



UNIVERSITY OF GOTHENBURG  
SCHOOL OF BUSINESS, ECONOMICS AND LAW

# **Corporate Codes of Conduct as a Local Union Strategy:** **The case of Indonesia**

Josephine Gustafsson and Kristian Holmberg

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Supervisor: Niklas Egels-Zandén

**Abstract**

Today the role of companies as societal actors is subject to a vivid debate due to the ecological degradation and unethical working practices that has resulted from an increased outsourcing of production to developing countries. A commonly used method to increase the sustainability of production is by adopting codes of conduct but implementing these sustainability policies is a complex issue in developing countries partly due to the top-down design of the codes. However, recent research indicates that the implementation of corporate codes of conduct can benefit from the involvement by local actors. Simultaneously, this increased focus on firm-society relationships has created new avenues for labour unions to use these codes in pressuring the suppliers to improve the situation for the workers. This is opening up a new research field in which we have studied how unions can use these codes of conduct as a strategy to improve workers' conditions. Thus, this study aims to contribute to the understanding of how codes of conduct can be used in a bottom-up approach by local actors. Therefore, we have carried out an empirical study of how Indonesian labour unions use codes of conduct to leverage their demands in the textile-and garment industry. Our empirical findings show that unions use codes of conduct on a regular basis. Moreover, our results indicate that the use of codes of conduct constitute three main strategies where the codes are used in relation to the supplier, the international buyer or through an international network. To conclude, the choice of codes of conduct-strategy is influenced by internal elements such as the codes of conduct-education, the union's access to international networks as well as the characteristics of issue.

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## Abbreviations and shortenings

<b>AFW</b>	Asian Floor Wage Campaign
<b>CBA</b>	Collective Bargaining Agreement
<b>CCC</b>	Clean Clothes Campaign
<b>CSR</b>	Corporate Social Responsibility
<b>FES</b>	Friedrich Ebert Stiftung
<b>FoA</b>	Freedom of Association
<b>FSBI</b>	All-Indonesia Labour Federation
<b>FSPTSK</b>	Federasi Serikat Pekerja TSK
<b>GSBI</b>	Gabungan Serikat Pekerja Independen
<b>ILO</b>	International Labour Organization
<b>INGO</b>	International Non Governmental Organization
<b>ITGLWF</b>	The International Textile, Garment and Leather Workers Federation
<b>KSBSI</b>	Confederation of Indonesia Prosperous Trade Union
<b>KSPI</b>	Indonesian Trade Union Confederation
<b>KSPSI</b>	Federation of All-Indonesia Workers' Union

<b>LIPS</b>	Lembaga Informasi Perburuhan Sedane
<b>MEC</b>	Maria Elena Cuadra Women's Movement
<b>MNC</b>	Multinational Corporation
<b>SBSI 92</b>	Serikat Buruh Seluruh Indonesia 92
<b>SPN</b>	Serikat Pekerja Nasional
<b>TNC</b>	Transnational Corporation
<b>WRC</b>	Workers' Rights Consortium

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## 1 Introduction

*“We turn to codes of conduct because the buyer, as the owner of the brand, already has this commitment to workers’ rights. So, we utilize this to our advantage and we want international consumers to realize that what they’re consuming involves workers, and potentially even violations of workers’ rights.”*

Secretary General, GSBI

We take our point of departure in the quote above illustrating the inherent complexity of today’s globalized economy with the interplay between consumers, international companies, local suppliers and workers’ rights. The increased outsourcing of production in the textile-and garment industry to developing countries, has sparked an intense debate on what responsibility different actors have to improve the poor labour conditions that have arisen (Leong and Ka-wai, 2007). Simultaneously, the rise of the concept of consumer power, where consumers use their purchasing power to demand increased corporate responsibility, is fuelled by these social- and environmentally detrimental practices in countries with weak law enforcement. In response to this development, many corporations are pledging to take on a greater social responsibility by adopting codes of conduct, throughout the corporate supply chain, in an effort to improve their firm-society relationship.

However, recent research indicates that there are difficulties related to bringing the concept of corporate responsibility from theory to practice. More specifically, scholars claim that the adoption of codes of conduct does not automatically mean improved condition for the workers nor improved environmental protection, thus, the implementation is critical if the policies are to have the intended effect (Egels-Zandén, 2007). Moreover, as codes of conduct have been adopted as a response to consumer demands, these codes have mostly been designed in a “westernized” top-down fashion, which can partly explain the difficulties of implementing them in developing countries. Several scholars have emphasized that the existing research is biased towards Corporate Social Responsibility (CSR) in corporations in western countries, and therefore there is a need for further studies of how the local context affects the implementation of codes of conduct in developing countries (Jamali, 2007).

Hence, we have selected Indonesia as our object of study. With a vibrant civil society and many labour unions within its extensive textile- and garment industry, we consider this to be an interesting setting. According to research by Rodríguez-Garavito (2005) the implementation of codes of conduct can benefit substantially from the collaboration between companies and local actors. He further points out that codes of conduct can fulfil a role in local actors' strategies as a tool to leverage their demands. Additionally, he claims that labour unions active in countries with a corrupt state are more prone to experiment with codes of conduct. As this opens up a new area of research, many questions about how these codes of conduct are being adopted as local actor strategies are raised. The answers to such questions would present further insights to how codes of conduct can be used by local unions to leverage their demands for improved labour conditions. Accordingly, our study aims to illuminate the use of sustainability policies in a more bottom-up manner, by examining whether codes of conduct are being merged into strategies applied by the local labour unions in their attempts to influence companies to assume increased environmental- and social responsibility of their supply chain.

Thus, we aim to do an explorative study of how Indonesian labour unions use codes of conduct in their strategies. Naturally, the answers provided by such a study would be relevant for scholars interested in the issue of CSR as well as for sustainability in a broader sense. Additionally, understanding the role of codes of conduct in labour unions' strategies could be of importance to a wider range of actors, even for corporate managers. As Frooman and Murrell describe it "*if strategic planning is a crucial part of a manager's job, then understanding how stakeholders try to influence firms has to be a crucial part of a manager's job, too. After all, if managers operate in an interactive business environment, then their strategic plans have to be partly a function of the activity they find around their firms*" (Frooman and Murrell, 2005, page 4).

## **1.1 Purpose statement**

The broader purpose of this master thesis is to contribute with empirical insights from Indonesia in order to feed into the ongoing debate on the role of sustainability policies as local actor strategies. Due to the limited empirical research done in this area we attempt to formulate propositions and identify key theoretical concepts of importance based on our empirical material.

Thus, we set out to do an explorative study focusing on how codes of conduct can be used as a strategy by local labour unions in the textile- and garment industry in Indonesia. Accordingly, we will conduct a field study of local unions who use corporate codes of conduct for their own purposes, for instance by influencing companies to fulfil the requirements phrased in their codes of conduct and to implement these in a satisfactory manner. Hopefully, this can broaden our understanding of how codes of conduct can be useful from the perspective of local actors in developing countries.

## **1.2 Research questions**

The following research questions will guide our thesis:

- How do local labour unions use codes of conduct as a strategy to improve workers' conditions in the textile- and garment industry in Indonesia?
- What influences Indonesian labour unions' decision of how to use corporate codes of conduct?

## **1.3 Delimitations**

Initially, we have decided to focus our study on labour unions active within the textile- and garment industry in Indonesia since this is a heavily debated area of industry where codes of conduct are widely used. We will use an explorative case study design in order to illuminate interesting aspects of the information that we acquire through the interviews conducted.

However, due to the limited scope of this thesis and the fact that there are many potentially interesting issues that we could discuss we must set clear boundaries for this study. Hence, we have chosen to delimit ourselves to focus on labour rights issues. In other words, we are focusing on the social part of the sustainability policies, since these issues have proven to be more difficult to improve by using corporate codes of conduct. This does not mean that we completely exclude any environmental dimensions rather that we mainly include it when discussed by our respondents. Moreover, we acknowledge that labour-NGO:s play an important role in the Indonesian labour movement, yet mainly by supporting labour unions in working with codes of conduct. Since labour-NGO:s do not work as extensively with direct communication with suppliers or international buyers in the textile industry, we have chosen to leave these out of our study and focus solely on how labour unions use codes of conduct in their work. Lastly, we are aware that a wide range of elements can influence the choice of using codes of conduct as a strategy and that the labour unions studied are influenced by external pressures. However, due to the limited scope of this thesis we will focus our discussion on key internal elements as identified by our respondents, though we are aware that other additional elements influence the strategies used by the unions.

#### **1.4 Disposition**

Chapter 2 outlines the contextual background in order to provide the reader with an introduction to the concept of CSR. We present key findings in previous research on the issue of the implementation of codes of conduct as well as provide examples of how civil society has used corporate codes of conduct to solve industrial disputes in the past. In addition to this, we introduce the country of focus in this study by describing the institutional setting as well as the development of labour unions in Indonesia. Chapter 3 discusses the research method used in this study with focus on the sampling methods and we also motivate our selected cases and respondents. In addition to this, we explain in detail how the material from the field study was collected from interviews and how we were inspired by the principles of grounded theory in coding and analyzing the material.

Chapter 4 presents the key empirical findings, where the results of our field study is presented in a systematical manner using illustrative examples of how codes of conduct are used by Indonesian labour unions today. We will provide a description of how the four studied labour unions; Federasi Serikat Pekerja TSK (FSPTSK), Gabungan Serikat Pekerja Independen (GSBI), Serikat Buruh Seluruh Indonesia 92 (SBSI 92) and Serikat Pekerja Nasional (SPN) use codes of conduct in their work and what influences them to use corporate codes of conduct as a strategy. Chapter 5 analyzes the findings from our four cases and we connect our reasoning to previous research on the issue with the aim of developing our own empirically generated propositions. Chapter 6 will then round off our thesis by summarizing our main findings as well as discuss interesting points of departure for future research.

## 2 Previous research

In this section we will introduce the concept of corporate social responsibility and present the key findings of previous research on the implementation of codes of conduct. Thereafter, we give a brief account of examples of how codes of conduct have been used by civil society in improving workers' conditions in other empirical settings. Lastly, we provide a comprehensive background to the Indonesian case with focus on presenting the overall institutional setting and the development of labour unions.

### 2.1 CSR and the implementation of codes of conduct

There is an ongoing debate on the shifting role of companies as societal actors. The increased globalization of production, in terms of an increased outsourcing of production to developing countries, has resulted in a growing demand for companies to assume responsibility for the social- and environmental impact of their supply chain and to make their business practises more ethical. Images of e.g. child labour caused by unethical corporate behaviour have been spread around the world, and this kind of "naming and shaming" campaigns has increased the pressure directed towards transnational corporations, thus forcing them to assume a greater social responsibility. According to the scholar Tim Bartley private regulation, e.g. in the form of codes of conduct, could even supplement national regulation (Bartley, 2005).

As this terminology can appear somewhat confusing we have chosen to use the term international buyer or buyer synonymously with brand, transnational corporation (TNC), multinational corporation (MNC) and multinational enterprise (MNE) throughout this thesis. Since corporate social responsibility and similar concepts such as corporate governance (which is often used synonymously) lie at the core of our study we find it important to state what we mean by these. Although there is an ongoing debate regarding an exact definition of CSR, the concept is generally referred to as "*a mode of business engagement and value creation, allowing to meet and even exceed legal, ethical, and public societal expectations*" (Jamali, 2007, page 1 f).

At the heart of the concept of CSR lies that it defines the company's relationship towards the society. In regards to labour issues in the textile industry, this relationship has mainly been communicated through the company's codes of conduct (Leong and Ka-wai, 2007).

Moreover, critics to the concept of CSR and codes emphasize the risk of white- or blue- washing. This entails that the companies' codes of conduct are created only to satisfy the consumer demands and not to improve the workers' conditions, thus pointing out the importance of an actual implementation of the codes. Meanwhile, the current research on the implementation of codes of conduct and the consequences is limited (Egels-Zandén, 2007). Clearly, it is imperative that the codes of conduct are implemented and functional, both for the company's legitimacy and for the welfare of the workers. However, according to the existing research the prospect for this is rather disappointing. In the article *Suppliers' Compliance with MNCs' Codes of Conduct: Behind the Scene at Chinese Toy Suppliers* Egels-Zandén (2007) points out how suppliers in the toy industry decouple policy from practise and this further illuminates how critical the actual implementation of the codes is. One possible explanation to why implementation is so difficult might be that the codes of conduct are often drafted without the participation of the concerned stakeholders, thus resulting in the creation of codes of conduct without local legitimacy (Pearson and Seyfang, 2001). A further explanation to the difficulties is that the codes of conduct might improve basic requirements, such as health care, safety, wages and working hours but do not empower the workers and encourage them to utilize their rights, such as freedom of association (Barrientos and Smith, 2007; Egels-Zandén and Hyllman, 2007b). In a study based on data from Nike's internal audit of their own factories, Locke et al (2007) found that even though Nike has extensive monitoring 80% of its suppliers failed to improve over time. This indicates that the monitoring systems' effectiveness can be questioned, thus presenting yet another difficulty with the implementation.

## 2.2 Civil society's usage of corporate codes of conduct

The situation described above is however, not pitch-black, as scholars also present reasons to view the implementation of codes from a more positive perspective. Several suggest that it is critical to pay attention to local actors who participate in the implementation process and some even claim that unions in developing countries are perceiving codes of conduct as potentially valuable mechanisms that could be used in their work with labour rights issues (Rodríguez-Garavito, 2005). Furthermore, Rodríguez-Garavito (2005) shows how NGO:s and grass-root unions improve workers' rights by using private firms' codes of conduct as leverage in factories in Guatemala and Mexico. According to the author, a stringent code with an efficient monitoring can supplement the national state labour laws in addressing labour rights issues in the textile- and garment industry. He also emphasizes the importance of implementing monitoring systems that strengthen the power of workers and local labour organization since this is needed in order to enable long-term improvements in labour rights issues.

Further, Rodríguez-Garavito's research illustrates the crucial role of transnational actors such as international NGO:s in directing cross-border pressure on the international buyers, or brands, to implement effective codes of conduct. The empirical cases describe how unions in Mexico and Guatemala have started to experiment with using corporate codes of conduct due to ineffective state regulations, corrupted legal systems, state repressions and local suppliers' anti-union strategies which have opened up space for new types of governance. In practice, the cases of Kukdong International in Mexico and Choishin in Guatemala illustrate how local unions managed to use corporate codes of conduct to pressure the supplier to allow the formation of unions. This was possible as a result of international pressure towards the brand and its suppliers by international NGO:s and global unions in combination with local negotiations involving labour unions and suppliers on ground- or plant level. The INGO:s used the codes of conduct to pressure both the two governments as well as the international buyer concerned, which in turn put pressure on the Mexican and Guatemalan suppliers to implement the codes of conduct and on the regulators to enforce labour rights (Rodríguez-Garavito, 2005).

Another example of when codes of conduct was used as an efficient tool for enforcing labour rights took place in Sri Lanka in the year of 2003, where the local union was able to use a Swedish firms' CSR policy to achieve unionization (Egels-Zandén and Hyllman, 2007a). The authors conclude that global agreements are to be preferred over codes of conduct since they address a wider range of components of workplace democracy, however they state that codes of conduct still have a role to play since they don't presuppose local unions (Egels-Zandén and Hyllman, 2007a). Naturally, this could be related to a discussion on the low level of unionization of workers within the textile- and garment industry today since the Clean Clothes Campaign (CCC) state that less than five percent of the garment industry is unionized (Finney and Ascoly, 2005).

Furthermore, the problems related to a lack of implementation of codes of conduct indicate that there is a need for a bottom-up perspective on codes of conduct, promoting the workers' view and putting their needs on the table. Kearny and Gearheart (2004) state that though laws and governmental regulation is preferred, adoption of workplace codes can enable a positive change and this process can to a great extent be supported by active NGO:s, through education of workers and dialogue with the companies. Additionally, the authors emphasize that it is crucial to organize workers in the textile- and garment industry and build capacity among union members to enable them to choose appropriate multi-layered strategies for enforcing their rights. While they consider codes of conduct to be just one out of many strategies that unions could use, they point out that workers can use codes as a direct negotiation tool since they focus on employer-employee relations. However, whether the code can be an efficient strategy or not depend upon whether the employer has made a public commitment to the codes of conduct otherwise the possibilities of exerting external pressure is fairly limited. In addition to this, Kearny and Gearheart consider codes to be potential tools for training workers since the direct way of expressing workers' rights in the codes facilitates practical understanding of rights in the employee-employer relations. They further state that training programmes designed to help workers understand, not only the content of the codes but also how to use them to their own benefit, is key for the success of implementing corporate codes of conduct.

