

Center for Strategic and International Studies

TRANSCRIPT

Event

“The 2023 Forum on Business and Democracy”

Panel 2: Advancing Labor Rights to Build Stronger Democracy

DATE

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FEATURING

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Deputy Undersecretary for International Labor Affairs, Department of Labor

Kevin Cassidy

*Director and Representative to the Bretton Woods and Multilateral Organizations,
International Labour Organization*

Nate Herman

Senior Vice President, Policy, American Apparel and Footwear Association

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Marti Flacks: We're going to keep on going straight into our next panel and our next discussion, which is on advancing labor rights to bring a stronger democracy. I'm consistently surprised how many people see economic inequality as the single biggest threat to democracy. This is what surveys consistently show. And so a conversation around labor rights and what happens inside the workplace is an incredibly important part of today's forum and for any conversation about the role of business in democracy. So this panel is going to discuss how companies can support sustainable democracy by respecting the rights of workers in their operations and throughout their supply chains.

I'm going to introduce our panelists and invite them to join me on stage as I do so, beginning with Thea Lee, who is going to provide us some framing remarks to introduce the session. Thea is the deputy undersecretary for International Labor Affairs at the U.S. Department of Labor, where she leads – you can come up and sit down – where she leads U.S. government efforts to strengthen global labor standards, enforce labor commitments, promote equity, and combat child labor, forced labor, and human trafficking. She's been an advocate for workers' rights, both domestically and internationally, for over 30 years, including most recently as president of The Economic Policy Institute and for more than 20 years at the AFL-CIO.

Joining the panel following Thea's remarks are going to be Nate Herman, senior vice president for policy at the American Apparel and Footwear Association, which represents more than 1,000 industry name brands. Nate oversees AFA's policy department and manages the association's lobbying, policy, and regulatory affairs activities, as well as their corporate social responsibility program, formulating and implementing CSR policies, and representing AFA and the industry on CSR issues.

And Shawna Bader-Blau is executive director of the Solidarity Center, the largest U.S.-based international worker rights organization, partnering directly with workers and their unions, and a member of the National Endowment for Democracy family. Shawna has worked in this field of international development and human rights for 25 years, and has lived or worked in more than 25 countries.

And finally our moderator, Kevin Cassidy, director of the International Labour Organization Office for the United States and Canada, and representative to the Bretton Woods and Multilateral Organizations. The ILO is the only tripartite U.N. agency that brings together governments, employers, and workers, to set labor standards, develop policy, and devise programs promoting decent work for all. Kevin previously served as the senior communications and economic and social affairs officer at the ILO

Office for the United Nations, as well as with the ILO's global campaign on promoting fundamental rights at work.

So first I'm going to welcome up Thea for some introductory remarks, and then we'll turn things over to Kevin for the panel. Thea, thank you.

Thea Lee: Well, thank you so much, Marti, and to CSIS for bringing us all together today, but also for the great work that you do all day, every day in this space. It is wonderful to be here with all of you, and with this stellar panel that you have to look forward to, to talk about how advancing labor rights is critical to both defending and advancing democracy.

We know that strong labor movements are essential for healthy, inclusive democracies. Independent democratic trade unions provide workers a voice in the workplace, community, and the political system, so they can defend their rights, advance their interests, improve wages and working conditions, and have a voice in the policies that affect their lives. Unions and employers can work together through collective bargaining to craft solutions that balance the needs of workers with those of business. And there's a lot of evidence that shows that countries where workers leverage collective bargaining to set wages and working conditions have less inequality. And Marti was just talking about that.

The contrary, sadly, is also true. Where unions are repressed through violence, intimidation, private sector action, weak laws, or weak and inconsistent enforcement of labor laws, there is both inequality and lack of democracy. There is a direct correlation between strong unions and poverty reduction, economic growth, and other key development goals. One reason is that freedom of association and collective bargaining inherently build democratic muscle and culture among workers. And that is why authoritarian and undemocratic governments fear that above all else.

