
discussions of critically important (and often divisive) contemporary issues pertaining to FDI and MNE activities. It has this reviewer's highest recommendation.

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Implementing Codes of Conduct: How Businesses Manage Social Performance in Global Supply Chains. By Ivanka Mamic. Geneva: International Labour Office and Greenleaf Publishing, 2004. Pp. 429.

An increasing number of companies outsource all, or parts of, their production to low-wage countries with poor social and environmental standards. Concurrently with the increase in outsourcing activities, still more consumers and business-to-business customers express concern for the environmental and social conditions under which products are being produced. However, long-distance outsourcing often makes it difficult for companies to ensure that their products are being produced under socially and environmentally sound conditions. Ivana Mamic, who works with the International Labour Office (ILO) on its programmes designed to implement voluntary corporate social responsibility in global value chains, reports the findings of ILO's investigation that was conducted between 2000 and 2002 into three sectors — global sports footwear, apparel, and the retail sector.

The purpose of the book is to identify and examine the ways in which companies adopt, implement, and evaluate policies regarding codes of conduct in their global business operations. The research addresses two specific questions: firstly, what are the management systems that enterprises use at the multinational enterprise (MNE) and supplier level to set, communicate, implement, and evaluate progress in attaining the code of

conduct objectives; and secondly, how are these management systems linked, and how do they interact, between MNEs and their suppliers? *Implementing Codes of Conduct* provides useful knowledge to enterprises attempting to meet their social, ethical, and legal obligations, and to help policy-makers understand the complex interactions between business objectives and corporate social commitments.

A pertinent finding of the book is that the sports footwear industry, often criticized for alleged violations of fundamental labour standards, has made greater progress in implementing worker-friendly codes of conduct than the apparel and retail sectors. The author observes that brand recognition and intense consumer scrutiny have led the sports footwear companies analysed in the book to develop more sophisticated approaches to code implementation. It attributes the success of the sports footwear industry to effectively applying financial and human resources to compliance efforts.

Another finding is that companies should move away from "policing" as the best way of ensuring compliance towards an approach in which workers are empowered to oversee their own workplaces. Simply focusing on the numbers does not reveal the entire picture. While a large compliance team can mean improved social performance of a firm's supply base it also depends on the role that compliance staff play with suppliers. MNEs need to move away from a "policing" model of compliance to a more consultative role with workers being empowered to oversee their own workplaces. This includes having a clear vision reinforced by top management commitment, effective training, and geographically dispersed teams able to provide "hands-on" assistance at the supplier level.

The study also highlights the significant challenges facing the retail sector as a result of the extremely large and continually changing supply bases. In addition, the diversified mix of products handled by the retail sector results in difficulties identifying the entire supply chain. According to the author, progress is being made where serious efforts are being expended by buyer firms and

where linkages between suppliers and buyers are the tightest. As such, the sports footwear sector, where linkages are very tight between producers and multinational brands, has seen more success than the apparel sector, where progress has been spottier, and the retail sector, where in some areas even minimal compliance is not taking place.

Against this backdrop, the book provides a detailed summary of the management systems used by MNEs in the code implementation process. It puts forth a framework for analysis based on the elements of the creation of a vision, the development of understanding and ability, integration into operations and feedback, improvement and remediation, and demonstrates the complexities of the code implementation process. It is the author's view that for such a framework to be implemented effectively, appropriate knowledge, responsibility, authority, resources, and motivation must be distributed throughout the enterprise.

Based on interviews with managers, activists,

government officials, factory workers and workers' representatives and visits to over ninety enterprises and suppliers in the United States, Europe, China, Vietnam, Thailand, Cambodia, Sri Lanka, Guatemala, Turkey, and Honduras, *Implementing Codes of Conduct* represents one of the more extensive research conducted to date into the emerging nature of corporate social responsibility and global supply chains. Its objective is to provide useful examples and lessons learned to companies, policy-makers, and others interested in implementing their own code of conduct or who are actively involved in this field. Given the increasing link between corporate social responsibility and profits, this book is an invaluable tool in understanding and managing the opportunities and barriers facing companies, which wish to exercise social and environmental responsibility in their supply chains.

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