Lastly, they claim that parallel strategies are needed in order to improve workers' rights at local, national and international level. As for codes of conduct, they conclude that codes can be efficient in this work only when the buyers, as well as the suppliers are devoted to the code meanwhile the labour unions simultaneously voice the interest of their workers. Thus, the workers are crucial in shaping these strategies which is why codes of conduct ought to "*provide a handle for workers to demand their rights*" (Kearny and Gearheart, 2004, page 221).

In addition to academic research, civil society and NGO:s are producing a fair amount of reports on how codes of conduct can be useful for workers and union members in practice. Firstly, there are examples of when civil society used codes of conduct in industrial-relations disputes in the 1980's with negative results. Some claim that the manner in which the codes initially were used, to pressure corporations into improve their corporate responsibility, discouraged other companies from adopting codes of conduct (Transnational Corporations, Volume 8, Number 1, 1999). However, other actors voice the benefits of using codes as a tool in advocating workers' right. For instance, the Clean Clothes Campaign (CCC) has allegedly collaborated with local unions in cases where codes of conduct have been used as a successful strategy to improve the workers situation.

One such case is the Maria Elena Cuadra Women's Movement (MEC) where local workers were part of drafting the Nicaraguan Ethical Code which is one of few examples where the workers have been directly. This code doesn't differ much from other codes of conduct, or even from existing legislation, but the outcome has been an empowerment of the workers. Through trainings supported by the local civil society, the workers have acquired knowledge and skills on how to use codes of conduct as a tool for them to claim their rights. In practice, this has also meant that every MEC member, in total 40.000 individuals have received a handbook-sized copy of the codes of conduct so that they can carry it with them and point out potential code violations immediately. As a result, the reporting of labour rights violations has increased dramatically and the union members conclude that they now can use their codes of conduct in an efficient way to solve disputes (Finney and Ascoly, 2005).

Since the workers were part of creating the code this is characterized by a bottom-up approach and on the basis of this case the CCC draw the conclusion that “*MEC shows that beyond the content of codes, it is organizing...workers and providing them with education about their rights which matters*” (Finney and Ascoly, 2005, page 83).

To sum up, there are cases where codes of conduct have been used by civil society in order to solve labour rights violations however, there are few empirical studies focused on understanding how codes of conduct can be used as a tool for labour unions. Despite the rapid growth of adopted corporate codes of conduct and the societal interest in understanding more about how these can be effectively implemented, the attempts to create a systematic understanding of this issue is surprisingly limited (Rodríguez-Garavito, 2005). According to Rodríguez-Garavito (2005) there is a fundamental knowledge gap whereas we lack empirical studies on the actual monitoring of codes of conduct as well as on how these codes as perceived by local actors such as workers and labour unions. Thus, more empirical research is needed in order to fully understand how local actors can use codes of conduct to advocate workers’ rights and potentially play a role in the implementation of codes. Since previous research has shown that the usefulness of codes of conduct differ on a case-to-case basis we aim to study not only how codes are used as a union strategy, but also what influences unions to use codes of conduct in their work.

### **2.3 Labour regulation and the development of Indonesian labour unions**

Indonesia is a country with a long history of authoritarian rule dating back to the colonial era, which meant that the democratization during the last decade has resulted in a major societal transformation. During the early 1990’s the increasingly corrupt behaviour of the authoritarian regime of Suharto, as well as the Asian financial crisis, contributed to the fall of the regime in the year of 1998 (Internet Source 1, Ford 2009). The earlier oppressive political climate of Indonesia then changed into an open, albeit rather chaotic democratic model which drastically changed the conditions for the Indonesian labour movement (Internet Source 1).

In what became known as the reformation period, or Reformasi, the influence of the military on the political arena diminished and the state controlled three-party system was replaced by a multi-party system (Ford, 2009). In the year of 2000, the new Indonesian president Habibie ratified the 87<sup>th</sup> ILO Convention on *Freedom of Association and the Protection of the Right to Organize*, which considerably facilitated the creation of labour unions (Ford, 2009). Similarly, regulations were continuously eased up in favour of labour unions and equipped with an increased freedom of association, the labour movement was then allowed to assume a greater role in both the workplace as well as in the national industrial relations. A telling example of the dramatic change from the earlier situation of one union-policy, during the Suharto regime, is the Law Nr 13/2003 which states that as few as ten people can form a labour union (Ford, 2009).

Under these new conditions, the registration of national level labour unions rose drastically in two years from the fall of the regime. Meanwhile, 10 000 enterprise-unions had registered, and this plethora of unions eventually organized into three national-level confederations; the Federation of All-Indonesia Workers' Union (KSPSI), the Indonesian Trade Union Confederation (KSPI) and the Confederation of Indonesia Prosperous Trade Union (KSBSI). The unions that adhered to the former state-controlled federation, the All Indonesian Worker's Union, formed the KSPSI, from which the KSPI later broke away. In bright contrast to these two confederations' state-controlled heritage, the so-called alternative unions formed the KSBSI (Ford, 2009). Furthermore, the increased autonomy of the labour movement also redefined the role of the labour-NGO, which during the regime concerned itself with strengthening the movement through providing educational programmes, legal aid as well as advocacy towards multinational companies. After the reformation period, some of the activities of the labour-NGO:s where adopted by the new labour unions while the labour-NGO:s continued to support the unions with training and other types of specialist support (Ford, 2009).

Nevertheless, despite reduced regulations and the multitude of labour unions there are still great difficulties facing the labour movement in Indonesia today, both in terms of complex and time-consuming regulations as well as a corrupt bureaucratic system. This is especially evident in the laws that regulate the right to strike, which stipulate a numerous pre-strike stages of mediation and negotiation. Furthermore, both sides in the conflict must regard the negotiations as deadlocked before the strike can be legalized, in fact creating a way for the employer to avoid strikes. This has the effect that unions often disregard these stages thus, the strike is considered as illegal and the workers are fired (LO-TCO, 2009). To summarize, the Indonesian regulation allows for the organizing of the labour movement at the same times as it severely constrains its actions.

Meanwhile, the Indonesian civil society's connections to the international community have increased with the increasing openness of the political system, as has the labour movement. Before the Reformasi, the focus of the international community was on building institutions as well as channelling a small-scale support to the alternative unions (Caraway, 2006). However, during the Reformasi, many international organizations, such as the ILO, recognized the opportunity to shape the Indonesian labour movement. Hence, their goal was to encourage the creation of a more unified and strengthened labour movement, while this involvement in its turn has increased parts of the labour movements' dependence on external funding (Ford, 2009). Moreover, before the Reformasi, labour-NGO:s were in contact with the international community, receiving funding and capacity-building, and contributing with information about labour rights' violations in Indonesia. During and after the Reformasi, Indonesian labour-NGO:s and international NGO:s continued to support Indonesian labour unions but focusing more on monitoring the implementation of corporate codes of conduct (Caraway, 2006).

### **3 Methodological considerations**

We conducted an explorative study of how corporate codes of conduct are being used as a labour union strategy within the textile- and garment industry in Indonesia and this study was conducted within the frames of the project *Tracing the Sustainable Supply Chain* managed by the Centre for Business in Society. We further aimed to examine what influences the unions' choice of using codes of conduct in their work. Thus, we carried out a field study during the spring of 2010 based in Jakarta, Indonesia and we used qualitative methods in gathering empirical data with the purpose of answering our posed research questions. Due to the lack of theoretical frameworks that can be applied for this type of study we have been inspired by the concept of grounded theory in our work since this facilitated for us in developing empirically-generated hypotheses, or propositions, on the subject. In this section we initially discuss our motives for selecting Indonesia as the setting for our study. Furthermore, we present the reasoning behind our selection of cases and respondents as well as outline what kinds of conclusions we can draw based on this sampling. After a more comprehensive discussion of how we have worked with interviews and how this might have affected the outcome of our study, we briefly discuss the material and sources we have used. Lastly, we round off this chapter by giving an account on how we were inspired by grounded theory and how the process of coding was undertaken.

#### **3.1 The selection of Indonesia as our case**

Indonesia was selected as our case as it is one of the world's largest developing economies with a large export sector. The export sector includes a large textile- and footwear industry, which is typically characterized by having low-skilled labour. In the year of 2008, the textile industry constituted 10.06% of the main industry manufacturing and the total export of the textile sector amounted to 10 399 million dollars. Out of this, the export of textile- and garment to the United States (USA) amounted to 4 241 million US Dollar and the export to the European Union (EU) amounted to 1 579 million Euros. Of the country's workforce, 8,4% are unemployed and out of the whole population 15,42% live below the poverty line (API, 2009).

Due to the low-skilled nature of these industries particularly poor labour conditions have arisen, which has created an increased vulnerability, for the international buyers who buy from Indonesian suppliers, to civil society's "naming and shaming" strategies. Several scandals regarding a lack of sufficient routines for instance regarding the handling of chemicals have also illuminated an inadequate environmental management (Wingborg, 2006).

Moreover, Indonesia is a specifically interesting case to study since the changes in regulation after the Reformasi and the steps towards an increasingly open society have created a lively civil society with an abundance of labour unions that are collaborating with international networks (Ford, 2006). This vibrant civil society, matched with the presence of an intense export industry is reason to assume that the practices of CSR in its different forms are particularly apparent in this case. Since we are interested in studying how codes of conduct can be used by labour unions we found Indonesia's textile- and garment industry, with its many labour unions and the widespread usage of codes by the international buyers present in the country, to be an interesting case to study. Furthermore, the youth of the labour unions, the extensive problems with corruption and the lack of legal enforcement of labour laws still hamper the practices of the labour unions. According to previous research, this further creates an incentive for labour unions to experiment with alternative ways of achieving their goal, for instance by using codes of conduct (Rodriguez-Garavito, 2005). Due to the unique setting with extensive attempts to implement codes of conduct in combination with an active civil society, Indonesia will be the country of focus in this study as it is likely that Indonesian labour unions are prone to using codes of conduct as a strategy to improve the workers conditions.

### **3.2 The collection of material**

We made use of qualitative methods in collecting our data and we chose to conduct in-depth interviews with the aim of understanding how codes of conduct are used by Indonesian labour unions and what influences this decision.

This choice of method is especially beneficial when exploring sensitive topics, which was relevant in this case as we were studying labour unions active with promoting labour rights issues which has proven to be a sensitive topic in the Indonesian context (Mack et al, 2005). The interviews were designed in a semi-structured manner where we used open-ended questions in order to enable the respondent to provide information and aspects that couldn't be foreseen. We made use of this type of interviews since we aimed to capture the respondent's subjective view of the role of codes of conduct in this specific context (Teorell and Svensson, 2007). On average our interviews lasted between 1 to 1,5 hours and with the permission of our respondents we chose to record all interviews since it enabled us to transcribe them, and later code them, with a lower risk of misconceptions.

Furthermore, we conducted the interviews with the help of a translator since the majority of our respondents did not speak English and those who did felt more comfortable with using their mother tongue, Bahasa Indonesia. Thus, the quality of our interviews was enhanced thanks to the direct translation and our translator provided us with invaluable help during these meetings. However, since we posed the questions in English, and our translator was the one who translated the respondent's answers back into English we are very dependent upon her translations. This renders an apparent risk of her misinterpreting the respondent's answers or her affecting the respondent's answers by posing the questions incorrectly. However, we tried to counteract these potential risks by working continuously with one professional interpreter (at least during each of the interviews conducted with the union representatives at national level) and by investing much time and effort into discussing our questions with our interpreter as to avoid misunderstandings. Lastly, we discussed the possibility of also letting someone translate the recorded answers to control for potential mistranslations, however due to our limited time we drew the conclusion that the cost of such a procedure would probably outweigh the potential benefits.

Since we conducted the interviews during a pre-determined period of time these first-hand sources do not render extensive methodological problems in terms of authenticity nor concurrence. However, we do rely upon respondent interviews whereas the answers provided would neither fulfill the principle of independence nor tendency. Still, since our aim was to describe how codes of conduct can be used as a union strategy according to the key respondents' view on this matter, these methodological problems are not as significant. Nevertheless, a key problem related to the conduction of interviews is the risk of interviewer effects, in other words that the interviewer can affect the answers provided by the respondent. This risk of unwanted effects in the interplay between the respondent and the interviewer is higher in personal, face-to-face interviews, however this problem is somewhat counteracted by its strengths in the form of a greater control of the answer situation (Esaiasson et al, 2004).

Lastly, we have chosen to let our respondents stay completely anonymous throughout the thesis due to the sensitive nature of the issue at hand. In presenting answers in our empirical chapter, we have chosen to correct the quotes grammatically both in order to increase the thesis' reader-friendliness as well as to enable our respondents to get their points across in printed form. Since this is done with an ambition to merely clarify the statements and to erase grammatical errors without interpreting them we find this to be a suitable way to present our respondents' answers.

### **3.2.1 Sampling methods**

In qualitative research the data collection ought to be guided by a sampling where a subset of a population is selected for the study at hand to get valid findings. In our study, we made use of a combined approach with two of the most common sampling methods used in qualitative research; purposive sampling and snowball sampling. Initially, we made use of purposive sampling which means that we decided, while designing the study, what respondents with which characteristics were to be included as respondents in our study according to preselected criteria relevant to our specific research questions.

By phrasing characteristics for key respondents such as “persons responsible for strategic issues in labour unions active in the Codes of conduct-network”, we limited our study to including those who are most likely to have insights into our research topic in accordance with Mack et al (2005). After having done this characterization, we used appropriate recruitment strategies in order to find potential respondents that fit these criteria. Sample sizes did to a certain extent depend upon the resources and time available but were, on an overall level, determined by the objective of our study. As mentioned, the snowball sampling was complementary to the purposive sampling described above. Accordingly, we asked the interviewed informants and respondents to refer to other people who could contribute further to our study. This method enabled us to detect “hidden populations” which means that we reached groups that are not as easily accessed on beforehand through other sampling methods (Mack et al, 2005) such as union representatives at plant level.

### **3.2.2 Selection of cases**

We aimed at making a strategic selection of cases by choosing cases with variation as the labour unions included in this study differ in terms of size (as measured by the number of members) in order to increase our possibility of generalizing our results as proposed by Teorell and Svensson (2007). In addition to this, we chose to include several labour unions that have used codes of conduct extensively in the past. By including cases with variation we aspired to grasp the nuances of how codes of conduct are being used by labour unions today, which enabled us to build our conceptual framework. Further, we selected cases on the basis of the following criteria:

- Unions that are active within the textile, garment- and shoe industry in Indonesia and that are officially recognized.
- Unions that are members of the Indonesian Codes of conduct-network, since we consider these to be more prone to using codes of conduct in their strategies for improving workers' rights.

As a result of the limitations posed, we ended up choosing between eleven labour unions that were presently members of the Codes of conduct-network at the time of our study. Though all eleven unions fulfilled the criteria, we chose to proceed by selecting four cases that we were able to receive direct contact information to through a labour NGO called Lembaga Informasi Perburuhan Sedane (LIPS). Thus, these four labour unions constituted the most accessible cases which we considered beneficial due to our limited time and resources. Hence, we decided to include Serikat Pekerja Nasional (SPN), Serikat Buruh Seluruh Indonesia 92 (SBSI 92), Gabungan Serikat Pekerja Independen (GSBI) and Federasi Serikat Pekerja TSK (FSPTSK) in our study. By focusing on these cases we can provide examples of how codes of conduct can be used in Indonesian labour unions' work. Additionally, we can dig deeper into the reasoning behind their choice of strategy since all four have experience of working with codes of conduct.

### **3.2.3 Selection of respondents**

In selecting respondents, we focused on interviewing representatives for the labour unions included as cases in our study (as described above). Thus, our respondents were selected on the basis that they are key persons responsible for strategic issues and campaigning within the unions, both at a national level as well as at a plant level in two cases. We conducted interviews with two respondents at the national level for each of the four cases that we selected. The positions of the eight national level representatives that we interviewed differ slightly. However, they all have in common that they are part of the inner group of the unions' national board responsible for phrasing the union strategies. By interviewing these key persons who are active in developing the labour unions respective strategies we hoped to acquire information on how these unions view codes of conduct. Also, we recognized the need to interview persons with experience of using codes of conduct in solving labour issues in order to receive insights into the reasoning behind the choice of strategy.