When unions have a meaningful voice in policy development and regulation through tripartite mechanisms, with unions, employers, and government at the table, whether at the workplace, in the industry, or at the national level, the economic, political, and social relations, systems, and institutions essential for democracy thrive. And this is the reason we need to strengthen the capacity of democratic worker organizations to take action to protect workers in unions in countries where worker rights and democratic values are under threat.

And unfortunately, these threats happen all over the world. In rich and poor countries, in north and south, in east and west, including in the United States of America. The Summit for Democracy, which we're very

proud to be part of today with this event and another one we'll have later at the Labor Department, but from 2021 the Summit for Democracy recognized and underscored the connection between economic democracy and political democracy.

And one expression of this is our recently launched Multilateral Partnership for Organizing Worker Empowerment and Rights, which we call MPOWER. It's a great acronym, and I didn't come up with it. And the U.S. Labor Department cochairs that, along with the International Trade Union Confederation. We're also proud to have the State Department USAID and the U.S. government as partners. And we welcomed the governments of Canada, Germany, Spain, Argentina, and South Africa just in the last couple of months to be founding members of MPOWER.

It brings together – MPOWER brings together governments, labor, philanthropy to promote an enabling environment for freedom of association and the right to collective bargaining, to strengthen the capacity of democratic unions to organize, represent workers, and to facilitate the conditions for unions to be active participants in a vibrant civil society, including as a critical partner in social dialogue.

And one of the things that I've seen in this job, which I've been in for almost two years now, is that when there are tripartite mechanisms in a country like Honduras, where workers and unions – unions, and employers, and government can sit in a room all together and hash through some of the issues, that creates a space for dialogue that is incredibly valuable. And it does change outcomes. And it changes culture. And I think that was mentioned in the previous panel. MPOWER has delivered on its pledge to devote almost \$130 million over the next couple of years to strengthen freedom of association and collective bargaining globally. And we're very pleased about that.

So today's meeting and the summit's call to action to the private sector are so important because of the private sector's critical role in this work. This includes your efforts as employers to invest in your workforce, as well as management and due diligence systems throughout the supply chains, taking a highroad approach to business and ensuring the full spectrum of labor rights, as defined by the ILO Fundamental Principles and Rights at Work, the rights to freedom of association and collective bargaining and protections against child labor, forced labor, and discrimination.

But in addition to modeling responsible behavior, the private sector must and can speak out against and stand with workers and trade union activists who are under threat for calling to account their governments or their employers. And we heard some of that in the previous panel, very

interested to hear how the big companies like Meta and Google are engaging in this space. The private sector's voice and action to protect worker rights is actually, in some ways, more powerful than that of governments, or civil society, or unions, because it is unexpected.

So one of my messages today is that, for the private sector, I want you to understand, you should never underestimate the power of your voice with respect to freedom of association and collective bargaining. Ensuring that there are adequate resources in governments, where one of the key issues is there's never enough resources for labor, inspection, and enforcement, but there never will be if we keep pressuring countries to cut taxes down to the bone so that they don't have the resources to devote to that. But it is something that's clearly in the interest of responsible businesses to have a consistent government enforcement of labor laws so that the good players are not undermined and undercut by the bad players.

But we have come a long way since 2011, when the world agreed on the U.N. Guiding Principles on Business and Human Rights. Since then, we've seen the regulatory landscape shift in line with the Protect, Respect, and Remedy Framework. So that is governments protect workers with strong laws and enforcement. Companies have a responsibility to promote and respect internationally recognized worker rights in their supply chains. And together, we collaborate on remedy.

And those standards are now moving past voluntary. We see that the European Union is developing strong, mandatory due diligence systems to promote decent work throughout their global supply chains. The U.S. is taking a different, more outcome-based approach, through enforcing our prohibition on imports of goods that are made wholly or in part with forced labor, and leveraging the Uyghur Forced Labor Prevention Act and trade tools, such as the rapid response mechanism of the USMCA, that ensures respect for labor rights at the factory level.

