

MASTER THESIS

The 18th of September 2023,
Münster, Germany.

Assessing domestic policy instruments in the global division of labour:

How can the German Supply Chain Due Diligence Act (LkSG) improve the unequal participation in the global division of labour and promote sustainable development in a capitalistic system?

by

Marie Schürmann

Master of Science European Studies
University of Twente (UT)

and

Master of Arts Comparative Public Governance
University of Münster (WWU)

Supervisors:

First Supervisor: Prof. Dr. Antonia Graf

Second Supervisor: Dr. Le Anh Nguyen Long

Abstract:

This paper explores the potential of the *German Supply Chain Due Diligence Act (LkSG)* to improve the unequal participation of countries in the Global South in global value chains. The focus is on social and environmental aspects, while acknowledging the limits of comprehensive sustainable development within the current capitalist economic system. Using the theoretical approach of political economy, dependency and world systems theory, the paper balances the unequal participation in the global division of labour that goes back to post-colonial dependencies and persists in the current world economic system. Through the fragmentation of global production networks and production locations along the value chain, multinational corporations (MNCs) can further expand their growing influence and profit from the structural disadvantage of countries in the global South. In an increasingly decoupled neoliberal market, MNCs use their influence and the economic interests of the state to prevent regulation in the form of legally anchored corporate due diligence. Global governance also fails to find a satisfactory answer due to the lack of a central governance actor and the increasing erosion of the nation state. In the context of a globalized world, the paper identifies a regulatory gap that can be partially closed by legally anchoring corporate due diligence in global value chains.

The research questions explore how the LkSG can mitigate postcolonial dependencies and inequalities in supply chains, enhance equitable participation in international trade and promote sustainability in line with the Sustainable Development Goals.

Based on a combination of literature and self-conducted expert interviews, the paper analyses the LkSG as a step towards a more equitable global division of labour and sustainable development and emphasises the need for further improvements and an extension of its scope to the European level. By analysing the impact and effectiveness of the LkSG, this paper contributes to the discourse on international trade, corporate responsibility, and the pursuit of a more equitable global economic landscape.

Keywords: global supply chains, division of labour, globalization, labour standards, due diligence, international trade,

Table of Content

1. INTRODUCTION	6
1.1. RESEARCH QUESTION	7
1.2. RESEARCH DESIGN	8
1.3. SCIENTIFIC AND SOCIAL RELEVANCE.....	9
2. THEORETICAL BACKGROUND	10
2.1. POLITICAL ECONOMY.....	11
2.1.1. <i>Dependency Theory</i>	11
2.1.2. <i>World-Systems Theory</i>	13
2.1.3. <i>Fundamental Approaches</i>	14
2.2. GLOBAL PRODUCTION NETWORKS	14
3. GLOBAL GOVERNANCE	15
3.1. LABOUR GOVERNANCE	16
3.1.1. <i>The State-Business Nexus</i>	17
3.1.2. <i>Smart-mix regulation</i>	19
3.1.3. <i>Governance through IGOs, NGOs and civil society</i>	20
3.2. REGULATORY GOVERNANCE GAP	21
4. METHODOLOGY	23
4.1. SAMPLING	23
4.2. DATA ANALYSIS	24
5. PARTICIPATION IN THE GLOBAL DIVISION OF LABOUR	26
5.1. DEVELOPMENT OF WORLD TRADE AND GLOBALIZATION	26
5.2. GLOBAL VALUE CHAINS AND THEIR DEVELOPMENT	27
5.3. THE POWER OF MULTINATIONAL CORPORATIONS	28
5.4. PROBLEMS IN THE GLOBAL DIVISION OF LABOUR	29
5.5. GLOBAL GOVERNANCE FRAMEWORKS.....	30
5.6. NATIONAL GOVERNANCE IN OTHER COUNTRIES.....	33
6. GERMANY AND THE SUPPLY CHAIN DUE DILIGENCE ACT	34
6.1. GERMANY’S DEPENDENCY ON TRADE	34
6.2. NAP AS A FAILED PRECURSOR.....	34
6.3. THE GERMAN “LIEFERKETTENSORGFALTPFLICHTENGESETZ”	35
7. QUALITATIVE INTERVIEW ANALYSIS	37
7.1. INTERVIEWEES	38
7.2. ARGUMENTATION.....	39
7.3. POSSIBLE DISADVANTAGES FOR COMPANIES	41
7.4. OPPORTUNITIES AND ADVANTAGES OF THE LKSG	45
7.5. IDENTIFIED WEAKNESSES OF THE LKSG	47
8. CONCLUSION	51
8.1. DISCUSSION OF RESEARCH FINDINGS	53
8.2. LIMITATIONS AND FUTURE RESEARCH.....	54
8.3. OUTLOOK	55
REFERENCES	56

List of Abbreviations

BAFA	Bundesamt für Wirtschaft und Ausfuhrkontrolle
BDA	Bundesvereinigung der Deutschen Arbeitgeberverbände
BDI	Bundesverband der Deutschen Industrie e.V.
BMUV	Bundesministerium für Umwelt, Naturschutz, nukleare Sicherheit & Verbraucherschutz
BMWK	Bundesministerium für Wirtschaft und Klimaschutz
BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung
BVE	Bundesvereinigung der Deutschen Ernährungsindustrie
CSDDD	Corporate Sustainability Due Diligence Directive
CDU	Christlich Demokratische Union Deutschland
CoC	Codes of Conduct
CoR	Club of Rome
CSR	Corporate Social Responsibility
DGCN	Deutsches Global Compact Netzwerk
DIHK	Deutsche Industrie- und Handelskammer
DIW	Institut für deutsche Wirtschaft
EU	European Union
FDI	Foreign Direct Investment
FDP	Freie Demokratie Partei Deutschland
GPG	Global Production Networks
GVCs	Global Values Chains
HBS	Hans Böckler Stiftung
ILO	International Labour Organization
IGOs	International Governmental Organizations
IMF	International Monetary Fund
LDC	Least Developed Country
LkSG	Lieferkettensorgfaltspflichtengesetz
MDG	Millenium Development Goals
MNE	Multinational Enterprise
MNCs	Multinational corporations
NAP	Nationaler Aktionsplan
NGO	Non-Governmental Organizations
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
SDGs	Sustainable Development Goals
SPD	Sozialdemokratische Partei Deutschland
UN	United Nations Organization
UNDP	United Nations Development Programme
WDR	World Development Report
WIR	World Inequality Report
WTO	World Trade Organization

List of Figures

<i>Figure 1: Explanation of a global value chain (WDR 2020)</i>	27
<i>Figure 2: Worldwide Participation in Global Value Chains (WDR 2020)</i>	28

1. Introduction

“While global power dynamics are in chaos, human rights cannot be lost in the fray.”

(Agnès Callamard, Secretary General, Amnesty International 2023)

Exploitative child labour on coffee plantations, poisoned rivers, forced labour and burning textile factories - all these scenarios are bitter reality in 2023. More than 160 million children worldwide are engaged in child labour in quarries, textile factories or cotton fields (Amnesty International 2023). According to the International Labour Organization, more than 49 million people are employed under conditions of modern slavery (ILO 2022). In the global division of labour, more than 1.4 billion workers are employed in inhumane conditions without social protection or respect for internationally recognised human rights (BMWK 2023). We live in a globalized world full of products that are predominantly produced in the countries of the global South¹ through coercion and child labour, damage the environment and only serve to maximise the profits of a small number of globally active companies in the industrialised countries.

These numbers illustrate the great discrepancy between the human and labour rights enshrined in international agreements and the state's obligation to protect them and the actual reality of work, which is characterised by structural violations of individual and collective labour and human rights. The *global value chains* (GVCs) that emerged after the Second World War, as a result of the liberalisation of worldwide markets and deregulation of emerging economies led to a fragmentation of global production networks. By shifting the international division of labour to poorer countries, it was possible to exploit their low standards and wages and to save costs and circumvent environmental and social standards. These developments, which were facilitated by technological innovations, cheaper transport routes and improved communication, but also by structural dependencies resulting from colonization, have since enabled the so-called *lead firms* or *multinational corporations* (MNCs) in the global North to make enormous profits. The existing capitalist world economic system is increasingly based on the shift of "simple" production steps to the countries of the global South, which is almost

¹ The well-known and widely used division of "Global South" or "developing countries" and "Global North" or "developed countries" is a representation of the countries of the world that is based on the visualisation of the "Brandt Line". It is intended to illustrate the international inequalities and socio-economic gaps between different regions of the world. (Lees, 2020). The terms are used in this paper to describe a hierarchy- and value-free distinction for politically, economically or socially disadvantaged states. Despite justified criticism of the term "developing" countries, for lack of better-established alternatives it will continue to be used in this paper under the classification that "development" can mean different things and that measuring development by material wealth alone is insufficient (UNDP, Kaul, 2013).

always accompanied by disregard for labour and social standards and exploitation. This is due to the fact, that national and local governance structures, but also transnational or international institutions of Global Governance, have not found efficient answers to how human rights and environmental standards in the sense of *decent work*² can be guaranteed in the globalized world trade. Despite internationally valid approaches such as the ILO Labour Standards, there is still no definition of the responsibilities of governance institutions, which is identified as a "governance deficit".

For a long time, those responsible - governments and companies - did not address the economic, humanitarian and ecological conditions and consequences of their imported goods, which are predominantly produced in developing and emerging countries. The German government, encouraged by strong public pressure and the work of initiatives and NGOs, has also recognised that these working conditions must not be the standard for products on the world market and in Germany. After an initially voluntary *National Action Plan* (NAP), the German government adopted a legally binding law for companies operating within its jurisdiction, starting from the 1st of January 2023, known as the *German Supply Chain Due Diligence Act* (LkSG). According to former development minister Gerd Müller, the anchoring of the so called "Lieferkettensorgfaltspflichtengesetz" is a central building block on the way to a fairer globalization as the social question of the 21st century.

1.1. Research question

This paper argues that due diligence applies along the entire supply chain and that human rights and environmental standards, which have been enshrined in law in Germany as a matter of course for many decades, must also apply in the production sites, plantations, factories and mines in the countries of origin of a product along the global value chain. The detailed analysis will examine the extent to which the Supply Chain Due Diligence Act (LkSG) can contribute to overcoming the existing unequal participation along supply chains for countries of the Global South and which opportunities but also weaknesses can be identified in the LkSG. The focus is primarily on the social aspects, i.e. the improvement of working conditions and the anchoring of labour and social standards, since the environmental aspects are only insufficiently and secondarily considered in the law. Based on the developments and structures of international trade in the global division of labour in a capitalist system, a regulatory governance gap is identified which, based on the explanations, can only be closed by regulations in the form of

² The ILO defines decent work as "productive work for women and men in conditions of freedom, equity, security and human dignity." (EC 2023)

laws on corporate due diligence in (GVCs). Based upon that, the main research question addressed is:

How can the German Supply Chain Due Diligence Act (LkSG) improve the unequal participation in the global division of labour and promote sustainable development in a capitalistic system?

The following sub-questions further develop the main research question:

1. *How can postcolonial dependencies and inequalities of developing countries in global value chains be reduced?*
2. *To what extent can a domestic policy instrument, like the LkSG restructure Global Governance?*
3. *What are the weaknesses of the LkSG and what improvements are needed for an effective law at the European level?*

1.2. Research design

The explorative research questions are answered through a qualitative analysis of literature and interviews with experts. In order to answer the research question, Chapter 2 first looks at the theoretical approaches of political economy and the approaches of dependency theory and world-systems theory, as well as Global and Labour Governance, which form the theoretical framework of this thesis. This approach was chosen to clarify the complex economic interrelationships of trade, production and distribution of goods. From a basic understanding of the processes, dependency theory and world-systems theory can be used to develop an understanding of why structural dependency as a result of the colonization's of the countries of the global South continue to influence the fragmentation of governance frameworks and patterns of the global division of labour of exploitation. Through the lens of Global and Labour Governance, this paper then analyses the mechanisms and institutions that govern working conditions and due diligence with regard to decent work in GVCs. They examine how international organizations, governments and NGOs seek to ensure fair labour practices and human rights in global production networks. A regulatory governance gap is identified in the structuring of governance and justified by the absence of state regulation (Chapter 3). Following the presentation of the methodology (Chapter 4), the approaches are then linked and applied to the prevailing level of the modern division of labour. By deriving the development of globalization and liberalisation of world trade and the management of GVCs, the identified problems are clarified (Chapter 5). Based on the theoretical and practical linkage, international and national governance frameworks are now presented and examined for their potential. In the

next chapter, the LkSG is then examined as a domestic policy instrument and analysed on the basis of interviews with experts for its potential to ensure and legally anchor the regulatory governance gap in the safeguarding of human rights at the German level for companies. This is followed by a concluding section and an evaluation, combined with an outlook for future research. By linking the different approaches, a deeper understanding of global supply chains and division of labour and the influence of economic power through MNCs and their corporate due diligence obligations should be enabled,

1.3. Scientific and social relevance

From economic research and the sociology of labour to economic geography and interdisciplinary development research, several research disciplines deal with global commodity chains and their design on the world market. As contested political and economic spaces, supply chains are also of great importance for the consideration of international peace and conflict research (Scheper & Vestena, 2020: 431). Exploring GPN, and in particular the potential of the LkSG to contribute to improving unequal participation in the international division of labour, is of great importance both socially and scientifically.

It is socially relevant because it addresses issues of social justice, poverty alleviation and the promotion and entrenchment of labour rights and social and environmental standards in GVCs. The division of labour and fragmentation of production and resource extraction in GVCs can lead to significant social and economic inequalities and threaten political and social stability in nation states. However, they also have the potential to contribute to poverty reduction by creating jobs in developing countries and facilitating access to international markets. However, if designed fairly and sustainable, these chains can reduce income inequality and provide economic opportunities for disadvantaged communities. Deeper research in this area will enable the identification of environmental impacts along the entire supply chain and the development of greener practices for sustainable development. This is crucial to advance global efforts to combat climate change, protect the environment, and to promote more sustainable production and consumption patterns.

The work is academically relevant because it addresses the effectiveness of domestic policy instruments for transnational issues and expands the understanding of regulatory governance. Moreover, Global and Labour Governance research looks beyond the current capitalist economic system to consider opportunities for responsible corporate action that is shaped in accordance with international labour standards and norms. The expert interviews conducted in this thesis provide valuable insights for the German LkSG, which has hardly been considered

so far and which enshrines corporate due diligence obligations in law. For the path towards sustainable development (achievement of the SDGs), the national climate goals, environmental and social standards in supply chains can be an important milestone, which is why the detailed examination of them is politically, socially and ecologically relevant. The analysis of the LkSG is also relevant with regard to an upcoming EU supply chain law, as it provides insights into successful implementation and possible weaknesses.

The research provides valuable insights for various actors. On the one hand, companies can draw new conclusions in the field of Corporate Social Responsibility (CSR) from it as well as receiving recommendations for the design of GVCs based on empirical considerations. International organizations formulate development strategy recommendations and international standards for governments based on the research. Non-governmental organizations (NGOs) use the analyses as a basis for their own reports to campaign for better standards and decent working conditions, which in turn attracts public attention and exerts political pressure for action. The research is also important for trade unions, as it can trigger initiatives that can lead to the establishment of cross-border trade union organization which in turn can empower workers and lead to an improvement in working conditions (Fischer et al., 2021: 9). Research on supply chains contributes to the development of evidence-based policies and strategies, advances the understanding of innovation and technology transfer processes in global networks and contributes to the further development of various scientific disciplines. Ultimately, it contributes to developing solutions for a more just and sustainable world.

2. Theoretical Background

This paper relates to political economy, which is based on the foundations of Adam Smith's classical political economy and has been further developed and critically scrutinised with the foreign trade theory of David Ricardo and Marxism according to Karl Marx and Friedrich Engels. The theory of political economy aims to analyse the complex interplay between economy, politics, society, and institutions and to offer solutions and approaches to global economic and political challenges. The approach chosen, builds on the paradigm that understands political economy as a social relationship in which the focus is primarily on distribution and resource issues in international relations. The conflation of economic and political processes, which is what the discipline of political economy aims at, is relevant insofar as the state has always been an integral part of capitalist production and reproduction (Scheper, 2015).

2.1. Political Economy

As early as 1776, Adam Smith argued that the origin of economic prosperity lies in the increase in productivity through human labour and that the principle of division of labour results from a state that does not exert any constraints on economic life within it. Based on this economic liberal thesis, Smith justified the division of labour structures of the economy through the exchange of goods, which gave rise to a market in the modern sense (Sebaldt et. al, 2016: 18). Another founder of modern economic theory, David Ricardo, justified the advantageousness of the international exchange of goods by assuming relative cost advantages in production (Rübel, 2008: 20). In contrast, analyses critical of capitalism and the identified disadvantages due to the exploitation of labour power or capital accumulation were already present in Karl Marx's work, even if representatives of post-growth theory such as Niko Paech criticise that Marx was only concerned with overcoming capitalism, but not with turning away from the destructive potentials of industrialization (Mayert, 2018: 4).