In addition to this, we included interviews with union representatives at plant level to help us understand the level of cooperation within the unions' organizational levels in two of the four cases.

We conducted these interviews in Bandung where there are several textile factories however on site it became apparent that few labour unions had active local organizations present in the area. Thus, we only interviewed one representative from SBSI 92. However, in the case of SPN we interviewed five plant level representatives since we acquired a good relationship with the local organization and this union also had many active members in the area. These interviews with local union' representatives were done in order to add an extra nuance to our findings on national level and should therefore be seen as mere insights that can illuminate interesting aspects on the national level strategies.

Additionally, we conducted six interviews with a number of key stakeholders that are supporting Indonesian unions in their work with codes of conduct, to supplement the other interviews. The purpose of these interviews was mainly to gather background information regarding the structure of the labour unions since the access to written sources on the subject was more or less non-existent. Also, these interviews provided us with a more holistic understanding of how codes of conduct are being used by Indonesian labour unions today.

### **3.2.4 Material and valuation of sources**

In order to fulfill the purpose of our study and to provide answers to the research questions posed we made use of different sources of information. Naturally, the sources used for this study was chosen with care and these have all be scrutinized by using the four principles of criticism of sources; authenticity, independence, concurrence and tendency in accordance with Esaiasson et al (2004). Due to the limited span of this thesis we cannot discuss the sources in detail but will rather touch upon the broader discussion regarding plausible methodological problems related to our material as we choose to put emphasis on the actual field study conducted, as discussed throughout this section. Initially, we took part of previous research within the area of corporate social responsibility as well as scientific articles and books on the issue of labour unions and union strategy.

Since these sources are published academic material we considered them to be reliable sources that arguably fulfill the principles as posed above. Naturally, we still attempt to relate to them in a critical manner throughout the thesis.

In addition to this, we attempted to take part of official documents and meeting protocols provided by the unions that we studied in Indonesia. When valuing these types of sources it is evident that material provided by a union is likely to be subjective and showcasing the reality as perceived within each organization. However, sources that are not fulfilling the principle of independency can still be useful in providing us with insights into their respective subjective views as proposed by Esaiasson et al (2004) which is in line with the purpose of our study. Since the existence of this type of documents varied to a great extent depending upon the unions we studied, interviews still constitute as our main source of information. For instance, we are forced to rely upon the unions' own estimations in regards to their number of members since we couldn't access any official records of memberships in Indonesian labour unions. As a result, this first-hand source of information was crucial to our study since it provided us with insights that were not accessible in written form.

### **3.3 Methodological inspiration; grounded theory**

In this study we have been inspired by the inductive approach of grounded theory, which is suitable where few applicable theories are available, such as in this research area (Yin, 2003). With grounded theory, the researcher does not depart from an in advance defined theory when the material is collected. In other words, the material collected is not gathered to test a theory, instead the approach is used to generate a theory based on the empirical material. Grounded theory is therefore a method for collecting data about a phenomenon and to enable the researcher to develop theory based on the information that the data contains (Morimoto, 2005). As mentioned, there is limited previous research on local actors' usage of corporate codes of conduct and as a result no specific theoretical framework exists. Since there was no appropriate framework to depart from in this case, we instead needed to use a transparent methodology in collecting our data.

Thus, grounded theory posed a suitable approach for this study since it enabled us to present and analyze our empirical material in a clear and structured manner. The focus was then on developing a few generic concepts from the collected data, which we further aimed to describe and understand. Later on, the result from our collected material was compared with previous research to see if there were similarities. Thereafter, we examined whether there were possible connections that would further add to the possibilities of generalizing our findings into a greater population.

### **3.3.1 The coding process**

We have used the analytical software Atlas.ti to code the data collected according to relevant concepts. The concepts were defined based on the data and were therefore not decided in advance. In this continuous process of coding we assigned relevant quotes a code depending on their nature. This means that quotes that are concerned with for example contact with international networks have been coded with the code “International networks”. This coding process was first applied on the interviews that we had access to from other students connected to the research-project *Tracing the Sustainable Supply Chain*, which generated a number of interesting concepts coded. This amounted to about 30 codes and subsequently, when our interviews were added some codes were collapsed into bigger codes and some, which turned out to be too general was removed. As new concepts emerged so did the need for new codes, which in turn meant that we had to go through the material again to look for similar quotes and re-code them.

When this was done, the coded material enabled us to deconstruct the information according to the concepts thus collecting the quotes from all the interviews concerning “International networks” in one document. This considerably facilitated our work with the material and allowed us to make the process of analysis more true to our material. Finally this de-construction permitted us to re-construct the information into general descriptions of the crucial concepts, in so-called “definitional memos”, based on the quotes. The definitional memos subsequently allowed us to make analytical arguments aimed at providing answers to the research questions.

Thus, grounded theory inspired us by providing guidance on how to create a theoretical understanding grounded in the empirical data as proposed by Morimoto (2005). Naturally, the lack of theory and the heavy reliance on the empirical data entails a careful and transparent data treatment-process.

As the coding process progressed we ended up with three basic codes, codes concerning the use of codes of conduct, codes concerning the underlying elements that influence the decisions to use codes of conduct as a strategy and codes that describe the contextual setting. Given that the codes were general in nature, some were of course overlapping and contained elements of both underlying factors and the use of codes of conduct. For further information, a complete list of the codes used during this process is attached in appendix 3.

## **4 Empirical findings**

In this section we present our empirical findings in our four cases with a brief introduction to the background of the respective labour union and their view of codes of conduct. Furthermore, we focus on describing the union's use of codes of conduct and we give room for illustrative examples and quotes by our respondents.

### **4.1 Federasi Serikat Pekerja TSK (FSPTSK)**

According to the General Secretary, the labour union FSPTSK has approximately 40 000 members in Tangerang, Bogor, East Java, central Java and north Sumatra (Interview General Secretary, FSPTSK, 100317, Jakarta). The union was established in the year of 1973 and was originally part of a bigger organization named the FBSI, the All-Indonesia Labour Federation. This federation was organized into sectors and FSPTSK was responsible for the textile- and leather department. In the year of 1985, FBSI was changed into SPSI, the federation of All-Indonesia Workers' Union and FSPTSK transformed into a labour union under SPSI. After the Reformation era begun in the year of 1999, the union changed into an independent federation. Later, in the year of 2003, FSPTSK was separated into two labour unions, SPN and FSPTSK (Interview General Secretary, FSPTSK, 100317, Jakarta).

The main vision of the labour union is to work for the rights of the members (Interview General Secretary, FSPTSK, 100317, Jakarta). As a federation, the union exists on national-, branch- and plant level. At the national level, the union works with basically the same issues as on the plant- and branch level, however the methods used are different. Issues that are of interest, such as wage levels and social security, are discussed on all levels, from the local- to the national level. Meanwhile, most of the work on plant level is directed towards the members (Interview General Secretary, FSPTSK, 100317, Jakarta).

FSPTSK has worked with the International Labour Organization (ILO) and the International Textile, Garment and Leather Workers Federation (ITGLWF) both on the international-, as well as on the pacific level (Interview General Secretary, FSPTSK, 100317, Jakarta). Furthermore, they are taking part in discussions on the Asian Floor Wage Campaign in Indonesia with the aim of establishing a minimum wage for workers especially in the textile- and garment industry in the region. Lastly, they also have contacts with the European network, the Clean Clothes Campaign (CCC) (Interview General Secretary, FSPTSK, 100129, Jakarta).

#### **4.1.1 The view of codes of conduct**

According to the General Secretary of FSPTSK, codes of conduct is a way for international brands to express *“that they care about their workers which is a result of pressure from international NGO:s. The main content of the codes of conduct is that the company must fulfil the requirement in regards to labour rights of the country in which the company is operating in”* (Interview General Secretary, FSPTSK, 100317, Jakarta). However, FSPTSK is critical towards codes of conduct as they are agreements between the buyer and the supplier, whilst the workers are employed by the supplier and not by the buyer. Therefore, their position is that a collective bargaining agreement is better for the workers as it is a legal agreement between the union and the supplier (Interview General Secretary, FSPTSK, 100317, Jakarta). However, as the General Secretary of FSPTSK states: *“Without the codes of conduct, the employers do tend to be naughtier, and they tend to violate workers’ rights even more, so yes the codes of conduct can be used to work for workers’ rights”* (Interview General Secretary, FSPTSK, 100317, Jakarta).

FSPTSK uses the buyers’ codes of conduct under some conditions, such as if *“there is a local law that is being violated in relation to the codes of conduct”* (Interview Secretary at the province level of Jakarta, FSPTSK, 100317, Jakarta). The General Secretary further explains that *“The codes of conduct can be used for all issues related to labour protection because in the code of conduct it is stated that the company must adhere to Indonesian law”* (Interview General Secretary, FSPTSK, 100317, Jakarta).

Furthermore, the buyers' presence in Indonesia, as well as the size matters in influencing how the union uses codes: *“some big brands (are more responsive), like Nike, Adidas, M&S. Actually brands that have a representative office in Jakarta, they respond faster than others ... they will talk directly to the employers and give them warnings, and when that happens the employers are very afraid of the warnings”* (Interview General Secretary, FSPTSK, 100129, Jakarta).

#### **4.1.2 The use of codes of conduct as a strategy**

One of the union's methods of using codes of conduct is by directly contacting the international buyer, either through their representative office in Jakarta, as in the following example of the case of PT Merindo, or directly to the head office of the brand. In cases like this, the national level representatives help their members at the other organizational levels with this contact (Interview Secretary at the province level of Jakarta, FSPTSK, 100317, Jakarta).

Below is an example that serves to further elucidate the union's use of codes of conduct in contacting the international buyer. In a factory named PT Merindo, the supplier didn't provide its workers with a health insurance, referred to as Jamsostek, even though the national law stipulates that they are required to do so. FSPTSK firstly approached the supplier: *“We did three requests of that to be provided. We also approached the Jamsostek, which is a state-owned enterprise, to request that the workers would be registered. We also reported the violations of rights to the manpower department in north Jakarta”* (Interview Secretary at the province level of Jakarta, FSPTSK, 100317, Jakarta).

After six months, the supplier wanted to negotiate regarding the health insurance and suggested a postponement of the implementation of the insurance. The labour union refused this suggestion and threatened to contact the international buyer, however the supplier then answered with union busting.

To solve the issue, the labour union decided to turn to the buyer: *“In Merindo there were several buyers, not only one. But one of the bigger buyers was Liz Clairborne and we decided to go to the representative office in Jakarta. And we reported the issue to the Liz Clairborne office here. Liz Clairborne responded that they would be happy to help if there was a problem according to the national standard and regulation. .... And after that a letter was sent to Hong Kong and then health security was provided by the company to all the workers”* (Interview Secretary at the province level of Jakarta, FSPTSK, 100317, Jakarta).

Moreover, in cases where the buyer is unknown or difficult to contact, FSPTSK goes through international networks to obtain the contacts, such as through the Clean Clothes Campaign: *“then we send an email to CCC, because it is seen as a broad network to the buyers outside the country”* (Interview General Secretary, FSPTSK, 100129, Jakarta). Furthermore, there is a hierarchy behind contacting the buyer versus going through international networks: *“If the case concerns a labour issue, it will be effective to go directly to the representation office first. But if the case involves the closing of an order, we should instead go to the network, to international NGO:s”* (Interview General Secretary, FSPTSK,100129, Jakarta). FSPTSK’s Secretary at the province level of Jakarta further explains this relationship between FSPTSK and the international buyer: *“We contact the buyer when the issue has become urgent...only when we need to. We are asking for help”* (Interview Secretary at the province level of Jakarta, FSPTSK, 100317, Jakarta).

Additionally, there are cases where the local FSPTSK union is in direct contact with the international buyer and in fact facilitates the implementation of the codes of conduct. As with the case of PT Kukdong: *“Yeah, like Kukdong case, producing for Nike Apparel, the local union at plant level has direct communication with the buyers”* (Interview General Secretary, FSPTSK, 100129, Jakarta).

FSPTSK is also providing training on the use of codes of conduct to members on different levels within the organization. They also cooperate with other organizations, such as other members in the Codes of conduct-network, in arranging workshops or trainings for their members (Interview General Secretary, FSPTSK, 100317, Jakarta). Furthermore, the importance of sharing knowledge of codes of conduct is stressed by our respondents, which is partly the motive behind the union's membership in the Indonesian Codes of conduct-network.

#### **4.2 Gabungan Serikat Pekerja Independen (GSBI)**

GSBI is a labour union with members in several sectors including the textile- and garment industry, shoe industry as well as the metal- and gas sector. However, the majority of their members are employed in the textile- and garment industry and in the production of shoes. The union was established in the year of 1995 and according to the latest figures provided by GSBI representatives, the union has approximately 12 000 members (Interview Chairperson, GSBI, 100319, Jakarta). GSBI representatives often present their union as having a unique flavour to it, and they are keen to show that they are different from other labour unions that were formed after the Reformation era. A number of other unions were then formed as affiliations to political parties, or after encouragement from companies with the sole aim of increasing their good image to international buyers. GSBI on the other hand, states that the union was formed as a politically independent union focused on improving workers' situation by challenging the imbalanced relationship between workers and employers (Interview Chairperson, GSBI, 100319, Jakarta).

According to a chairperson of GSBI, their vision is simple and it is to achieve fair rights for the Indonesian workers (Interview Chairperson, GSBI, 100319, Jakarta). The work in GSBI is divided into two organizational levels; the national level and the plant level, which is focused on working with labour rights issues on site in the factories. The tasks of the union representatives that are active on these different levels differ to some extent, as the board members at the national level cannot work directly inside the factories, in the same manner as the plant level representatives. Thus, the national level of GSBI functions as an umbrella for the union.

National level representatives' tasks include lobbying towards governmental agencies with the purpose of influencing the policy process, as well as the labour law. Additionally, they lobby directly towards suppliers when issues cannot be solved directly with the plant level union (Interview Chairperson, GSBI, 100319, Jakarta).

GSBI is a relatively small Indonesian labour union, however they have extensive international contacts. As a leading GSBI representative phrases it; "*Solidarity is a tool representing the power of labour and often displayed by workers in industrial disputes to fight for rights and interests. Solidarity is not just built from workers within a company, but also labour unions at various levels; local, national, and international*"(Yanti Emelia, 2007). Hence, GSBI welcomes support from international actors and are currently cooperating with the CCC and Oxfam Australia. In addition to this, they are part of the Workers' Rights Consortium (WRC) as well as the student-led organization USAS (Interview Secretary General, GSBI, 100319, Jakarta). Lastly, GSBI has chosen to take an active part of developing the Asian Floor Wage Campaign (AFW).

#### **4.2.1 The view of codes of conduct**

GSBI is positive towards codes of conduct as a tool to use in their attempts to improve workers' conditions, but they also emphasize that codes of conduct cannot be used as a strategy in all cases since different issues require different solutions. Based on GSBI's experience of using codes of conduct these are helpful tools to use in cases where for instance a worker is fired due to unfair reasons or when suppliers are violating workers' right to freedom of association. In other issues they still perceive it as difficult to use codes of conduct, for instance in improving wages or reaching a living wage in Indonesia. This is due to the fact that the codes only stipulate that suppliers should pay their workers the minimum wage referring to national legislation (Interview Secretary General, GSBI, 100201, Jakarta).

The Secretary General of GSBI explains when GSBI finds codes of conduct to be a viable strategy; *“Another factor that is important and that will affect the effectiveness of using codes of conduct is the number of people involved. In other words the more people in the national and international community that take part in controlling and monitoring as well as pressuring buyers and suppliers to implement the codes of conduct, the better. In cases where we have that type of involvement, codes of conduct can be used as a strategy.”* (Interview Secretary General, GSBI, 100319, Jakarta).

Though GSBI has experiences of using codes of conduct in cases where this has led to successful results, there are still inherent risks connected to using codes as a strategy (Interview Chairperson, GSBI, 091206, Jakarta). According to the Secretary General of GSBI, an acute risk of using codes of conduct is that the buyer might choose to withdraw parts of their order or even cancel. Naturally, that affects the workers negatively since they risk losing their employment which goes against GSBI’s ambitions. As a result, GSBI always weighs the pros and cons of using codes of conduct and compare it to their other alternatives, as explained by a chairperson of the national board of GSBI *“In the usage of codes of conduct we... need to have a comprehensive understanding of the situation so that we can trade it carefully. Unfortunately, the company or the suppliers often use the codes of conduct as a strategy to counter-campaign the labour unions, saying that labour unions want to destroy the growing production of the company because they always report negative things to the buyers”* (Interview Secretary General, GSBI, 100319, Jakarta).

