

concerned that the code would be the lowest common denominator approach to the issues. The document was not a code but only loose guidelines companies could adopt for their use at the recommendation of the Retail Council (the business side's leader). It lacked reference to ILO standards, did not address monitoring, and the freedom of association clause was weak. During the final meeting of the working group (March 2000) the content of the association clause was further debated without any result. The Retail Council and the manufacturers indicated they intended to present their own codes and that they would be, in part, a product of the process that had taken place in the CPET. There would be further collaboration in codes' development without a provision for monitoring that would involve NGOs and labour.

While academics tend to blame the break down of these and other initiatives on the government's unresponsiveness to bottom-up approaches, the NGO assessment of what went wrong with CPET is surprisingly state-centric. The ETAG complained that the government did not come through with needed funding and was not willing to pressure associations and companies on support of ILO core labour rights. ETAG pointed out that it was the limits imposed by Chinese sovereignty that made Canadian companies (which import one third of all clothing by value from China) reluctant to deal seriously with the issue of freedom of association. Finally, there was the American factor playing itself out in the growing domination of the Canadian market by U.S. retailers, in the failure of the Clinton-inspired AIP, and in the Clinton administration's proposal to include environmental and labour issues in the Seattle meeting of the WTO (i.e., the American legislation would determine the international agenda). International organisations, notably the ILO, came out very weak. In conclusion, John English pointed to the chasm between the members of the working group. The talks would go further, if the two parties knew each other's concerns better.

### Comments

**Virginia Haufler** (Carnegie Endowment for International Peace, University of Maryland) said that the presentations reflected the growing influence of civil society organisations in global governance. Their increasing visibility and prominence helps bring issues, such as the need for developing corporate codes of conduct, to the fore of public debate. She argued that the adoption of corporate codes of conduct is uneven and depends on the differing effects of globalisation. Among the incentives for companies to adopt codes of conduct are attitudes of shareholders, the danger of state-imposed codes, and reputation. The NGO community faces similar dynamics as the reputation and credibility of NGOs are indispensable to their operations. There are several challenges when trying to develop codes of conduct. What is included and what is left out? Who participates in the code's development? What is the best way to monitor such codes? In conclusion she said that while business accepts government involvement, there exists fundamental distrust between business and the NGOs, leaving room for facilitation.

**Toshihiro Menju** (Japan Centre for International Exchange) was encouraged by the improving situation of NGOs in China and raised the challenge of developing a vibrant civil society there without territorial disintegration. Comparing the situation in China to that of Japan,