We're also seeing a growing number of companies engage in outcomes-focused supply chain agreements with their suppliers and workers. This includes the International Accord for Health and Safety that grew out of the horrific loss of over 1,000 workers' lives nearly 10 years ago in the Rana Plaza factory in Bangladesh. The accord has now expanded to Pakistan, and other companies have committed to similar enforceable agreements in the garment sector in Lesotho and India to eradicate gender-based violence and harassment at work. These are just a few examples of growing engagement with unions in the design and implementation of systems aimed at delivering on the Protect, Respect, and Remedy Framework. Highroad, binding approaches are at the center

of our efforts to conceptualize what's next in the responsible business space.

Freedom of association and collective bargaining deserve protection in their own right, but they are also enabling rights that are essential to building robust due diligence systems that deliver real outcomes for workers and other rights holders. We know that actually can't get rid of forced labor and child labor if we don't also respect freedom of association and collective bargaining, because having unions at the workplace is an essential element to effective enforcement and implementation. And that helps us minimize also human trafficking, among other types of labor exploitation.

But think about for a minute the difference between a union on the ground, in the factory, or in the field everyday elected by the workers. This model, in principle, should be more effective than corporations spending millions of dollars and sending thousands of high-paid monitors to parachute around the world, tentatively knocking on the factory door, and being even only the access that is convenient. A union is there every single day. It is trusted. It is democratic. These are the pieces of the puzzle that I think create a new future global framework for private and public accountability for labor rights outcomes in the global economy.

Governments, private sector, workers, and their communities are on the front lines to grow and connect our effort. This engagement democratizes the policymaking space, contributes to more effective outcomes, and represents a critical element of support to free and independent unions. Real, independent, democratic unions are challenging to both governments and business. But they're important, precisely because they're difficult. And I ask you in the private sector to recognize that this is an inherent and a real contradiction, and partner with us in this important work.

Governments are acting. And I'm very proud to be part of the Biden-Harris administration with a worker-centered trade policy. This is extraordinary. In my lifetime – as Marti said, I've been doing this work for 30 years. But I've never seen the level of commitment that we see from this particular administration. But at the end of the day, governments cannot succeed without the full-throated cooperation and enthusiasm of the private sector. We can regulate out the wazoo around transparency and other things to require more transparency. But at the end of the day, businesses will always have more information than we can even dream of.

And business can drag its feet. And I know nobody in this room is in that category of businesses who would rather spend the money to hire lawyers

and fight, and fight, and fight, and fight unionization, and fight improved labor laws, and minimum wage, and health and safety of the workplace. Or businesses can come together and be partners in building a robust and vibrant democracy around the world, using the power of trade and investment to make that happen. So I'm delighted to be with all of you today. I'm sorry I can't stay for the full panel that's going to panel, but I know that you have here both allies and deep thinkers. And I'm very much looking forward to what they have to say. And I wish you a tremendously fruitful and productive rest of the day. Thank you so much. (Applause.)

Kevin Cassidy: So I take that as the cue to start. So good morning, good afternoon, wherever you may be, online or here in person. Thanks very much to CSIS for convening this, and to Marti personally for inviting me to be here. Our two speakers today, I think they've been introduced so we'll go right into it. And for me, it's really a joy to be here, because what we're seeing here is freedom of association and collective bargaining sort of in action. Workers need a voice. They have to have a democratically elected institution that is helping them. And also for businesses that they have associations and chambers of commerces that help them as well to navigate the world of work.

So I'd like to start riffing off a bit of what Thea Lee was saying earlier about how respect for labor rights, you know, provide resilient and strong democracies. So on the business side, you know, American businesses are overseas. You're very visible. You're very exposed on that. And you give us examples about how businesses are supporting democracy and some specific case examples, if you have some, Nate, please.

Nate Herman: Sure. And thank you for the opportunity to be here today. Yeah, there are a number of examples where the – where the business community, in our case the apparel and footwear industry has been very active trying to promote labor rights, trying to promote civic space, because of the importance of democracy for our ability to work and conduct business every day. And so one of those examples, and that we've worked a lot with a lot of labor groups, a lot of NGOs, advocacy groups, is in Cambodia, where we spent a lot of time between the period of 2015 and 2020 trying to advocate for the promotion of labor rights.