#### **4.2.2 The use of codes of conduct as a strategy**

GSBI is a relatively young union but they still consider themselves having pioneered the Indonesian labour movement by using new strategies, such as codes of conduct, as a strategic tool at company level. According to leading GSBI representatives, the union uses codes of conduct since they cannot rely solely on using legal measures due to the lack of enforcement of national legislation and the high levels of corruption in the Indonesian system (Interview Chairperson, GSBI, 100319, Jakarta).

The manner in which the codes of conduct are used depends on the situation, and the initiative can be taken either on national or plant level. GSBI uses codes of conduct directly in negotiations with suppliers' management, where their own representatives are involved, in some cases. According to the Secretary General of GSBI, codes of conduct have been used in many instances. One such previous example involved Nike, where its supplier dismissed a worker due to an accident in the working place. GSBI campaigned against this on a national, as well as on an international, level. However, initially the codes were used in the communication with the supplier in order to try to solve the issue directly with them; *"The codes of conduct were firstly used to pressure the management and secondly, it was forwarded to the buyer being the owner of the codes of conduct. But since we realized that our efforts couldn't be done individually as a union, we recognized that we needed support from other communities both on a national level as well as on an international level... And in one year, when using the codes of conduct as a strategy, the person who was dismissed was re-instated"* (Interview Secretary General, GSBI, 100319, Jakarta).

In other cases codes of conduct are used by contacting the international buyer, in order to ask them for assistance in pressuring the supplier to improve the general conditions or to solve a specific issue. In such cases, the national representatives generally help the plant level union with contacting the buyer by initially sending a letter to the buyer to inform them about the situation. However, in some cases, such as in the factory of Panarub where GSBI has had several experiences of using codes of conduct, the plant level members have also contacted the buyer Adidas directly. Panarub is a textile factory in Indonesia producing for international brands such as Adidas. In this particular factory there are two unions, GSBI and SPN who both have been active in working to solve the labour issues that have been apparent since the year of 1998. A chairperson of the national board of GSBI further elaborates; *"So in the case of Panarub, we contacted the buyer directly which is not very common... However, in this case the union was in a deadlock in the negotiations with the supplier and therefore we contacted the buyer. We don't contact Adidas with every case, but only when the negotiations with the management have broken down.*

*As a rule of thumb when we have negotiated with the company without finding a solution despite repeated attempts, then we need an intervention from the buyer”* (Interview Chairperson, GSBI, 100319, Jakarta).

In addition to this, GSBI has previously used codes of conduct in contacting international networks, to receive support in pressuring the buyer who then can influence the supplier to resolve the issue at hand. One example illustrating this also involves the factory of Panarub and the case concerns the arrestment of a union leader: *“It began in the year of 1998, when the labour union in Panarub was formed. The company fired all the workers in the union and intimidated the workers and campaigned against independent labour unions. This friction climaxed in the year of 2001 when the (plant level) leader of GSBI in the company was imprisoned for leading a demonstration that he organized in the year of 2000. This received a lot of international attention, such as from the CCC and also Oxfam Australia... The GSBI movement still continued their struggle until the local leader of GSBI finally was released due to international support that were pressuring the international buyers to intervene and also due to the political movement of GSBI itself, they managed to get him out”* (Interview Chairperson, GSBI, 100319, Jakarta).

GSBI states that it is important to them to use codes of conduct both in contacting the international buyers, as well as the international community. A chairperson of the national board of GSBI explains more in detail how the choice is made whether to contact the buyer immediately or to go via international networks; *“Sometimes we only take one way but this depends on the situation. When we don’t know how to contact the buyers, or if we don’t know of any representative office in Jakarta then we ask for help. But for example, with Nike and Adidas it is very easy for us to contact their representative office, because we know them and they know us...and we can easily contact them since we know where their office is. However, in other cases such as with Marks & Spencer we don’t contact them directly because they have no office here. That is an example of when we need the international organizations to help us contact the buyers, and to mediate between us and the buyer.”* (Interview Chairperson, GSBI, 100319, Jakarta).

Furthermore, GSBI arranges trainings for their members in several educational programs. These educational activities are divided into three levels; the basic, the intermediate and the advanced level where the information provided differ depending on the knowledge of the participants. In addition to this, GSBI uses pamphlets as an alternative tool to spread information and provide education to their members since it is often difficult to gather workers to meetings or such. GSBI doesn't provide specific trainings on the content of codes of conduct and a chairperson of the national board of GSBI explains GSBI's reasoning on this matter; *“The aim of providing trainings is to enable the workers to know their rights and the legal protection that they receive from the laws of Indonesia. In addition to this, the trainings will provide them with the skills that they need to negotiate and defend themselves from the management, in order to improve their working conditions. These aspects are more important than knowing the codes of conduct in detail, because the basic content of the codes of conduct is the same as in the ILO convention, nothing is very different. The codes of conduct can be capitalized by the workers if they know how to use it...under the right conditions and for the appropriate problem”* (Interview Chairperson, GSBI, 100319, Jakarta).

#### **4.3 Serikat Buruh Seluruh Indonesia 92 (SBSI 92)**

SBSI 92 has members primarily within the textile- and garment industry, where the organization is run in different branches. For the branch area of North of Jakarta the union currently has 6000 members. The number of members at a national level is somewhat unclear, as in all Indonesian labour unions since there are no official records. However, according to the Vice General Secretary in North Jakarta the union has approximately one hundred thousand members located mainly in West-, Central- and East Java, East Kalimantan and in Lampung (Interview Vice General Secretary, SBSI 92, 100324, Jakarta). The name SBSI 92 reflects the fact that the union was established in the year of 1992. The main reason for the formation of this particular union at that time was that industrial workers were still under great pressures of the military power in Indonesia. SBSI 92 was then formed after a separation of the confederation KSBSI and SBSI 92 (Interview Vice General Secretary, SBSI 92, 100324, Jakarta).

According to the General Secretary of SBSI 92 in northern Jakarta, the vision of SBSI 92 is to bring welfare to the workers in Indonesia. The union aspires to achieve this by providing workers with education aimed at increasing their awareness of labour issues (Interview General Secretary, SBSI 92, 100324, Jakarta). In SBSI 92, the operational work is divided into three organizational levels similar to the ones used in the other three unions. However, in SBSI 92, central councils have been established at the national level, whilst coordinate-areas have been formed at branch level as in the area of North Jakarta. Lastly, SBSI 92 has implemented commissariat teams who work with solving issues directly at plant level (Interview Vice General Secretary, SBSI 92, 100324, Jakarta). Moreover, SBSI 92 collaborates with Workers Rights Consortium (WRC) and Justice for Education. In recent years, the WRC has supported the union through both international and national campaigns (Interview General Secretary, SBSI 92, 100324, Jakarta).

#### **4.3.1 The view of codes of conduct**

Generally, representatives of SBSI 92 state that they consider codes of conduct to be a normative phenomenon that is not communicated very well to the workers, which is illustrated by the fact that the codes seldom are translated into Bahasa Indonesia. Thus, they emphasize the need for labour unions to work with raising the awareness of their members on the issue of codes of conduct, since they claim that codes of conduct can be applied in actual cases only when the workers are aware of them (Interview General Secretary, SBSI 92, 100324, Jakarta).

#### **4.3.2 The use of codes of conduct as a strategy**

SBSI 92 uses codes of conduct in cases where they find it to be a viable strategy to proceed with and they use them by approaching different actors. A plant level representative describes how the local members of SBSI 92, after attending a training-session on codes of conduct provided by the Codes of conduct-network, approached the management at the factory PT Dong One and demanded to see the codes that they adhere to.

The aforementioned occurred in the year of 2006 and this sparked a discussion with the supplier which has resulted in the management informing all their workers about the codes of conduct. The union representative adds; *“We tried to integrate the codes of conduct as a part of our collective bargaining agreement (CBA), and it actually is today since the year of 2007. The content of the codes of conduct is incorporated with the CBA. So, now the CBA stipulate rules for the relationship between the workers and the company, as well as the codes of conduct which constitute as an agreement between the buyers and the workers too now. Further, the company agreed to give the workers two books; both a printed version of the CBA, as well as the codes of conduct”* (Interview plant level representative, SBSI 92, 100113, Jakarta).

As a result of the improvements in PT Dong One, SBSI 92 was able to create a team named “Pakak” which is focused on monitoring the implementation of codes of conduct in cooperation with the management and the buyer. When an issue arises, for instance with an operator verbally harassing a worker, the worker can report the incident to the team who then fill out an investigation form and consider how this could be solved after reporting it both to the management and the international buyer. The plant level representative further explains that codes of conduct are used when using the Indonesian legal process cannot solve an issue; *“In one of the cases we have been working with at the Pt Dong One, there was this worker named Yuni. She was in the quality control division and she accidentally put two items of the same size in a box that was exported...which resulted in the management having to pay a fine and eventually Yuni was fired despite the fact that she was not in the last phase of the quality control. So, we initiated the process by reporting this to the department of Manpower and they recommended that Yuni should be able to go back to her job or be compensated by the company. But the supplier didn’t comply with this decision nor with the dispute settlement thus the case didn’t go any further in the legal procedure. That’s when we decided to contact Nike directly”* (Interview plant level representative, SBSI 92, 100324, Jakarta).

Thus, when a case cannot be solved by using legal measures SBSI 92 chooses to use codes of conduct. However, the possibilities of solving issues using only national regulation is limited due to the fact that the Manpower department only gives recommendations in cases, but cannot reinforce them. In addition to dispute settlements, there is also the possibility of taking cases to the Court of Industrial relations, where the suppliers can be processed by Indonesian law. Hence, according to the plant level representative, codes of conduct is more efficient to use as a strategy compared to using legal measures. He clarifies this by stating that; *“The suppliers are actually more scared of the buyer than of the department of Manpower and that is why we in cases such as with the PT Dong One chose not to process it through the department because we knew already that the supplier is more afraid of what the buyer has to say”* (Interview General Secretary, SBSI 92, 100324, Jakarta).

Accordingly, one way in which SBSI 92 uses codes of conduct is also in direct contacts with the buyer, where the aim is to inform them about the situation so that they can pressure the supplier into solving the issue at stake. A SBSI 92 plant representative describes a case at PT Dong One when the supplier violated the codes of conduct by refusing to pay dismissed workers their compensation. After fruitless attempts to pressure the supplier to pay the workers by processing the case in the department of Manpower, he explains how SBSI 92 contacted the international buyer; *“I was the one who was in contact with the buyer, and I wrote the letter to Nike Indonesia, who are situated in Sudirman (Jakarta). So, I contacted the persons in the division of compliance with the Nike Indonesia about this, and Nike responded immediately by sending out people to the factory. Then the factory started paying the compensation to the workers right away...”* (Interview plant level representative, SBSI 92, 100324, Jakarta).

In addition to this, SBSI 92 does have the option of using codes of conduct by contacting international networks in order to solve issues. However, according to the union representatives this strategy has not been used recently enough for anyone to remember how it took place.

Despite that they still consider this to be a viable strategy to use with codes of conduct; *“We can go beyond national levels, to the international levels if that is needed. If we hadn’t received any response from Nike in the case of PT Dong One then we could have contacted the international NGO:s to make them put pressure on the supplier”* (Interview General Secretary, SBSI 92, 100324, Jakarta). Further, other union representatives point out that international NGO:s specifically, can prove useful in supporting SBSI 92 in launching international campaigns as well as in communicating with the buyers. However, international campaigns are also used to threaten the buyer into acting towards the supplier.

As a national board representative describes it, SBSI 92 prefers to collaborate with INGO:s in their work since they are less politicized than international union federations. Consequently, he finds it easier to work with INGO:s since they get to discuss the labour issues more hands on with them as compared to with international union federations. He explains; *“When we try to communicate with the buyers directly through e-mails we receive no feedback at all. However, when we try to communicate with international NGO:s first, then it works. If we want to communicate with the buyer, our strategy is to communicate directly via international NGO:s”* (Interview national board representative, SBSI 92, 100203, Jakarta).

Lastly, SBSI 92 offers its members trainings on labour laws and regulations with focus on raising the workers’ awareness of their rights. There are weekly discussion-meetings held relating to issues of interest to the members, and trainings are held monthly or upon request. SBSI 92 doesn’t officially organize any specific training on codes of conduct. However, as one of the union representatives describes it *“As for information and disseminations of codes of conduct, this is something that we organize for the workers but we don’t have any specific training on codes of conduct. However...for those running the union there is actually some training on codes of conduct provided by the Codes of conduct-network”* (Interview General Secretary, SBSI 92, 100324, Jakarta). In accordance with the resources at hand, he further explains that the union is prioritizing to train the committee members who lead the union firstly.

However, in at least one factory where SBSI 92 is active, the management actually cooperates with the union in providing training on codes of conduct as explained by a plant level representative for SBSI 92 in the PT Dong One factory; *“When a worker is hired by the company they are given this book [a handbook-sized pamphlet displaying the corporate codes of conduct] and they receive training in the codes of conduct. One representative of the management and one from the union provide the training. This cooperation started after the union came to the factory”* (Interview plant level representative, SBSI 92, 100324, Jakarta).

#### **4.4 Serikat Pekerja Nasional (SPN)**

SPN has approximately 148 000 members and as the union earlier was part of FSPTSK, they have a common history (Interview representative on the national board, SPN, 100318, Jakarta). As part of FSPTSK they were initially members of FBSI, the All-Indonesia Labour Federation and later on also part of SPSI, the federation of All-Indonesia Workers' Union. In the year of 2003 however, SPN broke away from FSPTSK and formed its own labour union (Interview General Secretary, FSPTSK, 100317, Jakarta).

According to a representative on the national board of SPN, the overall mission for SPN is not very different from other labour unions: *“Firstly, to increase the welfare of its members (the workers). Secondly, to protect their basic rights. Thirdly, to uphold the regulations, both on a governmental or national level and also on company level”* (Interview representative on the national board, SPN, 100318, Jakarta). SPN has a national-, branch- and a plant level-structure and the union's policy is that if there are issues that can be resolved at plant level then it should be sorted out as close to the source as possible. However, the national level is to be informed about the development of an issue, for example if the plant level is communicating with an international buyer. Moreover, the national and the provincial level focus more on influencing policies which involves negotiating with the government. Lastly, in terms of international networks SPN is affiliated only with the ITGLWF (Interview representative on the national board, SPN, 100318, Jakarta).

#### 4.4.1 The view of codes of conduct

SPN's view of codes of conduct is somewhat sceptical according to a representative on the national board of SPN. This is due to the fact that SPN considers codes of conduct as a phenomenon that exists to preserve the buyers' good image, and that it is not about the workers conditions: *"It is lip service by the international buyers to the customers back home. It's all related to their good image"* (Interview representative on the national board, SPN, 100318, Jakarta). Furthermore, the union recognizes that the cost connected to the codes of conduct is a major contributor to that the codes of conduct are not implemented properly by the supplier. Therefore, as the suppliers strive to maximize their profit, the conditions of the workers are put at a disadvantage: *"We see it as a capitalist system. Because in the western countries, people have a very high awareness, they abide to rules and they want to maintain that image, the image that they fulfil human rights standards"* (Interview representative on the national board, SPN, 100318, Jakarta).

Moreover, SPN uses codes of conduct as a strategy as it sometimes is a quicker method than going through the national legislation. The reason for the swiftness of these strategies is that: *"Well, Adidas and Nike and some other international brands have a tendency to respond quicker to international Conventions such as the ILO-Conventions, United Nation-protocols or codes of conduct"* (Interview representative on the national board, SPN, 100318, Jakarta). Thus, the choice of strategy is adapted to which alternative that the international buyer responds fastest to.

Furthermore, the labour union works with comprehensive reviews to ascertain the magnitude of the situation. Based on that review, they attain evidence of the violations of the codes and proceed by choosing an appropriate strategy. Such a review includes for instance information regarding the number of people involved in the case. If SPN is working on a small case, involving only a few people, the union chooses to negotiate first and thereafter they proceed with using national laws in attempting to solve the issue. Meanwhile, SPN does not expect the international community to get involved directly in solving issues of limited magnitude.