Andre Gunder Frank's dependency theory and Immanuel Wallerstein's world systems theory are suitable theoretical approaches as they emphasise structural inequalities in global relations between countries in the global North and South. Furthermore, they analyse how historical developments and existing power relations lead to certain countries being disadvantaged in GVCs and the prevalence of precarious labour relations. Finally, these theories provide a historical perspective on the emergence and development of unequal global relations, which is crucial to understand the roots of today's challenges related to precarious labour and unfair participation in supply chains and to develop policy solutions.

2.1.1. Dependency Theory

The dependency theory emerged in the 1960s and 1970s and was decisively shaped by Frank and strongly influenced by John M. Keynes. Contrary to previous explanations, this theory is not based on the argument that states are disadvantaged because of their backwardness and the exclusion or lack of development, but that this is due to their dependent integration in the world economy dominated by the western industrialized countries (Fischer & Parnreiter, 2006: 12).

"Underdevelopment is not due to the survival of archaic institutions and the existence of capital shortage in regions that have remained isolated from the stream of world history. On the contrary, underdevelopment was and still is generated by the very same historical process which also generated economic development: the development of capitalism itself." (Andre G.

Frank, 1989)³. Frank emphasizes that both "development" in the industrialized countries (metropolises) and "underdevelopment" in the global South (satellites) are the product of the capitalist system. According to this, the longer and more intensively a satellite was tied to a metropolis (through e.g. colonial exploitation, unequal trade relations), the more "underdeveloped" this region was. The wealth of the industrialized countries is thus ultimately based only on the exploitation of satellites, suggesting that Western nations have deliberately failed to develop these countries. Consequently, there can be no positive change in the "development" or embeddedness of the satellites in the world economy within the capitalist system. This can only be achieved by decoupling the states of the periphery from the world economic constraints.

The theory can be seen as an alternative perspective of the modernisation theory. An explanatory approach that is also interesting for the debate is the theory of imperialism further developed by Johan Galtung (1971). Galtung also analysed a hierarchically structured world society, however, Galtung assumes that the unequal conditions of exchange are the reason for economic backwardness in developing countries and that underdevelopment was caused externally and is therefore the result of an international structure that must be changed (Müller, 2020: 192). In the critical view, the domestic structures and possibilities of state actors in trade relations are neglected in the dependency theory. In this respect, Galtung's derivation offers a more plausible explanation for the existing underdevelopment of countries in the global South. According to Galtung, the production of industrial goods requires more know-how and technological expertise and effort, which leads to spin-off effects that promote further development of industrialized countries. The mere extraction of raw materials, on the other hand, does not lead to side effects, which means that positive development fails to materialize and the central position of the central states is further strengthened (Müller, 2020: 195). According to Galtung, the dependency referred to as vertical interaction is the main source of inequality and is reinforced by structural postcolonial dependency and power relations. Consequently, a mere redistribution of property between rich and poor nations is not enough, much more the structures in the capitalist economic system have to be changed (Müller, 2020: 197).

³ Andre Gunder Frank's works on "Capitalism and Underdevelopment in Latin America" (1967) and "The Development of Underdevelopment" (1989), among others, have challenged the previously prevailing explanations for unequal development and dependencies of developing countries and made an important contribution to the debate.

2.1.2. World-Systems Theory

Developed in the 1970s by Immanuel Wallerstein, the theory defines itself as an economic entity in which politics is limited in its effect to individual states. World-systems theory focuses on the asymmetries of the international division of labour and existing postcolonial interdependencies: "*The world system is a multicultural territorial division of labour in which the production and exchange of basic goods and raw materials is necessary for the everyday life of its inhabitants.*" (Immanuel Wallerstein, 1974)

Wallerstein conceives of the modern world system as one in which, since the beginning of capitalism, today's industrialised (core) countries have taken over the value-creating tasks. They have advanced technologies, a highly developed economy and political power and are the main beneficiaries of global trade and capital accumulation. The countries of the global South (periphery) serve mainly as suppliers of raw materials and skim off far less profit. They are usually dependent on the core countries and have little influence on shaping the world market. In addition, Wallerstein distinguishes between semi-peripheries, i.e. emerging or new countries that have some degree of industrial development and trade. They are also dependent on the core countries but dominate over the peripheries. Wallerstein's theory is an important contribution to the analysis of economic dependencies and the (unequal) hierarchy of power. In the concept of the world system approach, the nation-state view of society is broken down and understood through the idea of a transnationally integrated overarching space of action. In this world system, all societies, governments, individuals and companies locate themselves in a division of labour and must assert themselves within it. This world-system sets the frame of reference for social inequalities and the appropriation of exploitative labour relations in a capitalist-anchored internal market dominated by the principle of profit maximization (Beck, 1998: 63f.). World-systems theory also does not offer a comprehensive answer to global structures of social inequality, but in its further development it forms the basis for the commodity chain approach and formulates a comprehensible critique of globalization in the construct of neoliberalism (Schwinn, 2008: 9). Furthermore, the theory explains how the expansive role of the economy evades the restrictive regulations of national policy systems. What is missing is the further development of a political level of control or steering that goes beyond the nation state (Willken, 2006: 10).

2.1.3. Fundamental Approaches

A central concept of political economy is the assumption that the design and conception of institutions by different actors is socially contested and the result of social processes (Jäger & Springler, 2013: 72). International relations is also concerned with questions of cross-border democracy. However, for a work whose analysis is based on the assumption of international asymmetrical power relations between developing and industrialised countries, it would be insufficient in derivation not to critically address the consequences of postcolonial domination on the current international division of labour and fragmentation of governance structures in GVCs. Hannah Arendt already showed how the development of capitalism required imperial expansion - especially through the import of raw materials from developing countries (Hannah Arendt, 1986). Castro Varela & Dhawan confirm that the fundamental inequalities in power relations between states in an extremely unequal and exploitative system are maintained by the legacies of colonial rule (Castro Varela & Dhawan, 2020: 3). Against the backdrop of structural dependencies and colonial power asymmetries as well as a multitude of parallel and interacting changes, new concepts thus become necessary (Fuchs & Glaab, 2020).

2.2. Global Production networks

Global production networks (GPN) can be defined as complex and multi-layered (Scheper, 2017: 1073). Wallerstein and Hopkins developed the concept of the commodity chain (GC) and referred to the spatially unequal distribution of competition along a commodity chain and the resulting unequal distribution of opportunities to appropriate the value created along the commodity chain (Fischer et al., 2021: 34). The research paradigm of the "Global Commodity Chain (GCC)" further developed by Gary Gereffi in the 1990s understands these as "*sets of interorganizational networks clustered around one commodity or product, linking households, enterprises, and states to one another within the world-economy.*" (Gereffi et al., 1994: 2). Since the 2000s, the debate has focused on the notion of "global value chains" and the potential for upgrading in value chains. Scheper and Vestena understand GVCs as a reproduction of existing social relations and contradictions. Even though their structure is transnational, they are institutionally embedded in very different ways within national frameworks (Scheper & Vestena, 2020: 432). Further work follows the critical assessment that GVCs promote a specific international division of labour that usually shifts commodity production to regions of the Global South, favored by structural dependency relations and inequalities, and enables higher profits for lead firms in countries of the Global North through lower wage and production costs

(Grad et al., 2020). Following Wallerstein's theory, the peripheries have become places of cheap production and exploitative extraction of raw materials (Castro Varela & Dhawan, 2020: 13) According to the Prebisch-Singer thesis, the terms of trade of countries that primarily export primary goods and import industrial products have developed favourably over the course of history. Even an increase in trade, as predicted for the coming decades, continuously increases inequality between the global North and South, contrary to the liberal trade theory (Möller, 2020: 164ff.). The classical modernisation theory, according to which trickle-down effects or multiplier effects lead to a broad increase in prosperity as a result of the increase in the incomes of the wealthiest and record positive effects of investments, does not seem to be a solution either. Singer concludes that above all the absorption of trade profits in favour of the domestic economy is necessary to ensure economic development in the countries of the global South. The concept of global value chains, which is also based on functional differentiation and transnationalisation in production, therefore makes it necessary, following the Prebisch-Singer thesis, for developing countries to also build higher processing stages in order to move up the value chain and out of the cycle of worse terms of trade. The prevailing fragmentation of production processes has thus tended to exacerbate economic, social and political power asymmetries (Möller, 2020: 168).

The theoretical approach chosen illustrates why the unequal development of developing and industrialized countries can neither be attributed to modernisation backlogs nor exclusively to the capitalist world economic system. The notion of modernisation theory, according to which poverty can automatically be eliminated through economic growth, is also not correct in view of globally increasing inequalities. The liberal economic theories according to which "*less state is more*" have failed. Instead, it is evident that good governance and public institutions are necessary and that the state must create regulatory frameworks for the actors involved in order to prevent unequal participation (Klemp & Poeschke, 2005).

3. Global Governance

The theory of Global Governance refers to the steering of global contexts through organizations, institutions, systems of rules, agreements and contracts that take place at the institutional level. Exemplary institutions are the WTO, World Bank or UNO, but also globally active private organizations such as Amnesty International. They create and operate governance models in various fields to overcome global problem solving. Classical government is thus being replaced or expanded by "Governance", which has led to forms of self-governance beyond nation-state politics (Willken, 2006: 5). Furthermore, the increasing interdependencies between national

societies, have “*led to the profiling of sector-specific trans- and international institutions*” (Zürn et al., 2018: 3). The researchers define these incompatible positional differences between actors as “interface conflicts” and accentuate the need for regulation or management, as there is no global legislature that could adjudicate between those positional differences (Zürn et al., 2018: 4). According to Gereffi and Mayer, globalization increases the need for improved governance, as economic activities across national borders become more intertwined, especially in the design of GVCs. The conflicting interests of the individual actors (especially the state and business) lead to obstacles in establishing common regulations and standards. For this reason, the creation of Global Governance structures has been proposed as a means of specifically controlling the effects of globalization (Gereffi & Mayer, 2006). Labour standards in supplier factories in other countries cannot be determined or regulated by national legislators in the global supply chain. Therefore, a company based in Germany must submit to national labour standards in its German production facilities but can evade these labour laws in production facilities in other countries (Schur-Matulewicz, 2022). This problem, later identified as a governance gap, leads to the possibility of competitive relocation based on the lowest social standards. This global problem requires a solution approach that goes beyond national borders. Susan Strange also emphasizes the dilemma of globalization and the resulting contradictions that call for a new form of Global Governance, since current concepts, especially those of international institutions, fail to overcome problems. Global governance, in a normative understanding, takes into account not only institutional actors but also other actors such as civil society, academia and the private sector and removes the division between actors and non-state actors (Klemp & Poeschke, 2005). In the conceptualization of global, regional and transnational actors and thus also MNCs, this leads to an “*overlapping spheres of authority*”, which is shaped by the actors' own interests and not by rationality in the sense of pursuing common normative goals (Fuchs & Glaab, 2020: 20f.). The concept of a world government discussed in global governance, according to the ideas of Immanuel Kant or Richard Falk, seems to remain an unrealistic and unworkable idea in view of the lack of national governance models. The question therefore seems to be which model of Global Governance has the best chance of overcoming the existing problems in practice and to what extent domestic policy instruments such as the LkSG can change or improve global governance.

3.1. Labour Governance

In the shaping of labour relations, employers and employees are fundamentally in a relationship of tension, which is characterised by opposing dependencies and conflicting interests. Each

participant tries to normatively regulate and implement its own interests and ideas, which obviously leads to a field of conflict that is particularly visible in countries with weak governance. Measured against the insights and documentation presented for the design of decent work, there is a large gap in the actual documented labour reality of workers in supply chains (Helfen, 2022). Labour Governance, e.g. through restricting exploitative corporate practices, provides opportunities for regulation specifically in the design of employment (Mayer & Pickles, 2010).

3.1.1. The State-Business Nexus

The global division of labour of MNCs has also led to a disruption of the balance of power between the state and business at the institutional level. The following is therefore a brief consideration of the actors.

Some see an increasing loss of importance of the state as a regulator, the only actor with democratic legitimacy, and note that economic liberalisation and the weakening of national sovereignty impair the ability of states to control markets and redistribute wealth (Streeck, 2014). Other scholars continue to ascribe a fundamental role to the state in shaping governance. Susan Strange speaks of a power shift between states and multinational corporations, as transnational corporations often have more economic power than many states, challenging the traditional notion of sovereignty and state control. She stresses the importance of democratic principles and greater involvement of NGOs and civil society in decision-making processes at the global level (Strange, 1994). Inge Kaul, on the other hand, takes a more moderate view of this development, postulating a mediating state that positions itself between national policy preferences and external policy expectations and reconciles state sovereignty and globalization (Kaul, 2010: 34).

The increasing shift of institutional coordination of the nation state to a transnational level and the "demand for global governance" are undisputed in recent scholarship (Schwinn, 2008; Beck, 1998). Following on from this, I follow Fuchs and Glaab in their analysis that in particular the aspect of liberalisation and the dismantling of regulatory trade barriers and the associated opening of liberal markets require new governance responses from the nation state as a public actor (Fuchs & Glaab, 2022: 3ff. The state monopoly on regulation is being called into question by these dissolution of boundaries and processes of international interdependence, and the nation state is being undermined.

Specifically, increasing importance and influence of MNCs or "lead firms" as non-state actors is critically assessed, as they lead to a loss of basic democratic consensus and limit the steering capacity of the political system (Castro Varela & Dhawan, 2020: 11). According to Willken, even economists admit that a price-controlled capitalist market cannot function without framework conditions that are collectively binding. The justified criticism of the market as a control model and the accusation of market failure are based on the massive problems of global inequality and the existing asymmetries in the distribution of wealth and the global division of labour. However, the framework conditions for overcoming these problems can only be provided by politics (Willken, 2006: 44). Following these statements, concepts of self-regulation by companies, in the sense of CSR or CoC explained later, cannot be regarded as a serious approach to a solution. Since the market as the basic model for controlling global transactional relations is virtually without alternative, necessary changes in cooperation with the business community must be made by politics (Willken, 2006: 47). The ongoing question of the relationship and cooperation between these actors (state and economy) thus remains a fundamental economic and political issue.

This paper is critical of the equal shaping of governance by governmental and non-governmental actors at supranational, national and sub-national levels, as there are no "shared interests" with regard to regulation, for example, and this form of governance would once again lead to the unclear definition of governance responsibility. Contrary to Smith's thesis of the "invisible hand", individual economic actions do not lead to society as a whole benefiting from this behaviour based on self-interest and profit-seeking (Fuchs & Glaab, 2020: 8). After decades of deregulation and the neoliberal approach of following trade policy according to the growth principle, stronger regulations by the state and public institutions are now coming back into focus as a principle of action. Nevertheless, companies with their supply chains and "the market" will be crucial partners in achieving these goals.

The different approaches point to different solutions, ranging from trade policy levers such as tariffs or price policy instruments to hard legal governance. One approach includes domestic policy instruments such as regulation, which is used by state authorities to promote certain policies. These domestic policy instruments include the German LkSG, which aims to bring about changes in the global organisation of labour in supply chains by enshrining human rights and environmental standards.

In summary, academic positions can be identified which state that the nation state is increasingly being undermined and is thus becoming superfluous or is being replaced by other

actors. Others continue to see the state as the decisive actor, but propose a renewal or expansion of the state's role and the creation of new mechanisms (Beck, 1998: 29f.).

3.1.2. Smart-mix regulation

The debate on corporate due diligence and CSR is also relevant in that it involves private actors in forms of governance and can lead to a shift in the lines of social conflict within global supply chains (Scheper & Vestena, 2020: 434). According to Ruggie, polycentric governance, i.e. a "smart-mix" regulation consisting of binding, voluntary and co-regulation involving various actors as a new form of governance can overcome the existing problems of regulation more effectively, as a binding universal regulation is not possible in his view (Ruggie, 2014: 5f.).

It is precisely the self-regulation of companies that is evaluated very critically, as it shows the ambivalence of their economic actions. On the one hand, they are the drivers of globalisation and the cause of numerous violations of human rights and environmental standards. On the other hand, however, they can also be solution partners and implement standards independently, thus actively shaping and improving international trade. The implementation of certain labour standards, understood under the terms "Corporate Social Responsibility" (CSR) and "Codes of Conduct" (CoC), is increasingly used as a form of private self-regulation by companies. In the debate, these soft law regulations are assessed by critics as ineffective declarations in the form of greenwashing by multinational corporations, which is particularly due to the fact that company internal CoC are not subject to external control. One of the interviewed experts says: *"The topic of sustainability, it is actually already widespread in the chemical industry, because one also knows that it will not work for long without an honest commitment in terms of sustainability"* (Person 10). Burckhardt assesses voluntary CSR measures as insufficient or window dressing and emphasizes the need for flanking measures by the state (Burckhardt, 2013: 2). According to Scheper, this CSR "trend" does have potential and enables transnational corporations to "take a leading role in the human rights discourse" (Scheper, 2015: 738f.). The lack of potential for improvement through regulation initiated by the companies themselves is also due to the fact that they neither address the problems of collective action nor systematically involve employees in addressing the problems (Schübler, 2021: 178).

