Associations) conference in Ahmedabad, Gujarat sponsored by SEWA, I learned that when a woman joins SEWA, she first must take a course on organizing where she learns about her rights and responsibilities as a worker and a member of SEWA. SEWA offers the member social benefits she cannot get from her work such as literacy classes, a training academy, child care, health clinics and pharmacies, a bank and micro-financing (micro financing provides very small loans at low interest rates), shelter, and others. I was especially interested in the SEWA video collective. The video collective started because women were not allowed to market their goods directly in the marketplace in Ahmedabad and had to pay a middleman to sell the goods for them. When the women first came to work in the marketplace, they were the target of harassment and violence from both vendors and police. One tool they used to stop the hostile actions was to have a videographer follow them into the marketplace to film the altercations. The camera's presence helped reduce the incidents. Women are now accepted participants in the Ahmedabad marketplace. The women in the video collective do all of the videotaping, editing and marketing of SEWA videos - despite the fact that most of them have limited literacy.

# Self-employed Women's Association (SEWA): 3 Women's Stories

WATCH  
THE VIDEO



TED X GatewayWomen. (2015) SEWA - Interplay of Women, Work, and Peace - Reemaben Nanavaty. (11:00)

*Reema Nanavaty leads Self Employed Women's Association's (SEWA) economic and rural development activities reaching out to seventeen million women and their families across India. Since 1989 she has pioneered revival, restoration and innovation of rural livelihoods from district to global level. - SEWA.org*



With globalization, economic liberalization and other changes, there are both new opportunities as well as threats to some traditional areas of employment for women in India. SEWA strives to take advantage of the opportunities of globalization while resisting changes which are harmful.

SEWA's statement on globalization:

More than ever, our members are ready to face the winds of change. They know that they must organize to build their own strength and to meet challenges. There are still millions of women who remain in poverty and are exploited, despite their long hours of hard labor. They bear the brunt of the changes in India and must be brought into the mainstream, so as to avail of the new opportunities that are developing with regard to employment.

We have tried to systematically explore the links between changes in the women's lives at a micro-level and the larger macro policies and trends. SEWA has tried to actively deal with these changes by strengthening the members to take advantage of openings in the economy available to them, and resisting changes which are harmful. At the same time we have tried to influence policy at the macro-level in favor of the workers and producers in the informal economy.

[SEWA explores] three key consequences of globalization:

A lagging behind of the productivity and wages of the unskilled as a result of global and national technical progress;  
(2) an increased vulnerability and insecurity in the new market and trade oriented world, despite significant benefits of these same trends; and  
(3) a decrease in bargaining power of unskilled workers as a result of the greater mobility of capital and skilled labor.

With over 700,000 dues paying members (and the potential for many more), SEWA has pressured political leaders to implement a tripartite board of government representatives, employers, and worker representatives to address worker concerns. Their success has inspired the formation of similar unions and has challenged traditional unions to view informal workers not as competitors for jobs but as allies and to view non-traditional worker organizations as legitimate.

### ***SEWA's explores 3 key consequences of globalization:***

1. Lagging productivity and wages of the unskilled as a result of global technological progress;
2. Increased vulnerability and insecurity in a market oriented world, despite benefits from these trends; and
3. A decrease in bargaining power of unskilled workers as a result of the greater mobility of capital and skilled labor.

SEWA is actively undertaking research to continually trace the effects of globalization on its members, and is actively influencing policy in their favor.



## ***Another example of organizing for health and safety***



Sikhula Sonke is a trade union on the Western Cape Province of South Africa. Established to empower women farm workers, it is also a social movement with the goal of helping women overcome the problems of domestic violence, alcoholism, food shortages, and other basic security issues.

I attended a conference on the informal economy in Cape Town that was hosted by Sikhula Sonke. Our hosts took us on a tour of the Western Cape wine country where we learned that wine farm workers are deeply connected to and reliant upon their employers for housing, food, and other basic needs. On this trip I learned about the "tot system" and saw, first-hand, the consequences of it.

It had been the practice, particularly in the Western Cape, to pay the salaries of wine farm workers in the form of wine concessions know as the tot system. The farm owners used poor quality wine that was not suitable for selling as a replacement for wages. This has resulted in extremely high rates of alcohol addition and abuse and in particular, the highest rate of infants born with Fetal Alcohol Syndrome in the world. It was also found that physical and emotional abuse of women by male partners addicted to alcohol was wide spread. The dependence on the abuser for physical security further compromised women's abilities to leave abusive relationships and undermined the safety of women and their children. Tragically, the social and living conditions of farm women and their daughters today is still, for many of these same reasons, extremely harsh. (Pekeur).

The Tot system is a good example the far-reaching effects of labor policies and business practices. Although largely eradicated under after the African National Congress (ANC), under the presidency of Nelson Mandela, was voted into power in 1994, some workers still receive tot payments. The tragic legacies of alcoholism established under the tot system and the life-long effects of fetal alcohol syndrome are rife.