In more extensive cases, that involve thousands of workers, this requires SPN to make use of different strategies simultaneously. The two most important strategies are then expressed as litigation and non-litigation. Litigation is when the issue is brought to the court and the domestic legal system is used to solve the issue. Non-litigation, on the other hand is campaigning, both domestically and through international networks. The representative on the national board of the SPN stresses that the choice of codes of conduct as a strategy is depending on “*if the situation is conducive, that there is a good room for negotiation. For example, when the supplier and workers do not have their firm stance on what should be done. So only in situations where there is a lot of room for negotiations*” (Interview representative on the national board, SPN, 100318, Jakarta).

#### **4.4.2 The use of codes of conduct as a strategy**

SPN uses codes of conduct mainly in direct contact with the international buyer. However, the initial strategy is to discuss with the supplier either referring to the collective bargaining agreement (Interview Head of the Social-Economic section, SPN, 100318, Jakarta), or by referring to the codes of conduct as described by a branch-level representative: “*I tried to explain to the employer, to the management, that Hemtex has a code of conduct ... And after that, after I talked to the management their response was to change things...*” (Interview Vice leader of DPE Bandung City, SPN, 100327, Bandung)

In the case of PT Petenykoug, one of Adidas’ suppliers, the management employed people on a daily basis, which is against Indonesian law as workers involved with the core business of the company should be employed on a permanent basis. As a reaction to this, SPN submitted both oral and written complaints to the factory but as they did not receive any answer, they also sent written reports to Adidas local representative in Indonesia asking for assistance. Adidas responded by investigating the issue themselves: “*The inspection officers went back and the company was caught red-handedly with employing people on a day-to-day basis. So after that approximately 40 people were hired on a permanent basis, so they changed their status from day-to-day workers to permanent workers.*”

*These are the changes that have been happening in terms of the codes of conduct usage”* (Interview representative on the national board, SPN, 100318, Jakarta).

Moreover, SPN also uses their international affiliations to negotiate abroad, as the union is affiliated with the ITGLWF and have been in contact with them concerning negotiations with Adidas in Germany and Nike in the USA. They use the international networks as a support, if they have a case that involves companies that are not present in Indonesia. However, if the international buyer has a liaison office in Indonesia they usually contact them directly. Still, in cases requiring negotiations at the brands headquarter, SPN would go through their international affiliation even if there are regional offices in Indonesia (Interview representative on the national board, SPN, 100318, Jakarta).

Furthermore, the international networks are occasionally used to organise campaigns: *“In very grave and urgent circumstances, we also turn to international campaigns but this is used only as a last resort and only when we have all the facts and really know the case. It’s only an alternative when we really cannot see any good intentions neither from the employer nor the international buyer. But when we choose to engage in international campaigns we go through our international affiliations, to get support. The objective of international campaigns is to inform the international and national public that these companies and the buyers don’t have any good intentions anymore. This is used as a last resort due to the risk that the buyer could cancel the order which would mean that thousands of workers would then lose their jobs, so we use this avenue or strategy only when it’s an issue that is very urgent and in really serious cases* (Interview representative on the national board, SPN, 100318, Jakarta).

In addition to this, SPN has a history of organizing trainings on codes of conduct and its usage, often in collaboration with international networks, as described by a representative on the national board of SPN *“there were intense trainings held in the years of 1996 to 1998, on codes of conduct, globalization and monitoring”* (Interview representative on the national board, SPN, 100318, Jakarta). As this indicates, the trainings were held several years ago.

However, recently there was a joint training between SPN and the international buyer GAP in implementing its codes of conduct in a number of supplier-factories. This has generated an improved communication between the workers in the factories involved and the international buyer, according to the Head of the Social-Economic section at SPN's national board: *"The impact that that training created has produced that the workers are no longer shy to talk to the buyers, which is a big step forward"* (Interview Head of the Social-Economic section, SPN, 100318, Jakarta) The training in codes of conduct has produced results accordingly: *"On a general level, basically all our members know about codes of conduct, but the understanding varies"* (Interview representative on the national board, SPN, 100318, Jakarta).

Lastly, a representative on the national board of SPN explains that there are two types of understanding, the correct- and the incorrect understanding. According to SPN, the correct understanding is explained by labour unions, such as themselves, whilst the incorrect understanding can be exemplified by suppliers making their workers memorize their codes of conduct in preparation for sudden audits. As explained by a board representative, this is a shallow understanding of the codes and it is more concerned with that the workers should do such as clean the factory before audits, than with labour rights or national legislation (Interview representative on the national board, SPN, 100318, Jakarta).

## **5 Analysis**

In this section we initially identify the different ways in which codes of conduct are used as a strategy by Indonesian labour unions. This is done with the aim of outlining the general tendencies seen in our empirical data. In addition to this, we further elaborate on key internal elements that influence the choice of codes of conduct-strategy with the attempt of adding nuances to how labour unions use codes of conduct. In doing so, we discuss the importance of codes of conduct-education, access to international networks, as well as the characteristics of issue, in influencing labour unions in choosing how to use codes of conduct. In this process, we continuously connect our reasoning to previous research with the aim of developing our own empirically generated propositions.

### **5.1 Strategies illustrating how Indonesian labour unions use codes of conduct**

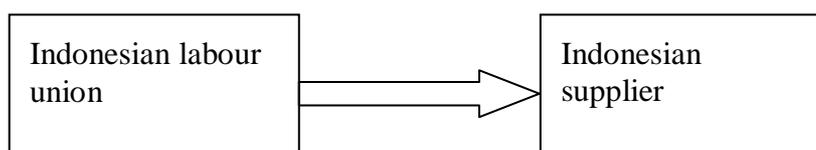
Previous research has pointed out the importance of understanding how codes of conduct can be useful to local actors in their efforts to improve workers' conditions. Our findings indicate that the use of codes of conduct as a union strategy is in fact multi-dimensional, thus codes of conduct can be used in different ways depending on the situation. In other words, using codes of conduct as a strategy entails several strategies of doing so. Hence, when a decision has been made stating that codes of conduct will be used to resolve the issue, the union faces a choice between a number of potential codes of conduct-strategies. The main difference separating these strategies is defined by towards whom the codes of conduct are being used as a tool. Hence, we have decided to present the strategies in accordance with an actor-centered typology. As a result, we are presenting each strategy with its sub-strategies, focusing on whether corporate codes are used as a tool directed towards the supplier, buyer or international networks. Since we could not identify other suitable themes that described the key characteristics of the strategies, we chose to focus on the actor that is approached in the specific codes of conduct-strategy due to the above-mentioned reasons.

### 5.1.1 Labour unions approaching the supplier

According to our empirical material, one strategy encompasses that the union representatives choose to use the codes of conduct in direct communication with the supplier. By supplier, we generally refer to the management of the factory that produces for the international buyer. This is often the first strategy used when applying codes of conduct in a case. Since the violations of the codes of conduct occur in the supplier-factories the effectiveness of using codes of conduct in direct communication with the supplier depends to a great extent on the openness of the management. Moreover, the key strategy is to approach the supplier by showing the management the codes of conduct that they are obliged to adhere to.

Based on our empirical data, we have identified three sub-strategies, firstly including informal discussions on how to solve the violation of the code directly with the management, as illustrated when SPN branch level representatives used Hemtex' codes of conduct in such discussions with a supplier situated in Bandung. Secondly, unions can use the codes of conduct to pressure the supplier into improving through bi-partite negotiations where union representatives, workers and management discuss the issue under more formalised conditions as shown in the case of GSBI. If none of these two sub-strategies have any effect on the situation, the unions tend to subside to threatening the supplier with contacting the buyer to inform them about the conditions in the factory. This strategy was used for instance in the case of the supplier PT Merindo, where FSPTSK threatened to contact the buyer to solve a health insurance issue. By doing so, their hope was that the supplier would consider non-action to be a too risky alternative since that might have resulted in the buyer being discontent with the operations run by the supplier, thus ultimately placing the order at risk.

**Figure 1.** Strategy 1: Labour unions approaching the supplier



### 5.1.2 Labour unions approaching the international buyer

In addition to this, unions use codes of conduct by approaching the buyer directly. Our results show that the contact with the buyer can be done either with the buyer's representative office in Indonesia or with their headquarters abroad. This is a strategy that is undertaken when the unions don't receive any fruitful responses by approaching the supplier, as illustrated in the case of Panarub where GSBI contacted Adidas directly after failed attempts to negotiate with the management. Thus, the union proceed by taking the issue to another level by contacting the international buyer. The aim is to inform the buyer of the conditions in the factory, and to point out that the specific supplier is not adhering to the company's codes of conduct.

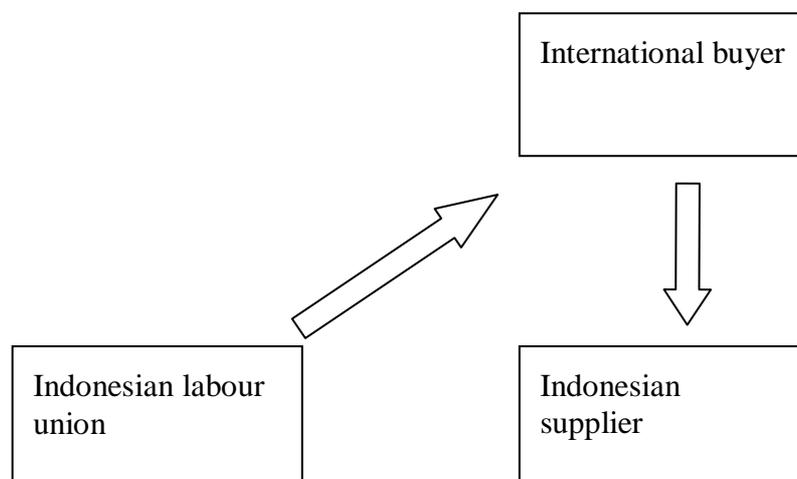
Based on our findings, we have identified two sub-strategies, and the first one constitutes asking the buyer for assistance in pressuring the supplier into improving. This strategy was undertaken for instance in the case of PT Petenykoun where SPN contacted Adidas with the aim of receiving support in making the supplier employ its workers on a permanent basis. The logic is that the management will listen to the demands directed from the international buyer since they are depending upon receiving continuous orders from the buyer. With this financial mechanism in place, the unions hope to be able to pressure the supplier from the bottom-up whilst the buyer can pressure the supplier from top-down.

The importance of using strategies where top-down and bottom-up pressure can meet is emphasized by several scholars whereby Rodríguez-Garavito states that what is needed in order to facilitate sustainable improvements of workers' rights is "*political pressures operating at two levels: 1) states, TNCs, international monitoring organizations such as the FLA and the WRC, TNCs (putting pressure upon their suppliers), and international organizations (e.g., the ILO) create the political and legal conditions that allow 2) local workers, unions, labor support organizations, employers, and public authorities to engage in continuous monitoring and empowered negotiation over labor conditions*" (Rodríguez-Garavito, 2005, page 211).

Accordingly, this sub-strategy is nuanced by the case of PT Kukdong, where FSPTSK plant union representatives communicate on a regular basis with Nike, which shows that this assistance from the buyer can be more of a long-term nature. Similarly, the case of PT Dong One further illustrates how the union SBSI 92 have received continuous assistance from Nike, through the establishment of the Pakak-team.

In addition to this, in cases where the buyer refuses to assist the union in demanding that the supplier settles the dispute, the union can proceed with the second sub-strategy, namely by threatening the buyer with contacting international networks with the purpose of campaigning, as illustrated in the case of SBSI 92. Our findings do not present any cohesive information in regards to how these threats are delivered to the buyer. However, one could suppose that there are several potential channels of communicating threats from the union to the buyer. For instance, established means of communication through letters or e-mails could be used, but one could suppose that most cases of threats occur by using more informal means of communication such as personal phone calls with contacts within the organization. To conclude, the unions are able to use the threat of international campaigns as a crucial mechanism since they are aware of the risk associated with campaigns that could damage the buyer's brand, result in consumer boycotts thus ultimately resulting in extensive financial losses.

**Figure 2.** Strategy 2: Labour unions approaching the international buyer



### **5.1.3 Labour unions approaching international networks**

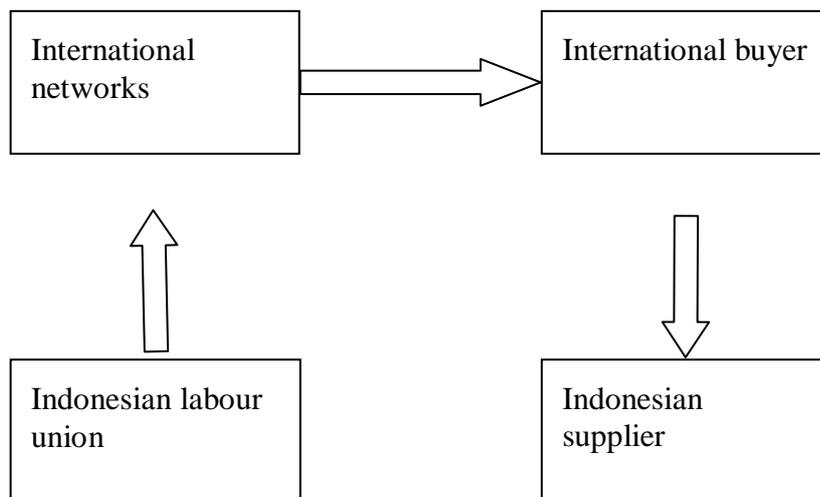
Lastly, the union can use codes of conduct by approaching international networks in order to receive support from either international union federations, or INGO:s, or both. We have identified three sub-strategies used by Indonesian labour unions where the first strategy transcends to receiving help with detecting contact information to the buyer, which is a strategy used in many of our cases and emphasized by the General Secretary of FSPTSK. This means that the support from the international network only consists of giving the union access to contact details and then the union can proceed by contacting the buyer on their own. Alternatively, as the second sub-strategy illustrates, the union can contact international networks and ask for support in contacting the buyer. This is a strategy which is employed by SBSI 92, as illustrated in our respondents answers.

Our empirical findings further indicate that this is often a strategy chosen by labour unions with limited previous experience of contacting international buyers. It is also a strategy generally applied when it concerns an issue that the union feel uncomfortable lobbying for on their own in the discussions with the buyer. Naturally, this is a strategy that is often used as a follow-up on the first sub-strategy, thus it is used when the attempts to contact the buyers directly fails. As a last resort, the international networks are sometimes used for gaining support in organizing an international campaign about the issue thus aiming at “naming and shaming” the buyer into pressuring the supplier into solving the issue. GSBI, amongst others, has used this strategy which was illustrated in the case where a plant level union leader was imprisoned after a demonstration and was not released until after an international campaign was arranged.

In relation to the other strategies including codes of conduct this would constitute as a third-hand, or even a fourth-hand strategy, used after attempts to solve the dispute via other means. One could compare international campaigns to the conventional equivalent, being using a strike to put pressure on the supplier.

As a result, labour unions are hesitant towards using international campaigns due to the inherent dangers of this specific strategy, as there is a risk that the international buyer withdraws the orders from the supplier which in the end will result in the workers losing their employment.

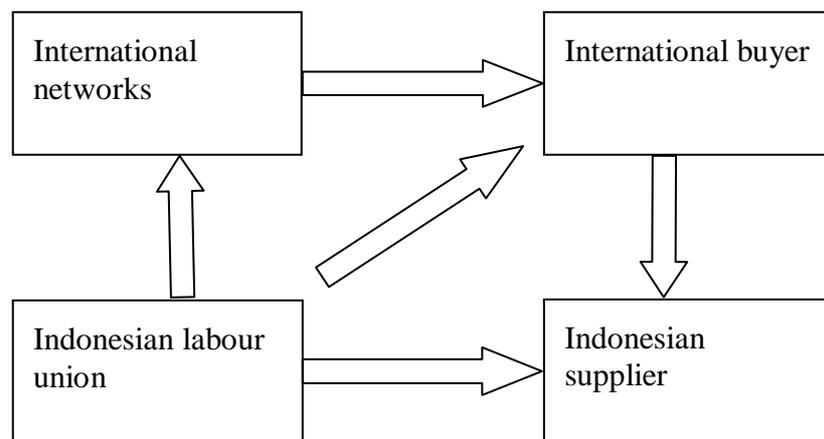
**Figure 3.** Strategy 3: Labour unions approaching the international buyer via international networks



### 5.1.4 Overview of codes of conduct-strategies

In the following brief overview, the overall pattern through which the studied labour unions use codes of conduct-strategies is illustrated.

