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Exploring the Effects of Union–NGO Relationships on Corporate Responsibility:
The Case of the Swedish Clean Clothes Campaign

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Abstract

In the current era, governments are playing smaller roles in regulating workers' rights internationally, and transnational corporations (TNCs), non-governmental organisations (NGOs) involved in the struggle for workers' rights, and labour/trade unions have started to fill this governance gap. This paper focuses on the least researched of the relationships among these three actors, the union–NGO relationship, by analysing the ways in which it affects definitions of TNC responsibility for workers' rights at their suppliers' factories. Based on a qualitative study of the union–NGO relationship in the Swedish garment industry between 1996 and 2005, we propose that there are six main configurations of union–NGO relationships. By linking these configurations to their effects on TNC responsibility, we propose that *co-ordination* relationships between unions and NGOs, particularly *high-commitment co-ordination* relationships, are likely to result in a broadening of the definition of TNC responsibility, while *conflictual* relationships, both *high* and *low commitment*, result in a narrowing of the definition of TNC responsibility. The study indicates that co-operation is generally more beneficial for both unions and NGOs than is any form of conflictual relationship, in terms of broadening the definition of TNC responsibility.

KEY WORDS: Clean Clothes Campaign; corporate responsibility; garment industry; labour practice; multinational corporation; non governmental organisation; transnational corporation; supplier relation; union.

Introducing the Union–NGO Relationship

Integral to the ongoing internationalisation of business is the increasing impact of so-called transnational corporations (TNCs) (e.g., Anderson and Cavanagh, 1996; Korten, 2001). One result of this development has been a set of new challenges regarding TNC responsibility for workers' rights at their suppliers' factories – a subset of the broader dialogue regarding TNCs' social responsibility. These challenges arose in the 1990s after TNCs experienced legitimacy crises due to extensive NGO and union campaigns and various media 'scandals' related to the working conditions at their suppliers' factories (Frenkel, 2001; van Tulder and Kolk, 2001; Roberts, 2003; Frenkel and Kim, 2004). In response to the criticism, TNCs started to extend their responsibility for workers' rights at their suppliers' factories in developing countries (Emmelhainz and Adams, 1999; Kolk and van Tulder, 2002; Sethi, 2002; Radin, 2004). The main actors involved in specifying and defining this extended sense of responsibility were TNCs, NGOs active in promoting workers' rights, and labour/trade unions (e.g., Christmann and Taylor, 2002; Frenkel and Scott, 2002; Sullivan, 2003; Frenkel and Kim, 2004; Prieto and Quinteros, 2004). Hence, these specification and definition processes can be characterised as instances of 'governance without government', aimed at filling the governance gaps left by governmental retreat from international issues of corporate responsibility (Beck, 1992; Rosenau, 1992; Strange, 1996).

As instances of governance without government have become increasingly common, academic interest in these phenomena has grown. The relationship between TNCs and NGOs seems to be particularly 'fashionable' in corporate responsibility research (e.g., Henriques, 2001; Rondinelli and London, 2003; Argenti, 2004; Hamann and Acutt, 2004; Teegen et al., 2004). Issues regarding the relationship between TNCs and unions have also attracted extensive research attention in the management literature (e.g., Piazza, 2002; Weston and Lucio, 1998; Wills, 2002), though they have been virtually absent from the corporate responsibility and business ethics literature (Michalos, 1997; Leahy, 2001). However, the third relationship, the one between NGOs and unions, has attracted little research interest. What little relevant research there has been has mainly comprised reflections of practitioners involved in the relationships (e.g., Hale, 2004; Ortez, 2004; Simpkins, 2004) or conceptual papers (e.g., Braun and Gearhart, 2004), leading to a lack of empirically grounded knowledge of the nature and characteristics of the relationships between unions and NGOs. In addition, the effect of union–NGO relationships on definitions of corporate responsibility has been almost completely ignored. While several authors have noted the potential importance of union–NGO relationships regarding the definition of TNC responsibility for workers' rights at suppliers' factories (e.g., O'Rourke, 2003; Eade, 2004; Frenkel and Kim, 2004), few authors have approached the subject systematically. The frequency and importance of these union–NGO relationships will also likely increase in the future (cf. Braun and Gearhart, 2004; Eade, 2004; Hale, 2004), since the number of NGOs active in workers' rights has grown significantly in recent decades (Boli and Thomas, 1999) and unions have been struggling with declining membership and reduced political and economic influence (Wills, 1998; Connor, 2004; Eade, 2004). Hence, NGOs are emerging as alternative representatives of workers' rights, alongside unions.