If anyone knows the situation in Cambodia, the civic space has shrunk dramatically in the country over the last five to 10 years, to the point where the labor unions and workers were essentially the only civic space left in the country. And so by trying to support labor rights, supporting the right for unions to organize, trying to promote – or, prevent the watering down of the arbitration council in Cambodia, we're actually trying to support the remaining civic space that exists, trying to expand that civic

space, and then hopefully you build the foundations to – where Cambodia could eventually return to a more democratic country.

Because we realize in that case, if the last piece of civic space, the labor movement, disappears in Cambodia, then there's no rule of law in the country. And then our businesses are directly at risk in that country. Cambodia's become a very important sourcing destination for our industry. And we need to make sure that the rule of law exists. And only rule of law can exist is with democratic institutions. And labor is the fundamental part of that. Labor also are our eyes and ears on what's happening on the ground. And Thea talked a lot about that. Is that we need that visibility on the ground that only labor can give. That we don't have people on the ground 24/7 in every single factory and every single location.

So Cambodia is a good example. Obviously, we have a long way to go in Cambodia. They're still not going in the right direction there. And so that's something that we're going to be continuing to work on, and we are continuing to work on today. Another area where we've done a lot of work, and we've done this in part with the International Labour Organization, as well as many others, is our work in Uzbekistan. Uzbekistan, as a legacy of the former Soviet Union, every fall for their cotton harvest, which is their main product and their main export item, they would basically mobilize hundreds of thousands of people, empty out the hospitals, empty out the schools, empty out the government offices and put them all in the cotton fields.

And over a 15 year period – and that seems like forever – starting back in 2007 we came together with labor groups, with NGOs, with the International Labour Organization, with governments to start the cotton campaign. And to really lobby for the elimination of government-orchestrated, government-imposed forced labor in Uzbekistan. And we were finally – over the last few years – finally successful in ending that. And the reason that's important, again, is that, as Thea mentioned, you can't have labor rights if you have forced labor. You can't have – you can't prevent forced labor unless there are labor rights.

And so in the case of Uzbekistan, by ending the systemic forced labor that existed in the country, we created the civic space that now has started to lead, although it's very hit and miss right now, starting to lead to the creation of freedom of association, where workers are empowered, and creating larger civic space for NGOs to operate, which then hopefully will lead to other reforms in the country. So there are ways to move forward. I'll stop there. There's other examples, but I'll stop there for a moment.

Mr. Cassidy: And thanks for mentioning those examples. I mean, certainly we're involved in both. What I'm hearing also is the political will is kind of the magic sauce on all of this. Where in Cambodia it's been a little bit weak, and in Uzbekistan very strong to get to this point. I think Uzbekistan, we know that we need investment there now. So now the boycott is over, and the like.

So talking about Cambodia and now recognizing Chhim Sithar is under arrest. I don't know if she's been released as of yet. You know, what are the vulnerabilities that workers are facing in these environments? And what more can companies do? And then, more importantly, are you invited to the table to discuss these issues and offer solutions?

Shawna
Bader-Blau: OK. Well, thank you so much. It's great to be here. Thanks to CSIS and to Nate and also to Kevin. And you'll forgive me, the beautiful trees are really, like, eating my allergy. I'm sure many of you have the same thing. (Laughter.) So forgive the strange voice sound.

So absolutely. There are three – come to mind for me three fundamental ways that businesses can play a much more constructive role in the advancement and protection of democracy and democratic freedoms around the world than we have historically seen. And actually, the two examples Nate just gave are emblematic of two primary, like, really good ways.

You know, and we work at Solidarity Center for workers across 70 countries every single year. The organizations they are a part of have 70 million members. So we're – you know, the lessons I want to share here have to do with conversations we've had with workers in agriculture, construction, factories, offices, domestic workers all across the world over 25 years. It's three fundamental ways.

So first, in the workplace itself. You know, think of your own lives. Think of your work life. You're here now, but you go back to some other job, or you've had other jobs in your life. You think of your family, think of your own life. Often the best part of your day, your waking hours, are actually given to work. You're trying to contribute productively to something, you're building. If those eight or 10 or 12, as the case may be, hours that you are spending every single day are a source of dignity, a feeling of pride and production, you leave feeling good and feeling like a contributor.