3.1.3. Governance through IGOs, NGOs and civil society

The importance of non-governmental organizations (NGOs)⁴ has increased considerably in the globalization discourse. Reasons for this include perceived policy and market failures and a perceived erosion of nation-state autonomy through globalization, such as the lack of environmental protection or poverty in developing countries (Matthes, 2001: 9).

The adoption of the LkSG, despite massive lobbying by associations and business representatives, illustrates the public pressure and dissatisfaction of civil society with the lack of enforcement of global social standards to date and its potential to initiate legal policy processes at various levels. In the debate on governance, civil society is seen as having great potential for shaping the political sphere. NGOs, in particular, have partly filled governance gaps which, in a vacuum of power and legitimacy, can no longer be solved by the nation state, especially with regard to global problems (Beck, 1997). Following Beck's comments, civil society activism can also enable a form of control over state policy (Bexell et al., 2010).

The literature assigns civil society organizations of workers and trade unions a positive impact on labour rights, making them an important player with regards to governance of labour standards as well (Scheper and Vestena: 2020). International Governmental Organizations (IGOs) such as the UN, World Bank or IMF also have great potential for shaping political processes. In market and trade relations and existing market distortions due to imbalances between the global South and the global North, these global institutions play an important role. Through treaties and standards, they can create a fair or at least rudimentary workable balance of interests (Willken, 2006: 47). Due to their independence, IGOs can sometimes initiate processes more easily, although the enormous financial and institutional influence exerted by the countries of the Global North on the organizations should not be underestimated. Criticism goes so far as to accuse IGOs of being detached from the citizen and of having too little co-determination (Fuchs and Glaab, 2022: 17f.). The partly postcolonial understanding of norms of NGOs and IGOs in the global North, which does not necessarily correspond to that of the global South, can also be thoroughly criticised. Despite the potential of NGOs and civil society in shaping policy processes, the paper argues that the state remains the primary actor in shaping global governance, which has to interact with other actors due to the transnationality of global supply chains. IGOs are also unable to react to the rapid developments in the course of globalization and to shape the organization of labour, social affairs and the environment in

⁴ NGOs can be defined as “*Non-profit, voluntary citizens’ groups, principally independent from government, which are organised on a local, national or international level to address issues in support of the public good*” (EIGE 2023).

compliance with these standards (Gereffi & Mayer, 2006: 45ff.). The international agreements and labour standards by IGOs, which are explained in more detail later, do not close the gaps in the legally binding enforcement of due diligence and are too non-transparent in their implementation.

In the interim summary of the results collected so far, it can be stated, that the existing capitalist world economic system, which is geared towards constant growth, shows the limits of the free market when it comes to meeting the social and ecological challenges of a resource-limited world (Exner et al., 2008: 191f.). The assumptions of liberal economic theory according to Friedman and Stigler, according to which companies act socially responsible and resource-conscious on their own, contradict the profit maximisation of companies. Numerous actions and profit strategies of multinational corporations show that companies put short-term profits above social and environmental responsibility and undermine social standards or environmental regulations for competitive advantage. Following neoinstitutional analyses, the interplay of governance mechanisms to coordinate economies and economic sectors as a multi-level system has come into focus (Benz et al., 2007: 293f.). State regulation of corporate responsibility in GVCs can be seen as a form of global governance and multi-level governance, as it addresses issues that are cross-border and affect multiple countries. By enabling national laws to regulate the conduct of MNEs, as the German LkSG now does, the nation state is essentially participating in a form of global and multinational governance by influencing and shaping business conduct beyond its national borders, leading to extraterritorial effects and global norm-setting through a national standard. In the field of industrial relations regulation, the transnational level joins the national and international levels. Wolfgang Streeck argues that democratic capitalism is at a dead end and that the neoliberal hegemony of globalization has come to a halt (Streeck, 2015).

3.2. Regulatory governance gap

Globalization and the global division of labour lead to a breakout of the political from the categorical framework of the nation state and require new rules (Beck, 1998: 28). Neither public, private or social governance can independently close this regulatory gap of global environmental and labour standards and therefore require a different concept of governance (Helfen, 2022). According to the governance deficit developed by Gereffi and Mayer, the industrialised countries are no longer able to control the production processes along the supply chains due to capitalist globalization. At the same time, governments in the producer countries

of the global South cannot or do not want to take responsibility for compliance with social and environmental standards, because this would limit their locational advantage and put them at a disadvantage in international competition (Gereffi & Mayer, 2006). The governance gap identified by the lack of implementation measures in the form of laws and control mechanisms therefore also leads to a democratic deficit. From a governance perspective, the lack of enforcement of global labour standards can be described as a "*regulatory governance gap*". The identified problems that lead to this analysis are mainly the lack of legal and binding anchoring of labour standards along the entire supply chain for MNCs. The regulatory governance gap, according to which MNCs are carved out by their transnational actions in national legislation, is not countered accordingly (Helfen, 2020). The shifting of responsibilities between state and business actors makes it difficult to create a regulatory framework and the weakening of social actors and their opportunities by limiting union voice or organization further exacerbates this governance gap. Moreover, even regulations already anchored in international agreements are deficient because they do not contain sanction mechanisms or complaint procedures.

A proposal for action is offered by the Commission on Global Governance (CGG 1995), which, in view of the lack of a central regulatory power, suggests new forms of cooperation and the linking of local, national and international decision-making levels (Scherrer & Brand, 2011: 7). The central challenge is to organise politics in a way that ensures responsiveness to the interests of those affected. There is no shortage of literature on the democratic deficit of global governance. However, the debate lacks a unified and clear conception of how public policy can shape "*democratic governance*" (Dingwerth et al., 2011: 22). The paper argues that the state plays a crucial role in addressing the damage caused by companies operating in countries with weak governance. According to the paper's findings, states should use their capacity to regulate companies to holistically implement environmental and human rights standards in GVCs. One tool to close this governance gap is domestic regulation of companies, which can be implemented through supply chain laws. This regulatory governance restricts the behaviour of profit-oriented companies and is justified by the allocative market failure, which therefore serves as a justification for intervention in the market (Oslislo, 2017: 26-41).

The assumption of changed governance is also pursued by the EU, as it assumes a change in inter-, supra- or purely national governance derived from the assumption that GVC linkages change the traditional calculus of trade protection (EP, 2023: 11). This coincides with the demands of civil society and NGOs that call for binding, strong and international governance institutions (Gereffi & Mayer, 2010: 3ff.).

The identified regulatory gap in the national anchoring of global labour standards along the global supply chain poses a major challenge to the achievement of equitable and sustainable practices within supply chains. Closing this gap requires a comprehensive approach that includes legal and institutional measures and involves governments, companies, international organizations, and civil society. The discussion in this chapter shows how difficult it is to reconcile socio-political development in the countries of the Global South while respecting environmental standards and human rights with the profit pressures of global corporations, free trade and open capitalist markets. Based on these identified problems, the paper analyses a deficit in regulatory governance. Supply chain laws, specifically the German LkSG, are presented as measures that can close this deficit. It also explains how the LkSG as a domestic policy instrument can lead to a stronger socio-political containment of the global market and secure human rights and environmental standards in corporate action.

4. Methodology

The methodological approach consists of an argumentation analysis based on secondary literature and current documents and embedded in the theoretical framework around political economy and development theories. The aim of this analysis is to analyse the existing dependencies and inequalities in the global division of labour of developing countries in the capitalist economic system. The different arguments and positions are related to each other to illustrate the need for a supply chain law. The LkSG as a regulatory measure for companies in implementing human and environmental standards can partially overcome the identified governance gap. The findings from the literature are expanded through the guided interviews with experts. This leads to answering the research questions from as many and different perspectives as possible and closes possible gaps.

4.1. Sampling

The expert interviews conducted build on the knowledge gained through the literature and are intended to close possible gaps with regard to the in-depth evaluation of the LkSG. In order to ensure valuable results, thematic experts were selected who deal with the LkSG professionally and can be designated as experts on the topic due to their professional position and the work of their organization or employer. The criteria for selection were, on the one hand, that the expert is fundamentally in favour of the LkSG, as a comprehensive presentation of both sides would

exceed the scope of this paper. Thus, all interview partners are representative of actors who are directly involved with the LkSG through their work, are affected by it or have dealt with it. The interview partners were specifically selected according to their classification into a group of actors. With insights from the private, public, social and scientific groups, the aim was to explain as multi-layered a picture of the positions as possible. All interviewees received the selected guiding questions in writing beforehand and were thus able to prepare sufficiently. There were repetitions in the answers, which in a way indicates theoretical saturation. Since the statements of the interviewees coincide in many respects with the arguments from the literature, one can speak of additional saturation (Döring & Bortz, 2016). The expert interviews can also be assessed as a useful methodology because they provide evidence of the different perspectives of the actors and offer an extension of the sometimes very theoretical debate in the literature to include practice. Within the framework of the guided interviews, eight people were asked the same questions and two other people were asked separate questions. This difference in approach resulted from the problem that arose during the enquiry of experts, namely that experts from companies were not able or not willing to adequately answer the questions in the actual guideline, which deals very specifically with the LkSG and its embedding in the debate on labour standards and unequal participation in the global division of labour. Rather, the level of knowledge and the content-related interfaces emerged from the business management debate and the impact on the company's own implementation. The wide-ranging enquiries conducted in advance confirmed this impression and led to the creation of separate questions for the experts of the private actors, i.e. the companies. These alternative questions provided valuable insights into the implementation and assessment of the companies as the actors actually affected by the LkSG.

4.2. Data Analysis

The qualitative research method used to collect the interviews is based on grounded theory and the principle of openness for creating the questions of a guided interview (Helfferich, 2005: 181). This theoretical approach aims to develop collected data and concepts without having pre-determined hypotheses. This approach is also useful because the research area of the German LkSG in implementation has only been little researched, as the law has only been applied since 2023. The chosen approach also allowed for openness to new insights and a deeper understanding of complex contexts. The grounded theory approach in particular offers the possibility to capture interdisciplinary relationships in qualitative research, even in ten interviews (Zaynel, 2018: 59ff.).

With this qualitative research, new insights and background information can be generated. Since the LkSG only came into force on the 1st of January 2023, meaning it is a new law and its potential impact cannot yet be estimated and is based on assumptions and assessments. Of the ten experts, two answered the questions in writing and seven answered the questions personally in a video call. One person answered the questions in a personal conversation. The almost balanced gender distribution of the experts (four women and six men) is to be positively emphasised, even if this feature can be classified as less relevant for the results. The relatively open and flexible interview questions give the respondents the opportunity to address their own aspects beyond the ten questions and to contribute opinions on the topic of LkSG. The interviews were conducted in German in order to have a deeper and more nuanced communication with the interviewees, especially since the topic is the complex one of a German regulatory law. Another reason was that the proposal to conduct the interviews in English was rejected as an option by most interviewees in favour of an interview in German language. The interviews were therefore transcribed from German into English as truthfully and accurately as possible. For this reason, the quotations from the interviewees cannot be applied one-to-one, as they are originally in German.

Furthermore, it should be noted in my own reflection that the results that emerge from the research process, in addition to the argumentation analysis and evaluation of the interviews, can never be exclusively neutral, as they also contain my own positioning and play a role, even if subconsciously, in the selection of answers. My own position is not neutral in that I view the LkSG from a perspective critical of capitalism and a clear commitment to corporate due diligence through GVCs. In doing so, my own biography also plays a role in the evaluation of the research and leads to my own unconscious evaluation and filtering of interpretations. In terms of my own reflection, I would also like to acknowledge my own position as a privileged student in a rich industrial location. Labour standards in Germany are among the highest in the world and are ensured by strict labour laws, which means that I can only look at the problem of precarious employment from a very differentiated perspective. I do not know the realities of life and experiences of the people affected by the LkSG, nor was I able to get a personal picture on the ground within the framework of this thesis. This research is intended to strengthen the perspective of the workers and to close possible gaps in knowledge in order to enable a comprehensive view on the issue.

The identified perspective from the Global North can also be observed in the literature, which is almost exclusively based on findings and theoretical approaches by researchers and academics from the Global North. A comprehensive consideration of the assessment by the

affected people in the production countries of the global South or an examination of the local circumstances and actual conditions is rather secondary. The knowledge gathered in the context of the thesis and my analysis are based on research papers written mainly by scientists and experts from industrialized countries, and the expert interviews were also conducted exclusively with people from industrialized countries. Field research would not be possible within the framework of a thesis for various reasons, which limits the evaluation and the diversity of perspectives in one's own reflection. Therefore, the research is limited in this respect as it does not include opponents or critics of the law in the interviews.

5. Participation in the global division of labour

Various concepts of uneven development deal with the production of inequalities under capitalism. Starting from processes of change with the decades of the "Industrial Revolution", the capitalist mode of production has gone from being a regionally national process before the 19th century to a global phenomenon in the 20th century. Prior to this period, inequalities between regions and their societies were smaller than within each society (Fischer et al., 2023: 329). Without a theoretical understanding of how European colonialism structured global power relations economically, politically and culturally, subsequent or related processes such as globalization cannot be adequately understood (Castro Varela & Dhawan: 2020: 16). For this reason, the development of globalization and world trade is briefly derived below.

5.1. Development of world trade and globalization

The institutional foundations created by, among others, the Bretton Woods Conference with the establishment of the International Monetary Fund and the World Bank (1944) marked a new economic order and led to an economic boom in the industrialised countries of the Global North, also known as the "Golden Age of Capitalism", which lasted until the oil crisis in the early 1970s. John Ruggie defined this post-war economic order as "embedded liberalism" (Ruggie, 1982). The opening of world trade and the abolition of many protectionist restrictions, better transport and communication conditions, global division of labour and new technologies are decisive factors for worldwide growth and international networking (Vossen, 2020: 111f.). Globalization and the resulting processes are relevant in that they force nation states to face global competition and oblige nation state actors to create fair rules for the international exchange of goods (Willken, 2006: 11). Due to falling transport costs and advances in communication technology, the interconnectedness of the economy has become increasingly

advanced in recent decades. Globalism as a state of world society cannot be revised and is constantly changing global supply chains and the governance of labour, creating new governance challenges (Beck, 1998: 29f.).

5.2. Global Value Chains and their development

Global value chains (GVCs) have emerged based on the liberalisation of international trade after the Second World War, combined with technological innovations and advances in communication and transport. The strong fragmentation of production and trade in goods and the increasing interconnectedness of nation states and actors in liberal markets has led to major changes in the design of labour and supply chains. The cost optimisation and profit maximisation of MNCs through relocation to poorer countries favours a structural system of low wages and low standards. The relocation of the production steps at the beginning of the value chain (procurement of raw materials, processing of production) to the countries of the global South has also led to economic development and participation in world trade, but almost always includes precarious working conditions, exploitation and wage dumping.

Global value chains are of great importance in shaping the global division of labour and implementing human rights and environmental standards, which requires a critical examination of their positive and negative effects and structuring. In 2021, the share of goods exports in the world's gross domestic product was significantly more than one fifth (23.2 per cent) and illustrates the economic significance of these value chains (WTO). While not all violations of workers' rights are caused by involvement in GVCs, including subcontractors in precarious and informal work - it remains the case that millions of workers worldwide work in supply chains that structurally violate their rights (Helfen, 2022). The liberal belief, of GVCs opening up new opportunities for developing countries to participate socially and economically in the global economy and rise through positive employment effects can obviously be doubted in this regard (GIGA, 2015: 1).

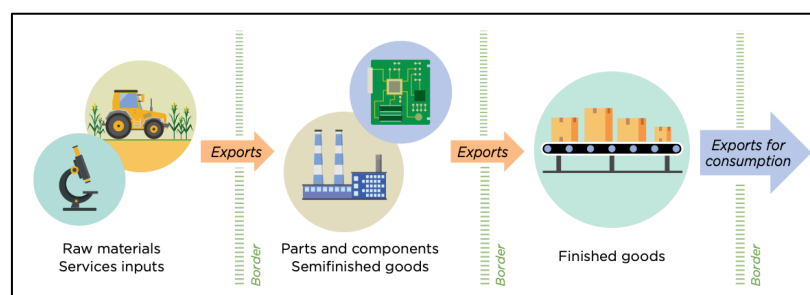


Figure 1: Explanation of a global value chain (World Development Report 2020)

5.3. The power of multinational corporations

In the analysis of GVCs, the leading companies or MCNs can be understood as the primary organisers of global capitalism (Gereffi, 1994: 97). Companies involved in exports and imports account for 80% of all trade (World Bank, 2020). The power of MCNs is based on the two core conditions that they can relocate at will according to the principle of cost optimisation and that they can organise the division of labour along their GVCs. The high competitive pressure in a capitalist economic system leads to companies seeking to maintain their own competitive position and competitiveness through low wages, longer working hours and maximum labour productivity, and thus failing to live up to their CSR (Helfen, 2022). It results from the pressure of companies in international location competition to use low social and environmental standards as a cost brake and location advantage (Koch, 2017; Kampffmeyer, 2017). On the other hand, the global division of labour has led to fierce competition within and is favoured by low taxes, lack of collective agreements, business-friendly labour laws or fewer environmental regulations (Auernheimer, 2019: 49). MNCs exploit these governance gaps and employ workers in countries of the Global South under precarious working conditions and in disregard of human and environmental rights. According to the EU Commission, only 37% of companies surveyed (operating in the EU and globally) currently conduct environmental and human rights due diligence, and only 16% cover the entire supply chain, often relying on voluntary international standards (Spinaci, 2023). The comments confirm the thesis of Wallerstein's world system theory, according to which companies from the global North always seek out the production countries with the lowest wages in order to accumulate as much capital as possible. Global location competition in the sense of outsourcing and offshoring has also contributed to a deterioration of working conditions in the countries of the Global North (Schüßler, 2021: 174).