*Good farm, bad farm?*



Our tour guide, Sara Clausson, President of Sakhula Sonka, took us on a tour of a “bad farm” and a “good farm”. I took the above photos at a bad farm. Workers were required to rent their housing from the farm owner (wages are deducted for housing). The housing we saw had no potable water (water was carried in containers from other sources), no electricity, and, in some cases, no roofs overhead.

Our visit to a “good farm” coincided with a wine tasting festival of the local wineries that are working cooperatively with Sakhula Sonke. Although work and life is still hard for farmworkers represented by a union, they are paid the minimum wage, have access to decent housing, and the tot system of payment is forbidden. The picture below is of President Clausson (below center - in the yellow shirt) with the chief steward of the farm, and other union members. This baby's (below left) mother is one of the 4,000 members (out of 350,000 Western Cape farmworkers) of Sakhula Sonke, which will likely give him a better chance for a decent start in life.

Sakula Sonke and SEWA are two examples of how workers have organized for safer, decent working conditions. Both organizations have taken the form of a trade union that addresses many diverse issues - worker rights are just the entry point for improving general conditions and the lives of women workers. They believe that when the lives of women are improved the lives of everyone, including men and children, will be improved. Both organizations have found new and innovative ways of organizing, taking into account all the changes in how work is done in a globalized world.

As work is transformed in the US and the US informal economy grows, the lessons learned in India and South Africa will be important in thinking about how unions and workers' associations can adapt and change to continue to be a relevant force in the 21st Century.





<http://www.ilo.org/global/lang--en/index.htm>



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International  
Labour  
Organization

### The ILO 1944 Declaration of Philadelphia

- Labor is not a commodity.
- Freedom of expression and affiliation are essential to sustained progress.
- Poverty anywhere constitutes a danger to prosperity everywhere.
- All human beings irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity.

*“The primary goal of the ILO today is to promote opportunities for men and women to obtain decent and productive work, in conditions of freedom, equity, security and human dignity.”* - ILO Director-General Juan Somavia

SEWA’s tripartite (involving 3 parties) approach to improving working conditions for members is also a foundation principle of the International Labour Organization (ILO). The ILO does not have the power to enforce its “conventions” (or standards); however, it can and does apply pressure in countries to comply with conventions.

## The ILO *Better Work* Programme:

Take a **closer** look!



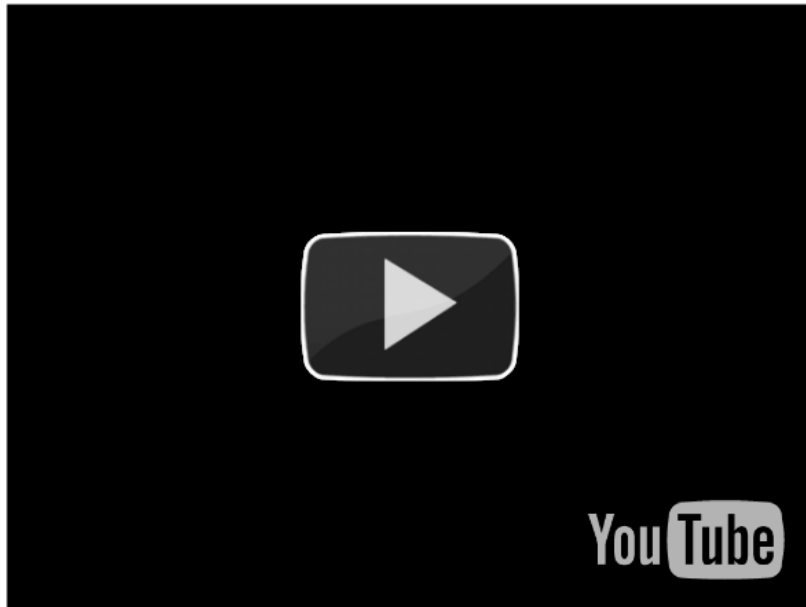
*Better Work* is developing global tools and is piloting three country projects, in Jordan, Lesotho and Viet Nam with the full cooperation of workers' and employers' organizations. The project assesses compliance with labour standards in garment factories; provides training for employers and workers; and capacity building for organizations.

The goal is to improve labour practices and competitiveness in global supply chains. The three pilot projects currently under way alone will directly benefit over 800,000 workers.



# BETTER WORK

<http://betterwork.org/global/>



International Labour Organization (ILO), Better Work Campaign. (2010)  
Raising awareness of safety and health in garment industries. (0:54)

As precarious work increases everywhere, a garment worker who works in a factory that is part of the ILO's *Better Work* programme is fortunate! This animated video explains basic workplace safety to garment workers in Jordan.

Animation is often used as a teaching/training tool for low-literacy audiences or for viewers who do not speak the local language. The messages in it may seem overly simple to us, but imagine if you were a young worker in a foreign country. You likely wouldn't know the language, the cultural norms, or the rules and laws. You would also be isolated from friends, family, and a network of support.