But the reality for the vast majority of workers around the world, particularly in low-wage work, is the opposite. That those eight, to 10, or 12 hours a day in the workplace are actually lived in conditions often of lawlessness, where fundamental laws that are supposed to be applied to

your benefit are not. Minimum wages, health and safety standards not applied, overtime not applied. Your fundamental right to form unions and have collective bargaining completely skirted and very often not enforced laws by the government, but also as practiced by your employer in the private sector.

And so those eight hours are not a time of dignity. They're a time of repression and indignity, where sexism and racism as well are endemic. And so that's one sphere of life where if democracy is going to really deliver, the workplace is a fundamental place for democracy to really deliver or real people. And the private sector has a major role in making sure that those fundamental rights and laws are not undermined in the daily lives of workers but, in fact, are uplifted.

The second is at the community or national level. The extent to which private sector businesses and employers are actually interfering in the development of law and policy in countries to undermine and roll back human rights that have been fought for and won by social movements and by labor movements, versus helping to uplift them, that's a fundamental way that around the world, very tangible for the average worker, average working person. Are businesses undermining laws that protect workers' rights or are they neutral or uplifting those laws at the national level?

And then finally the third, on the global level. How is our global economy structured? We talked – Marti mentioned right in the beginning that inequality is a huge drain on people's sense of whether or not democracy is delivering and whether or not they believe in democracy, when they see so much rampant wealth and income inequality, which leads to political inequalities in countries as well. How is the global economy functioning? And what is the role of the private sector and investors in advancing a global economy that is rules based, that has norms that respect and protect fundamental human rights?

And I'm talking here about global trade arrangements, trade preference programs. I'm also talking here about the importation of goods with forced labor. Are we allowing it or not? What is the role of business in helping develop laws and norms, not that undermine those fundamental human rights in the global economy, but uplift them? Those are three fundamental spheres – the workplace, the national level, and the global economy – where workers around the world can really benefit from feeling a stronger pro-democracy voice from the private sector.

Mr. Cassidy: Shawna, I'm going to stay on this point just a few minutes. I mean, it's good to hear that you articulate that. You know, work has always been the nexus between the economic and the social. Very important for us. And of

course, if the governments are not providing for their citizenry, they feel the government has failed them and then they're looking for change. In terms of your engagement with companies in the past, you know, this process of social dialogue – you know, the means of communicating – do you think that that's working? Or what changes need to take place in order to have a really respectful social dialogue, and something that is impactful on those countries that you're working in?

Ms. Bader-
Blau:

Well, fundamentally around the world there are, of course, many examples of times when workers and employers and the private sector are hammering it out, negotiating it, and fixing a problem. And here I'm talking about not only formal employment, but even the informal economy where that also takes place. And those negotiations between workers and employers are fundamental to democracy.

I watch in my own family. I watched my own mother in the course of her career, working-class woman, rural California, became a nurse, became a union activist, and became a union leader. This is in Los Angeles in the 1980s. My own mother, watching her transformation from shy and feeling a little bit like she doesn't have any voice or power to getting to sit across the table from this mega employer, the biggest hospital in southern California, and negotiate over wages and working conditions. The power that my mother felt for the first time in her life in that negotiations has reverberated through my entire life. That transformation is really significant.

And when it applies across huge portions of society, poor people, disenfranchised people, people who societies say that you're lesser because of your race, because of your gender, or because of your ethnicity, when you get that power in that moment and you undo those power dynamics that society is imposing otherwise on you, it's transformational. And that feeling moves outside of the workplace into community. Your ability to play a more powerful and vocal role in collective action in society is enhanced by that experience. So I want to say, around the world, where businesses and workers are coming together, fighting it out – angry, annoyed, don't like each other, whatever – still doing it, is fundamental to democracy not only at work but in societies and how people experience democracy.

So it is the case that there are these moments of real, important transformational change. And I would also say the opposite is usually the case. The reality is, for the vast majority of workers on Earth, that is not their experience. For the vast majority of working people, they are one occupational injury or disease away from absolute destitution, because there is no social protection in the country in which they live and they

have no health insurance provided by the state or by the employer. That they are one sexual harassment incident away from feeling as if they cannot go back to work, and losing their livelihood because of the insecurity of the situation and inability to address it.