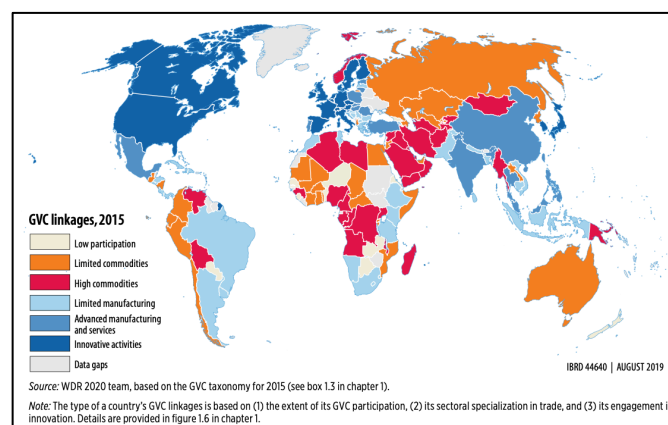


Figure 2: Worldwide Participation in Global Value Chains (World Development Report 2020: 2)

5.4. Problems in the global division of labour

The transformative developments of free world trade have led to enormous prosperity and economic and social development in many countries but are not evenly distributed on a global scale. Since 1990, more than one billion people have lifted themselves out of extreme poverty⁵ However, global progress continues to be unevenly distributed. Still, in 2020, *“the share of the world's workers living in extreme poverty⁶ increased, rising from 6.7 per cent in 2019 to 7.2 per cent, pushing an additional 8 million workers into poverty”* (UN, Department of Economic and Social Affairs, 2022). According to the World Inequality Report (WIR), the richest 10% of the world's population currently own 52% of global income, while the poorest half of the population own 8.5%. Moreover, the poorest half of the world's population owns hardly any wealth, accounting for only 2% of total wealth (WIR, 2022: 4). The global income share of the bottom 50% thus remains historically low despite growth in developing and emerging countries in recent decades (WIR 2022: 8). Therefore, it can be stated that growth is also a process that can deepen the poverty of those not involved in growth (Shiva in: Goeßmann & Scheidler, 2019: 42f.). Resource-rich developing countries statistically more often have slow economic growth, undemocratic government structures and are more often affected by wars or armed conflicts (Liebing, 2009: 7). Looking at the dependency on exports of commodities such as minerals, metals or fuels, least developed countries are overly dependent on exporting these commodities, meaning more than 60% of their merchandise exports consisted of primary products. Raúl Prebisch and Hans W. Singer also came to the conclusion, contrary to the trade theory mainstream, that the established international division of labour is not equally beneficial for all regions of the world (Möller, 2020: 158). Some of the literature goes so far in its assessment that colonisation made it possible in the first place to impose structurally unequal conditions of action on the countries of the global South (Brennan 2005: 109). The development of some and the underdevelopment of others is thus obviously structurally conditioned and leads to unequal participation in the global division of labour. The preceding consideration allows for agreement with Wallenstein's critique of capitalism, which in his view generates hierarchy, exploitation and inequality. In the discussion about political framework conditions in a globalised economy, the original assumption of an increase in prosperity for all through global competition that is regulated as little as possible is doubtful today (Ekardt, 2008: 17).

⁵ “Absolute poverty is a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information.” (UN, 1995)

⁶ The International poverty line defines that everyone living with less than \$ 2.15 per day is in extreme poverty (World Bank. 2022)

Mason says that offshoring only becomes unattractive - once you have to pay highly skilled workers in a low-wage country as much as an unskilled worker in the US (Mason, 2016: 149). Yet politicians do not seem to have any credible interest in improving the global economic policy framework. Quite the contrary. In bilateral trade agreements, labour and social standards continue to be insufficiently taken into account. In this way, politics secures the profit interests of transnational trading companies (Wötzel, 2013: 16). The legitimacy crisis of neoliberalism is becoming increasingly clear in the literature, supported by numerous reports from the UN, ILO and NGOs. The aspects of growth and accumulation that are central to capitalist economies can also be questioned insofar as excessive growth and sustainability are incompatible (Creydt, 2014: 116ff.).

5.5. Global governance frameworks

The established regulatory frameworks of private self-regulation and both national and international laws are predominantly based on agreements, recommendations and declarations of international organisations dealing with fair labour and social standards. In the following, these are presented and examined for their potential to close the identified governance gap at the global level. The existing rules and regulations differ in terms of their scope of application and their legally binding nature and range from voluntary commitments by companies to international standards to private standard-setting and social partner agreements.

The call for uniform guidelines on labour standards and the treatment of human rights in business is not new in the international community. Unlike codes of conduct, the following international guidelines are global standards for the government level of national governments. The reference to decent work also derives as a human right from the UN's Article 23 Universal Declaration of Human Rights⁷. International law, based on the UN Universal Declaration of Human Rights, has also established a very clear link between human rights and economic and social development, calling for the improvement of living standards, full employment and the conditions for economic and social progress and advancement (Article 55, UN Document E/C 23/1998).

⁷ „Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment. Everyone, without any discrimination, has the right to equal pay for equal work. Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection. Everyone has the right to form and to join trade unions for the protection of his interests.” (UN, 1948).

ILO Fundamental Principles and Rights at Work

The International Labour Organization (ILO), as a specialised agency of the UN, has defined eight principles in the ILO Declaration on Fundamental Principles and Rights (adopted in 1998, amended in 2022)⁸. They are derived directly from human rights and can be seen as the basis for all labour and social standards. Compliance with ILO core labour standards on corporate social responsibility by suppliers is the subject of free trade agreements and global framework agreements. Despite deficits with regard to the legal enforcement of the ILO, they are accorded a prominent position as a basis for national laws, a reference for international agreements and a standard of interpretation for trade agreements (Emons et al., 2021: 9). Even though, the increasing influence of private-sector groups on the independence and reputation of the ILO must be critically assessed (Pickshaus, 2019: 40). Gereffi and Mayer emphasise the important role of the ILO in promoting social standards (Gereffi & Mayer, 2006).

UN Guiding Principles on Business and Human Rights

Another important standard-setting exercise was carried out through the so-called *Ruggie Principles*, in which human rights due diligence, i.e. the careful examination of possible human rights risks that may arise from a company's business practices, plays a primary role. This responsibility also applies when state regulation is still insufficiently developed (German Council for Sustainable Development 2013). The principle of the "*state duty to protect*" emphasises the obligations of states to protect their own populations from human rights violations, even if they originate from corporations. They go back to the former UN Special Representative on Business and Human Rights, John Ruggie, who defined the pillars "*Protect, Respect and Remedy*". The 31 UN Guiding Principles on Business and Human Rights, which build on these principles, were adopted by the UN Human Rights Council in 2011. They are based on the recognition that compliance with human rights standards cannot be ensured at the state level alone. The Guiding Principles are addressed to states as standards under international law. States should require and support companies to comply with the adopted Guiding Principles (Emons et al., 2021: 12). "*The responsibility to respect human rights requires that business enterprises: "Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts."* (UN, 2011: 14, Article 13b).

⁸ ILO was founded in 1919 due to the unsustainable working conditions resulting from the Industrial Revolution and created for the first time an institution dealing with the formulation of labour standards and social norms at the global level (Schur-Matulewicz, 2022: 81).

The ILO Principles and the UN Principles are not binding under international law but rather based on voluntary compliance and self-regulation by companies (soft law). In the literature, they are generally seen as an "institutional milestone" for emphasising the clear responsibility of companies to respect human rights with the idea of "responsibility to respect" (Scheper, 2015: 739).

OECD Guidelines for Multinational Enterprises

The debate on CSR and CoC gained new relevance in the late 1990s through the Global Compact Network and the OECD Guidelines for MNCs. The OECD Guidelines for Multinational Enterprises (MNE) were first adopted in 1976 and contain eleven guiding principles on fair labour conditions, the environment and taxation. Since their last update in 2011, the guidelines have also explicitly addressed corporate responsibilities of MNCs in the supply chain. Unlike the ILO and UN Guidelines, trade defence agreements such as the OECD focus on the deregulation of trade between economic actors from different countries and less on the establishment of social standards (Emons et al., 2019: 16).

Although the *ILO Minimum Age Convention* (No.138), which effectively means the abolition of child labour, has been ratified by 172 member states, child labour is still practised in many of these countries. The main reason identified for the lack of implementation of similar conventions, besides the fear of losing sovereignty, is corruption, repressive regimes and the influence of the business sector (Schur-Matulewicz, 2022: 91). Nevertheless, the policy approaches of international organizations can be seen as an important step forward and have led to previously unknown regulatory activity by nation states (Emons et al., 2023: 138). Despite the regulation of minimum labour standards in value chains under international law as a right between states, international law does not create an obligation for companies as private law actors. However, as the LkSG shows, they can initiate legislative initiatives at the level of nation states (Emons et al, 2023: 136). An example for this is the CETA free trade agreement with Canada and the EU⁹, which was ratified in 2022 by the German Bundestag and contains the obligation to implement the ILO Convention ratified by the contracting parties in their law. In the view of the BMWK, the CETA agreement points the way for future agreements and implements high standards (BMWK). At the German policy level, the National Action Plan (NAP) followed in 2016, which formed the basis for the process of anchoring supply chain

⁹ CETA, the Comprehensive Economic and Trade Agreement, is a free trade agreement between the European Union (EU) and Canada

responsibility. After the failure of the voluntary commitments of the NAP, the anchoring in supply chain legislation followed (Emons et al, 2023: 138). The German LkSG is oriented towards the ILO and OECD Principles in terms of content and thus implements the respective guidelines adopted in 2011. The German LkSG is legally binding for the companies concerned and thus closes the gap between soft law and hard law at the national level.

5.6. National Governance in other countries

The international frameworks and guidelines already mentioned cannot overcome the regulatory governance gap, mainly due to their voluntary nature, and require national hard laws and the incorporation of regulatory frameworks for MNCs. In this way, nation states contribute to a transnationalisation of labour law, which is reflected by the trend of looking at other laws. National laws differ in content, but generally build on the ILO Guidelines and UN Principles (Schur-Matulewicz, 2022: 141). The German law joins a small series of regulatory laws by nation states. Even though the laws differ in implementation and form, they all primarily pursue the goal of activating MNCs as actors of self-regulation (Schur-Matulewicz, 2022: 141-172). At the national level, these include the California Transparency in Supply Chains Act, the UK Modern Slavery Act, Australian Modern Slavery Act and the French Corporate Duty of Vigilance Law. At the level of the European Union, the EU Commission published the proposal for a Corporate Sustainability Due Diligence Directive (CSDDD - 2019/1937) and it was agreed upon by the EU Parliament on the 1st of June 2023. The adoption of the CSDDD is expected for 2024. The proposal is an extension of the European Green Deal and aims to ensure that companies operating in the EU are legally obliged to respect human rights and the environment in global value chains. Together with existing regulations and other regulatory initiatives such as the Corporate Sustainability Reporting Directive (CSRD) or the EU Taxonomy Regulation, this represents a further step towards sustainable business under uniform European conditions. The EU law has great potential to implement transnational uniform law in the European Union and to create a level playing field (European Commission 2022).

6. Germany and the Supply Chain Due Diligence Act

6.1. Germany's Dependency on trade

As a trading nation, Germany is particularly dependent on stable supply chains. Germany's vulnerability due to economic dependencies can be seen, for example, in Russian gas supplies, which still covered around 55 percent of German gas imports in 2020 (BpB, 2022). The Institute of the German Economy points out the relatively strong dependence of some sectors, such as the electrical industry, on China and recommends greater diversification to reduce these dependencies (IW, 2023: 8). However, looking at the current German sustainability strategy from 2021, the indicator in relation to SDG 8 is "*combining greater economic output with environmental and social responsibility*" and in relation to global supply chains "*enabling decent work worldwide*". The target is to be significantly increased by 2030. The report also refers to the achievements of the German government under its *G7* and *G20* presidencies for sustainable supply chains and the *G7 Vision Zero Fund* to strengthen labour and social standards in global supply chains (GSDS, 2021). The German Council for Sustainable Development underlines the need for an orientation towards sustainable policies and attests that the German government has an implementation deficit. Council member Prof. Dr. Cornelia Füllkrug-Weitzel, comments: "*In the report, the German government self-critically acknowledges implementation deficits. We observe a neglect of the negative effects that Germany has on the achievement of the Sustainable Development Goals in the Global South countries. The perspective of the German Sustainability Strategy must therefore be expanded immediately to include the international spillover effects of German consumption, German production and German trade policy.*" (GSDS, 2020). Particularly in foreign trade promotion, the German state exerts enormous influence on the global actions of German companies through a wide variety of investments and subsidies and should fulfil its duty under international law to demand certain standards, which are regulated, among other things, by OCED agreements, including in the awarding of contracts (Scheper, 2013: 45). A reduction of dependencies is not to be expected, rather the German state continuously identifies which countries have a high future export potential due to large untapped resources (Deutscher Bundestag, 2022: 25).

6.2. NAP as a failed precursor

In response to the UN and ILO Principles, the German government adopted the National Action Plan on Business and Human Rights (NAP) on the 16th of December 2016. In July 2020, the evaluation showed that just 13 to 17 per cent of German companies with more than 500

employees implemented the principles, although business associations in Germany had already committed to these principles in the year 2011. Out of more than 3,000 companies contacted in Germany, only slightly more than 400 companies filled out the questionnaire in 2019. Moreover, the evaluation of the completed questionnaires showed that only about 20 per cent of these 400 companies fulfilled the requirements of the NAP at that time (BMZ, 2023). This review led to the conclusion that too few companies fulfil their human rights due diligence obligations. Reports and studies on the precarious working conditions of, for example, employees mainly from Eastern Europe in the German meat industry, which became particularly visible in the Covid pandemic, make it clear that the legal anchoring of due diligence obligations is also necessary in Germany (Bosch et al., 2020: 3ff.). The NAP can be assessed as a failure, but on the other hand the assessment has revealed the need for a legal framework. This finding also reflects the criticism articulated in advance by NGOs with regard to the voluntary nature of the NAP (Brot für die Welt, 2019).

6.3. The German “Lieferkettensorgfaltspflichtengesetz”

Following the sobering results of the evaluation of the NAP completed in May 2020, the then Chancellor Angela Merkel instructed the Federal Ministers of Labour (Hubertus Heil), Development (Gerd Müller) and Economics (Peter Altmaier) to develop key points for a German supply chain law in July 2020. On the 11th of June 2021, the German Bundestag the *LkSG (BT-19/28649)* was adopted with 412 Members of the Parliament (MPs) votes of the parliamentary parties *CDU/CSU* (10 “No”), *SPD* and *B90/DIE GRÜNEN*. 159 MPs voted against, and 59 MPs abstained. The *AfD* and *FDP* rejected the motion and *die LINKE* abstained (in each case with exceptions by abstention). This means that since the 1st of January 2023, companies with a head office, principal place of business or branch office or a registered office in Germany will be obliged to fulfil their responsibility in the supply chain by implementing due diligence standards. For the year 2023, the LkSG applies to a number of „in der Regel” (usually)¹⁰ 3.000 employees. From the year 2024, companies with a number of 1,000 employees will be held accountable (see § 1 LkSG). The LkSG can be understood as a classic instrument of economic administrative law, with which the German state makes binding specifications for entrepreneurial action and sanctions non-compliance with fines or enforces them by administrative act and administrative coercion (Altenschmidt & Helling, 2022). The LkSG is based on sustainability reports, which, in addition to the annual report, are an important

¹⁰ The characteristic "as a rule" makes a statement about the personnel strength that generally characterises the company (Schur-Matulewicz, 2022: 173).

component of the information policy of companies. The law regulates how the companies concerned must fulfil their human rights obligations by, among other things, analysing human rights risks, taking preventive and remedial measures, creating opportunities for complaints and providing evidence of these obligations. Companies with branches or subsidiaries in Germany are also included in these regulations. The implementation of the LkSG by the companies concerned is monitored by the Federal Office for Economic Affairs and Export Control (BAFA, 2023). Businesses are given a clear, proportionate and reasonable legal framework to meet the requirements of responsible supply chain management for the benefit of improving the international human rights situation. Human rights, as defined in the LkSG, refer to the largely universally ratified international treaties for the protection of human rights and include, among others, the prohibition of child labour, forced labour, slavery or other forms of oppression, such as extreme economic or sexual exploitation and humiliation, the prohibition of disregard for occupational health and safety, freedom of association and equal treatment, as well as the provision of a minimum wage. The environmental risk, as defined in the law, is mainly about the prohibition of the production, unlawful use and disposal of mercury and chemicals.

