How can we promote pro-poor iterative adaptation? Reforming global governance?

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<u>Politically smart, locally-led</u> collaborations are all the rage in international development. Through <u>iterative adaptation</u> and experimentation, states can improve their capabilities and learn what works for them. So sings the choir.

But we also need to recognise that governing elites will experiment in ways that further *their* priorities, which are shaped by the wider domestic and international political economy. So how can outsiders ensure that our commerce, trade, and geopolitics actually encourage pro-poor experimentation?

Take the global garment industry: a major generator of jobs, exports and economic growth. But factory work is often poorly paid, precarious, and dangerous. Overt resistance is deterred by the prevalence of <u>short-term</u>, <u>insecure contracts</u>; <u>fear of job loss</u>; <u>patriarchal trade unions</u>; <u>and management intimidation</u>. Even if workers do protest for higher pay, firms and governments are often unresponsive – for fear that price-competitive global buyers will relocate to countries with lower costs.

Buyers seek low costs to remain price competitive on European high streets. Workers, manufacturers, retailers and governments perpetuate this system in order to preserve jobs, orders and economic growth. Unilateral deviation is costly. This creates a major collective action problem: risking another <u>Rana Plaza</u> (the factory collapse that killed over a thousand Bangladeshis).

So, how can rich countries support workers' rights, activism, and pay? To answer this question, I researched the political drivers of pro-worker reforms in Vietnam. I investigated why the Government became increasingly supportive of independent unions (freedom of association), a higher minimum wage, social dialogue between management and workers, and collective bargaining.

What motivated reform?

TL;DR: strikes, commerce, pressures from reputation conscious buyers, trade deals, and geopolitics.

Dissatisfied by their working conditions, Vietnamese factory workers have expressed discontent by <u>strikes</u>. These are made possible because skilled labour is now in short supply in industrial zones; companies' are desperate to maintain production; and the state has tolerated both strikes and positive media coverage of them. In this context, strikes generally succeeded. News of victories inspires wider mobilisation. This alarms manufacturers – concerned about productivity, deadlines, and reputation-conscious buyers. Strikes also triggered Government concerns about its own legitimacy.

Keen to address workers' concerns and prevent escalation, some have become more experimental: introducing social dialogue. This was championed by the <u>Better Work Programme</u> (an ILO-IFC initiative, with reputation-conscious buyers, to improve working conditions). Through gradual familiarisation, diplomatic phrasing, incremental adjustments, ongoing engagement, and inviting the government to undertake its own research, Better Work allayed elites' anxieties about engaging worker representatives in dialogue. Reformists then used evidence of its effectiveness to win over conservative colleagues.

The experience of Better Work may be useful for other donors trying to engage politically: recognising that they are merely providing a space for local governments, businesses and workers' organisations to explore policies that address *their* concerns. By testing new initiatives, pilots may shift perceptions about what is feasible, and how others will react. This alleviates anxieties about the unknown.

The <u>Trans-Pacific Partnership</u> also galvanised reform. This free trade agreement offered greater market access, as well as stronger international partnerships and military security. But the US demanded something in return: compliance with international labour standards, especially Freedom of Association.

Such trade-labour agreements are often described as '<u>external pressures</u>', '<u>forcing countries to be</u> <u>good</u>'. That's not what I found. Listening to Vietnamese actors, it seems that trade deals can legitimise domestic discussions on hitherto silenced, stigmatised subjects (such as Freedom of Association); enable supporters to speak openly, explore these ideas without fear of sanction; realise their views are widely shared; and build reform coalitions.

However, many conservative politicians in Vietnam feared independent unions and resisted TPP. Such concerns lessened in 2014, when China deployed an oil rig in a disputed region of the South China Sea. This triggered <u>widespread</u>, <u>violent anti-China protests</u> throughout Vietnam. Although many conservatives were anxious about TPP and FOA, reformists used this crisis to reveal the dangers of the status quo: military insecurity, faltering economic growth, and ongoing strikes.

In November 2016, Vietnam's Central Committee announced they would <u>permit independent trade</u> <u>unions</u>. Three days later Donald Trump was elected and promptly withdrew from TPP. Without the USA's economic and geopolitical incentive for FOA, government reform stalled. Presently, independent <u>labour activists are being arrested and beaten</u>, as part of a wider <u>crackdown on dissidents</u>.

Here we see the combined power of strikes, responsible business practices, trade deals, and geopolitics. All these levers can support a more enabling environment for women workers' activism.

Thus, while the international development community increasingly champions iterative adaption, my research in Vietnam highlights the complementary importance of domestic and transnational political pressures for pro-poor reform.

So, let's broaden the toolkit: harness more powerful drivers of change; engage with lead buyers; strengthen corporate accountability (via the <u>Bangladesh Accord</u>, and <u>France's Duty of Vigilance Law</u>); harness trade deals, and geopolitics. Tackling global governance (reforming *our* supply chains) could build a more enabling environment for workers' activism and pro-poor experiments.