And so the reality is, in more cases than not, the role of the private sector is not filling the gap of government regulation and is not standing in to advance and support the fundamental human rights of workers, in more cases than not. We really do feel that the role of the private sector and global business is, in fact, a missing voice in the fight for democracy and democratic freedoms and values around the world. And when they speak, as Nate mentioned has happened in the cases like Uzbekistan and Cambodia, it makes a tremendous difference. And we would call on, you know, more private sector actors to take that step.

Mr. Cassidy: You raise an important point. We'll circle back in a moment to governance gaps and the like. So, Nate, on your side, with your members and so, how are they engaging with civil society or groups like the ILO that are in this space globally? Are you finding that to be a good relationship? Are you building bridges? Maybe the experiences from the business side on that.

Mr. Herman: I think we're moving in the right direction. The issue that Shawna highlights is that we're not doing it consistently across the board. There are certain situations that raise to a level where, for example, I'm able to engage my members to finally – to act, to work together to address issues. In Cambodia it was a clear example of that, Uzbekistan. Coming out of COVID, as Shawna was talking about, there were a lot of situations where there was attacks on worker rights which, in many cases, were attacks on democracy themselves. Because when you undermine worker rights, that's the first step towards undermining democracy. And so we saw laws going into place in Indonesia, in India, in Pakistan, trying to undercut wages, trying to undercut worker rights, that we try to fight against.

But the issue is that we're not doing it consistently across the board. One, that's just, in part, a bandwidth issue and just trying to have that management across the entire world. But otherwise, it's just that we're trying to run businesses every day. And so it's hard to get people to focus that these larger issues, while not impacting you today, will impact you tomorrow. And trying to have that longer-term view. So in the areas where we have engaged, we have good relationships with the ILO, with governments, with labor, with advocacy groups. The issue is that we're not doing it across the board. And that's the – that's an area where we need to improve.

Ms. Cassidy: And, Nate, I'll stick with you on this because we'll circle back to that governance issue. You know, we often hear that, you know, companies are there are to do business, it's a transaction, but sometimes feel powerless in situations where you have weak jurisdictions or poor enforcement of those labor laws. Do you think that brands have a responsibility to sort of step in when we have those gaps and, through the process of dialogue, create a more appropriate response that we would want to reflect the democratic values that we're projecting?

Mr. Herman: So, yes, but there are limits to that. The industry, business community, cannot be the world's policemen. That there is a role for governments, and governments can't abdicate their role in what they're supposed to be doing, in this case protecting their workers, protecting their own people, protecting labor rights. But businesses do have a role to try and move things in the right direction, or prevent things from going in the wrong direction. And so that's where the role that we really need to step in more consistently than we do today. But, yeah, that's where I would think where the focus really should be, is trying to get governments to do what they should be doing anyway, because we can't be everywhere, we can't do everything.

In our case, the apparel and footwear industry in many countries is only one part of their economy. So our industry can't do it alone. Even if we try and get other industries, it's – we can't be everywhere and do everything. So there is a role for governments. There's a role for international institutions. And there's a reason for everyone to work together to try and resolve issues.

Mr. Cassidy: I don't – I'm not asking business to take over the role of government. (Laughs.) So the ILO does have a convening role of bringing those three partners – businesses, and workers, and countries – together on that matter.

I mean, Shawna, maybe focusing on that, you know, about this idea of governance and so. I mean, you know, there are examples, like the accord, that we can point to. And so where there was a sort of an agreement that we needed to fix some things. Maybe you could speak a little bit about that, and what is the 2.0 accord or the 3.0, looking over the horizon?

Ms. Bader-Blau: Well, first, I just want to say – start by saying, you know, we had a panel earlier and there'll be one later where we're talking about major companies with enormous wealth, power and influence, who are in fact driving the future of work, driving the development of technology that will govern what work looks like for all of us in this room and everyone around the world, and doing so without sort of taking on the democracy element

of that. And so it feels really important to just put out there that when we're talking about the role of the private sector versus, you know, governments and governance, that it can be inverted as well.