It is important to distinguish that the appropriate implementation of these obligations is not assessed in the same way for all companies, but depends, among other things, on the type and size of the company. In addition, companies do not have to be successful or guarantee that human rights are protected along their supply chain (duty of effort – “*Bemühungspflicht*”). Companies that do not comply with the due diligence obligations to an adequate degree can be forced to implement them with a penalty payment of a maximum of 50,000 euros. The amount of the fine depends on the seriousness of the violation and ranges from 100,000 to 800,000 euros. Companies with an average annual turnover of more than 400 million euros can be fined up to 2 per cent of their average annual turnover.

Business reactions to the LkSG in Germany can be described as mixed. Even though German companies were generally in favour of due diligence obligations in the previous debate, the conflict of objectives of companies between cost savings and competitive advantages with mandatory environmental and social standards became clear. After the publication of the draft, 28 German business associations wrote a statement to all members of the Bundestag demanding amendments up to a law that could be judged as ineffective (Handelsblatt 2021). The pro-business *CDU/CSU* parliamentary group also tried to suspend the start of the planned LkSG from 1 January 2023 with a corresponding motion (20/4876) on the 15th of December 2022.

7. Qualitative interview analysis

	Position, <i>Organization</i>	Private	Public	Social	Scientific
Expert 1	Trade Unionist, <i>IG Metall (Industrial Union of Metalworkers)</i>			X	
Expert 2	Member (MEP), <i>European Parliament, Committee on Legal Affairs</i>		X		
Expert 3	Independent expert		X		
Expert 4	Senior Researcher, <i>Öko-Institut e.V. (Institute for Applied Ecology)</i>				X
Expert 5	Member (MEP), <i>German Bundestag, Chairman of the Committee on Labour and Social Affairs,</i>		X		
Expert 6	Campaign Coordinator, <i>Kampagne für saubere Kleidung (Clean Clothes Campaign)</i>			X	
Expert 7	Head of Division, <i>Stiftung Arbeit und Umwelt (Foundation for Labour & Environment, of the Trade Union IG BCE)</i>			X	
Expert 8	(Former) Commissioner for Human Rights, <i>German Federal Government</i>		X		
Expert 9	Consultant, <i>European and General Works Council, Lear Corporation</i>	X			
Expert 10	Human Rights Officer, <i>Evonik</i>	X			

In this chapter, the results from the interviews are presented in addition to the literature in order to analyse them with the theoretical findings. The evaluation clarifies the overlapping assessments by literature and selected experts and also shows the differences to be noted.

7.1. Interviewees

The elected experts are all similar in that they support or approve of the Supply Chain Act in one way or another. Only their interfaces with the law are different for all of them. For example, IG Metall, as one of the largest European trade unions, stands for trade union organization of workers, while the member of the Bundestag was involved in the conceptualisation and legal implementation of the LkSG. A brief overview of the organizations interviewed follows.

The social initiatives are IG Metall and Clean Clothes Campaign and the Foundation for Labour & Environment. The former plays as one of the largest trade unions in Germany and a significant role in promoting labour rights and standards. It actively promotes the interests of workers in the metal and electrical industry and negotiates collective agreements that improve wages, working hours and working conditions. The Clean Clothes Campaign is an international movement working to improve working conditions in textile and garment production worldwide by holding companies accountable and promoting fair labour practices. They also seek through their work to raise awareness among consumers about the origins of their clothing and to put pressure on brands and companies to ensure responsible supply chains. The Foundation for Labour & Environment of the IGBCE operates in the field of tension between business and politics. As the sustainability think tank of the industrial union IGBCE, the non-profit foundation takes up transformation processes on the way to sustainability from an industrial union perspective. They produce analyses and studies, organise events and develop political recommendations for action in the areas of sustainable industrial policy and industrial work of the future. The focus is also on cooperation with the IGBCE and other external cooperation partners - such as trade unions, think tanks, research institutions and companies. The foundation also advises companies and works councils on issues of organisational and corporate responsibility in the field of sustainability and CSR.

The two private perspectives of the two companies are mapped below. The first interviewee is a human rights officer at Evonik Industries. Evonik is a German chemical company headquartered in Essen and employs over 33,000 people in more than 100 countries. With regard to labour rights and standards, Evonik is committed to upholding ethical and social standards in its global business operations and can be named a pioneer in the chemical industry. The second private expert is a consultant to the European and General works council at Lear Corporations. The US corporation employs more than 169,00 people in more than 39 countries

and operates in the automotive industry. as the world's largest supplier of automotive interior systems. In a statement issued by IG Metall on 31.05.2023, Holger Zwick, Chairman of the General Works Council of Lear Corporation, explicitly supports the LkSG and points to the need for a strong EU supply chain law. The two people are also well suited as interview partners because they can share practical experiences with the law from a business perspective and can refute or confirm common arguments in the public debate against a law from practice.

The interviewed scientist of the Oeko-Institute is a Senior Researcher in the field of Environmental Law & Governance and offers a scientific view on the topic. The Oeko-Institute is one of Europe's leading independent research and consultancy organizations working for a sustainable future develops principles and strategies for realising the vision of sustainable development at global, national and local level. Based on value-oriented research, the Oeko-Institute provides consultancy services for decision-makers in politics, industry and civil society on topics such as Energy and Climate, Biodiversity, Sustainable Consumption and Law, Policy and Governance.

Finally, the experts of the public initiatives complete the results. The governance level of an actor who was present at the legislative level during the vote in the Bundestag on the LkSG is represented by a member of the Bundestag and a graduate economist from the German party *Bündnis 90/ Die Grünen*. The interviewed MEP provides new governance insights into implementation at the European level and the possible advantages of creating a level playing field. The independent expert from a German ministry deals with the content of the LkSG and was also involved in its preparation. The list is complemented by the former Human Rights Commissioner of the German Federal Government, whose wealth of experience provides insights into the development of corporate due diligence and the influence of the individual actors.

7.2. Argumentation

In the assessment, the interviewees essentially agree that above all the business and trade associations are to be named as the main actors against a supply chain law: "I believe that there was very strong opposition, especially from the CDU/CSU and FDP circles. This is also something that we noticed quite strongly in the lobbying for the law. [...] In my opinion, that made it much more difficult" (Person 1). Person 8 reports of a situation where he, as the human rights commissioner of the Federal government, was told in talks with large associations that the associations would mobilise everything to prevent such a law and mandatory regulations. Moreover, he emphasises how difficult it was in the coalition at the time to measure and distribute responsibilities. Especially when it came to the question of whether a ministry should

be in charge of the law, it was unclear for a long time whether the Ministry of Economics or the Ministry of Foreign Affairs would be responsible. In the end, a working group was set up at the Foreign Office, and the process of the NAP got underway (Person 8). Person 3 notes: "Certainly, the associations, the companies, the trade unions, or the umbrella organizations have done a lot of lobbying to somehow prevent or weaken this regulation, this dreaded regulation. And I also saw the draft for the NAP at the time and then the final result. And the comparison is huge. The difference between what came out in the end and what was originally planned." Following this: "The negotiations took a very long time, also because there was lobbying on many sides, since many business associations saw a danger for the German economy in it (in the LkSG) and this was then actually also very much represented by the Ministry of Economics at the time." (Person 3). Person 8, on the other hand, notes that many very large companies have already implemented due diligence themselves and, contrary to their associations, are in favour of an LkSG and see the long-term benefits of this law for themselves and their consumers. Person 10 also notes that it is sometimes difficult for a company to take a positive public stance on the LkSG if the higher-level associations are against such a law, but many companies are very willing to comply with their due diligence obligations. In addition, the two interviewees from the companies affected by the LkSG also assess the LkSG and the anchoring of corporate due diligence obligations as a correct and necessary step and support this regulation by the state (Persons 9 and 10). In the public debate among entrepreneurs about the LkSG, supporters and outspoken opponents can also be identified, which reflects the disagreement in the debate also among companies and associations as affected actors.

In the public debate, particularly loud criticism of the LkSG can be heard from the associations BDI, the BDA, the DIHK, the BGA and the VDMA. The common criticisms of the law are concerns about a lack of competitiveness, the creation of bureaucracy and additional costs. Therefore, the associations continue to plead for voluntary standards.

The points of criticism and partly false statements repeated in the public debate are also known in the literature. One possible explanation for the great resistance to the LkSG is the basic efforts of a company, anchored in capitalism, to make as large profits as possible, to minimise costs and to keep state regulation of their entrepreneurial actions to a minimum.

Furthermore, it deprives companies of their regulatory power in a certain area of the implementation of the global division of labour. Thirdly, by enshrining the law, companies have to pay higher wages and invest more in fire protection, environmental protection or materials used, for example, which reduces their profits in the short term. The argument that Germany,

with its national "go-it-alone" approach (IHK, 2023), puts companies at a disadvantage and forces them to assume liability in the event of non-compliance is also not true. The United Kingdom, France, Austria, Switzerland and the Netherlands, among others, have similar laws, which also stipulate due diligence as a duty to act. This is therefore not a special German approach. Moreover, it is not a matter of obligations to succeed or guarantee liability, but of obligations to make an effort. Public criticism suggests that especially companies in risk sectors, which have so far only insufficiently or not at all dealt with their supply chains or are particularly aware of their lack of standards, are lobbying especially loudly against the LkSG. Companies that also stand up for better working conditions and social standards in the public perception and have already anchored these independently in their supply chains and with their suppliers fulfil the criteria of the LkSG anyway and therefore do not publicly voice any criticism.

On the other hand, the great commitment of civil society actors and initiatives is seen as the great driver of the anchoring of a German law. Person 8: "There have been and continue to be many terrible experiences with accidents in large production facilities. And over and over again they have caused a big outcry. But everything went on as before. And it really took an initiative initiated by civil society that led to this report. And that was, I think, the breakthrough at the international level. And that was only possible quite clearly because many, and indeed worldwide organizations put pressure on us, that I am firmly convinced we could not have done." Advocates make it clear that in the long run, implementing the due diligence requirements mentioned in the LkSG can actually benefit companies, as it makes supply chains more resilient, can prevent undesirable competitive advantages through social and ecological dumping, and can be a purchasing argument in public procurement (Initiative Lieferkettengesetz). The human rights officer of an MNC emphasises that the LkSG and also the associated transparency among suppliers can result in further benefits, through improved information and knowledge, for example in the areas of compliance violations, anti-trust law, money laundering.

7.3. Possible Disadvantages for Companies

Based on the evaluation of the expert interviews, the following points can be named which are assessed as weaknesses of the law or possible obstacles in the implementation for companies.

Fear for competitiveness and losses

The biggest concern from an economic point of view is possible losses and a reduction in competitiveness on the global market. This argument is certainly the most present and most frequently justified concern in the public debate against a LkSG. However, in view of the analysis of the interviews, it does not seem to have become entrenched, at least among the ten experts. The member of parliament explains to what extent this concern was taken into account in the LkSG: "That additional regulation of companies through the Supply Chain Act will lead to an exodus of German companies was a concern of various business associations in the discussion at the time. This concern was met by regulating an introduction in stages in the law and setting a generous transition period of 1 ½ years since the law was passed in summer 2021. Since 01.01.2023 the law applies to companies with 3000 and more employees and from 01.01.2024 to companies with more than 1000 employees, in the form that a report does not have to be submitted until one year later in each case." (Person 5)

Person 6 criticises: "This is always the same bogus argument of the business associations, which they have often put forward for any new regulation, but which has never been proven true, apart from a few exceptions. Even in the general consensus (persons 1, 3, 4, 5, 6, 7, 8) of the interviewees, this argument is assessed rather as a bogus argument, since the LkSG as a single law does not even have the regulatory span to change or restrict competition to such an extent. The only exception is the duty to withdraw from business relations (§ 7 para. 3) and may be necessary in case of doubt and under certain criteria, among others if the violation of a protected legal position or an environmental duty is assessed as very serious and no remedy is brought about within a specified time. From the perspective of an affected company (person 10): "I don't see any competitive disadvantages, but on the contrary, with the implementation of the LkSG we ultimately also realise our performance promise that we want to make people's lives better with our products and services, and for me this naturally also includes compliance with labour standards and human rights standards". Person 8, emphasises that the binding standards defined in the LkSG also fulfil commitments made by the German state at the international level: "Human rights are not voluntary; human rights are an obligation for all member states of the United Nations. That's why I think it was imperative that such a law was introduced with binding force". The fear of possible losses can be based on the theoretical assumption of political economy with the compulsion of companies to accumulate capital, which leads them to accept poor labour standards in order to remain competitive (Mayer & Gereffi, 2010).

Locational disadvantages and offshoring

Another disadvantage feared by companies and sometimes understood as a threat in the public debate is the offshoring of companies due to regulation. Person 9 says that examples of relocation of production abroad generally have nothing to do with the LkSG, but are pure cost optimisation. So moving production to "best cost countries" has more to do with other reasons. Person 2 and person 4 see this argument as a bogus argument of the associations to prevent such a law, person 4: "This is a fake argument that is used for every kind of regulation and can be transferred one-to-one to all other environmental laws or similar that have existed in recent years. In addition, person 4 emphasises that companies decide according to economic criteria and the costs of implementing the LkSG are low. Person 10 says: "Well, first of all I would say that we will not move any sites because of the Supply Chain Due Diligence Act. It is absolutely clear to us that the Supply Chain Due Diligence Act and its implementation is relevant for the entire group and also our policies, which we have for the human rights declaration of principles, other policies in the correspondence, which apply throughout the entire group. Person 10 emphasises that companies leave because of other things, such as possible higher investments, too much bureaucracy and not because of the LkSG. In this respect, it is interesting to note the statement by the German government that the law is explicitly intended to promote the principle of "empowerment before disengagement". The BMZ notes that companies are actively supported in implementing the requirements - also in developing countries (BMZ 2023).

Lack of overview of suppliers and sub-suppliers

Person 4 notes that it can be difficult for companies to obtain certain information about suppliers. Person 5: "Especially for companies with complex global supply chains, it can be difficult to ensure compliance in all areas and to guarantee transparency along the entire chain. But overall, in my view, the advantages outweigh the disadvantages."

This justified concern of a member of parliament and a scientist is contradicted by person 6: "Good examples, such as Fairtrade Cotton, many a small eco-fair label, Fairphone, Shiftphone or, in terms of ecological care, the GOTS label, show that change and adoption of care is possible even in the deep supply chains if the will is there and investment is made in sustainable, stable supply relationships." The shop steward of one MNC also confirms: "I don't have an overview of the whole supply chain, but the company does, as this is essential for recording audit results as well as implementing actions when and where necessary" (person 9). The human rights officer of another MNC notes: "I would not say that we have a complete overview of our suppliers. But we do have a good overview. And this system that the purchasing department

uses, of course all our suppliers are listed there and of course we do not buy from these suppliers every year. But the former suppliers remain in this system. And we are currently in the process of improving and updating the processes in structures within the framework of the LkSG.

In this regard, it must also be clarified that the LkSG only presupposes a duty of effort, according to which the due diligence obligations are subject to an appropriateness proviso, which is based, among other things, on the company's possibilities of influence and the contribution to causation (cf. para. 1, 2 LkSG). In the evaluation of the initial reports of the companies concerned and the information on the risks identified, measures taken and the assessment of their effectiveness, conclusions can then be drawn for a possible tightening of the LkSG, if the duty of effort as such enshrined in the law is not sufficient.

The human rights officer of an MNC notes with regard to the associations and their resistance to the LkSG: "Maybe this resistance will dissolve in the course of time. Simply because the associations will then also realise that the [LkSG] not only restricts competitiveness, but also opens up opportunities" (Person 10).

