

Regulation via Ethical Trade: Implications for Government

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Ethical Trade as Regulation

- Addressing 'Globalisation and its Discontents'**
- Addressing the Shortcoming of Traditional Regulation**

Definition:

"Regulatory initiatives that seek to improve the social and environmental impacts of global supply chains"

Sample labour standards issues:

- freedom of association**
- elimination of discrimination**
- fair disciplinary procedures**

Plus environmental standards

A Goal- not Institution-Focused Understanding of Regulation

How Effective Has Regulation Via Ethical Trade Been?

Layer 1:

- **Examples of Labour and Environmental Improvements**

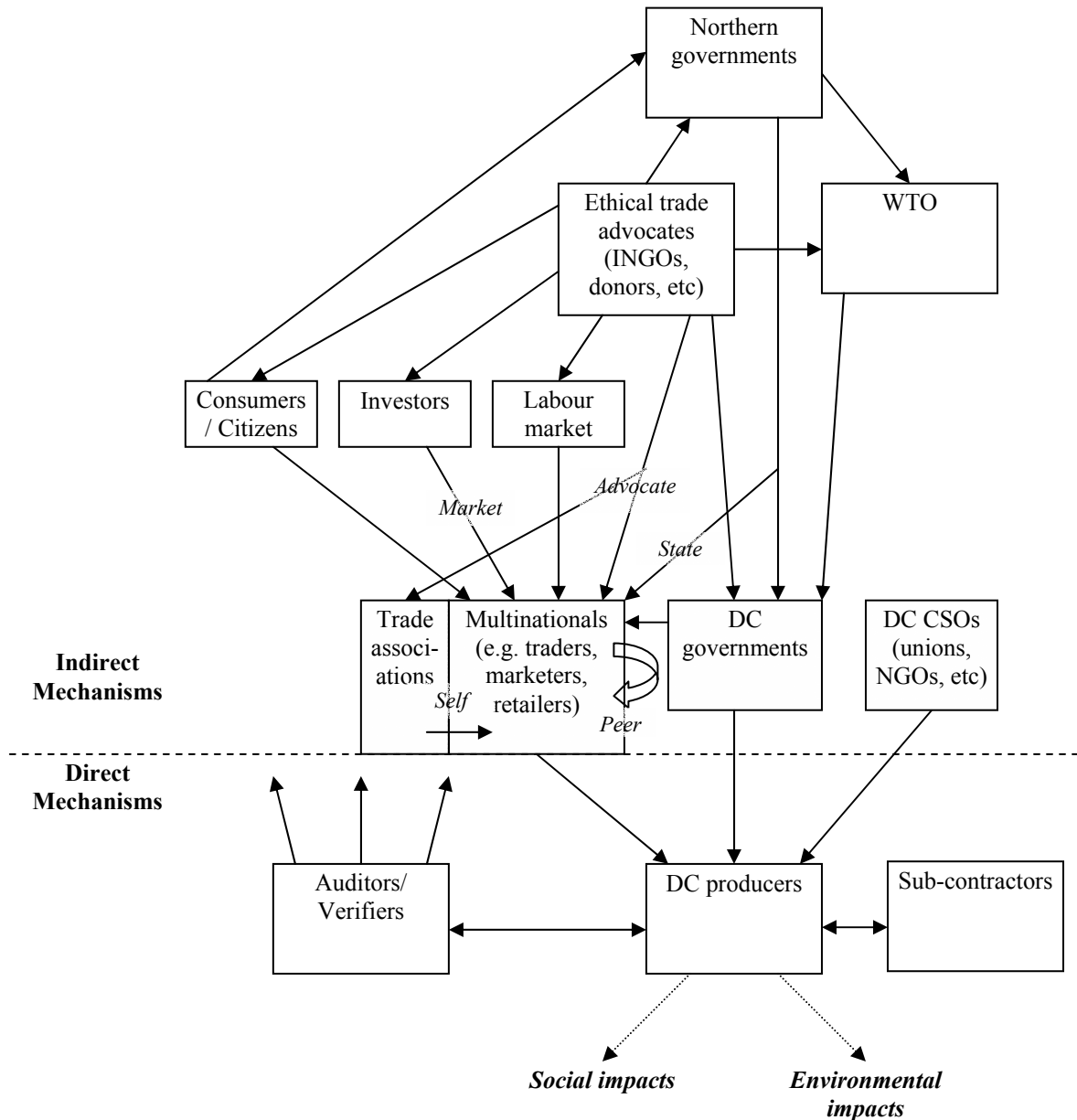
Layer 2:

- **Concerns about Displacement**

Layer 3:

- **Is Ethical Trade the Only Regulatory Option?**

Global Supply Chains and Global Regulatory Governance



Regulatory Challenges:

- **Boundaries; Chains; Intangibles; Choices**

Role of the State in Regulation via Ethical Trade 1

Institutional/Nodal:

- **Prime Mover**
- **Honest Broker**
- **Legitimator**
- **Network Co-ordinator**
- **Upscaler**
- **Power Broker**

Motivational:

- **Intangible Incentives (Reputation, Standing)**

Legal:

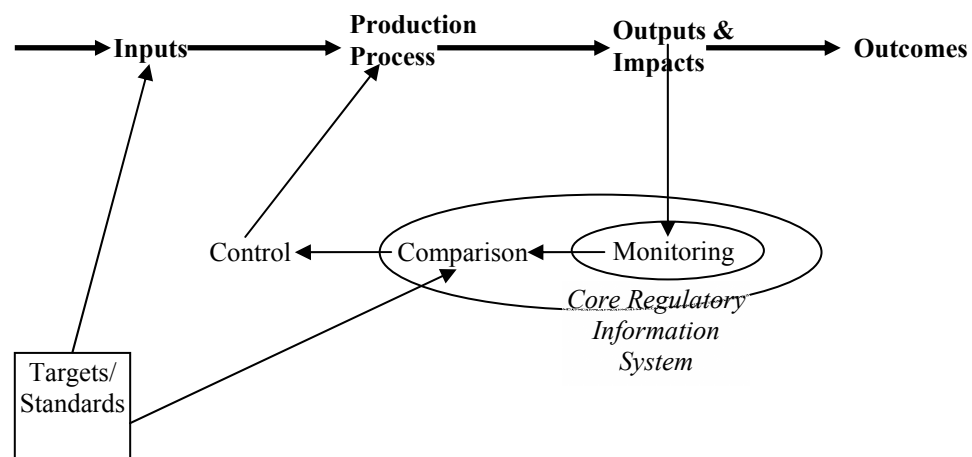
- **Need for 'Embedded Autonomy'**

Financial:

- **Direct and Indirect Subsidy**

Role of the State in Regulation via Ethical Trade 2

Informational:



Data Quality Guidelines: Ensure Data is Complete, Accurate, Relevant, Timely, Appropriately Presented

Impact Assessment Guidelines: Gather Data on Existence, Extent, Expedience, Effectiveness, Efficiency, Externalities