And the reality is, if we're talking about major tech companies, a small number of them, a small number of people making enormous amount of decisions about – when we're talking about the development of artificial intelligence and other forms of new technologies that will, in fact, lead to an entirely changed world for how we all live and experience work. Small number of people making decisions in a small number of capitals outside of and separate from government regulation. That's a serious question to look at in the future of democracy, not just the future of work. What do those rules that are being set up look like, and who's influencing them? So I just want to park that.

At the same time, of course, you know, human rights – the whole human rights apparatus – I mean, we have these aspirational, wonderful, and we love them, international institutions, like the ILO. We're hugely invested in the ILO. The whole international human rights system. But these are – these are largely nonbinding, aspirational goals we have. U.N. Charter of Human Rights, bill of human rights, et cetera. Global business is very often governed in ways that have binding, arbitrable realities.

So in many ways, the human rights of individuals are governed at the national level. Like, my right was violated. I got to deal with that in my local court. So they might suck or they might be good, but that's – I'm going to sink or swim there. Whereas business, and international business in particular and the global investors, have international, you know, bodies that govern their rights. It's a total mismatch. So in the reality it does mean, of course, that democracy delivers at the level of countries, and that we need great governance from governments, and we need it responsive to citizens.

But we also need to be attentive to the fact that there is a whole other realm of power, that is super governmental, that is run by international business, that affects all of our lives. So just two fast examples on a way that we try to bridge – workers have tried to bridge some of these gaps here. One has been mentioned a few times today. There was this agreement in a global supply chain context in a tiny country of Lesotho, an amazing country with a wonderful history of labor movement, negotiated between unions, women's rights organizations, the local factory, you know, there. This is apparel, jean – they make jeans. And three U.S. global brands.

All of them got together, negotiated an agreement together, and agreed to make this agreement not only apply in Lesotho in the local courts, but also in New York, binding international arbitration to enforce, what rights? The fundamental right to have unions and the fundamental right to have a workplace free to sexual harassment, sexual violence in that supply chain. It is possible to bridge this gap of international law and domestic regulation in the future of work in a way where workers have a seat at the table. And it has been done in several cases mentioned today. It's few and far between, and it's far too rare.

Mr. Cassidy: Just for you, out in the audience, who are not familiar with the International Labour Organization, we're a 100-year-old institution coming out of the Treaty of Versailles. Our function is really on a normative role, but it is not the bureaucrats of the ILO that negotiated. It is the representatives from the trade unions. It is the representatives of business. So it's not unusual to see Walmart, or Disney, or others at the table negotiating that. So it really is, you know, the actors of the real economy making those changes.

Maybe on a last question here, just to both of you, to throw it out, you know, there are a growing number of laws around the world that are, you know, focusing on due diligence, looking at business operations globally. There's Germany, the EU, there's the withhold and release orders and so, labor provisions in trade agreements. This is constraining the operating environment for bad actors. So, Nate, in response to that, what are businesses doing to meet those objectives? And what are the concerns that may have on the business side? And then to Shawna.

Mr. Herman: Sure. The – so these due diligence laws are asking you to go back all the way to the raw material in your product to determine any – in the case of Uyghur Forced Labor Prevention Act – if you have any nexus with Xinjiang and the horrible atrocities that are happening against Uyghurs, to – or, the European due diligence proposal to make sure you have no nexus with human rights violation or environmental degradation in any way. So this is a huge task for industry.

To give an example, since we talked a lot about cotton around here now, so if you have a cotton apparel product, the cotton that's used in that product is five to six steps back in the supply chain. So you have the manufacturer of the jeans – since Shawna mentioned jeans. You have the manufacturer of the fabric, the manufacture of the yarn that goes into the fabric, the cotton trader that sells the cotton to the yarn spinner, the cotton ginner who processes the raw cotton into a useable form that sells it to the cotton trader, and then you have the cotton farm.