Additional costs and bureaucratic work

From a business perspective, the chairperson of the works council of an MNC confirms: "In terms of disadvantages, the extra costs of implementing and enforcing the LkSG could be seen as disadvantageous compared to a company that does not have these extra costs." (Person 9). The establishment of implementation and monitoring structures is assessed as an additional cost factor (Schur-Matulewicz, 2022: 272). The BMAS puts the one-off costs for the German economy at 110 million euros, and the additional annual costs are estimated at 43.5 million euros (BMAS). The human rights officer of an MNC confirms that the approximate additional costs in his own company can also be quantified at around 0.002 per cent of annual turnover. In his own company, these additional costs are mainly due to the fact that more employees were hired and new tools were purchased for implementation. (Person 10). In relation to the annual turnover of a company, the additional costs for the implementation of the LkSG can therefore be considered a financially feasible cost implementation, which at least for MNCs does not represent an economic threat or could cause mass bankruptcies. The possible additional costs are also justified by the additional bureaucratic workload resulting from the preparation of the report. In this regard, it should be noted that advances in digitalization and artificial intelligence enable the use of data collection tools that, according to Person 3, significantly reduce the additional workload for companies.

7.4. Opportunities and advantages of the LkSG

In addition to the fundamental interest under international law in anchoring due diligence obligations by companies due to the continuing violations and disregard for human rights and environmental damage, the further elaboration will now name the opportunities and advantages of the LkSG that were mentioned by the experts in the interviews.

Potential for change and pressure to act

With the LkSG, Germany fulfils its international obligations and expands the level playing field of legal due diligence obligations for companies in Europe. The German LkSG can also serve in parts as a model for other countries and ensure imitation at the international level. With an EU law at European level, this potential for action would be increased even further. Person 1: "Yes, I believe that the LkSG can help to ensure that human and labour rights and environmental rights are better protected. But it can only work on the condition that we know what is going on in the supply chain in the first place. Person 5 also notes that the increased awareness has created a better consciousness in civil society: "The positive development was that through this process, beyond individual scandals, many consumers first became aware of the poor human rights, labour rights and polluting conditions under which many of their consumer goods are produced" (Person 5).

Credibility, public pressure and consumer loyalty

Reputational risk is now considered one of the biggest risks for companies (Burckhardt, 2013: 1). Person 3 notes that companies want to avoid possible reputational damage that could result from sanctions for due diligence violations. Furthermore, companies know that NGOs can also sue them in case of fundamental violations due to the possibility to sue enshrined in the law, which would lead to a negative public perception and, in case of doubt, scare off potential or existing consumers, lenders or financial institutions and result in financial losses. The increasing public debate and demand for humane and ecological production is also an increasingly important purchasing argument for consumers. Person 1: "But I see this [in the LkSG] as the big competitive advantage for companies to gain serious credibility for respecting such human and workers and environmental rights, which is becoming more and more important for people here". According to Scheper companies to have an interest to get involved in the concept of human rights and implement CSR, because otherwise they fear to leave the interpretation of human rights entirely to NGOs and IGOs (Scheper, 2015: 745). As part of a business strategy: "Human rights due diligence can be a game-changer for companies: from

‘naming and shaming’ to ‘knowing and showing’. Naming and shaming is a response by external stakeholders to the failure of companies to respect human rights. Knowing and showing is the internalization of that respect by companies themselves through human rights due diligence” (Ruggie, 2010).

It can also still be assumed that there are consumers who prefer lower quality combined with a cheaper price and thus also knowingly accept the disregard of minimum standards in production. Through a LkSG, this moral purchase decision is now elevated to a higher political authority and fair consumption is no longer "negotiated" as a price consideration (Oslislo, 2017: 73f.). Person 5: "People are increasingly questioning the origin of the products they consume. Responsible supply chain management can greatly improve a company's reputation and increase consumer confidence. By identifying and managing risks in supply chains, companies can also reduce potential negative impacts on their reputation, operations and finances."

Person 10 states that especially companies in the be-to-be sector are often in a sandwich position between the demands of the customers (which are very high especially in the high price segment and with high quality requirements) and between the legal requirements and their own commitments. Therefore, it is also relevant that consumers take fair consumption more into account in their purchasing decisions and their consumer behaviour and thus consciously either support or avoid certain companies. Another point made by person 8 is that a new mentality is emerging in society with regard to appreciation of products and labour. The debate on fair consumption has also been increasingly addressed in the literature of the last decades in view of limited resources and negative consequences of economic trade on society and the environment¹¹.

Resilient and crisis-resistant supply chains

The independent topic expert explains: "Overall, there is also the thesis, which was also partially proven in the context of the pandemic, that supply chains are even more resilient if they are more sustainable. This means that if I know my suppliers, if I know exactly where my raw materials or intermediate products come from, then I can better anticipate if there are disruptions. (...). That means that [the LkSG] is also a kind of opportunity - I now have to deal with my supply chain, but that can also lead to my supply chain becoming more stable, more intelligent and I am in a better position than before” (Person 3). The entrepreneur expert notes that the risk analysis of one's own supply chains required by the LkSG can also lead to better

¹¹ The exciting question of fair trade, sustainable consumption and ways out of capitalist economic growth towards a post-growth way of life are also explored by: Mason, 2016; Creydt, 2014; von Hauff & Jörg, 2017; Burkhart et al., 2020; von Hauff & Claus, 2018.

identification of risks and thus make the supply chain more resilient. In addition, it puts the focus on action steps relevant to the company for the future vis-à-vis suppliers and possible dependencies (Person 10).

Advantage of action for an EU law

With regard to an EU law, the German LkSG offers companies in Germany the opportunity to already successfully implement structural changes with the anchoring of due diligence obligations in their own company. Person 3: "It is now also against the background of European regulation a kind of chance that German companies are already ready, have already prepared themselves or the processes are also already being implemented when it comes at the European level". The Member of the Bundestag also predicts: "It is a competitive advantage for Germany to already have experience with due diligence regulations, because first countries have already introduced them and soon there will also be such a regulation at the EU level. There is a better awareness among the public"(Person 5).

7.5. Identified weaknesses of the LkSG

In addition to the possibilities and identified opportunities of the law, experts also identify weaknesses that prevent stronger regulation and thus also better anchoring of human rights and environmental standards.

Limitation to a certain company size

The application of the law to a certain company size is unanimously named by the experts as the biggest weakness of the law. As a result, entire sectors are left out or are not affected if they are organized as medium-sized enterprises and have fewer than 3,000 or, from 2024, fewer than 1,000 employees. A consideration of SMEs from risk sectors would have been desirable, as smaller companies can also operate in critical markets (Schur-Matulewicz, 2022: 180).

Person 8: "The shortcoming in the old as well as the new law is about setting the minimum size of companies, so now at 3000. I think this restriction will mean that many problems will still exist. But at least, it's all better than what was before." With the current framework reference size of companies with more than 3000 employees, only about 900 companies are affected. Most national laws (e.g. the UK Modern Slavery Act) are also based on certain benchmarks, such as a certain annual turnover. However, the law must apply to as many companies as possible in order to create a level playing field. According to experts, the implementation of the standards of the current LkSG is also possible for small and medium-sized enterprises. The fact

that transparency and the implementation of higher environmental standards and fair working conditions are possible right down the supply chain is already being demonstrated by both large and small companies worldwide (Öko-Institut, 2020). Person 1 proposes a threshold of 500 employees, as discussed for the EU Directive.

Limitation to direct suppliers

The application of the LkSG to only direct suppliers also leads to the fact that the people most affected by human rights violations, i.e. the workers in the production countries, are in case of doubt not considered in the discretionary scope of the LkSG. In addition, the "Substantiated Knowledge" defined in the special rule §9 LkSG means that the indirect suppliers are only examined on an ad hoc basis, i.e. if there are actual indications that make a violation of a human rights-related duty appear possible. This demarcation bears the risk that such violations are deliberately not seen in order to avoid compulsory action. The Member of the Bundestag criticizes, that the LkSG only covers the due diligence obligations of companies for direct suppliers: "We also criticized the reduction of due diligence to direct suppliers. This undermines a fundamental concept of the United Nations Guiding Principles on Business and Human Rights" (Person 5). For indirect suppliers, however, it also applies if there are indications of violations. From the extraction of the raw material to the delivery to the end customer, it therefore does not completely cover the supply chain.

Absence of civil liability and lawsuits

The lack of civil liability under German law was criticised not only by initiatives but also by the Bündnis 90/Die Grünen parliamentary group in the Bundestag, which criticised the law as too weak and submitted four amendments to the Bundestag for improvement. Currently, victims are allowed to sue, but the law of the home country applies. This makes it very difficult for injured parties to sue for adequate compensation for the injustice they have experienced. Also, the fact that only very large and exclusively German-based companies are covered by the law massively limits the effectiveness of the proposed law. Schur-Matulewicz notes the lack of a civil liability act in light of legal developments. The lack of a civil action can also make it more difficult for affected persons to complain and significantly increase the costs of a possible lawsuit. (Schur-Matulewicz, 2022: 182). The LkSG does not create new civil liability regimes. NGOs and trade unions do not have their own right of action; they can only support affected persons in their legal action. Person 4 emphasises that the liability regulation lacks a strong enforcement instrument. However, this liability regulation is supposed to come at EU level, but

is being tried to be weakened at German level with Safe Harbour regulations. "Germany is ultimately trying to repeat the same mistake from a regulatory perspective that they already made with supply chain due diligence" (Person 4).

Limits of a level playing field approach

Another weakness is the law's limited effectiveness, since the LkSG only has an effect at the national level and cannot change much globally. In addition, the effectiveness of regulatory measures in global competition can only unfold if there is as level a playing field as possible in the sense of transnational law.

As a logical consequence, person 3 notes that there is simply no international law and thus no standard that is binding for all companies. All experts are in favour of anchoring due diligence in the sense of a global law. Person 6 emphasises the opportunities: "An (at least equally) strong EU supply chain law would mean equal challenges and thus also competitive conditions for all European companies or even companies active in the EU and thus create a level playing field. In addition, companies could then also join forces internationally on a larger scale, e.g. to improve conditions in a supplier factory from which several companies source products." Person 9 also notes: "I would absolutely support an international and legally binding law on the supply chain. Among other benefits for people and nature, the possibility of moving production to other 'looser' countries is no longer as attractive for companies." Person 8 further notes that at the international level, labour standards in the global division of labour need to be further negotiated so that ILO standards or UN principles become more binding and more relevant. Person 3 predicts that there will be more international legislation on this, independently of the European law. And the topic is also one that I would say will be an important aspect for investors or other actors. This means that it is a kind of opportunity to prepare for this at an early stage. The topic expert sees the creation of a smart mix, in the sense of voluntary and binding measures at transnational and national level, as a great opportunity for change.

Lack of environmental and climate protection

Several experts (Person 1, 3, 8) explicitly note that the LkSG does not take climate protection and the environment into account enough and that they see little potential for improvement for the prevention of environmental damage. External costs caused by business activities, i.e. long-term consequences of environmental destruction, pollution or the generation of waste, are also not sufficiently recognised as an overarching issue. Depending on the sector, up to 90 per cent of greenhouse gases and air pollution are produced in the supply chains. For example, land and

water consumption in the food and textile industries is almost entirely at the supplier level (BMWK 2023). In this respect, the LkSG has missed the opportunity to anchor effective regulations for environmental protection alongside labour standards.

A fundamental critique and acknowledged problem is the inequality in the scholarly debate on trade, industrial relations design and opportunities for improvement, which is strongly led by actors and institutions from the global North. The dominance of scientists from developed countries in the global literature is another feature of this inequality. This imbalance can lead to the neglect of the perspectives and needs of people and communities in the Global South. These issues are also visible in the implementation and anchoring of the LkSG. A possibly affected seamstress of a direct supplier in the textile industry in Bangladesh will probably never know that she is affected by a national law through the German LkSG and that her human rights have thus also been anchored in a legally binding way. Furthermore, even when looking at the political derivation of the LkSG, no major involvement of locally based NGOs or affected groups can be identified that would enable a perspective of the conditions on the ground.

Nevertheless, the expert from IG Metall emphasises that although fundamental and elementary human rights violations occur disproportionately often in the countries of the Global South, labour rights and environmental standards are also circumvented or disregarded in Germany and the EU. At a deeper level of employment, such as issues of health protection, access rights for trade unions or wage dumping in the low-wage sector, also in Germany, better awareness would therefore have to be created and the debate would have to start already with the analysis and questioning of one's own local and regional labour relations (person 1).

In this regard, it is also important that companies are supported in their design and implementation by political institutions and guided towards successful anchoring by means of rapid measures and transparent and unbureaucratic instruments, which, if possible, also include the perspectives of the global South and those affected. In this regard, Person 6 suggests that more training and further education be carried out in the production facilities in order to better inform employees about their enshrined rights and to pass on the resulting results and experience reports to BAFA in the next step. Overall, several experts note that the implementation of the LkSG would benefit enormously from better networking of the actors concerned and the creation of platforms for the exchange of best practices or knowledge (Person 1, 3, 6, 9).

Despite the identified opportunities and advantages of the LkSG, the experts still see further possibilities for improvement that would make the LkSG more effective and efficient. These are summarised below in bullet points:

- Sector-specific design of specific measures (Person 4, 10).
- Capacity building and networking by involved actors (person 10)
- More co-determination rights in companies through works councils and trade unions (person 1, 9)
- More transparency in the disclosure of company reports (person 6)

„Transparency makes democratic control possible” (Germanwatch)

The last point mentioned, the lack of transparency, will be briefly addressed here. BAFA, as the competent authority and recipient of the annual reports of the companies concerned, does not itself publish any information on which and how many companies are actually covered by the LkSG. This justified point of criticism by the trade unionist (Person 1) makes access to information also for civil society considerably more difficult and limits public scrutiny by trade unions, NGOs and other civil society actors, as they do not know which companies are legally obliged to comply with the LkSG. Especially in view of an EU-law and the enormous increase of companies connected to it, transparent access to information is necessary in order to initiate possible violations and resulting complaint procedures. the complexity of supply chains requires more transparency for the companies involved as well as for interested consumers and is one of the most important topics in the debate around sustainable supply chain management (Kampffmeyer, 2017: 23).

8. Conclusion

The aim of this work was to find out to what extent the German Supply Chain Due Diligence Act (LkSG) can improve unequal participation in the global division of labour and promote a sustainable economic model. As expected, the quantitative evaluation of the literature and the qualitative analysis of the expert interviews showed that there is still a long way to go before a world in which there are no more violations of human rights or environmental standards along global value chains, regardless of whether they take place in industrialised or developing countries. The evaluation of the interviews resulted in a critical but fundamentally positive assessment of the German LkSG, who see the potential to achieve a real improvement for workers in global supply chains in the global South by anchoring due diligence obligations in law. Especially the implementation of further, ideally international, legislation following the LkSG, as envisaged with the EU law, would strengthen central regulation and contribute

positively to long-term development. Moreover, it can be stated that the German LkSG, which has been in force since 2023, is an important step towards anchoring and securing labour standards in the global division of labour in GVCs. The German government is thus also fulfilling its own responsibility and the obligations already laid down in international agreements, which have already been anchored in national legislation in other European countries.

Referring to the developed research question, it can be pointed out that the LkSG is an implemented domestic policy instrument in an increasing series of other European policy instruments for corporate due diligence in supply chains. As individual instruments, these can be assessed as relatively effective. But by creating a level playing field, regulatory laws in a deregulated capitalist market can improve the participation of all actors. By involving as many actors as possible in the sense of a smart mix, a higher impact can be expected. The LkSG as a law with transnational effects creates a form of global governance that requires the participation of several actors, but is carried out by the state in the creation of framework conditions. The LkSG thus also shows that the nation state is still to be assessed as the primary actor for regulatory processes and can also shape political and economic processes beyond its national borders.

Nevertheless, in order to improve the existing unequal power relations and dependencies of the countries of the global South, a fundamental change in the design of the capitalist world economic system and the measurement of growth in social market economies is required.

In conclusion, the German government has taken an important step in the debate on fairer supply chains and safeguarding human rights and labour standards by making corporate due diligence legally binding for the first time in the LkSG, thus going beyond the previous voluntary approach. The momentum and public attention should be used to initiate further regulatory steps in the design of global production and commodity chains and the division of labour. The evaluation of the results of this work shows that the LkSG is in principle a good first step towards achieving the goal of just and fair supply chains in a global division of labour. However, it is legitimate to ask whether the impact of the LkSG is underestimated at the global governance level, because as long as there are only national laws for corporate due diligence, there will always be companies that continue to have products manufactured in risk areas and do not respect or protect human rights or environmental damage along the supply chain.

In the conclusion, domestic policy instruments such as the LkSG can only change global governance structures if they become a collective push for a stronger governance mechanism through the implementation of as many nation states as possible. This reflects the assumption

that national policy can drive international norm-setting and that the nation state remains the primary actor to initiate the previously mentioned governance structures. The review highlighted the power dynamics created in international relations by MNCs and their economic power to resist laws and regulations by the nation state. The increased influence on institutions and international agreements as a function of mutual interests highlights the tension between state-driven instruments and corporate interests. Theory suggests that nation-state actors in interaction with international organizations and civil society actors as a joint global governance can be most effective in steering global governance and countering it on a transnational level. Thus, instruments such as the LkSG can only change global governance structures to a very limited extent, but they do provide the basis for deepening and creating a global playing field.