This paper addresses this research gap by analysing what effects, if any, union–NGO relationships have on the definition of TNC social responsibility. In answering this question, we make use of an explorative study of the evolving

responsibility of Swedish garment retailers for workers' rights at their suppliers' factories between 1996 and 2005 (Ählström and Egels-Zandén, 2005). We demonstrate that the relationship between unions and NGOs can be expected to be pivotal for the definition of TNC responsibility for workers' rights. By explicitly focusing on the relationship between NGOs and unions, and its impact on TNC responsibility, we also hope to contribute to a better understanding of the role of unions in the field of business ethics.

In the next section, we construct a preliminary frame of reference for the union–NGO relationship, as derived from previous research. Then, we provide a chronological description of how the union–NGO relationship has affected TNC responsibilities in the studied case. Based on this, in the final sections of the paper we categorise available union–NGO relationship strategies, and link these to predicted effects on TNC responsibility. This enables us to arrive at several propositions regarding the effect of union–NGO relationships on TNC responsibilities.

Framing the Union–NGO Relationship

Based on a review of previous research into union–NGO relationships, we argue that there are two distinct outlooks on these relationships: i) *conflict and competition*, and ii) *co-ordination and co-operation*. In the first, the relationships are constructed as detrimental and essentially cannibalising workers' rights. Here, NGO activities are seen as substituting for union activities. Roman (2004), for example, claims that NGO involvement in workers' rights issues risks crowding out union involvement. Likewise, Lipschutz (2004) describes NGO involvement as undermining and delaying 'proper' legal regulation of workers' rights. The argument underlying this outlook is based on the notion that workers' rights and interests can only be protected through collective bargaining and legal institutions, not by rights unilaterally extended to workers by TNCs (e.g., Justice, 2003). The second outlook, in contrast, argues that NGO activities complement union activities. This viewpoint holds that unions and NGOs can exert their combined power over TNCs by co-operating, and that their activities fulfil different purposes in different contexts. In this way, NGO involvement contributes both to improving workers' rights and to bolstering union influence (cf. Connor, 2004; Hale, 2004).

Using these two outlooks, we argue that the relationship between unions and NGOs can be analysed as an issue of co-ordination, and that the choice of conflict or co-ordination can be seen as a first-order strategic choice for unions and NGOs. There are indications in previous research that unions are likely to choose *conflict* as their default strategy, while NGOs, on the other hand, are likely to choose *co-ordination* as theirs. For example, Justice (2003) and Braun and Gearhart (2004) describe the industrial relations approach espoused by unions as based on a 'win–lose' mindset of competing interests, whereas the logic underlying the Corporate Social Responsibility discourse espoused by NGOs is based on a 'win–win' scenario of shared ideals. In addition, unions are often portrayed as: i) unwilling to contribute any of their legitimacy to methods that may benefit a TNC's public image (Connor, 2004), and ii) tending to behave in a protectionist manner, focusing solely on the workers they represent and not necessarily adopting a solidarity approach (Traub-Werner and Carvey, 2002; Anner and Evans, 2004). Both these views support the notion that unions are likely to choose conflict as their default strategy. However, Connor (2004), among others, also presents findings that contradict these hypotheses. He argues that union collaboration with NGOs allows them to reach a broader audience, which provides them with an incentive to use a co-ordination strategy. Also, Compa (2004)

finds that different unions adopt different approaches to collaboration with NGOs, some choosing co-ordination while others choose conflict. It has also been shown that in instances of weak union presence in a particular geographical region, unions may look more favourably on co-ordination strategies (Utting, 2001). Altogether, the findings of prior research are mixed regarding the propensities of unions and NGOs to choose a co-ordination or conflict strategy towards one another, with a slight tendency to characterise unions as choosing a conflict strategy and NGOs a co-ordination strategy.

The following discussion is based on two assumptions. First, unions and NGOs active in the workers' rights field share the same objective, namely, influencing TNCs to increase their responsibility for workers' rights at their suppliers' factories (cf. Braun and Gearhart, 2004; Compa, 2004; Roman, 2004). Second, unions and NGOs are equally effective at achieving this objective.[1]

Method

In order to analyse the strategic choices of unions and NGOs and to outline how these choices affect definitions of TNC responsibility for workers' rights, we make use of data from an explorative study. This study examined the redefinition of Swedish garment retailers' responsibility for workers' rights at their suppliers' factories between 1996 and 2005 (Ählström and Egels-Zandén, 2005). Given that union–NGO relationships are not well understood, our reliance on a qualitative study is in line with previously proposed methods (e.g., Marshall and Rossman, 1995; Lee, 1999; Maguire et al., 2004).

Data for the study were collected mainly through interviews and written documentation. Between 2002 and 2005, 32 interviews were conducted with key actors involved in defining garment retailers' corporate social responsibilities. These include six interviews with representatives of Swedish unions, fourteen interviews with various NGOs, and twelve interviews with TNC representatives. Those interviewed were responsible for corporate social responsibility issues in their organisations and personally involved in the studied redefinition process. The interviews lasted on average an hour each and were semi-structured. The written documentation (reports, newspaper articles, and web pages) was mainly used to validate the information obtained in interview. Few inconsistencies were found between the information obtained from the verbal and the written sources.