**Figure 4.** Illustration of actors approached in unions' usage of codes of conduct-strategies



We have further summarized the key codes of conduct-strategies together with their sub-strategies, as outlined below. This illustrates the range of codes of conduct-strategies available to Indonesian labour unions.

**Table 1.** Overview of unions' codes of conduct-strategies

Strategy 1. Labour unions approaching the supplier	
Sub-strategies;	1a. Informal discussions 1b. Bi-partite negotiations 1c. Threats of contacting the buyer
Strategy 2. Labour unions approaching the international buyer	
Sub-strategies;	2a. Ask for help in pressuring the supplier to improve 2b. Threats of international campaigns

Strategy 3. Labour unions approaching international networks	
Sub-strategies;	<p>3a. Ask for contact details to buyer</p> <p>3b. Ask for help with contacting the buyer</p> <p>3c. Ask for assistance through international campaigning</p>

## 5.2 Elements influencing the use of codes of conduct-strategies

In this section we identify key elements that influence the different ways in which codes of conduct are used as a strategy for Indonesian labour unions. Furthermore, we elaborate on how these elements influence the choice of the specific codes of conduct-strategy. We analyze three elements, or concepts, in detail; codes of conduct-education, international networks and characteristics of issue where we integrate theoretical points to help elucidate our empirical insights. After outlining the contents of each concept, we give propositions where we suggest how our concepts influence the choice of codes of conduct-strategy.

### 5.2.1 Codes of conduct-education

Our findings indicate that codes of conduct-education is important in relation to how codes of conduct will be used by the labour union. We are aware that several interpretations can be made on what to include, and what not to include, in such a concept. However, we have chosen to focus on the type of knowledge about codes of conduct, as well as the different sources of this knowledge, one important source being training on the subject of codes of conduct.

In our empirical material there are many references to the importance of knowledge about codes of conduct in enabling Indonesian labour unions to use these as tools for improving workers' conditions. As outlined by both representatives of GSBI and SBSI 92, knowledge is essential if the union is to be able to use corporate codes in their work.

The reasoning behind this follows the logic that a labour union that is not aware of what codes of conduct are, and how they can be used, is less prone to use codes of conduct as a strategy per se. Other scholars have emphasized the need for workers to be aware of codes of conduct in order to enable an actual implementation of the codes where they can influence labour rights issues. As Rodríguez-Garavito describes it, knowledge on how to use codes of conduct as a tool is crucial as “*The large majority of workers simply do not know about the existence of codes of conduct, let alone the mechanisms that they can use to make them effective*” (Rodríguez-Garavito, 2005, page 218). This reasoning is further supported by Barrientos and Smith (2007), who show that workers without knowledge are generally less able to claim their rights.

### **5.2.1.1 Types of knowledge**

Thus, in stating that knowledge is important one needs to consider what type of knowledge is crucial for the union and its members to have. In accordance with our empirical findings, we have identified different types of knowledge of relevance to the use of codes of conduct. Firstly, knowledge on this issue can be as clear-cut as knowing the content of the codes of conduct. In addition to this, another type of knowledge that is important for the unions’ choice of strategy is the practical know-how, which includes knowing more hands-on how to use codes of conduct as a tool in reaching union objectives. One could rather categorize these different types of knowledge as “content-focused” knowledge in relation to “process-focused” knowledge, which encompasses its characteristics more accurately compared to the more ordinary categorization dismantling knowledge into theoretical contra practical knowledge.

Due to the nature of these two types of knowledge, is it unlikely to find unions with only process-focused knowledge without the presence of content-focused knowledge. Thus, one could argue that both types of knowledge are demanded from the union-perspective. Naturally, these different types of knowledge supplement each other and in an optimal scenario labour unions would have access to both types.

We have found examples of both being present to some degree in all four cases, however content-focused knowledge is more often found and does not automatically imply that there is process-focused knowledge. Thus, education in codes of conduct is a relevant concept to discuss in connection to the labour unions' use of codes of conduct. Having a high educational level, which for instance could mean that the union members have received training on codes of conduct in combination with them having knowledge on how to use them, results in the union being more prone to use codes of conduct as a strategy.

Furthermore, our empirical findings illustrate that knowledge of how to use codes of conduct is also accumulated through first-hand experiences, tacit knowledge, and not merely through formal education. The importance of tacit knowledge is explained by Uzzi (1997) as accumulative and assists in explaining theoretical knowledge. Thus, it is important to differ between experience-driven, tacit knowledge and theoretical, formal knowledge as it can be assumed to be more likely that unions that have been involved in using a codes of conduct-strategy earlier will do so again.

When conceptualizing these four types of knowledge, one could suppose that these dimensions of knowledge could all be relevant in a discussion on how they influence a union's choice of codes of conduct-strategy. One could further propose that the four dimensions of knowledge are not mutually exclusive, and it is therefore probable that they are inter-related and rather support each other. Several knowledge-chains are possible, such as tacit process-focused knowledge. In that specific case, one could suppose that knowing how to use the codes of conduct-strategies, combined with having earlier experience from using them, would be a definite advantage in enabling unions to use a wider range of codes of conduct-strategies. However, as our empirical data point towards that the notion of process- and content-focused knowledge are most evident in the case of Indonesia, we will proceed by focusing our analysis on how these two dimensions influence the choice of codes of conduct-strategy. One must bear in mind that this does not necessarily mean that the concept of tacit and theoretical knowledge is not important, it might simply illustrate that these dimensions are more difficult to detect in this specific case.

Consequently, it's interesting to dig deeper into a discussion regarding how process- and content-focused knowledge can influence the choice of codes of conduct-strategy at hand. A chairperson of GSBI stresses that having negotiating skills is more important than knowing the codes in detail when it comes to using corporate codes. This claim supports the discussion above, as one could suppose that a labour union with more process-focused knowledge is better equipped in terms of being able to choose between the three main strategies described in chapter 5.1. Overall, that union ought to be more flexible in terms of who they choose to approach when using codes as a tool. With a comprehensive understanding of how the mechanisms of codes of conduct work such a union would probably be able to adapt the choice of strategy depending on the specific issue at hand. On the other hand, a union with extensive knowledge merely on the contents of codes of conduct, but that lacks knowledge regarding how these could be used in practice, would consequently be more limited in the choice of strategy. This however presupposes that the union still possesses enough general knowledge on the issue to be aware of whether the supplier is actually violating the codes of conduct or not.

Hence, one could argue that the process-focused knowledge is especially important in enabling labour unions to select the codes of conduct-strategy that suits the specific case. This claim is supported by previous research where the importance of understanding how to use codes is emphasized, as opposed to mere knowledge on the content of codes of conduct as outlined by Kearny and Gearheart (2004). Meanwhile, a general content-focused knowledge of the codes of conduct might be sufficient, as most codes of conduct are based on the ILO Conventions. Since the actual content of codes is often similar, the marginal benefit of increased content-focused knowledge is diminishing. However, as illustrated in our cases it all boils down to knowing when a specific codes of conduct-strategy is appropriate for a certain issue.

**Proposition 1:** Unions with a high level of process-focused knowledge are more flexible in adapting the codes of conduct-strategy to the specific issue at hand, compared to unions with a high level of content-focused knowledge.

Moreover, there are reasons to believe that a greater understanding of the mechanisms behind using codes of conduct as a strategy, such as the buyers' fear of bad publicity, might enable unions to use threats more effectively in direct communication with the supplier in the first hand, but also with the international buyer. To relate to the previous discussion on process- and content-focused knowledge, we consider this type of deeper understanding of the mechanisms to be more closely related to, or even part of, process-focused knowledge. The reasoning behind this is that it is connected to a more general understanding of how codes can be used, rather than to the content of specific corporate codes of conduct. FSPTSK is one of the unions who emphasize the importance of understanding underlying mechanisms in realizing what different actors fear, in order to be able to pressure them into improving their behaviour. Additionally, a union representative from SBSI 92 further nuances this claim by showing that in the case of PT Dong One, the union altered strategy when realizing the supplier's fear of the buyer. More specifically, unions that understand fully the underlying mechanisms of consumer power are probably more able to leverage their demands by threatening the supplier or buyer. As a result, a knowledgeable union in that sense could more effectively solve the issue quicker and leads to less usage of strategies that involves international networks. This line of reasoning is somewhat supported by for instance SPN's ambition to solve issues at a local level when that is possible.

**Proposition 2:** Unions with greater knowledge in the mechanisms of codes of conduct are more likely to use threats as a strategy in communicating with the supplier and the buyer.

### **5.2.1.2 Sources of knowledge**

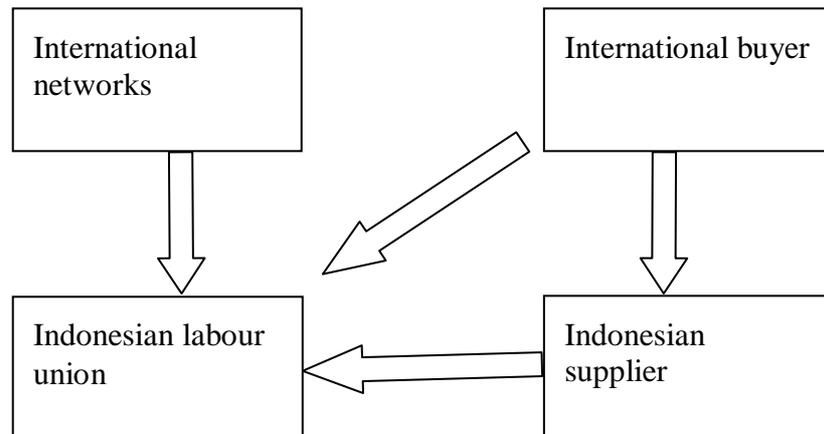
One also needs to consider the sources of knowledge on codes of conduct, whereas it is interesting to see where the channels of information exist. Our findings show that knowledge on codes of conduct is spread through several channels via for instance; information posters on the walls of the factories, printed codes on the backside of workers' ID-cards and printed versions of corporate codes of conduct in hand-sized booklets as in the case of PT Dong One.

To relate to the discussion on different types of knowledge, one could easily relate these sources of knowledge to the more content-focused category of knowledge. In addition to this, representatives of all four unions have pointed out union meetings and codes of conduct-trainings provided by several actors, as channels for spreading more process-focused knowledge aimed at helping the union members to realize how codes can be used as a tool to solve disputes.

Additionally, certain actors are important in supplying the union members with knowledge. The supplier, for instance, constitutes a source of knowledge concerning what codes of conduct they adhere to and what these stipulate. Accordingly, due to the supplier's knowledge monopoly, unions and workers are to some extent dependent upon the managements' good will to actually provide them with information regarding the codes that they are obliged to adhere to. However, one could presume that there are instances where the suppliers themselves are not knowledgeable about the codes that they should implement, which is often explained by lack of attempts from the buyer to communicate the codes clearly. This is further pointed out by research that stresses the need for business managers to be educated and to interact closely with civil society and unions in order to get a better understanding of codes (Barrientos and Smith, 2007)

A common method of increasing the workers' level of knowledge is through trainings. According to Nitsch et al (2005), training is essential to develop a common view of the rules at hand and to clarify what is acceptable and what violations should be reported. The concept of codes of conduct-training varies depending on both the depth and the quality of the training as well as the source of the training. Initially, one must recognize the difficulties attached to attempting to evaluate the quality of the training provided, since such a judgement could vary depending on whom you ask and what method of measurement you use. Thus, we base our reasoning on statements made by our respondents and refrain from judging the level of quality in the trainings discussed. However, we still acknowledge that trainings constitute an effective channel for unions to spread information on codes of conduct thus the quality of such training is naturally of importance.

**Figure 5.** Illustration of the sources of training.



The main sources of training are provided by the labour unions themselves, international networks, as well as via suppliers and buyers. The aim, as well as the contents, of these trainings also differs depending on the source of training. Our empirical findings further indicate that the unions' choice of codes of conduct-strategy is influenced by the source from which they have received training on codes of conduct. This could be due to the fact that the actor providing the union with the training can affect the content, and in the long run also the choice of actor that the union will approach by using the codes. However, due to the complexity of the causal relationships it is difficult to say whether it is the training as such that influences the strategy or approach at hand, or if the already existing relationship e.g. with the supplier that results in a specific codes of conduct-strategy being selected.

**Proposition 3:** Unions choice of codes of conduct-strategy is influenced by the source of the codes of conduct-training that they receive.

Initially, one can conclude on the basis of our empirical findings that Indonesian labour unions appear to have arranged only a few recent codes of conduct-trainings for their members. Even though we have a limited insight into these training sessions, our empirical material point towards that the unions aim at providing their members with mainly negotiating skills and similar.

This would constitute as process-focused knowledge, which would theoretically enable them to choose from a wider range of codes of conduct-strategies. Andersen and Skjoett-Larsen (2009) have investigated the extensive use of training as a method of increasing awareness and knowledge about IKEA:s codes of conduct. The authors describe how IKEA is using so called “change agents”, using employees as a way to monitor the implementation of codes. As illustrated in the case of SBSI 92 this strategy is mirrored in the trainings performed by Indonesian labour unions, where a few selected individuals receive training on codes of conduct with the purpose of spreading the knowledge to other workers.

Moreover, international networks have organised trainings on how to monitor codes of conduct, as well as on how to use corporate codes of conduct as a tool in pressuring international buyers. This resulted in the creation of the Indonesian Codes of conduct-network, which was initiated by the German NGO Friedrich Ebert Stiftung (FES) in the year of 2004, in which a number of Indonesian unions gather and share information. ITGLWF also organizes trainings to increase the awareness and use of codes of conduct amongst unions. They work with their union affiliates in Indonesia to encourage further learning about both the use of codes of conduct and the national legislation (Interview Policy Assistant to the General Secretary, ITGLWF, 100326, Jakarta). However, as pointed out by SPN, international networks have not recently arranged any trainings in codes of conduct where SPN representatives have been present. However, labour union members who are provided training by international networks, in this case represented both by INGO:s and international union federations, tend to be more positive towards choosing strategies that require a certain amount of international support e.g. international campaigns. This is supported by the scholar Michele Ford (2009) who states the importance of international affiliations and networks in supporting Indonesian union-strategy.

Furthermore, trainings on codes of conduct organized by suppliers are often fuelled by the demands from international buyers, and therefore the quality of the trainings also depends on the respective supplier’s overall attitude towards codes of conduct.

That said, it is likely that the supplier who actually goes as far as to organizing a codes of conduct-training is probably also a supplier who respects the codes of conduct to a greater extent. Additionally, the fact that a supplier is arranging trainings on codes of conduct for its workers, could naturally indicate that they are producing for an international buyer with high set standards that pressure their suppliers into complying. Alternatively, one could also assume that a supplier could provide training on codes of conduct as a result of a stable and beneficial union-supplier relationship. One such case is the training provided by SBSI 92 and the management of PT Dong One, where new employees receive training in codes of conduct by both parties. Still, respondents from SPN claim that most suppliers' codes of conduct-training is more focused on informing workers of the importance of product quality and meeting the production targets. Thus, it point towards that some suppliers interpret the codes of conduct as outlining the workers' responsibility towards the supplier and the buyer, rather than the opposite. Other scholars have detected the same phenomenon, which could indicate that some suppliers use the low awareness of codes of conduct amongst the workers into tricking them to believe that these codes are stipulating demands on them.

As Rodríguez-Garavito describes in his research on how union members in Mexico and Guatemala perceive codes of conduct. *“Union leaders at Kukdong and Choishin described how workers generally associate the term “codes of conduct” (códigos de conducta) with rules on what the company expects their behavior (conducta) to be”* (Rodríguez-Garavito, 2005, page 218). In other words, this would indicate that the actor behind the training could provide the participants with different knowledge even in terms of correct and incorrect knowledge. This is something that we found in the case of SPN, where the union stated that most of their members were aware of codes of conduct but that their understanding varied. The respondent later explained to us that she considered some workers to have received false trainings on codes of conduct, mainly provided by suppliers. In a few cases this had led to workers having what the respondent refers to as an “incorrect understanding”, where the workers were instructed to memorize the codes in case of a sudden inspection from the buyer. Similarly, Jiang (2009) describes how the suppliers train workers in giving correct answers to audit teams.

In the example provided by SPN, the workers were further taught that they are the ones who have to make the buyer believe that the codes are being implemented in order to avoid a situation where the buyer closes their order from the supplier. This is contrasted with what is referred to as the “correct understanding” where the workers receive objective information that lets them know that the codes are there to protect workers’ rights and are to be followed by the supplier. This is an interesting example showcasing the importance of having access to knowledge and this could also be connected to the above discussion on the effect of different sources of knowledge.