8.1. Discussion of research findings

The results of this work are important in several respects. First, they shed light on the complex dynamics and conflict of interests of multiple stakeholders and actors in the debate on national regulatory laws for supply chains, especially in the profitable and competitive sector of the global division of labor. The paper critically and comprehensively justifies why voluntary compliance with human rights or environmental standards by companies does not take place and why regulation, contrary to the neoliberal theory of political economy, must take place through the state as governance. Second, the paper highlights the impact on the political economy of strengthening state regulation of economic activities. The existing power imbalance between companies and governments in global supply chains can be controlled and enforced through the legal obligation to comply with human rights and environmental standards by government agencies, such as BAFA in the case of Germany. This shift in power dynamics and Global Governance, based on the theoretical debate following the analysis, can reduce dependencies of developing countries in the Global South and overcome the identified regulatory governance gap. The results obtained also shed light on possible incentive structures for companies and the resulting changes in corporate behavior. However, according to the study's findings, the structural changes can only be achieved through consistent monitoring and implementation of the LkSG and subsequent global laws that prevent potential competitive disadvantages for companies. This study challenges the traditional self-understanding of the growth and prosperity premise as the economic model of developed countries, which stands in stark contrast to the obvious weaknesses and vulnerabilities of this model in terms of wealth distribution, existing inequality and exploitation, and its lack of resilience in the face of financial crises or the Covid 19 pandemic. The discrepancy is particularly evident in the comparison between concluded agreements such as the SDGs and the climate and development

goals of the German government and the actual implementation to date, as well as the seemingly non-existent political will to contribute to the achievement of these agreements and goals through stronger regulation of companies. These findings contribute to the broader discourse on sustainable development in global supply chains and an economic model that follows the theory of post-growth and strives for an economic and social model that works within planetary boundaries and ecological resources and consciously reduces growth and consumption.

8.2. Limitations and future research

Due to the given scope, the work could only look at a number of important contexts or developments in an abbreviated or summarised way. Thus, the increasingly critical academic debate on the world economic model of neoliberal capitalism and possible alternative models of post-growth and post-capitalism could not be illuminated. The debate on political economy, which deals with the interplay of politics and economics and the relationship between the free market and state intervention in the sense of a social market economy, can also only be summarised. Furthermore, my research is almost exclusively limited to the perspective of industrialised countries and the theories or arguments mentioned in my research were also almost exclusively written by theorists from the industrialised countries of the global North. My research was also limited in the sense that I did not know or experience the conditions and processes in supply chains practically and on the ground. A comparison of the German law with other national laws, such as the French, British or Austrian law on corporate due diligence, would have provided a different perspective on the evaluation of the law, but could also not take place due to the limited scope. The extensive literature and debate on globalization, the development of international trade and entrepreneurship in the capitalist economic system has sometimes made it difficult to filter out the most important findings in the critical reflection. Future research could focus on the evaluation of the LkSG after its introduction in Germany on 1.1.2023. The evaluation of the predicted or already identifiable improvements in the supply chain through a supply chain law elaborated in this thesis creates the basis for further legislation at the international level. In this context, further research is also important because it can name the potential of moving away from growth and competition orientation for companies and consumers. In the face of global challenges and against the backdrop of the succession of crises and crisis management strategies of democratic capitalism in a process of societal transformation, research on better resilience along the supply chain can identify further vulnerabilities. Furthermore, future research should specifically address how state regulation of corporate due diligence can be designed in a level playing field with different actors. The

regulation of labour conditions and rights as a labour governance debate has only been briefly touched upon in this paper and can lead to a better understanding of the interplay of public and social governance with the private sector through a comprehensive consideration. With regard to the expert interviews conducted with private, governmental, non-governmental and academic actors, the intentions and influences of each stakeholder group could be explored in more detail in future research. On the economic level, it is interesting to look at the affected companies and the assessed potential impacts (such as migration and competitive disadvantages) on Germany as a business location.

8.3. Outlook

In the broader outlook, the German Supply Chain Due Diligence Act should be seen as an opportunity to initiate necessary changes in external conditions against the background of existing neoliberal power relations. One could also embed the obvious mutual interests in the issue of corporate due diligence as a symbol for a larger social and economic discussion that fundamentally asks between critique of capitalism and the political-economic constitution of our societies and the necessary realignment in a capitalist system of profit maximisation. Capitalism as the basis of exploitation and poor labour and environmental standards will not fundamentally change, as the literature shows, because of the dependence of workers and the dependence on the sale of their labour power. With regard to the future development of post-growth and sustainable development, the ecological crisis and its increasing global impact will have a major influence on all actors. But this could also create new incentives for multilateral cooperation and institutional development of global governance. Current supply chain laws must therefore focus on changing power relations in favour of workers in the developing countries of the global South, because only then can the law be considered effective, which is not possible with the current LkSG due to the limitations analysed. Nevertheless, the LkSG can bring about changes in the economy and society and change the development of international trade towards a "just globalisation" to close the identified governance deficit at least partially. For future development, it is crucial that all stakeholders are actively involved in the process and, above all, that businesses and consumers are convinced of the long-term and sustainable benefits. Only by finding solutions together and working together can the *German Supply Chain Due Diligence Act* reach its full potential. So the best way to predict the future in this regard is to help shape it.

References

- Aden, H. (2012). *Umweltpolitik*. 1. Aufl. Wiesbaden: Vs-Verl.
- Amnesty International. (2023). *Powering Change or business as usual?* Online available at: <https://www.amnesty.de/sites/default/files/2023-09/Amnesty-Bericht-Demokratische-Republik-Kongo-Rohstoffe-Abbau-Kupfer-Kobalt-Menschenrechtsverletzungen-September-2023.pdf>. Last checked on 26.08.2023.
- Amnesty International (2020). *Reality Check 2020: Countdown to the 2022 World Cup*. Online available at: https://www.amnesty.de/sites/default/files/2020-11/Amnesty-Bericht-Katar-Rechte-von-Arbeitsmigrant_innen-Realitaetscheck-WM-November-2020.pdf. Last Checked on 05.09.2023.
- Apolte, T. (2006). *Wohlstand durch Globalisierung*. Orig.-Ausgabe. München: Dt. Taschenbuch-Verl.
- Arbeit und Umwelt (2023). *Die Stiftung Arbeit und Umwelt der Industriegewerkschaft IGBCE*. Online available at: <https://www.arbeit-umwelt.de/stiftung/>. Last Checked on 14.09.2023.
- Arendt, H. (1986). *Elemente und Ursprünge totaler Herrschaft*. München, Piper.
- Auernheimer, G. (2019). *Globalisierung*. Köln: Papyrossa Verlag.
- Auswärtiges Amt (2020): *Abschlussbericht. Monitoring des Umsetzungsstandes der im Nationalen Aktionsplan Wirtschaft und Menschenrechte 2016–2020 beschriebenen menschenrechtlichen Sorgfaltspflicht von Unternehmen*. Online available at: https://www.auswaertigesamt.de/blob/2405080/23e76da338f1a1c06b1306c8f5f74615/201013-nap_monitoringabschlussbericht-data.pdf, Last Checked on 03.08.2023.
- BAFA (2023). *Lieferketten*. Online available at: https://www.bafa.de/DE/Lieferketten/Risikoanalyse/risikoanalyse_node.html. Last Checked On 26.07.2023.
- Bank, W. (2020). *World Development Report 2020: Trading For Development In The Age Of Global Value Chains*. [Online]. Nashville: World Bank Publications.
- BDA (2022). *EU-Regulierung von Wertschöpfungsketten birgt Überlastung deutscher Unternehmen. Stellungnahme (final)*. Online available at: https://arbeitgeber.de/wp-content/uploads/2022/05/bda-arbeitgeberstellungnahmekommissionsvorschlag_sorgfaltspflichten_von_unternehmen_im_hinblick_auf_nachhaltigkeit-2022_05.pdf. Last checked on 12.09.2023.
- Beck, U. (1998). *Was Ist Globalisierung?* 4. Aufl. Frankfurt Am Main: Suhrkamp.
- Benya, A. (2013). *Für das Politische in der politischen Ökonomie*. Leverkusen: Budrich.

- BMWK. (2023). CETA: Richtungsweisend für zukünftige Abkommen. Online available at: <https://www.bmwk.de/Redaktion/DE/Artikel/Aussenwirtschaft/Ceta-Bereiche.html>, Last Checked On 08.06.2023.
- BMWK. (2022). Stärkerer Schutz von Menschenrechten und Umwelt in globalen Lieferketten. Online available at: <https://www.bmwk.de/Redaktion/DE/Pressemitteilungen/2022/12/20221229-staerkerer-schutz-von-menschenrechten-und-umwelt-in-globalen-lieferketten.html>, last checked on 01.08.2023.
- BMZ. (2023). Lieferketten und Lieferkettengesetz, Hintergrundinformationen. Online available at: <https://www.bmz.de/De/Themen/Lieferketten/Hintergrund-Lieferketten-Lieferkettengesetz#:~:Text=Sie%20sollen%20die%20verletzung%20von,Der%20menschenrechte%20in%20globalen%20lieferketten>, Last Checked On 06.06.2023.
- Bosch, G., Hüttenhoff, F., Weinkopf, C. (2020). Corona-Hotspot Fleischindustrie: Das Scheitern der Selbstverpflichtung. IAQ Report. Online available at: https://duepublico2.uni-due.de/servlets/MCRFileNodeServlet/duepublico_derivate_00072460/IAQ-Report_2020_07.pdf. Last Checked on 15.09.2023.
- Brock, D. (2008). Globalisierung. 1. Aufl. Wiesbaden: Vs, Verlag für Sozialwissenschaften.
- Brot für die Welt. (2019). Durchgefallen – Lieferkettengesetz unumgänglich. Online available at: <https://www.brot-fuer-die-welt.de/blog/2019-durchgefallen-lieferkettengesetz-unumgaenglich/>, Last Checked on 02.08.2023.
- Buchstein, H., Pohl, K., Trimcev, R. (2021). Demokratietheorien. 10., Vollständig überarbeitete Auflage. Frankfurt/.M: Wochenschau Verlag.
- Burckhardt, G. (2013). Corporate Social Responsibility – Mythen und Maßnahmen. DOI 10.1007/978-3-658-02842-8_9, " Springer Fachmedien Wiesbaden.
- Bureau of International Labor Affairs (2021): List of Goods Produced by Child Labor or Forced Labor. available online at: www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods. Last Checked on 02.09.2023.
- Buttke, L. (2022). Risikoanalyse nach den Anforderungen des deutschen Lieferkettensorgfaltspflichtengesetzes. *Ökologisches Wirtschaften - Fachzeitschrift*. [Online] 37 (3), 27–30.
- Castro Varela, M., Dhawan, N. (2020). Postkoloniale Studien in den Internationalen Beziehungen: Die IB dekolonisieren. In: Sauer F. & Masala. C. (2020) Handbuch Internationale Beziehungen. VS Verlag für Sozialwissenschaften, Wiesbaden.

- Creydt, M. (2014). *Wie der Kapitalismus unnötig werden kann*. Verlag Westfälisches Dampfboot, Münster.
- Crouch, C. (2011). *Das befremdliche Überleben des Neoliberalismus*. Dt. Erstausg. Berlin: Suhrkamp, 2011. Print.
- Decker, R. Et Al. (2020). *Europa und Afrika*. Aktualisierte und überarbeitete Neuauflage, Originalausgabe. Freiburg; Basel; Wien: Herder.
- Destatis (2022). *Industrie, Verarbeitendes Gewerbe: Zusammenhang zwischen Materialknappheit und Industrie- Aktivität*. Online available at: <https://www.destatis.de/De/De/Themen/Branchen-Unternehmen/Industrie-Verarbeitendes-Gewerbe/Materialknappheit-Industrieaktivitaet.html>, Last Checked On 09.07.2023.
- Deutscher Bundestag (2021). *Dokumente*. 19/28649. *Gesetzentwurf der Bundesregierung*. Online available at: <https://dserver.bundestag.de/btd/19/286/1928649.pdf>. Last Checked on 14.09.2023.
- DIHK. (2022). *EU-Lieferkettengesetz: DIHK sieht dringenden Nachbesserungsbedarf*. Online available at: <https://www.dihk.de/de/themen-und-positionen/europaeische-wirtschaftspolitik/eu-lieferkettengesetz-dihk-sieht-dringenden-nachbesserungsbedarf-72670>, Last Checked On 09.07.2023.
- Dingwerth, K., Blauberger, M., Schneider, C. (2011): *Postnationale Demokratie. Eine Einführung am Beispiel von EU, WTO und UNO*. *Grundwissen Politik Band 47*, VS Verlag für Sozialwissenschaften.
- ECCHR (2023). *Hard Law/Soft Law*. Online available at; <https://www.ecchr.eu/en/glossary/hard-law-softlaw/>, Last Checked Ok 08.05.2023.
- Ekardt, F. (2009). *Welthandelsrecht und Sozialstaatlichkeit: Globalisierung und soziale Ungleichheit*, Arbeitspapier, No. 170, Hans-Böckler-Stiftung, Düsseldorf. Online available at: https://www.econstor.eu/bitstream/10419/116631/1/hbs_arbp_170.pdf, Last Checked On 09.07.2023.
- EIGE (2023). *Non-Governmental Organizations*. Online available at: https://eige.europa.eu/publicationresources/thesaurus/terms/1087?language_content_entity=en. Last Checked on 02.09.2023
- Emons, O., Fulda, B., Klengel, E. (2023). *Rechtliche Instrumente zur Umsetzung von Sozialstandards in Lieferketten*. In: *Soziale Standards in globalen Lieferketten*. Hans-Böckler-Stiftung, Band 200. Transcript Verlag, Bielefeld.

- European Commission (2022). Corporate sustainability due diligence. Online available at: https://commission.europa.eu/business-economy-euro/doing-business-eu/corporate-sustainability-due-diligence_en. Last Checked on 01.09.2023
- Exner, A., Lauk, C., Kulterer, K. (2008). Die Grenzen des Kapitalismus. Wien: Ueberreuter.
- Fischer, K., Reiner, C. Staritz, C. (2021). Globale Warenketten und ungleiche Entwicklung. Arbeit, Kapital, Konsum, Natur. Mandelbaum Verlag Wien.
- Fischer, K., Hauck, G., Boatcā, M. (2016). Handbuch Entwicklungsforschung. 2.Auflage, Wiesbaden: Springer Vieweg. In Springer Fachmedien Wiesbaden GmbH.
- Fischer, K., Parnreiter, C. (2006). In Memoriam: Andre Gunder Frank. Was bleibt von der Entwicklung der Unterentwicklung? Mandelbaum Edition Südwind. Journal für Entwicklungspolitik. Mattersburger Kreis für Entwicklungspolitik (Hrsg.)
- Fuchs, D., Glaab, K. (2020). Globalisierung, Global Governance und internationale Politik. In: Sauer F. & Masala. C. (2020) Handbuch Internationale Beziehungen. VS Verlag für Sozialwissenschaften, Wiesbaden. Online available at: <https://www.Bundesregierung.De/Resource/Blob/974430/1940716/4bdf89ceea3b1e4367918384b8839a37/2021-07-26-Gsds-En-Data.Pdf?Download=1>, Last Checked On 18.07.2023.
- Frank, A. G. (2016): Die Entwicklung der Unterentwicklung. In: Lukas Schmidt und Sabine Schröder (Hg.): Entwicklungstheorien. Klassiker, Kritik und Alternativen. 1. Aufl. Wien: Mandelbaum: 170–185.
- Frank, A. G. (1969). Kapitalismus und Unterentwicklung in Lateinamerika. Frankfurt: Europäische Verlagsanstalt.
- Gereffi, G., Mayer, F. (2006). Globalization and the Demand for Governance. The new offshoring of jobs and global development. Geneva: ILO (ILO social policy lectures): 39–58.
- Gereffi, G. (1994). Commodity chains and global capitalism. Westport, Conn.
- Gestring, I. Et Al. (2016). Ethik im Mittelstand: Grundlagen und Instrumente zur praktischen Umsetzung. Wiesbaden: Springer Fachmedien Wiesbaden GmbH.
- German Council for Sustainable Development. (2021). Press Release. Online available at: <https://www.nachhaltigkeitsrat.de/en/news/the-german-council-for-sustainable-development-identifies-persisting-need-for-greater-action-when-it-comes-to-the-delivery-of-the-second-vnr/>. Last Checked on 01.09.2023.
- Goeßmann, D., Scheidler, F. (2019). Der Kampf um globale Gerechtigkeit. Wien: Promedia.
- Haas, H.-D., Schlesinger, D. M. (2007). Umweltökonomie und Ressourcenmanagement. Darmstadt: Wbg Wiss. Buchges.