The collected data were used to construct a chronological representation of the definition process, based on a coding conducted by the two authors. The authors then identified the positions adopted by TNCs, NGOs, and unions at each decision point in the chronological representation of the process, and each decision's effects on specified TNC social responsibilities. Then, an earlier version of the empirical section was sent to the interviewed representatives, in order to validate the description of the definition process. Finally, the interviewees' suggested changes (only a handful in all) were incorporated into the final description of the definition process.

The Rise and Fall of the Swedish Clean Clothes Campaign, 1996–2005

Prologue: The international scene prior to 1996

The late 1980s and early 1990s saw traditional European- and US-based TNCs start offshoring and outsourcing much of their production to developing countries (e.g., Jones, 2005; Taylor, 2005). This trend was particularly visible in low-skilled

industries, such as the garment, footwear, and toy industries (e.g., Christerson and Appelbaum, 1995; Hathcote and Nam, 1999). However, from a European and US perspective, working conditions in developing countries were poor (cf. Chan and Senser, 1997; Chan, 1998, 2000; Lee, 1998, 1999), leading to negative reactions to offshoring on the part of both NGOs and unions (van Tulder and Kolk, 2001; Roberts, 2003; Frenkel and Kim, 2004). These reactions were based on the argument that production could be offshored and outsourced, but not corporate responsibility. In the aftermath of a number of international media 'scandals' in the early 1990s, TNCs such as Levi's, GAP, Nike, and Reebok started to acknowledge an extended sense of responsibility for workers' rights at their suppliers' factories (e.g., Braun and Gearhart, 2004). Despite this international controversy, few voices regarding TNC responsibility for their suppliers' workers were raised in Sweden until 1996.

Act I, 1996–1999: Starting up

In 1996, the recently founded Swedish NGO, Fair Trade Center (FTC), made contact with the Dutch Clean Clothes Campaign and decided to initiate a Swedish Clean Clothes Campaign (SCCC), to pressure Swedish garment retailers to extend their responsibility for workers' rights at their suppliers' factories. The people behind FTC were able to convince seven other NGOs, such as Red Cross Sweden Youth and the SAC Syndicalists, to join the campaign. As with the Dutch campaign, FTC considered the inclusion of unions in this campaign as essential to its success, since Swedish unions have traditionally played a key role in negotiations with Swedish garment retailers regarding workers' rights. The two unions involved in the garment industry, the Commercial Employees' Union and the Industrial Workers' Union, also decided to join the campaign. With the inclusion of the unions in SCCC, the campaign commenced.

At this time, the unions claimed not to have developed a position regarding workers' rights issues outside Sweden. Also, few resources had been allocated to address these issues, illustrated by the fact that the combined unions had less than one full-time position devoted to them. The unions, however, perceived the cause of workers' rights to be tightly linked to international issues and sympathised with the aims of SCCC. Inspired by FTC's enthusiasm, they decided to join the campaign.

Campaign activities started off with a postcard campaign, proposed and directed by FTC, targeting the shoppers at four of Sweden's largest garment retailers: Hennes & Mauritz (H&M), Lindex, KappAhl, and Indiska.[2] The idea was that consumers would pressure the retailers into extending their corporate social responsibilities to encompass the operations of their foreign suppliers. At the same time, FTC, through SCCC, made contact with the four retailers, with the aim of persuading them to adopt codes of conduct regarding workers' rights at their suppliers. Its focus on codes of conduct as the way to operationalise retailers' extended responsibilities was in line with international thinking at this time in both the garment and other consumer industries. Throughout this stage of the process the unions attended SCCC meetings and were part of the core SCCC working group, but remained passive in terms of offering suggestions as to how the campaign should proceed.

By the end of 1997, Swedish garment retailers eventually came to acknowledge an extended responsibility, to be operationalized through codes of conduct. Their rationale for adopting this position was to avoid negative media attention and maintain positive perceptions in the eyes of consumers.[3] To overcome the problems of differences between the retailers' codes and to achieve credible

monitoring, at the end of 1998 the four retailers joined an SCCC project initiated by FTC. The project was later labelled by some, though notably not by the unions, as 'DressCode'. We will use this label for the purposes of this paper.

Act II, 1999–2001: Moving on

The DressCode project had two objectives: i) to formulate a harmonized code of conduct for the four retailers, and ii) to put in place an independent monitoring system for this code. Initially, FTC proposed a code consisting of the ILO core conventions, the UN human rights declarations, and 'living wages'.[4] The other NGOs and the unions involved in DressCode still remained fairly passive in the process, accepting and supporting FTC's suggestions. However, the firms were reluctant to accept the 'living wages' concept, and instead argued in favour of 'minimum wages'.[5] After heated discussion, FTC, the other NGOs, and the unions retreated from their original position and accepted 'minimum wages', and a harmonised code was agreed upon.