The rights and responsibilities presented in the video are relevant to U.S. garment factory workers, too.

**How can worker safety and health be protected in a global economy?**

Labor legislation + International labor standards + Right to organize and join a union



*Socially sustainable globalization*



What do you think?

**This frame roughly outlines the ILO's strategy for protecting worker safety and health in a global economy. As in all OSH issues, there is disagreement about not only the strategy, but the goal itself. Why do you think this is so?**

Standards, risk control, and compensation systems are the results of both scientific evidence and the efforts of worker organizations and unions. But these systems vary across countries. In the global economy, institutions such as ILO play an important role in countries coming to agreement on universal standards for work that transcends the boundaries of individual countries. For example, ILO conventions have set standards for safe work and for managing occupational health and safety.

Examples of ILO Conventions:

- Tripartite occupational health systems, rights, and responsibilities
- Occupational health services
- Chemical safety
- Prevention of major industrial accidents

The ILO Tripartite Declaration of Principles concerning multinational enterprises and social policy requires common standards across all branches of multinational enterprises.

The ILO Code of Practice on safety, health and working conditions in the transfer of technology to developing countries requires technology exporting states to inform importing states about hazardous chemicals or technologies.

Although countries and organizations may accept the tenets of ILO conventions for occupational safety and health, getting them integrated into labor laws and into labor contracts is another story. For instance, some countries have few labor laws to protect the health and safety of workers or if protective laws exist, they are ignored with no consequence to employers. Some countries outlaw the formation of unions or make it impossible for unions to function by harassment tactics such as firing union members and the imprisonment or murder of union leaders.

## One U.S. union's response to the challenges of a global economy



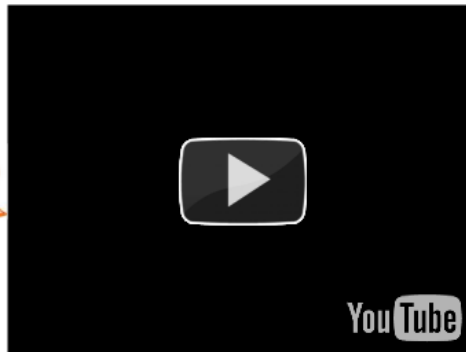
This video, produced by the United Steelworkers Union (USW), showcases the partnership between rubber tappers employed by Firestone Tire Company in Liberia and workers employed by Firestone in the U.S. This strategy is one response to the realities of a globalized world. USW, with the assistance of other groups such as the AFL-CIO Solidarity Center, now represents 4,000 Liberian rubber tappers.

What do  
*you* think?

Why do you think USW put resources into this partnership?

How could raising wages and living conditions in Liberia have an impact on health and safety conditions of U.S. workers?

WATCH  
THE VIDEO

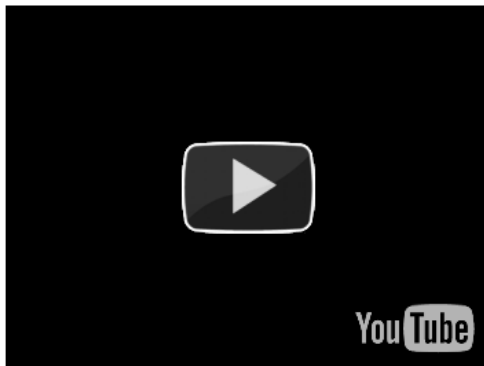


United Steelworkers Union. Liberia: A New Day. (4:28)

## Child Labor

There is debate as to whether globalization is improving the problem of child labor or making it worse. However, as the data in the ILO video show, tedious and risky work continues to be done by children in conditions hidden behind factory doors or behind the doors of their own homes.

In Week 2, you learned how the exploitation of children in factories spawned by the Industrial Revolution caused outrage when reported in the periodicals of the day. This outrage helped to pass legislation regulating the work of children. People continue to be outraged by child labor in the 21st Century. Coalitions and partnerships have effectively applied pressure on governments and corporations to regulate the labor of children. Student groups against sweatshops have been particularly effective in pressuring private industry to improve labor situations in their factories and in work they contract out.



ILO Reports on Child Labour Globally. (2:10)



ILO. Cher teams up with the ILO and holds up the Red Card to child labour. (0:49)

*Cher' weighs in on  
child labor!*

In Week 2 you viewed Lewis Hine's photographic documentation of child labor in early 20th century America; but the America that Hine captured with his lens is not just a historical remnant. Child labor continues to be a problem in the U.S. as you will hear in the next frame.

You should have your sound turned on and the audio radio segment will play when you zoom to the next slide (4:00).