In addition to this, our four cases indicate that union members who received their training by the supplier’s management are more prone to using codes of conduct directly in their negotiations with the supplier. However, that might only hold true if the training was of higher quality and reflected a fair illustration of what codes of conduct are and how they can be linked to workers’ welfare. A risk connected to this could, on the other hand, be that union members who are trained on codes of conduct by management only receive fragmented versions of what codes of conduct are and only from the supplier’s perspective. Hence, there is a risk that the workers are mainly informed about the content of the codes, thus providing them with content-focused knowledge whilst not receiving any practical guidance into how this could actually be used as a tool for improving workers’ rights which would result in a lack of process-focused knowledge.

Despite the aforementioned risk, scholars such as Yu (2009) indicate that there is a need for collaborations between unions and suppliers in supplying workers with education. This is to some extent happening in Indonesia today, as illustrated in the case of PT Dong One. However, this type of collaboration might have effects in terms of decreased independence of the unions. According to Yu (2009), unions involved in this kind of agreements are generally less responsive to violations caused by the management, while they are more active in process-oriented issues concerning for example wages.

This would indicate that the collaboration between the supplier and the union could oppositely have detrimental effects on the unions' activities and subsequently the workers' conditions, which further illustrate the complexity of this issue.

Additionally, there are examples of codes of conduct-trainings organized by international buyers in Indonesia. Respondents from SPN have been involved in this type of training through the buyer GAP, and they state that the quality of the training is better compared to trainings provided by suppliers. In instances where the buyer organizes trainings, there are also ancillary benefits as the buyers' presence has increased the communication between the workers and the buyers, according to the SPN representatives. According to Amaeshi et al (2007), such training of staff and value orientation is a powerful tool for a buyer to influence the supply chain and improve the relationship between the supplier and the buyer. This notion is further supported by Nitsch et al (2005) who state that intervention in order to reduce fear of retribution is very important to encourage reporting of violations of codes throughout organisations. However, clearly the international buyers' attitude toward the suppliers influences if the training is aimed at improving the relationship with the supplier or with the workers and the union.

Moreover, one could consider the possibility that labour unions receiving training on codes of conduct by international buyers are more interested in nurturing direct relationships with the buyer, or its representation office. This could, in its turn, influence the choice of codes of conduct-strategy since labour unions receiving such training, could be more prone to use codes of conduct in direct discussions with the buyer. Hence, these unions would then, to a greater extent, choose to bypass the management in using codes of conduct as a strategy for solving disputes.

**Table 2.** Overview of propositions

<b>Codes of conduct-education</b>
<p><b>Proposition 1:</b> Unions with a high level of process-focused knowledge are more flexible in adapting the codes of conduct-strategy to the specific issue at hand, compared to unions with a high level of content-focused knowledge.</p>
<p><b>Proposition 2:</b> Unions with greater knowledge in the mechanisms of codes of conduct are more likely to use threats as a strategy in communicating with the supplier and the buyer.</p>
<p><b>Proposition 3:</b> Unions choice of codes of conduct-strategy is influenced by the source of the codes of conduct-training that they receive.</p>

### 5.2.2 International networks

As buyers are concerned about protecting their brand, Indonesian labour unions have realized that this opens up a new avenue of strategies in which international networks can play a role in pressuring the buyer to respond to the lack of implementation of codes of conduct throughout their supply chain. The importance of allying yourself with other social movements and international actors is broadly recognized by previous research in enabling unions to face the challenges of an internationalized economy (Fairbrother, 2008). According to GSBI representatives, the Indonesian unions need international support due to their own lack of capacity and bargaining power. Hence, the contact, or “backing” from the international community can increase the union’s bargaining power in relation to the supplier, thus constituting an influential strategy. This is needed as several respondents claim that international buyers are not responsive to local interventions by unions because as they phrase it “*buyers are not related to the local organization*” (Interview General Secretary, FSPTSK, 100317, Jakarta). Similarly, previous research elucidates the importance of unions developing both internal and external bases of solidarity in proactive ways in order to meet new challenges as posed by multinational companies (Fairbrother et al, 2007).

The mechanism behind the strength of international networks is the ability to communicate local problems in a global context, thus shaming the international buyer into taking action through international campaigns. Due to the effectiveness of earlier campaigns, buyers today are hesitant to risk the exposure of such bad publicity and therefore the mere knowledge of the fact that a labour union has international affiliations is occasionally sufficient for the issue to be resolved (Gökhan and Fransen, 2009). Consequently, the strategy of using codes of conduct is based on the use of consumer power and the international networks constitute channels of communication through which Indonesian labour unions can reach for instance Swedish consumers. This places the international networks in the top of the codes of conduct-food chain and it is the ultimate threat that pressures international buyers into demanding that their suppliers implement the codes. Through this tool, the unions can come to terms with the lack of enforcement that is connected to codes of conduct. As a result, exerting pressure through an international network is, from a labour union-perspective, often considered a stronger tool than having direct contact with the supplier, or buyer.

In approaching international networks for support in using codes of conduct, the support can express itself in different ways. International networks support the local unions, with information about the buyers in order to facilitate the contact between the two, as indicated in both the case of FSPTSK as well as SBSI 92. In some cases, the role of international networks is mainly to provide information about the workers' situation at the factory to the international buyer. Additionally, international networks also arrange international campaigns on certain labour rights issues as illustrated in the case of GSBI. In comparing our different cases, our empirical findings indicate that access to international networks generally results in the labour union being more open to bringing issues further than only approaching the supplier, thus, making use of different types of support from the international level.

**Proposition 4:** Unions with access to international networks are more positive towards using codes of conduct-strategies involving the international buyer and international networks.

### 5.2.2.1 Type of international network

Having access to international networks is relevant to all the Indonesian unions that we have studied, however the form and the role of such a network can differ. Some of the unions, such as SPN work in cooperation with international union federations such as the ITGLWF. Meanwhile, others such as GSBI, are more prone to collaborate with international NGO:s such as the Clean Clothes Campaign (CCC). It is important to note, though, that the CCC is an interesting case of an INGO that was established by several union confederations. Their work with local, as well as regional campaigns seem to fulfil a role that is very similar to the one of the international union federations, which illustrates that there are no clear-cut boundaries between their roles in supporting union strategies.

Moreover, our findings indicate that Indonesian labour unions use these networks in different manners to achieve different objectives. We have seen that the international union federations can support unions by providing training and continuous support in their communication with buyers, as illustrated in the case of SPN. Meanwhile, INGO:s are mainly used to receive access to contact information to buyers or for international campaigning on a case-to-case basis as illustrated for instance in the case of GSBI. Correspondingly, Hyllman and Zandén (2007b) conclude that there are two main strategies that unions and NGO:s use in affecting transnational corporations, either by promoting global agreements or codes of conduct. Traditionally, the unions favour global agreements and NGO:s favour codes of conduct where unions' response, by initiating international framework agreements, is described as an efficient response to the challenges of globalization (Wills, 2002). Thus, this suggests that the type of international affiliate that the unions have can influence their choice of strategy. Accordingly, our findings indicate that the choice of codes of conduct-strategy is, to some extent, influenced by the union's international affiliate. More specifically, our results indicate that the type of international affiliate that the unions have can influence their choice of approach in terms of whom they communicate with regarding the codes of conduct. In other words, unions with access to different types of international networks, will select differently when determining their codes of conduct-strategy.

Additionally, our results point towards that unions that are affiliated with international union federations, such as SPN, are more prone to focus on internal capacity building and are more positive towards using codes of conduct-strategies involving direct contact with the buyer. It is possible that these international union federations are more prone to negotiate directly with the buyer as this is more in line with traditional union strategies, compared to international campaigns. Oppositely, unions that mainly cooperate with INGO:s, such as GSBI, are more positive towards taking matters to international campaigns. This was illustrated for instance in the case where GSBI initiated an international campaign when a worker in one of Nike's factories was unrightfully dismissed due to a work-related accident. This example shows that GSBI do use other initial codes of conduct-strategies, however, the union tend to rapidly proceed by initiating international campaigns.

Thus, in the case of Indonesia, the unions that collaborate with INGO:s tend to be less afraid of the potentially negative effects of international campaigns, e.g. that the buyer could withdraw the contract from the supplier, as compared to the unions that collaborate with international union federations. This might be due to the fact that they have more experience of using international campaigns. Also, the union representatives who collaborate more with INGO:s emphasize that it is the buyer's decision to cancel an order and that this is something that they can inform people about with the support of international organizations, which might explain why they are less hesitant towards initiating campaigns.

**Proposition 5:** Unions that collaborate with INGO:s are more positive towards taking matters to international campaigns, whilst unions cooperating with international union federations are more positive towards contacting the international buyer.

#### **5.2.2.2 Buyer presence**

Lastly, our findings indicate that when the international buyer is not present through local representative offices in Indonesia, then unions mostly initiate contact with the buyer via their international networks.

The same pattern is clear in situations when the unions don't have the contact information of the buyer. This is evident in the case of SPN, but even more so in the case of GSBI, as they need international networks in communicating with buyers such as Marks & Spencer who are not present locally. Thus, the unions become more dependent upon external support when the buyer doesn't have any representative office in Indonesia. However, in some cases the unions still choose to go via international networks even though there is a representative office on site, since some perceive it as most of the decision-making power is concentrated to the head office. Therefore, contacting the regional offices are seldom relied upon as the sole strategy, even though representatives from FSPTSK claim that international buyers with representative offices often are more responsive to union demands.

**Proposition 6:** Unions are more likely to use codes of conduct-strategies involving international networks when the buyer is not present in the country.

**Table 3.** Overview of propositions

<b>International networks</b>
<p><b>Proposition 4:</b> Unions with access to international networks are more positive towards using codes of conduct-strategies involving the international buyer and international networks.</p>
<p><b>Proposition 5:</b> Unions that collaborate with INGO:s are more positive towards taking matters to international campaigns, whilst unions cooperating with international union federations are more positive towards contacting the international buyer.</p>
<p><b>Proposition 6:</b> Unions are more likely to use codes of conduct-strategies involving international networks when the buyer is not present in the country.</p>

### 5.2.3 Characteristics of issue

Stating that the character of an issue, or in other words the type of issue involved in an industrial dispute, actually affects the choice of strategy might seem evident at first sight. However, we find it interesting to take the reasoning one step further by attempting to see how this affects the manner in which labour unions use codes of conduct. Several scholars emphasize that it is important to understand under what conditions sustainability codes can prove to be useful in contributing to a positive change for workers (Gökhan and Fransen, 2009).

To start with, a large number of our respondents claim that a basic characteristic for an issue, for which codes of conduct can be used, is that national law regulates it, which is emphasized by both representatives of FSPTSK and SPN. As Rodriguez-Garavito (2005) shows, a corrupt legal systems often forces labour unions to find other tool for improving workers' rights. Thus, in the absence of enforced laws, unions in developing countries are left with private regulations such as corporate codes of conduct. Paradoxically, our findings point towards that even though the Indonesian legislation is not always enforced, the fact that the law covers an issue strengthens the possibility of using codes of conduct to solve the violation of the code. The union representatives sometimes even refer to codes of conduct as an interpretation of the existing Indonesian law. This is closely connected to the fact that international buyers use the ILO Conventions as template when drafting their codes of conduct, and the same conventions were actually used to inspire the revised parts of the Indonesian law stipulating labour rights. This means that whenever the law is violated, simultaneously the factory's codes of conduct are violated and therefore the union can let the case be processed through the legal system parallel to using codes of conduct-strategies.

One plausible explanation to why this is important to Indonesian unions in determining their strategies, could be that a violation of both the law and the codes of conduct increases the pressure on the buyer, and subsequently on the supplier.

One could also express this in terms of that in the following “naming and shaming-campaign” the buyer’s brand would not only be accused of violating its own codes, but also of violating the national legislation. Thus, using codes of conduct in a case where a legal violation can be proven is more efficient compared to an issue where the violation doesn’t encompass a legal breach. As illustrated in Gökhan and Fransens’ (2009) research, codes of conduct can provide a level of protection for organized industrial relations especially in cases where this is concurrent with existing legal frameworks. Additionally, the case involving the worker Yuni at PT Dong One illustrates how failed attempts of using legal measures resulted in SBSI 92 using codes of conduct by approaching Nike.

**Proposition 7:** Unions are more likely to use codes of conduct-strategies if the issue at hand concerns a violation of national law, compared to when it’s only a violation of the corporate codes of conduct.<sup>1</sup>

Moreover, our empirical data indicates that certain types of issues are more easily dealt with by using codes of conduct as strategy as pointed out by the General Secretary of FSPTSK amongst others. Thus, our findings support previous claims stating that codes of conduct can raise the minimum standard for workers regarding e.g. health and safety but fail to address the underlying social norms and embedded patterns of power as outlined by Barrientos and Smith (2007). Egels-Zandén and Hyllman further strengthen this point “*Codes of conduct narrowly focus on the outcome components of workplace democracy, while neglecting process components such as shared sovereignty, participation, and access to information and education*” (Egels-Zandén and Hyllman, 2007b, page 15). Meanwhile, our findings indicate that basic rights can be protected by using codes of conduct in approaching both the supplier, buyer as well as international networks. Such issues are protected in Indonesian legislation and include for instance child labour and Freedom of Association as well as cases where employees are fired due to unjust reasons.

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<sup>1</sup> Bearing in mind the importance of this statement in the Indonesian context, we decided to provide the reader with this background since it supports our further reasoning on the subject. Therefore, we included this proposition though it answers the question of when, rather than how, unions use codes of conduct-strategies.

In all these issues, our findings point towards that codes of conduct can be used as a strategy by the union in all three approaches since it is possible to put pressure on both the management and the buyer in cases where there are evident violations of the basic rights as stipulated by the codes of conduct. Also, these types of issues are more commonly used in international campaigns, since cases involving for instance workers who have been unrightfully fired tend to draw attention to them. In scrutinizing the motives of international networks, and specifically INGO:s these actors are keener on campaigning on issues that are easily publicized, following the fund-raising logic.

On the other hand, in issues that are not protected by law, which could be characterized as process-related issues, unions tend to use other strategies since it is more difficult to initiate an international campaign regarding those issues. In the case of Indonesia, codes of conduct could hardly play a role in campaigning on process-related issues internationally. It would be difficult to campaign on issues such as increasing the wages for Indonesian textile workers, as pointed out by GSBI representatives amongst others. The reasoning behind this is partly that this is a type of issue that requires the involvement by other national parties, such as the wage councils and governmental bodies, in attempting to increase the minimum wages. Thus, an international campaign would not prove to be sufficient in order to solve issues of that character. To summarize, the characteristics of issue initially determines whether codes of conduct can be used as a strategy by the union or not. Additionally, our findings indicate that in cases involving the protection of basic rights, unions more often choose to use international campaigning as a tool for improving workers' conditions.

**Proposition 8:** Unions are more prone to use international campaigns in cases involving violations of basic rights, as opposed to process-related issues.

In addition to this, our results indicate that another characteristic of issue that influences the union' choice of strategy is the severity of the issue at hand as pointed out by SPN as well as FSPTSK.

Severity is here used in a broad sense, thus we refer both to the graveness of an issue as well as to the number of people involved. According to several of our respondents from both SPN and GSBI, the unions initially conduct a comprehensive review of the case at hand, to decide what strategy is appropriate to apply for the specific issue. In dealing with severe issues, especially in the sense that it involves many people, the unions are more open to selecting strategies with potentially greater impact, which often implies more heavily publicized cases. Thus, if an issue arises which would constitute as a minor case involving only a few individuals, or if it concerns issues such as Friday prayers or lunch breaks, then the unions prefer to solve the issues by approaching the supplier directly, for instance in bi-partite negotiations. Similarly, with an issue of medium severity, the unions prefer to communicate directly with the international buyer without approaching the supplier first.

However, when an issue or a dispute with the management involves many workers, or if it is a matter of a threat in terms of closing down the factory, the unions prefer to approach the international networks directly without approaching the other actors first. In very severe issues some unions even tend to act forcefully by initiating an international campaign as the initial strategy. There are several possible explanations to why international networks and campaigns are used mainly in cases of severe character, one being that there is a risk involved in using the international network to pressure the buyer, as this might lead to that the buyer decides to cut the order.

Therefore, this strategy is only used when the issue is worth the risk. Furthermore, another contributing factor is that, to be able to initiate a campaign the issue at hand must be of a serious character in order to attract attention from the consumers. To sum up, the overview below illustrates how the severity of the issue affects the choice of codes of conduct-strategy.