DressCode's next step was to develop an independent monitoring system. Over a two-year period the project explored different monitoring systems mainly based on NGO-led monitoring. Based on this experience, DressCode's project manager proposed the creation of an independent foundation that would own a non-profit organisation that in turn would sell independent monitoring to all interested Swedish garment retailers. The foundation would be founded and co-owned by Swedish NGOs and unions. Most of these ideas were suggested by FTC and the firms.

Act III, 2002–2005: Crashing down

In 2002, the unions decided to reject the suggested code of conduct and monitoring system. This was the first time during this six-year process that the unions expressed a clear and independent opinion and actively affected SCCC processes, rather than simply passively reacting to FTC initiatives. The unions officially presented three main reasons for their withdrawal. First, the unions claimed that the suggested code was inadequate, since it did not encompass all the ILO conventions. This was a quasi argument, since the code did contain all ILO conventions relevant to the garment industry and all organisations involved in DressCode seemed willing to include the remaining ILO conventions in the developed code. Second, the unions claimed that codes of conduct were an unsatisfactory way to operationalise retailers' extended responsibilities towards their suppliers' workers. The unions instead opted to enter into binding global collective agreements with the firms. The unions, at this stage, claimed to have initially been too positive towards codes of conduct; they claimed that codes were a convenient way for firms to legitimise their supplier relationships without any union involvement. Third, the unions claimed not to have the mandate to negotiate on behalf of workers at suppliers' factories in developing countries. The unions said that they had initially wanted to improve workers' situations without giving the issue of mandate any thought; later, however, the unions argued that local and national unions should negotiate with the firms regarding the terms of the global collective agreements. As well, the unions regarded their participation in the DressCode project as an opportunity to learn about and evaluate the project's suggested approach, i.e., codes of conduct and monitoring systems. Hence, it seems that the unions discarded codes of conduct as a way to operationalise retailers' social responsibilities and even came to perceive codes of conduct as inhibiting progress towards improved workers' rights at TNCs' suppliers' operations.

After the unions withdrew from DressCode, FTC and the other NGOs decided not to create the independent monitoring foundation. The organisations were not

comfortable creating a code of conduct and monitoring system without the support of the unions. The unions' withdrawal from DressCode and from the operationalisation of supplier responsibilities based on codes of conduct was criticised by FTC, the other participating NGOs, and the retailers both unofficially and officially in the Swedish media. They argued that the unions had previously supported all the aspects of the programme that they later came to criticize.

The collapse of DressCode meant several steps backwards in terms of specifying the responsibilities of garment retailers. Instead of creating a well-defined code of conduct and monitoring system supported by NGOs, unions, and firms, the situation nearly returned to its 1995 position, with no clear definition of retailers' social responsibilities or of how they should be operationalised.

Epilogue: The international scene revisited

Since the collapse of DressCode, the garment industry has lacked a unified policy regarding its responsibility for workers' rights at their suppliers. The unions tried to persuade the firms to accept their own approach to operationalising responsibility, that is, global collective agreements negotiated and monitored by local unions. However, the retailers were reluctant to accept global collective agreements, arguing that such contracts were unrealistic due to the low membership density and organisational characteristics of unions in the countries in which they operated. Therefore, the retailers continued to work with codes of conduct and monitoring, each firm developing its own code and conducting the monitoring itself.

Additionally, H&M initiated discussions with the Fair Labor Association (FLA) and the Fair Wear Foundation. KappAhl began collaborating with the Norwegian Ethical Trading Initiative (IEH), made SA8000 inspections at some of its suppliers' factories, and joined the recently created Business Social Compliance Initiative (BSCI) (which Lindex joined as well). These retailers' initiatives have been criticised both by NGOs, for not including harmonized codes and independent monitoring, and by unions, for being focused on codes of conduct rather than global collective agreements. The public debate and negative media attention related to the retailers' operations has, however, gradually ebbed, and it currently seems that consumers and other stakeholders are paying limited attention to issues of retailers' responsibilities towards their suppliers' workers.

Categorising Union–NGO Relationship Strategies

First-order strategies: Conflict or co-ordination

We have earlier framed the union–NGO relationship as a strategic choice of either conflict or co-ordination. It is now necessary to further specify these *first-order strategic choices* as they apply to unions and NGOs. Given our previous assumption that unions and NGOs share the same final objective of influencing TNCs to broaden their responsibility for workers' rights at their suppliers' factories, unions and NGOs can choose to co-ordinate themselves around a given approach to achieving this final objective. They can also each promote conflicting approaches, attempting to achieve the final objective unilaterally in competition with each other. Two such approaches have appeared in practice: codes of conduct and global agreements. Traditionally, NGOs have favoured codes of conduct, while unions have favoured global agreements (e.g., Gallin, 2000; Compa, 2004; Connor, 2004). Hence, a *co-ordination* strategy implies that both unions and NGOs will co-operate in promoting either codes of conduct or global agreements as the agreed-upon approach, while a *conflict*

strategy implies that one party chooses codes of conduct while the other chooses global agreements. Given multilevel negotiations between one TNC and concerned unions and NGOs, a mix of codes and agreements is theoretically possible. However, as no such bargaining structure has been practically employed (at least not in the studied setting), we are not considering this possibility in this paper.