And that cotton could have traversed maybe 10 countries before it gets to the final place where the jeans are made. In our industry, we are what is predominantly called a contract industry. So we don't even own the factory that makes the jeans. We contract with that factory. So you're talking about – we're a number of steps away from that. And so what we've been doing over the past five to 10 years is trying to map that supply chain so that we can see where is the impact happening? Because we know that the impact is not always at the factory making the jeans. It can be way up the supply chain, back to the cotton farm.

And so we've spent a lot of time trying to get visibility in that. It's not easy. It's not simple. It's not fast. But that has been our goal, because we know not only is it the way to comply with all these new laws coming into effect, but it's the right thing to do. If we want to be more sustainable, the issues where you have – could have pollution of the environment, where people are dumping things in rivers, could be way up the supply chain. Where bad chemicals are being introduced, can be way up the supply chain. Where forced labor is can be way up the supply chain.

And so in order to have a real impact, we know that we have to have full visibility back all the way to the raw material, which is not a simple process to get there. And so that's the issue that we're dealing with right now, is that these laws are sort of retrospective, and we're trying to fix everything prospectively, and trying to match the two.

Ms. Blader-
Blau:

And this is actually really critical right now. At this moment, 2023, in history, we're actually in my 25 years of being active in global labor rights witnessing the most severe crackdown on the fundamental rights of workers in the history – you know, since I've been operating. We have entire labor movements who've been eliminated and crushed in countries like Belarus and Hong Kong. We have a military coup in Myanmar that destroyed all of democratic practice in the country. And one of the biggest civil society institutions being the labor movement. And on and on. Eswatini, Zimbabwe – there's a long list. We have more labor leaders in jail in Iran right now than at any point of time in the history of the independent labor movement there.

So there's a lot at stake. And the due diligence efforts that Nate is describing are absolutely critical to ensure that business is not playing, and global investment is not playing a role in supporting these actions against fundamental human rights defenders in the labor rights sphere. The reality is workers in a country like Myanmar – all of whom labor leaders whose passports have been stripped, who are living under house arrest or in exile – will tell you: We would rather zero foreign investment in our country than one more dollar from an international government

going to prop up a military regime. That's workers in their own country talking about their own situation.

And I listen to that, because the reality is that in their view and the future of their democracy, supporting a military junta in any way is more – does more damage than good. And the reality is, a military regime does not support labor rights, OK? (Laughs.) It does not advance freedom of association. And the same can be true across so many supply chains. If you're an international – if you're a company operating internationally, you're stuck with the democracy issues. You've got no choice. They're there.

And the reality is, what is the role – when we think about the future of the work, and future of democracy – what is the role of corporations? What is the role of business? Is it simply to generate profit for shareholders? And if it is, then that's one answer we have. And I would say that takes us increasingly down a dark role – like, hole into negativity and bad outcomes. Or is the role of business to make a contribution to our communities and our societies, which is actually the reality that people experience when they have good jobs? You know, when they have good jobs and good careers, that that private sector employer has made a positive contribution to their community, to their society, and their lives? What is the role of business? And that's the fundamental question when we're talking about the intersection of business and democracy.

Mr. Cassidy: You almost ruined my last question. In forty seconds – in forty sections just to say, for trade unions democracy means, and for business, democracy means. What's your elevator pitch? What is your quote for today? Shawna.

Ms. Blader-
Blau: For -

Mr. Cassidy: For trade unions, democracy?

Ms. Blader-
Blau: For trade unions, democracy means equity at work, freedom in your society, and opportunity for all people regardless of your background at work and in your country.

Mr. Cassidy: Nate.

Mr. Herman: For companies, democracy means that we have rule of law, full transparency and visibility to what's happening, full respect for workers, and full ability to make sure that we're working with the communities and the workers where we operate.

Mr. Cassidy: Great. Shawna, Nate, thank you very much. Thank you, ladies and gentlemen. (Applause.)

Ms. Flacks: Thank you so much, Kevin, and Nate, and Shawna. Fantastic discussion. We're going to take a short break, 15 minutes. Please have a coffee, or tea, or a snack. And please be back in your seats at 11:00, when we'll resume. Thank you.

(END)