*Listen to the story:* National Public Radio. (5/15/2014) Deborah Elliot:  
Too Young To Smoke, But Not To Pick Tobacco. (4:00)



*Listen to the story:* National Public Radio. (5/15/2014) Deborah Elliot:  
Too Young To Smoke, But Not To Pick Tobacco. (4:00)



## Making a business case for fair labor



TedTalk. Aurret van Heerden: Making global labor fair. (17:45)

Do you agree or disagree with van Heerden's position presented in the TEDTalk on the international regulation of work? Do you think the power of private corporations can be harnessed to create safer work conditions and safer products?

What do  
*you* think?

You may have heard about the Foxconn factories in China where iPhones and iPads are produced. Apple acknowledges the poor working conditions at factories making their products, and has announced that within 5 years they will improve the conditions. Do you think Apple will follow through on this agreement?

In a globalized world where the power balance is unequal, can changes be made to create decent work for people that is free of unnecessary health and safety dangers?



## *Solutions*

The TEDTalk you just watched presented one strategy for mitigating worker exploitation and the worst human rights violations in the globalized economy. Next you will be exploring other approaches to improving work safety and health and assuring decent work - globally and in the U.S.



### Tripartite approach to occupational safety and health:

Three (tri) entities that have the power to determine or to influence working conditions most directly: **governments, employers, and workers (and workers' organizations – unions)**.

Other influential groups:

Other kinds of groups can also contribute to a safe and healthy work environment, such as alliances, partnerships, coalitions of community-based groups (CBOs), COSHs (Coalitions for Occupational Safety and Health), and non-governmental organizations (NGOs). Also, as van Heerden presented, the power of consumers can have broad and deep influence on the forces that determine working conditions.

Employers' organizations:

Employers' organizations represent business interests and help to create the conditions for their success. They do so by influencing the environment in which business is done and by providing services that improve their individual performance. You have read about examples of employer organizations with goals that, arguably, do not improve workplace conditions; however, employer organizations have the potential to be a strong force for increased health and safety in the workplace.

Workers

## *The influence of labor unions*



Kaiser-Permanente nurses signing union cards for representation.

### How do unions influence working conditions?

Unions affect labor market outcomes, influence the broader economy and also impact non-economic aspects of a society. Unions directly affect the wages, benefits and working conditions of their own members and indirectly affect those of non-members. By providing workers with a voice, unions create an alternative to quitting a job when workers are dissatisfied. This can reduce job turnover. Through collective bargaining unions can influence the overall distribution of wages benefits and working conditions.

A strong union movement often plays a role in the political arena by advocating for the rights and interests of labor. Workers often join together in trade unions or other organizations to improve their working conditions and defend workers' interests. Unions cover many different occupations and professions, and have local and national offices. Many unions are affiliated with international trade union organizations that unite workers with common interests. In most countries, trade unions have a considerable amount of influence on work-related issues, including occupational safety and health.

Source: Mishel and Walters

### Pro-union or anti-union? Two examples:

A search on the Internet reveals strong opinions for and against unions. As you learned in some of the cases studied in Units 1 and 2, business and industry groups often oppose health and safety regulations. For instance, in 2000, OSHA issued an ergonomics<sup>a</sup> standard after ten years of study. Opposition to an ergonomic standard was launched by business associations such as the Chamber of Commerce and the National Association of Manufacturers. These groups maintained that additional government regulation was not the right way to address the issue of ergonomic injuries to American workers. In March 2001, Congress voted to repeal the standard. The repeal of the ergonomics standard was one of the first major pieces of legislation signed by President George W. Bush.

Source: [Chamber of Commerce and National Association of Manufacturers websites.](#)

Groups such as the American Public Health Association (APHA) maintain that the freedom of workers to form unions is a fundamental human right recognized in principle in the United States by the National Labor Relations Act and the Constitution. APHA states that workers' rights to form unions is a public health issue citing the relationship between workers' freedom to form unions and: job-related health insurance coverage and quality; the ability of workers to gain protections under public health related labor protections such as the OSH Act.

Source: [APHA web site](#)

Although this is a labor studies course, and therefore, presents the perspective of Labor during the study of occupational safety and health as well as the perspective of business, there is no "right" or "wrong" opinion on labor unions or business and corporate interests. This is an opportunity for you weigh both sides of an issue and come to your own informed conclusion.

### What is "ergonomics"?

The word "Ergonomics" comes from two Greek words "ergon," meaning work, and "nomos" meaning "laws." Today, however, the word is used to describe the science of "designing the job to fit the worker, not forcing the worker to fit the job." Ergonomics covers all aspects of a job, from the physical stresses it places on joints, muscles, nerves, tendons, bones, to environmental factors which can effect hearing, vision, and general comfort and health (Oklahoma State University, Environmental Health Sciences).

### ***The Role of Labor Unions in Securing Laws and Standards:***

- Initiate and advocate enactment of protective laws and regulations
- Provide a voice for workers about problems they have identified needing regulation
- Provide information to workers about their rights at work
- Encourage members to exercise their rights at work by reducing the fear of employer retribution and by helping workers resolve disputes



Do unions make a difference in worker safety and health?