At first glance, our study would seem to support the findings of previous research, that unions are likely to adopt a *conflict* rather than a *co-ordination* strategy in union/NGO relationships, as the studied project broke down as a direct result of the unions unilaterally choosing to defect. The study's results also, at first, seem to support the notion that NGOs are likely to adopt a co-ordination strategy, illustrated by the fact that the NGOs, until the collapse of the joint project, intentionally and continuously sought to involve the unions in defining TNC social responsibilities. Thus, while the NGOs attempted to co-ordinate with unions around a given approach (the NGOs' favoured codes of conduct), unions unilaterally chose an alternative approach, global agreements, without attempting to co-ordinate with NGOs.

However, viewing the case longitudinally reveals a somewhat different picture. Analysing the process over time reveals that for most of the project the unions actually chose a co-ordination strategy focussing on codes of conduct. Between 1996 and 2001, the unions chose to participate in the joint Swedish Clean Clothes Campaign and the DressCode project. Consequently, it is misleading to view the unions' subsequent defection as a result of any default preference for a conflict strategy. Indeed, the unions' decision to defect was met with surprise by the other project members. Rather, the unions' strategic preference seems not to have been uniform over time, and dependent not so much on principle as on pragmatic considerations regarding their mandate and bargaining power vis-à-vis NGOs and TNCs.

Conversely, regarding the NGO behavioural pattern in our studied relationship, it does not appear that their selection of a co-ordination strategy was based on any default preference. When the unions chose to defect from the DressCode project, the NGO response was not to co-operate with them in pursuing their alternative solution: global agreements. Instead, the NGOs criticised the unions' efforts and their decision to abandon the NGO-initiated project. Since both codes of conduct and global agreements aim to achieve the same final objective, application of a pure co-ordination strategy would have meant that the NGOs instead should have rallied around the unions' model of co-determination. Hence, the NGOs choice of co-ordination or conflict strategies seems to be based on their pragmatic interests as well, not necessarily related to any specific default preference for a general principle.

These findings are in contrast to those of most previous union–NGO research, which indicate that unions have a default preference for a conflict strategy, while NGOs have a default preference for a co-ordination strategy (cf. Traub-Werner and Carvey, 2002; Justice, 2003; Anner and Evans, 2004; Braun and Gearhart, 2004; Connor, 2004). Instead, we claim that the first-order strategic choice cannot be tied to any specific *a priori* difference between unions and NGOs, but should rather be viewed as a consequence of choices made at the organisational level.

Second-order strategies: Levels of commitment

Since it seems to be misleading to link unions' and NGOs' strategic choices of co-ordination or conflict to general differences in their preferences, alternative approaches to understanding their strategic choices are needed. One such approach is to examine the degree of commitment with which unions and NGOs pursue a given

course of action. We can gauge the degree of commitment by the allocation of financial and personnel resources to the implementation of a given course of action (cf. Pfeffer and Salancik, 1978), and label the chosen level of commitment the *second-order strategic choice* of unions and NGOs.

In the studied case, it is clear that the unions and NGOs were not investing equal amounts of resources in the union–NGO relationship. While the NGOs, in particular FTC, invested many working hours in promoting the joint project and implementing codes of conduct, the unions combined contributed less than one full position to the project. The unions also chose a considerably less active approach to the ongoing discussions and negotiations involved in the project, thus committing themselves less to the relationship and to the code of conduct approach. These tendencies were reinforced by a high turnover of union representatives throughout the joint project. However, as unions did defect from the joint project, they have since committed themselves to a greater degree to attempt to establish global agreements with a number of TNCs. These efforts have been undertaken mainly at the international level, with the involvement of so-called Global unions. As this happened, the NGOs have chosen to withdraw commitment from their efforts to establish codes of conduct while not committing themselves to the unions' efforts to promote global agreements. Thus, NGO commitment has declined from its earlier levels.

It could also be argued that the involved unions did not commit the same degree of decision-making power as the NGOs did. For example, the union representatives in the project primarily consisted of international secretaries or co-ordinators, mainly analytical staff functions within unions. In this way, the unions were able to maintain a convenient 'escape' option, as they were continuously able to refer to internal decision-making structures for the necessary mandate to proceed with the project. One effect of this was a weaker relationship between unions and NGOs, as the cost of defection remained low.