**Table 4.** Illustration of the relationship between the severity of issue and choice of codes of conduct-strategy

Severity of issue:	Low	Medium	High
Choice of strategy:	Supplier	International buyer	International networks

**Proposition 9:** Unions prefer to approach international networks directly in cases where the violations of the codes of conduct are severe, thus bypassing other codes of conduct-strategies.

Furthermore, our findings indicate that issues involving lower costs, for instance in an issue regarding a company refusing the workers' right to attend the Friday prayer or similar, are more likely to render positive results from the negotiations with the supplier, as well as the buyer. This is due to the fact that codes of conduct are seldom accompanied by money for the implementation, which makes the costly codes of conduct less likely to be implemented, as indicated by the reasoning of a representative on the national board of SPN. Hence, a costly corrective action to avoid a violation of a code would probably not be solved as easily as a cheaper one in approaching the supplier. As illustrated in previous research, suppliers are sensitive to costs, and as a result many suppliers struggle with the implementation of corporate codes of conduct due to the related costs (Gökhan and Fransen, 2009). As a result, one could suppose that if the issue at hand is a violation that involves a more expensive part of a code, this would probably influence the choice of strategy on the behalf of the union. A potentially expensive corrective action can therefore result in the union going directly to the international buyer or international networks, thus bypassing the supplier as they would need the external pressure in order to enable the supplier to ensure compliance with the codes. Consequently, the opposite also seems to hold true based on our empirical material, as less costly policies are more easily negotiated directly with the supplier. Thus, the following overview illustrates how the cost of the implementation of codes of conduct affects the choice of codes of conduct-strategy.

**Table 5.** Illustration of the relationship between the cost of corrective action to ensure compliance with codes of conduct and choice of codes of conduct-strategy

Cost of compliance with codes of conduct:	Low	Medium or high
Choice of strategy:	Supplier	International buyer or international networks

**Proposition 10:** Unions choice of codes of conduct-strategy is influenced by the cost of corrective action to ensure compliance with the codes of conduct.

Additionally, our results generally indicate that the responsibility of proving a violation of codes of conduct lies with the union in their communication with the international buyer, as well as with international networks. Therefore, is it important to provide evidence when attempting to solve a dispute and the better the evidence is, the quicker the response will be. This creates a difficulty for the unions, as some issues are inherently more difficult to prove such as harassments or threats as outlined especially by SPN representatives. For instance, it is easier to communicate to the international buyer that there is a lack of an item in the physical environment, such as clean facilities, than to prove that the leaders of the plant level union are being harassed. This need for hard evidence puts a great demand on the local level union, and their level of codes of conduct process- and content-focused knowledge.

Furthermore, one could suppose that the demand for evidence in cases involving codes of conduct violations is higher in communicating with both the buyer, as well as international networks, compared to the supplier. Since the supplier often is directly involved in the issues that arise, the requirement on the union to prove the violations of the codes is not as acute as in relation to the other two. As the international buyer as well as international networks operate on distance, and often do not have first-hand knowledge of the violation at hand, the union needs to make sure that they can provide proof in asking for their assistance.

This is especially important if the intent is to initiate an international campaign, since the union must be able to meet potential counterclaims as posed by the supplier or the buyer with solid proof. As a result, unions that are not able to provide proof of violations of codes must resolve to using codes of conduct by approaching the supplier.

**Proposition 11:** Unions that cannot provide proof of codes of conduct violations use codes of conduct-strategies directed towards the supplier.

Lastly, our findings on overall point towards another insight, namely that the characteristics of issue, or rather that the underlying actor responsible for causing the issue, will determine which of the three main strategies are applicable when using codes of conduct. As illustrated in previous research, one must consider labour rights issues in a broader sense as “employment relations” where a multitude of actors and strategies are possible and ought to be matched by the underlying power structure (Kaufman, 2008). The general pattern illustrates that contact is always initiated with the one that is perceived as able to exert pressure on the actor who has violated a right stipulated in the codes of conduct. This means that when a supplier causes an issue, for instance by denying the workers their right to attend the Friday prayer, the union will choose to contact the buyer in order to receive support from them in exerting pressure towards the management. Consequently, if the buyer causes an issue related to reluctance to implementing their own codes of conduct throughout their supply chain, the union will choose to contact international networks, either by reaching out to their affiliations within international union federations or by asking for support from INGO:s. As a result, they can find international support in exerting pressure towards the buyer with the aim of solving the issue. This could also be related to a discussion on when the three different strategies are used, as explained by the level of severity of an issue.

**Proposition 12:** Unions tend to approach the actor that they perceive can exert pressure on the one responsible for violating a right stipulated in the codes of conduct.

**Table 6.** Overview of propositions

<b>Characteristics of issue</b>
<p><b>Proposition 7:</b> Unions are more likely to use codes of conduct-strategies if the issue at hand concerns a violation of national law, compared to when it's only a violation of the corporate codes of conduct.</p>
<p><b>Proposition 8:</b> Unions are more prone to use international campaigns in cases involving violations of basic rights, as opposed to process-related issues.</p>
<p><b>Proposition 9:</b> Unions prefer to approach international networks directly in cases where the violations of the codes of conduct are severe, thus bypassing other codes of conduct-strategies.</p>
<p><b>Proposition 10:</b> Unions choice of codes of conduct-strategy is influenced by the cost of corrective action to ensure compliance with the codes of conduct.</p>
<p><b>Proposition 11:</b> Unions that cannot provide proof of codes of conduct violations use codes of conduct-strategies directed towards the supplier.</p>
<p><b>Proposition 12:</b> Unions tend to approach the actor that they perceive can exert pressure on the one responsible for violating a right stipulated in the codes of conduct.</p>

## 6 Concluding remarks

We have conducted a study of Indonesian labour unions' usage of codes of conduct in their work for improving workers' conditions in the textile- and garment industry. As a result of the scope of this thesis, we delimited ourselves to including labour unions active within the Indonesian Codes of conduct-network. Thus, we chose to focus our field study to four labour unions including; Federasi Serikat Pekerja TSK (FSPTSK), Gabungan Serikat Pekerja Independen (GSBI), Serikat Buruh Seluruh Indonesia 92 (SBSI 92) and Serikat Pekerja Nasional (SPN). In attempting to grasp how these unions work with codes of conduct, we interviewed union representatives with responsibility for strategic issues at national level in all cases, and we further attempted to nuance this with plant level interviews in two of the cases. During the process of gathering the empirical data, we were inspired by grounded theory and consequently coded our material with the aim of developing empirically generated propositions, which were presented as propositions throughout our analysis. Our hope is that these propositions can elucidate interesting elements that influence how unions use sustainability codes, as well as indicate starting points for future research. By phrasing these propositions in a concrete manner we hope to inspire researchers to further test whether these claims hold true in other contextual settings.

Overall, our findings show that codes of conduct encompass not *a single strategy* for Indonesian labour unions to improve workers' conditions in the textile-and garment industry, but rather *several strategies*. As outlined, the unions use codes in different approaches, or codes of conduct-strategies, depending on which actor is the target of the pressure. Drawing on our findings, we have identified three main strategies with related sub-strategies illustrating how Indonesian labour unions use codes of conduct to improve workers' conditions in the textile- and garment industry. Firstly, labour unions approach the supplier with the aim to solve issues and this is done either through informal discussions, bi-partite negotiations or by using threats of contacting the buyer. Secondly, approaching the international buyer is another strategy for how unions can use codes. This includes asking for assistance from the buyer in pressuring the supplier into implementing the codes, alternatively threatening the buyer with international campaigns.

Lastly, our findings indicate that unions occasionally approach international networks as a step in the strategic usage of codes of conduct. This is done with the aim of either receiving contact information for the buyer, support in contacting the buyer, or assistance in the form of international campaigns.

Moreover, there are naturally several elements influencing Indonesian labour unions' decision of how to use corporate codes of conduct-strategies. We chose to focus on key internal elements emphasized in our empirical material. The concepts selected for our analysis can be characterized as internal in the sense that these elements of influence are directly connected to the union activities. Evidently, there are additional external elements that will influence the choice of strategy in terms of which actor to approach with a codes of conduct violation. However, we have chosen to leave these out, as this discussion is not within the scope of this thesis. Most importantly, our findings indicate that codes of conduct-education, access to international networks as well as the characteristics of issue are the three most important elements influencing Indonesian labour unions' decision of how to use corporate codes of conduct.

More specifically, we found that codes of conduct-education, including dimensions of both the type and sources of knowledge, influences the codes of conduct-strategy appointed by the union. Thus, we propose that unions with a high level of process-focused knowledge are more flexible in adapting the codes of conduct-strategy to the specific issue at hand, compared to those with a high level of content-focused knowledge. In addition to this, a greater knowledge in the mechanisms behind codes of conduct will lead to that the unions are more likely to use threat-based strategies towards the supplier and the international buyer. Lastly, we recognize the importance of codes of conduct-training and propose that the source of this training influences the choice of codes of conduct-strategy.

Furthermore, our findings indicate that unions' access to international networks is another element of importance in influencing unions' choice of codes of conduct-strategy.

Thus, we propose that unions with access to international networks are generally more prone to use codes of conduct-strategies that involve buyers, as well as international networks. Additionally, the type of international network that the union is affiliated with, influences the type of sub-strategies that the union is likely to focus on. Lastly, we propose that unions are more likely to use strategies involving international networks when the buyer is not present in the country.

In addition to this, our findings point towards that the characteristics of issue is also an element of influence to the union's choice of codes of conduct-strategy. Consequently, we propose that whether an issue is regulated by law initially determines whether codes can be used. More specifically, whether it is an issue concerning basic rights, and not a process-related one, influences the decision to use codes of conduct through international campaigning. We further propose that in issues of a severe nature, unions will bypass other codes of conduct-strategies and approach international networks directly. Similarly, unions will choose different codes of conduct-strategies based on whether the corrective action required for the compliance with the codes of conduct is costly or not. Moreover, we propose that the unions will adapt their choice of codes of conduct-strategy based upon their ability to provide proof of a violation of codes. Consequently, they will approach the supplier in situations where they lack sufficient proof of a violation. Lastly, the unions tend to turn to the actor that they perceive as having the power to exert pressure on the actor responsible for the codes of conduct violations.

We hope that our findings can bring forth new interesting points of departure for future research and that our propositions contribute with parts of the puzzle in describing how sustainability codes can be used by local actors. Moving forward, there is a need to proceed by posing more extensive questions focused on when the use of different codes of conduct-strategies are efficient. If the choice of codes of conduct-strategy is influenced by all these elements, further research is needed to determine under what circumstances a certain strategy is successful.

This raises questions regarding how the unions themselves, their international networks, the international buyers and the suppliers can contribute to an environment where local actors can play a role in enabling a long-term implementation of sustainability codes in the textile-and garment industry. These are all relevant questions that could be explored, where the main aim ought to be to contribute with a deeper understanding of how corporations' CSR work can trickle-down to those who need the improvements the most. In realizing such goal, several actors could play a role, which points out the further need for understanding how civil society can use codes of conduct in a bottom-up manner.

To conclude, a broader implication of our study is that the usage of corporate codes of conduct could potentially strengthen the Indonesian labour movement and brings about a positive change for workers within the textile-and garment industry. This would suggest that codes of conduct could not simply be dismissed as mere marketing tricks from the corporate-side. To use the words of the Secretary General of GSBI, Indonesian unions are able to utilize corporate codes of conduct to their advantage in improving workers' rights. Even though little is known on this subject, our study still illuminates the potential impact of this new bottom-up approach to implementing sustainability codes, thus making it an interesting development to follow over the years to come.

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## 8 Appendixes

### 8.1 Appendix 1: Interview questions

Date

Name of respondent

Name of the union/organization the respondent is representing

What do you work with here at the xxx?

\*Could you briefly describe what the overall vision of xxx is?

\*How many members does the xxx have and how many are working full time in the union?

Can you tell us about the organizational structure of your union? For example: what does the national level work with and what does the plant level work with?

What different strategies do you use to improve workers conditions?

Could you describe the main reasons to why you work with these strategies?

Are you familiar with codes of conduct?

Have you received any training in codes of conduct? (By whom?)

What is your view of codes of conduct?

In Sweden we perceive codes of conduct as a contract between the international buyer (brand e.g. Nike, Adidas) and the Indonesian supplier (sub-contractor) and what we are trying to figure out is if this contract could be used by Indonesian unions here as a tool for instance in a situation where the Indonesian supplier doesn't follow the codes of conduct. Have you ever used a buyer's codes of conduct towards the supplier to make them improve their workers' conditions?

Did you talk directly to the supplier's management, contact the international buyer or go through an international network/NGO?

What made you decide to use codes of conduct as a tool for influencing buyers/suppliers?

Can you give any examples of factors that influenced this decision?

Are there any dangers in using codes of conduct?

Does your organization work with codes of conduct in any other way?

Can you give any examples?

Do you have any example of when your union representatives at plant level have been in contact with buyers independently from the national office? Or is it only you at the national level who contact buyers?

When a problem arise say in for instance a textile factory and your members ask you for help, how does your organization decide when to contact the buyer and when to use other means?

Can you give any examples?

Does your union collaborate with any buyers or suppliers in implementing their codes of conduct? And if so, what types of activities does this collaboration include?

Can you give any examples? (Such as; monitoring or helping educate the workers on the content of the codes of conduct.)

When would you say that using codes of conduct is most effective? For instance, is using codes of conduct better for issues regarding wages, freedom of association, working hours or other ones?

Can you give any examples?

How is knowledge about codes of conduct important both on a national level as well as on plant level, in enabling you to use codes of conduct as a tool?

Can you give any examples?

Is your organization part of any international network and if so how does this affect your choice of strategies? For instance, does this international network help you with contacting buyers?

Do you have anything to add, or do you have any final questions for us – otherwise we would just like to thank you for this interesting interview.

\* Question marked with this symbol will only be asked once per union.

## **8.2 Appendix 2: Interview guide**

### **Federasi Serikat Pekerja TSK (FSPTSK)**

General Secretary

Secretary of the Provincial level in DKI Jakarta

### **Gabungan Serikat Pekerja Independen (GSBI)**

Secretary General

Chairperson/ Gender program officer

### **Serikat Buruh Seluruh Indonesia 92 (SBSI 92)**

General Secretary of the branch level North Jakarta/ KBN

Vice General Secretary of the branch level North Jakarta/KBN

Union leader at the Pt Dong One factory (plant level representative)

National Board representative

### **Serikat Pekerja Nasional (SPN)**

Head of the Social-Economic section at the national level

Representative on the national board

Leader of DPE Bandung City

Vice leader of DPE Bandung City

Secretary of SPN plant unit at PT. Grantek (Bandung)

SPN Management, plant level unit at PT Falmaks Indonesi (Bandung)

Plant level representative at the unit at PT Bigha Trigana Garmen (Bandung)

Plant level representative at the unit at PT Asosiasi Cotton (Bandung)

Plant level representative at the unit at PT Perchina FIRSTA Garmen (Bandung)

**Asosiasi Pertekstilan Indonesia (API)**

Executive Secretary, Board of Directors Indonesia Textile Association.

**Federasi Garmen, Kerajinan, Tekstil, Kulit dan Sepatu/ National Board of Federation Garment, Crafting, Textile, Leather and Shoes (FGARTEKS)**

Representative at the national office

**International Trade union Confederation within the textile industry (ITC)**

Vice president

**The International Textile, Garment and Leather Workers Federation (ITGLWF)**

Policy Assistant to the General Secretary

**Lembaga Informasi Perburuhan Sedane-Sedane Labour Resource Centre (LIPS)**

Director

**Local Initiative**

Director

### 8.3 Appendix 3: List of codes used in Atlas.ti

The codes used to structure the material are the following:	
Union strategy	Codes of conduct secondary solution
Local level strategy	Codes of conduct-training
National level strategy	Codes of conduct used
Strength of union	Negative result from communicating with buyer
Weak union influence	Negative effect of codes of conduct
Weak regulation	Positive effect of codes of conduct
International network	Union-buyer relationship
Communication with buyer	Union-supplier relationship
Communication with supplier	Buyer-supplier relationship
Collaboration with buyer	Buyer presence
Few buyers	Buyer responsibility
Local level contact with buyer	Buyer strategy
National level contact with buyer	Pressure sensitive
Codes of conduct and knowledge	
Codes of conduct strength	