In two studies of OSHA and unions in the manufacturing and construction industries, Weil found unions greatly improve OSHA enforcement. In the manufacturing industry, for example, the probability that OSHA inspections would be initiated by worker complaints was as much as 45% higher in unionized workplaces than in nonunion ones. Unionized establishments were also as much as 15% more likely to be the focus of programmed or targeted inspections in the manufacturing industry. In addition, Weil found that in unionized settings workers were much more likely to exercise their "walkaround" rights (accompanying an OSHA inspector to point out potential violations), inspections lasted longer, and penalties for noncompliance were greater.

In the construction industry, Weil estimated that unions raise the probability of OSHA inspections by 10%. In addition to the findings above, Weil notes that the union differential could be even larger if OSHA's resources were not so limited. Weil states, "Implementation of OSHA seems highly dependent upon the presence of a union at the workplace" (Weil 1991a). Following the trend of declining unionization, OSHA claims have dropped from their peak in 1985 of over 71,500 and are currently at close to 37,500 (Siskind 2002; OSHA 2003).

Can you think of two reasons why unionized workplaces have significantly more OSHA inspections compared to non-union workplaces?

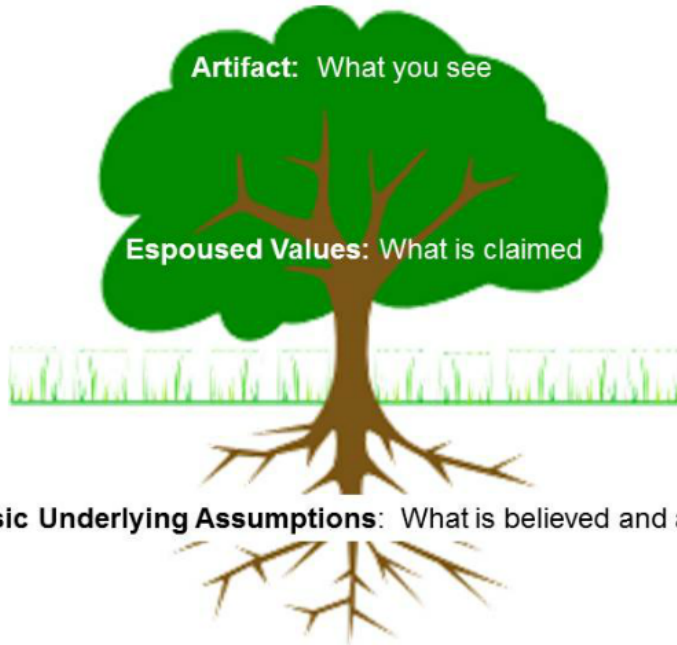


Employers

## *The influence of employers*



The influence of employers has been studied and critiqued throughout the semester. There are concrete rights and responsibilities that employers have in the arena of occupational safety and health as covered in Week 5 (OSH Act & OSHA), but the influence of employers is broader than these rules and regulations may convey. This broader context is sometimes referred to as the “culture” of the workplace or organization.



### What is a workplace culture?

You may recall hearing the phrase culture in relation to how health and safety is approached in a company or a workplace.

In *A Dangerous Business Revisited*, an unsafe, dangerous culture was admittedly cultivated by the McWane Corporation by putting production and profit before safety. For the reasons many of you wrote about in the economics forum, McWane set about to change this weak, dangerous culture to a strong culture that promoted and valued safety. As illustrated in the video, this change was not made overnight, rather it evolved over five years with the commitment of the top officials of the corporation, the help of a number of outside experts, the support of the employees, and lots of money. Below is an explanation of the slide.

Using the tree analogy in the slide, what was the "old McWane" culture?

**Artifact:** What you see. One example of artifact are employee safety rules. In the "old McWane" culture, the employee safety rules said one thing but demanded something quite different, often forcing employees to choose between performing a very dangerous task or losing their jobs. This process of "how things are done" may be easily seen (like the leaves of the tree), but they may be hard to understand and explain, nonetheless.

**Espoused Values:** What is claimed. What McWane claimed their corporate worker health and safety policies were and what actually happened in the foundries were two different things. This misalignment between corporate values and operations, created a weak culture of safety that resulted in numerous deaths and serious injuries. The organization's values are represented by the trunk and branches of the tree.

**Basic Underlying Assumptions:** What is believed and acted upon. Represented by the roots of the tree, these assumptions are developed over long periods of time and are deeply embedded in an organization's identity. People learn what these assumptions are by observing and experiencing the workplace over time. For instance, what is informally rewarded and what is punished? People are often not consciously aware that they have these assumptions - but still act on them. This part of an organization's culture is very deep (like roots). Assumptions, like most beliefs, are difficult to change! This is why even when new safety measures may be in the employees' best interest, there can be resistance to making changes from the "old way" of doing things to the "new way".