Thus, the studied case illustrates that union and NGO participation in a co-ordinated union–NGO relationship cannot by itself serve as evidence of high commitment to the relationship or to the project it promotes. Participation could even be undertaken for the purpose of learning about or even criticising the project (cf. Utting, 2001). Therefore, we conclude that the level of commitment is an important yet independent dimension of the union–NGO relationship. Hence, choices of conflict or co-ordination, on one hand, and levels of commitment, on the other, should be viewed as separate but related dimensions when categorising union–NGO relationships.

Categories of union–NGO relationship strategies

Having demonstrated that the nature of the union–NGO relationship is determined by: i) unions' and NGOs' (first-order) strategic choice either to conflict or co-ordinate with each other in promoting a given solution, and ii) their level of commitment (second-order strategic choice) in the pursuit of a solution, we can distinguish among a number of categories of *relationship strategies* that unions and NGOs may employ. Figure 1 depicts the strategic choices available to each union or NGO.

	Low	**Commitment**	**High**
Coordination	Truce		Alliance
Conflict	Neglect		War

Figure 1: Categories of union–NGO relationship strategies

Four categories of union–NGO relationship strategies emerge. The first strategy, *truce*, has two basic premises: co-ordination to promote a given solution while committing few resources to the effort. Also co-ordinated around a solution, but based on high levels of commitment, is *alliance*, the second category of union–NGO relationship strategies. In these two categories of relationship strategies, unions and NGOs are in agreement regarding the preferred solution. However, the perceived importance of these solutions (as described by the level of commitment) varies between the strategies. On the other hand, a *neglect* strategy describes a situation in which unions and NGOs pursue conflicting solutions but with a low level of commitment. Basically, in this situation unions and NGOs disagree regarding the means to achieve their common objectives, and none considers these objectives to be important, i.e., the issue of broadening the definition of TNC social responsibility is not high on their agendas. Similarly, a *war* strategy is based on a conflictual strategy but differs from neglect by implying high levels of commitment. In short, different solutions are actively pursued by the different parties.

Some comments should be made regarding the interaction among unions and NGOs in choosing their respective relationship strategies. First, in our framework, both unions and NGOs choose a specific relationship strategy. This means that any union–NGO relationship at any particular time consists of a combination of two strategies. Second, the unions' choice of relationship strategy depends on the strategy choice of the NGOs, and vice versa. If one party chooses to co-ordinate with the other concerning a given solution, the second party's chosen strategy will also be co-ordination (unless, of course, the second party simultaneously alters its preferred solution). This occurs regardless of the solution pursued prior to the first party's choice. One effect of this is that any combination of strategies in a union–NGO relationship at a particular time cannot simultaneously consist of both a co-ordination and a conflict strategy, as we assume that both parties are co-ordinating or conflicting around the same final objective. Either both parties are co-ordinating or both parties are in conflict. Finally, the choices of one party along the commitment dimension may also influence the choices made by the other party. Investing higher levels of commitment may, for example, induce corresponding investments from the second party. In short, every action has a reaction.

Effects of Union–NGO Relationship Strategies on Corporate Responsibility

We can now start to link the different types of union–NGO relationship strategies to expected effects on definitions of TNC social responsibility. In doing this, we will grade these effects on a seven-point scale ranging from strongly negative (---) to strongly positive (+++), centred around the intermediate value of 0 that denotes an average effect on definitions of TNC social responsibility. This said, it should be noted that any configuration of union–NGO relationship strategies ranked as having a negative effect does not narrow the definition of TNC social responsibilities in any absolute sense, but rather in relative terms compared with the expected average effect.

By *configuration* of union–NGO relationship strategies we mean any given combination of union and NGO strategy choices. Theoretically, 16 such configurations of relationship strategies are possible. However, an initial assumption made in this paper was that unions and NGOs are more or less equally effective in achieving their common final objective. This implies that, for example, a *truce–alliance* configuration is identical to an *alliance–truce* configuration, and hence that these configurations are substitutable. This in turn means that we are, in practice, able to eliminate six theoretical configurations from the total. Second, since we have logically deduced that configurations are either co-ordinated or conflictual (for example, an alliance–war configuration is impossible), we are further able to reduce the number of relevant configurations by four. This leaves us with six possible strategic configurations of relationship strategies: i) *truce–truce*, ii) *truce–alliance*, iii) *alliance–alliance*, iv) *neglect–neglect*, v) *neglect–war*, and vi) *war–war*.

Based on our case study results, we can identify two of these configurations in the Swedish Clean Clothes Campaign. Between 1996 and 2001 the unions and NGOs employed a *truce–alliance* strategic configuration, based on a co-ordinated effort but with varying degrees of commitment to this effort. Unions displayed low levels of commitment while NGOs committed themselves to a higher degree. During this time, the definition of TNC social responsibilities broadened. TNCs started to express a sense of responsibility for workers' rights at their suppliers' factories, created codes of conduct, agreed to a harmonised version of these codes, and seemed willing to establish a formally independent monitoring system. On the other hand, between 2002 and 2005 the unions and NGOs employed a *neglect–war* strategic configuration and the definition of TNC social responsibilities promptly narrowed. The definition went from a collectively established harmonised code and 'independent' monitoring to unharmonised codes established by the corporations themselves and non-transparent, TNC-controlled monitoring. In 2005, the only component left in the definition of TNC social responsibilities (as compared to the initial 1996 definition of no responsibility) was an expressed sense of responsibility on the part of TNCs for workers' rights at their suppliers' factories. Interestingly, in 2005 this was also the sole common demand expressed by both unions and NGOs. Hence, the case clearly indicates that while even a low-committed co-ordination strategy broadens the definition of TNC social responsibilities, a conflict strategy narrows it.

Having demonstrated how these configurations have appeared in practice, we can make some more general propositions regarding each of these configurations, with regard to their effect on the definition of TNC social responsibilities. We summarise our propositions in Figure 2, in which we have indicated the configurations existing in our case with a superscript star (*).

Configuration:	Effect:	Proposition:
Truce–Truce	(+)	**1)** A truce–truce configuration leads to a mild broadening of the definition of TNC responsibilities.
Truce–Alliance*	(++)	**2)** A truce–alliance configuration leads to a broadening of the definition of TNC responsibilities.
Alliance–Alliance	(+++)	**3)** An alliance–alliance configuration leads to a strong broadening of the definition of TNC responsibilities.
Neglect–Neglect	(---)	**4)** A neglect–neglect configuration leads to a strong narrowing of the definition of TNC responsibilities.
Neglect–War*	(--)	**5)** A neglect–war configuration leads to a narrowing of the definition of TNC responsibilities.
War–War	(-)	**6)** A war–war configuration leads to a mild narrowing of the definition of TNC responsibilities.

Figure 2: Propositions regarding the effects of union–NGO relationship strategies on definitions of TNC social responsibilities.

The propositions are derived empirically as well as through deduction. Two of them, *truce–alliance* and *neglect–war*, are confirmed by our case results. Based on these findings, we can reach some preliminary conclusions regarding the four remaining configurations. Our arguments regarding commitment are primarily inspired by Weinstein's (1969) discussion of the concept of commitment in international relations. The author demonstrates that disparate commitment on the part of alliance partners contributed to the declining cohesion of alliances, and in turn, to the exacerbation of international problems. Thus, high levels of commitment lead to stronger alliances, which in turn are beneficial to international problems. Below, we apply this reasoning in distinguishing between our different propositions.

In the first configuration – *truce–truce* – both unions and NGOs commit themselves to a lower degree to any given solution, as compared to the *truce–alliance* configuration. As the total level of commitment decreases, it is reasonable to argue that the effect on the definition of TNC social responsibilities weakens as well. Conversely, the third configuration, *alliance–alliance*, differentiates itself by having both unions and NGOs committing themselves to a high degree. As the total level of commitment rises, we believe that it is reasonable to expect an increase in the effect on TNC responsibilities. Combined, this leads to our propositions 1–3.

Employing the same type of argument, we suggest that the fourth configuration, *neglect–neglect*, differentiates itself from our case configuration, *neglect–war*, by having both unions and NGOs committing themselves to a low degree. Correspondingly, the sixth configuration, *war–war*, differentiates itself by having both unions and NGOs committing themselves to a high degree. In the first case, the total level of commitment decreases while in the second case the level of

commitment increases. In both these cases, it is reasonable to argue that the total level of commitment is positively correlated with the effect on the definition of TNC social responsibilities, i.e., *war–war* is likely to lead to a smaller (negative) change in the definition of TNC responsibilities than are *neglect–war* and *neglect–neglect*. This reasoning leads to our propositions 4–6.

However, the reasoning here is less straightforward, especially regarding the difference between the fifth and sixth configurations: *neglect–war* and *war–war*. Countering the argument that higher levels of commitment in a conflictual relationship lead to a smaller (negative) effect on the definition of TNC social responsibilities than do lower levels of commitment, one could argue that a *war–war* scenario would cause unions and NGOs to consume energy and resources to fight each other rather than to promote the broadening of TNC responsibilities. This would mean that a *war–war* configuration would have a stronger narrowing effect on the definition of TNC social responsibilities than a *neglect–war* configuration would, which is our suggested proposition. On the other hand, it is also reasonable to claim that a *war–war* configuration might cause unions and NGOs to spur each other on, leading to higher pressures on TNCs to broaden the definition of their social responsibilities. This would suggest that a *war–war* configuration might even plausibly have a broadening effect on the definition of TNC social responsibilities, and not simply a less narrowing effect than other conflictual configurations.