### Do employers accept this model?

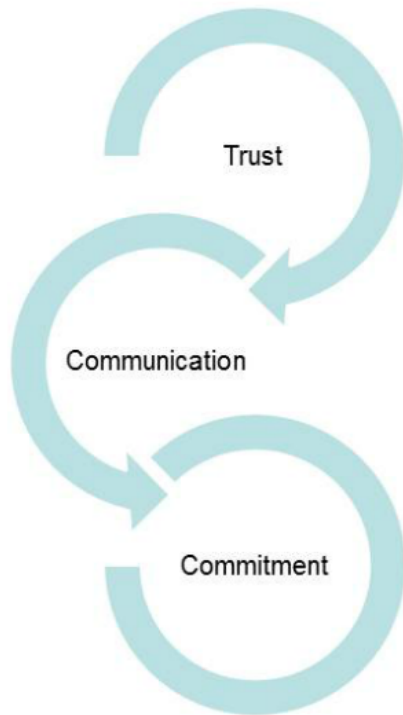
Students of business are probably familiar with theories of organizational culture. It is a concept used by government organizations (such as the USAir Force), non-governmental organizations (such as symphony orchestras), many corporations, and business schools.

This explanation of organizational culture is based on Edgard Schein's work. If you are interested in reading more about organization culture go to: <http://www.organizationalculture101.com/definition-of-organizational-culture.html> (OPTIONAL)

Source: Carrol

## What is a safety culture?

The shared commitment of management and employees to ensure the safety of the work environment.



According to the Centers for Disease Control and Prevention (CDC) a safety culture is the shared commitment of management and employees to ensure the safety of the work environment.

A culture of safety acknowledges that errors are inevitable and tries to identify them before they occur. Characteristics of such a culture include:

A workplace where people are confident that they can report mistakes or close calls ("near-misses") without fear of retribution. TRUST

People collaborate across ranks to find solutions to problems. COMMUNICATION

People think there is a willingness to direct resources to address safety concerns, even if it is not profitable. COMMITMENT

An organization with a culture of safety encourages acknowledgement of error and attributes reasons for the errors primarily to process/system failures. Lessons learned from analysis of errors are shared as the best known methods (or "best practices") to mitigate (lessen) or prevent future errors.

Can you think of businesses or industries where it would be especially critical to have a safety culture?

Source: [Duke University Medical Center](#)

# Silence kills.

SILENCE KILLS\*



The aviation industry faced a number of accidents in the 1970s which were the result of human error. In response to these, and to avoid direct governmental intervention and oversight, the industry set about creating standards and training to eliminate the potential for human error. This was achieved through cross training, and double check/redundant verification.

By acknowledging that errors were ever-present and had catastrophic results, industry leaders were able to get buy-in from cockpit crews. This buy-in was essential, as the processes that were implemented required flight crews to strictly follow checklists and double-check one another's work. Changes in the command structure also made cross checking one another's work palatable and resulted in an empowerment of the crew members and expanded the communication between team members.

In 70% of the airline accidents studied, someone in the cockpit knew there was a problem, and was unable to find a way to communicate it. With a flattening of hierarchy\*, communication flowed more freely despite rank/position and, as it was common to double-check the other team member's work, there was no stigma associated with noting a discrepancy. Increased communication and cross checking improved safety and, along with similar changes in the ground crew and maintenance teams, made the airline industry one of the safest of the high risk industries. These results were achieved through intensive repetitive training commonly referred to as "Crew Resource Training".

A lesson learned by NASA:

National Aeronautics and Space Administration (NASA) employs some of the smartest and most dedicated professionals in the world. Individually, they are the cream of the crop in their various science, engineering, and administrative disciplines. Their collective achievements have dramatically expanded the boundaries of our knowledge of our world and our universe.

In spite of this individual dedication and collective brilliance, on February 1, 2003, seven astronauts unnecessarily died when the Space Shuttle Columbia incinerated on reentry into the earth's atmosphere. A key contributor to the tragedy was a culture that "prevented effective communication of critical safety information and stifled professional differences of opinion." People's inability to confront risky topics allowed risks to go unaddressed—contributing to the loss of seven lives.

Source: [Duke University Medical Center](#)

\*What is a flattened hierarchy? A flat hierarchy refers to an organization structure with few or no levels of management between management and staff level employees. The flat organization supervises employees less while promoting their increased involvement in the decision-making process.  
Source: [Small Business Chronicle](#)



## Accountability or culpability?

- ① Pulmonar Yong H x 1st
- ② Asthma MD MD
- ③ Red Flow to B
- ④ Nels 940 Mary/Althel
- ⑤ Key out > 75% run

An example of the advantage of a "blame free" safety culture:

Experts estimate that as many as 98,000 people die in any given year from medical errors that occur in hospitals. That's more than die from motor vehicle accidents, breast cancer, or AIDS--three causes that receive far more public attention.

Kohn asserts that the problem is not bad people in health care--it is that good people are working in bad systems that need to be made safer. Health care environments are complex systems that are prone to error. Errors in nursing care are rarely due to carelessness or incompetence. Consequently, the culture of health care organizations, needs to be blame free. A learning environment, with free flowing, open communication allows hospital staff to identify, discuss, and ultimately prevent health care errors. Patients deserve and have a right to care that minimizes the likelihood of errors and that puts their safety first.

Being accountable for mistakes or accidents on the job without fear of ridicule or losing one's job is important to establishing good communication between employees and employers. Although this can be true in any organization or workplace, it is particularly critical when people have jobs that effect the health and safety of others.

What do  
you think?

What occupations can you think of in which a willingness to be accountable for errors or accidents would be important?

Have you had a job in a workplace in which people were afraid to admit mistakes? What affect did this have on the environment? On how well people did their jobs?



### What is corporate responsibility?

An employer is expected to be economically responsible (to make money) and legally responsible (to obey the law). The model of corporate responsibility holds that employers also have an obligation to be ethically responsible (to do what is right, just, and fair – and to avoid harm) and philanthropic responsibilities (to be a good corporate citizen and contribute to the good of the community).

Corporate responsibility, or corporate social responsibility (CSR), is a form of corporate self-regulation integrated into a business model. Ideally, CSR policy would function as a built-in, self-regulating mechanism whereby business would monitor and ensure its support to law, ethical standards, and international norms. Consequently, business would embrace responsibility for the impact of its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. Furthermore, CSR-focused businesses would proactively promote the public interest by encouraging community growth and development, and voluntarily eliminating practices that harm the public sphere, regardless of legality. Essentially, CSR is the deliberate inclusion of public interest into corporate decision-making, and the honoring of a triple bottom line: people, planet, profit.

The practice of CSR is much debated and criticized. Proponents argue that there is a strong business case for CSR, in that corporations benefit in multiple ways by operating with a perspective broader and longer than their own immediate, short-term profits. Critics argue that CSR distracts from the fundamental economic role of businesses; others argue that it is nothing more than superficial window-dressing; others yet argue that it is an attempt to preempt the role of governments as a watchdog over powerful multinational corporations. Corporate Social Responsibility has been redefined throughout the years. However, as its title suggests, is intended to aid to an organization's mission as well as to guide what the company stands for and will uphold to its consumers. Taking an "either-or" approach to CSR and regulations can create a false dichotomy. Some highly successful, profitable corporations adhere to industry regulations and standards while operating in a socially responsible way.

Source: The Academy of Management Review

Read: European Agency for Safety and Health at Work –  
Corporate Social Responsibility and OSH



Can you think of examples of corporate responsibility ? Of corporate irresponsibility?  
Do you think CSR and regulation can co-exist?



## Is CSR more than just public relations?



Below is an excerpt from a speech on corporate responsibility given then director of policy for BP/Amoco in 1999:

Corporate responsibility in the market place:

Speaker: David Rice (Rice was BP's Policy Director in 1999) Speech date: 07 October 1999 Venue: Global Public Affairs Institute, Dorchester Hotel, London Title: Director, Policy Unit, BP

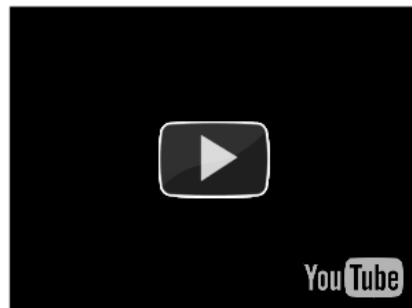
"At BP Amoco we believe that responsibility is an attitude, a state of mind - for a corporation as much as for an individual. In our business policies 'What We Stand For' we put it like this: "We believe that wherever we operate our activities should generate economic benefits and opportunities and our conduct should be a source of positive influence; that our relationships should be honest and open; and that we should be held accountable for our actions."

These policies commit the company to respect the rule of law, conduct our business with integrity, demonstrate respect for the natural environment and show respect for the rights of the individual wherever we do business. So being responsible underpins our license to operate as a hydrocarbons company. It defines the range of opportunity allowed us by society. Responsibility of care also defines the face we want to offer society wherever we operate. It isn't an optional extra. It's an essential element in our future as a company. ...

...In our view at BP Amoco corporate responsibility will be an integral element of the business agenda of the 21st century. Competitive advantage, we believe, will go to those who can anticipate the pace and breadth of the changes implied by this new agenda. It will help define companies, define reputation, define performance and define the boundaries between governments, companies and civic society. Shareholder value and corporate social responsibility, we believe, will support each other."

How do the stated corporate values of BP align with what is now known BP's corporate conduct in the Deepwater Horizon oil disaster in the Gulf?

Do you trust BP's stated commitment to safety?



BP's Commitment to America has never been stronger. (1:01)



CNN, Anderson Cooper 360. (2010) BP: A model of corporate responsibility? (3:00)

learned about the disaster. This frame BP's efforts to corporation's reputation lic.