These propositions should be viewed as preliminary, due to the exploratory nature of this paper; however, analysis of union–NGO influence on TNCs lends them some support. The power over production in the garment industry (and in other industries with low-skilled employees and low investment thresholds) is almost entirely possessed by the retailers, i.e., the TNCs (Gereffi, 1994; Traub-Werner and Cravey, 2002), since there are high entry barriers on its side of the value chain; suppliers located in developing countries, on the other hand, operate under conditions of near perfect competition (Traub-Werner and Carvey, 2002). Hence, the bargaining power of production workers and unions is limited in comparison to that of the TNCs (Braun and Gearhart, 2004; Lipschutz, 2004). In essence, this means that the main reason for TNCs to broaden their responsibility for the rights of workers at their suppliers is not to secure access to products, but rather to improve their legitimacy, in terms of corporate responsibility, in the eyes of their influential Western stakeholders (cf. Meyer and Rowan, 1977). Our results indicate that when unions and NGOs co-operate successfully, they are able to increase their relative bargaining power vis-à-vis TNCs, leading to the broadening of definitions of TNC responsibility. One way of understanding this would be to recognise that a successful union–NGO relationship mobilises important Western stakeholders, thereby making unions and NGOs important conduits of legitimacy to various TNC operations and activities (cf. Meyer and Rowan, 1977; Meyer and Scott, 1983; Deephouse, 1996; Egels-Zandén and Kallifatides, 2005). In short, by working together, unions and NGOs are able to determine which TNCs are regarded as legitimate and which are not. In doing that, they can exert some degree of control over TNC access to financial resources across their value chain.

Conclusions

In this paper, we have shown that the union–NGO relationship can be pivotal in defining TNC responsibilities. Based on an examination of NGOs' and unions' strategic choices, we have argued that there are four generic categories of union–NGO relationship strategies: i) a co-ordinated low-commitment strategy ('truce'), ii) a co-

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ordinated high-commitment strategy ('alliance'), iii) a conflictual low-commitment strategy ('neglect'), and iv) a conflictual high-commitment strategy ('war'). We have shown how these relationship strategies form six possible strategic configurations of the union–NGO relationship and have formulated propositions regarding each of these configurations' effects on the definition of TNC social responsibilities. These propositions indicate that co-ordinated union–NGO relationships are generally more fruitful for both unions and NGOs than conflictual relationships are. In fact, we would suggest that even a low-commitment co-ordinated relationship is more beneficial to unions and NGOs than is any form of conflictual relationship, regardless of the level of commitment. We are thereby able to confirm the old adage that there are no winners in wars. These findings regarding the benefits of co-operation and drawbacks of conflict are consistent with the findings of numerous other studies focused more broadly on generic concepts of co-operation and conflict (e.g., Smith et al., 1995; Nomura and Abe, 2001; Zeng and Chen, 2003; Deery and Iverson, 2005). In sum, not only are union–NGO relationships becoming increasingly common, but the way in which these relationships are managed is also crucial in attempts to improve workers' rights.

This conclusion has several practical implications. One is that unions and NGOs need to improve the preconditions for co-operation, and this requires an improved understanding of each others' characteristics and cultures. This may require a more systematic approach to these relationships on the part of both parties than has previously been the case. Second, our results suggest that TNCs have an incentive to interfere in the union–NGO relationship in order to keep the definition of TNC social responsibilities as narrow as possible. Thus, when managing the union–NGO relationship it is also necessary to take into consideration subsequent relationships with the TNCs involved.

Given the potential importance of the union–NGO relationship in broadening the definition of corporate responsibility, the paper demonstrates that there is a need for further research into the union–NGO relationship as related to both workers' rights and other areas of corporate responsibility. The paper also raises several questions for future research. First, what type of contextual factors (e.g., industry characteristics, regional differences, and political institutions) can be expected to influence the relationships outlined in this paper. Second, a more comprehensive theory explaining unions' and NGOs' strategic choices is needed in order to understand union and NGO rationales for choosing a given relationship strategy. Third, there is a need to analyse and understand the differences between various approaches to broadening TNC responsibility for workers' rights, e.g., codes of conduct and global agreements, and their effects on the level of TNC social responsibility.

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[1] This assumption can be questioned. However, we believe that this assumption is as reasonable as any alternative assumption. At the very least, no data rejecting our assumption while supporting alternative assumptions have been presented.

[2] In total, H&M, Lindex, KappAhl, and Indiska had a turnover of SEK 64,000 million in 2004 (approximately USD 9,000 million) and directly employed over 35,000 people worldwide, plus many thousands indirectly in their supply chains.

[3] See, for example, the opinion poll in *Expressen* (1998-01-15), 'Var tredje svensk nobbar H&M' (translated: Every third Swede is boycotting H&M).

[4] A 'living wage' is the wage level covering all basic needs, though who is to define this level is a matter of considerable debate.

[5] 'Minimum wage' is the lowest legal salary level in a country.

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