## Is CSR all marketing or are there real benefits to the claims made by companies?

Starbucks arguably has a CSR program that is aligned with how the company really does its business. In her book ""Wrestling With Starbucks: Conscience, Capital, Cappuccino," Kim Fellner examined Starbucks' policies of CSR and asked the question - can Starbucks really be big and good at the same time? Her discovery was that this question was more complicated and nuanced than it appears, but that Starbucks' "fair trade" programs do make a positive difference in the lives of coffee growers. You can read more about Fellner's book at :

<http://www.post-gazette.com/pg/08190/895381-28.stm#ixzz1J9hyhYDc> (OPTIONAL READING)

What do you think about the CSR concept? Do you think that workplace health and safety can be improved if a CSR program is in place? Is a stated commitment to CSR enough or are regulations needed?

What do  
you think?

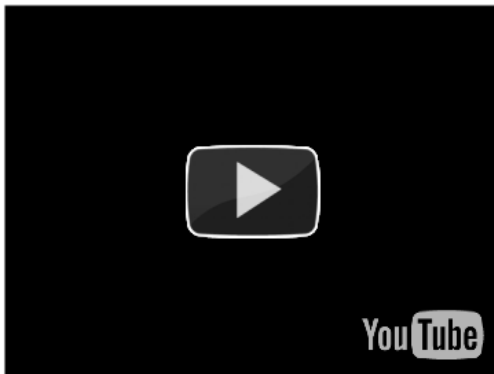
In the tripartite model, the employer (through policy/CSR/workplace culture) + government (through legislation/regulations/standards) + workers (through their unions/health and safety committees) jointly have the responsibility to create and sustain a safe, healthy work environment.



World Biz Watch. (2006) Can coffee drinkers save rainforests? (4:19)



GenConnect. Fair Trade/Starbucks Introduction. (2:02)



PSE&G responds to Superstorm Sandy. (3:01)

WATCH THE VIDEO

## A New Jersey example of CSR and a strong safety culture

PSE&G is an example of a New Jersey corporation with a strong commitment to corporate responsibility. This does not mean that PSE&G is without critics as you can read on the Environmental News Network site: <http://www.enn.com/business/article/39689> (OPTIONAL).

Instructor's note: I use PSE&G as an example of a company with progressive health and safety policies and practice because it is the one I am most familiar with. When I asked New Jersey State AFL-CIO President Charles Wowkanecch what company "did safety right" he gave PSE&G as an example. In the fall semester of 2008, I invited the CEO of PSE&G, Ralph LaRossa, to be a guest lecturer for this OSH course. President LaRossa met with OSH students and presented the company's health and safety program, discussed its successes, and what he hoped for the future. Above is a schematic of the health and safety model used by PSE&G. Note that a "total culture of safety" is central to the model and that the company's target is for zero injuries.

When Mr. LaRossa was asked about the economic considerations of implementing health and safety measures he looked surprised and said that PSE&G's focus on health and safety is the "right thing to do" and that economic considerations are secondary. He went on to explain that he worked his way up in the company and that he considers all employees as family members. Although we heard the same sentiment expressed by Mr. Lovett in the McWane deposition, the outcome of PSE&G's progressive health and safety policies give Mr. LaRossa's statement credibility.

Since the advent of the printing press, the occupational safety and health issues that get attention are the disasters resulting in multiple fatalities and shocking injuries. Businesses and employers who invest in health and safety for their workers rarely, if ever, make the headlines.

Do you think that publicizing the the successes of responsible companies would be an incentive for increasing health and safety?

Would a corporation's adherence to the principles of CSR be important to you in choosing where you work?

What do you think?

**A fact that isn't mentioned in this video produced by PSE&G is that despite long work weeks in dangerous, unpredictable conditions, plus working with out-of-state utility crews, PSE&G workers did not suffer any serious injuries and had zero fatalities during Sandy response and recovery work (per a Rutgers Bloustein presentation by Ralph LaRossa on Superstorm Sandy).**

Government

*The influence of government*



The role of government has also been studied and critiqued throughout the course. Government is the central player in promulgating occupational safety and health laws; granting or rescinding powers of enforcement to agencies such as OSHA and EPS; and determining how easy or difficult it is for workers to organize into unions.

A theme running through all of our explorations of government involvement in occupational safety and health issues is the political “push-pull” between forces for and against increased health and safety.

What do  
you think?

Do you think greater worker involvement in workplace health and safety issues is possible without government involvement? Why or why not?

That's it for the Week 10 presentation. You can access this week's readings on the Week 10 page and the assignment, Discussion #4 - the last graded discussion of the semester :-)

Hope you all have a good week!

### **Globalization**

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Kohn, L., et al (1999). To Err is Human: Building a Safer Health System.

Mishel, L. and Walters, M. 2003. How Unions Help All Workers. Economic Policy Institute briefing paper.

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