- Handelsblatt (2021). Viele Firmen sind auf das Lieferkettengesetz schlecht vorbereitet. Online available at: <https://www.handelsblatt.com/unternehmen/mittelstand/familie-nun-nehmer/mittelstand-unglaublicher-aufwand-viele-firmen-sind-auf-das-lieferkettengesetz-schlecht-vorbereitet/28877634.html>. Last Checked on 03.09.2023
- Hauff, M., Claus, K. (2018). Fair Trade. 3., überarbeitete Auflage, Studienausgabe. Konstanz: Uvk Verlagsgesellschaft MbH.
- Hauff, M. (2014). Nachhaltige Entwicklung. 2., Aktualisierte Aufl. München: De Gruyter Oldenbourg.
- Hauff, M., Jörg, A. (2017). Nachhaltiges Wachstum. 2., Erweiterte und Aktualisierte Auflage. Berlin; Boston: De Gruyter Oldenbourg.
- Herlyn, E., Lévy-Tödter, M. (2020). Die Agenda 2030 als magisches Vieleck der Nachhaltigkeit. 1st Ed. 2020. [Online]. Wiesbaden: Springer Fachmedien Wiesbaden.
- Helfen, M. (2022) Globale Arbeitsstandards und Arbeitswissenschaft: Wie weiter auf dem Weg zu nachhaltiger Arbeit in globalen Lieferketten? Zeitschrift für Arbeitswissenschaft. [Online]
- Helfen, M., Haipeter, T., Kirsch, A., Rosenbohm, S. (2023). Soziale Standards in globalen Lieferketten. Hans-Böckler-Stiftung, Band 200. Transcript Verlag, Bielefeld.
- Human Rights.CH. (2016), Transnationale Unternehmen. Online available at: <https://www.humanrights.ch/de/ipf/menschenrechte/wirtschaft/transnationale-unternehmen-tnc-worum>. Last Checked on: 09.09.2023.
- IAO (2021). Ungleichheit und die Welt der Arbeit. Online available at https://www.ilo.org/Wcmsp5/Groups/Public/---Ed_Norm/Relconf/Documents/Meetingdocument/Wcms_792274.Pdf, Last Checked On 01.08.2023.
- IG Metall (2023). Erklärung. Keine Grenzen für Menschenrechte in den Lieferketten. Online available at: https://www.igmetall.de/download/20230531_Betriebsraeteerklaerung-Lieferketten.pdf. Last Checked on 13.09.2023.
- IHK (2023). Das Lieferkettengesetz – IHK Düsseldorf stellt Umfrage-Ergebnisse vor. Online available at: <https://www.ihk.de/duesseldorf/aussenwirtschaft/lieferkettengesetz/das-lieferkettengesetz-ihk-umfrage-5821342>. Last Checked on 20.08.2023.
- IHK (2023). Lieferkettensorgfaltspflichtengesetz – LkSG. IHK Lippe zu Detmold. Online available at: <https://www.ihk.de/lippe-detmold/hauptnavigation/beraten-und-informieren/international/lieferkettengesetz-5052300>. Last Checked on 20.08.2023.
- ILO (2022). ILO Declaration On Fundamental Principles And Rights At Work And Its Follow-Up. Online available at: <https://www.ilo.org/Wcmsp5/Groups/Public/--->

- Ed_Norm/--- Declaration/Documents/Normativeinstrument/Wcms_716594.Pdf, Last Checked On 02.08.2023.
- ILO (2023). Assessing The Current State Of The Global Labour Market: Implications For Achieving The Global Goals. Online available at: <https://ilostat.ilo.org/Assessing-The-Current-State-Of-The-Global-Labour-Market-Implications-For-Achieving-The-GlobalGoals/#:~:Text=The%20global%20unemployment%20rate%20declined,Of%20the%20covid%2d19%20pandemic>, Last Checked On 04.08.2023.
- Initiative Lieferkettengesetz (2022). Ökonom*innen für ein Lieferkettengesetz. Online available at: <https://lieferkettengesetz.de/oekonominnen-statement/#:~:text=Ein%20Lieferkettengesetz%20kann%20den%20negativen,aufgrund%20von%20Sozial%2D%20und%20Ökodumping>. Last Checked on 09.09.2023.
- Jäger, Johannes; Springler, Elisabeth (2013). Ökonomie der internationalen Entwicklung. Eine kritische Einführung in die Volkswirtschaftslehre. 2. Aufl. Wien: Mandelbaum. (Gesellschaft, Entwicklung, Politik, 14).
- Janusch, H. (Hrsg.) (2020). Handelspolitik Und Welthandel In Der Internationalen Politischen Ökonomie. 1st. 2020. [Online]. Wiesbaden: Springer Fachmedien Wiesbaden.
- Kampffmeyer, N. (2017). Brennpunkt globale Lieferketten: Herausforderungen & Lösungsstrategien. [Online] Öko-Institut Paper 5/2017.
- Klemp, L., Poeschke, R. (2005). Good Governance gegen Armut und Staatsversagen. APuZ. Online available at: <https://www.bpb.de/shop/zeitschriften/apuz/28952/good-governance-gegen-armut-und-staatsversagen/>. Last Checked on 03.09.2023.
- Koch, T. (2023). Absoluter Tiefpunkt? Scharfe Kritik am EU-Lieferkettengesetz. Bayrischer Rundfunk <https://www.technik-einkauf.de/einkauf/logistik-supply-chain/unternehmen-gegen-eu-lieferkettengesetz-182.html>, Last Checked On 04.08.2023.
- Kremser, C. E., Sebaldt, M., Friedel, A., Fütterer, S., Schmid, S. (2016). Aufstieg Und Fall Westlicher Herrschaft. Zum Grundproblem Globaler Politik Im Spiegel Moderner Klassiker, Zeitschrift Für Außen- Und Sicherheitspolitik, 10(4), Pp. 557–558.
- Krull, W. (2000). Zukunftsstreit, In 1. Aufl. 2000 Weilerswist: Velbrück Wiss. P.
- Lees, N. (2021). The Brandt Line After Forty Years: The More North–South Relations Change, The More They Stay The Same? Review Of International Studies 47, 85–106. Online Available At <https://www.cambridge.org/core/services/aop-cambridgecore>. Pdf. Last Checked On 29.07.2023.
- Leubolt, B. (2022). Karin Fischer, Christian Reiner, Cornelia Staritz (Hrsg.) (2021): Globale Warenketten und Ungleiche Entwicklung. Arbeit, Kapital, Konsum, Natur: Wien:

- Mandelbaum Verlag. ISBN: 9783854769576. 25,00. ÖZS. Österreichische Zeitschrift für Soziologie. [Online] 47 (4), 413–417.
- Levy, D. L. (2008). Political Contestation in Global Production Networks. *The Academy of Management Review*. [Online] 33 (4), 943–963.
- Lorberg, D. (2020). Handelspolitik und Welthandel In *Der Internationalen Politischen Ökonomie*. In: Janusch, H. (Hrsg.) Wiesbaden: Springer Fachmedien Wiesbaden.
- Mandle, J. R. (2003). *Globalization And The Poor*. Cambridge [U.A: Cambridge Univ. Press.
- Matthes, J. (2001). *Neuer Protektionismus?* Köln: Div, Dt. Inst.-Verl.
- Maswood, S. J. (2018). *Revisiting Globalization and the Rise of Global Production Networks*. [Online]. Cham: Springer International Publishing.
- Mayer-Tasch, P. C. (2011). *Der Hunger Der Welt*. Frankfurt [U.A: Campus-Verl.
- Möller, S. (2020). Handelspolitik und Welthandel In *Der Internationalen Politischen Ökonomie*. In: Janusch, H. (Hrsg.). Wiesbaden: Springer Fachmedien Wiesbaden.
- Mrasek, V. (2021). *Seltene Erden Für Die Energiewende Sichern*. Online available at: <https://www.deutschlandfunk.de/internationale-energieagentur-fordert-seltene-erden-fuer-100.html>, Last Checked On 20.07.2023.
- Muraca, B. (2010). *Denken Im Grenzgebiet. Prozessphilosophische Grundlagen Einer Theorie Starker Nachhaltigkeit*, Freiburg/München.
- Muraca, B., Döring, R. (2018). From (Strong) Sustainability To Degrowth: A Philosophical Reconstruction, In: Jeremy L. Caradonna (Hrsg.), *Routledge Handbook Of The History Of Sustainability*, London, 339–362.
- Müller, N. M. (2020). Handelspolitik und Welthandel In *Der Internationalen Politischen Ökonomie*. In: Janusch, H. (Hrsg.). Wiesbaden: Springer Fachmedien Wiesbaden.
- OECD (2023). *OECD Guidelines For Multinational Enterprises On Responsible Business Conduct* Oecd Publishing, Paris, Online available at: <https://doi.org/10.1787/81192357-en>. Last Checked On 15.07.2023.
- Öko-Institut E.V. (2020). *Deutschland Braucht Ein Starkes Lieferkettengesetz*. Online available at: <https://www.oeko.de/presse/archiv-pressemeldungen/presse-detailseite/2020/deutschland-braucht-ein-starkes-lieferkettengesetz>, Last Checked On 03.08.2023.
- Oslislo, C. (2017). *Global Unternehmen und Menschenrechte. Über Moral, fairen Konsum und Marktversagen*. Band 59, Tectum Verlag.
- Paech, Niko (2012). *Befreiung Vom Überfluss: Auf Dem Weg In Die Postwachstumsökonomie*. 1. Aufl. Berlin: Oekom Verlag, 2012. Print

- Peetz, P. (2009). Global Focus—Regional Perspectives—Political Decisions: The Giga German Institute Of Global And Area Studies. *Zeitschrift Für Politikberatung*. [Online] 2 (4), 641–647.
- Pickshaus, K. (2019). Kampf um globale Schutzstandards. Online available at: <https://klauspickshaus.de/Wp-Content/Uploads/2019/06/GuteArbeit2019PickshausKlaus/Ilo.Pdf>, Last Checked On 14.05.2023.
- Primark (2023). Global Sourcing Map. Online available at: <https://globalsourcingmap.primark.com/de>. Last Checked on 02.09.2023
- Pufé, I. (2017). *Nachhaltigkeit. 3., überarbeitete Und Erweiterte Auflage*. Konstanz: Uvk Verlagsgesellschaft Mbh.
- Rübel, G. (2008). *Grundlagen der realen Außenwirtschaft. 2., Grundlegend überarb. Aufl.* München: Oldenbourg.
- Reder, M., Bleischwitz, R. (2012). *Kampf um Ressourcen*. Stuttgart: Kohlhammer.
- Rockström, J., Gupta, J., Qin, D. Et Al. (2023). Safe And Just Earth System Boundaries. *Nature* 619, 102–111. Online available at: <https://doi.org/10.1038/s41586-023-06083-8>, Last Checked On 02.08.2023.
- Roos, U. (2020). *Nachhaltigkeit, Postwachstum, Transformation*. 1st Ed. 2020. [Online]. Wiesbaden: Springer Fachmedien Wiesbaden.
- Ruggie, J. G. (2014). Global Governance and „New Governance Theory“: Lessons from Business and Human Rights, *Global Governance* [Online] 20 (1), 5-17.
- Ruggie, J. G. (1982). *International Regimes, Transaction, and Change: Embedded Liberalism in the Postwar Economic Order*. International Organizations.
- Saracino, R. (2019). Postcapitalism: A Guide To Our Future. *Sociology Casopis* 55 (3) P.399–401.
- Schieritz, M., Zacharias, Z. (2021). Ich Werde Für Euch Kämpfen. Ed. By Zeit Online. Online available at: <https://www.zeit.de/2021/10/Gerd-Mueller-Lieferkettengesetz-Produktionmenschenrechte-Standards/Komplettansicht>, Last Checked On 01.08.2023.
- Scheper, C. (2022). Politische Ökonomie. *Kölner Zeitschrift für Soziologie und Sozialpsychologie*. [Online] 74 (2), 295–298.
- Scherrer, C., Karatepe, I. D. (2021). Kollektives Handeln als Voraussetzung für die Wirtschaftliche und soziale Aufwertung. Theoretische Überlegungen und Beispiele aus landwirtschaftlichen Lieferketten. *Wsi Mitteilungen*. [Online] 74 (1), 44–52.
- Scheper, C., Vestena, C. A. (2020). Die Pandemie offenbart die Defizite des transnationalen Menschenrechtsschutzes: Ein Plädoyer für eine Konfliktperspektive Auf globale

- Lieferketten. Zeitschrift für Friedens- Und Konfliktforschung. [Online] 9 (2), 429–441.
- Scheper, C. (2015). From naming and shaming to knowing and showing: human rights and the power of corporate practice. *The International Journal of Human Rights*, 19:6, 737-756, DOI: 10.1080/13642987.2015.1009264
- Scherrer, C., Brand, U. (2011). Global Governance: konkurrierende Formen und Inhalte globaler Regulierung. FES Online Akademie. Online available at: <https://library.fes.de/pdf-files/akademie/online/50334-2011.pdf>. Last checked on 16.08.2023.
- Spinaci, S. (2023). Corporate Sustainability Due Diligence. Online available at: [https://www.europarl.europa.eu/regdata/etudes/brie/2022/729424/Eprs_Bri\(2022\)729424_En.Pdf](https://www.europarl.europa.eu/regdata/etudes/brie/2022/729424/Eprs_Bri(2022)729424_En.Pdf), Last Checked On 31.07.2023.
- Simonis, G. (2022). *Global Governance*. 1st Ed. 2022. [Online]. Wiesbaden: Springer Fachmedien Wiesbaden.
- Schmidt, Lukas (2016). Einleitung: Politische Ökonomie. In: Lukas Schmidt und Sabine Schröder. *Entwicklungstheorien. Klassiker, Kritik und Alternativen*. 1. Aufl. Wien: Mandelbaum: 130–149.
- Schur-Matulewicz, P. (2022). *Transnationale Arbeitsbeziehungen*. 1. Auflage. Baden-Baden: Nomos.
- Schwinn, T. (2008). Nationale und globale Ungleichheit. *Berliner journal für Soziologie*. 18 (1), 8–.
- Strange, S. (1994) *States and markets*. Second edition. [Online]. London: Continuum.
- Treu, N. Et Al. (2020). *Degrowth in Movement(S)*. Winchester, UK: Zero Books.
- United Nations, Department of Economic and Social Affairs, Statistics Division (2023). *End Poverty All Its Forma Everywhere*, Online available at: <https://unstats.un.org/sdgs/report/2022/goal-01/>, Last Checked On 01.08.2023.
- United Nations, Department of Economic and Social Affairs, Social Inclusion (2023). *1995, Agreements - Chapter 2*, Online Available At <https://www.un.org/development/desa/dspd/world-summit-for-social-development1995/wssd-1995-agreements/pawssd-chapter>, Last Checked On 02.08.2023.
- United Nations (2021). *Nachhaltigkeit in der Lieferkette, Ein praktischer Leitfaden zur kontinuierlichen Verbesserung*. Online available at: https://www.globalcompact.de/migrated_files/wassets/docs/lieferkettenmanagement/nachhaltigkeit_in_der_lieferkette.pdf, Last Checked On 01.08.2023.

- UNCATD (2022). Least Developed Countries Report 2022. Online available at: <https://Org/Ldc2022>, Last Checked On 27.07.2023.
- UNCATD (2022). World Investment Report. Online available at: https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKewj-4YPQpbSBAXULy6QKHQRWDd4QFnoECBgQAQ&url=https%3A%2F%2Functad.org%2Fpublication%2Fworld-investment-report-2022&usg=AOvVaw2Wjgp_YItDaM08FDYT4ODr&opi=89978449. Last Checked on 01.09.2023.
- Van Dijk, M., Trienekens, J. (Eds.). (2012). Global value chains: linking local producers from developing countries to international markets. Amsterdam University Press.
doi:10.1017/9789048514991.
- Vossen, R. (2020). Globalisierung. Was sie uns nimmt, was sie uns gibt und warum wir sie menschlicher gestalten müssen. München: Oekom Verlag.
- Wallerstein, I. (2016). Entwicklung: Leitstern oder Illusion? In: Lukas Schmidt und Sabine Schröder (Hg.): Entwicklungstheorien. Klassiker, Kritik und Alternativen. 1. Aufl. Wien: Mandelbaum: 208–227.
- Weiß, A. (2017). Soziologie globaler Ungleichheiten. Erste Auflage, Originalausgabe. Berlin: Suhrkamp.
- Welzer, H. (2013). Wege aus der Wachstumsgesellschaft. Orig.-Ausg. Frankfurt Am Main: Fischer-Taschenbuch.
- Willke, H. (2006). Global Governance. [Online]. Bielefeld: transcript Verlag.
- Worldbank (2022). Poverty. Online available At <https://Www.Worldbank.Org/En/Topic/Poverty/Overview>. Last Checked On 08.05.2023.
- Wolvers, A., Tappe, O., Salverda, T., Schwarz, T. (2015). Concepts of the Global South. Online available at: <https://Kups.Ub.Uni Koeln.De/6399/1/Voices012015ConceptsOfThe.Global.South.Pdf>, Last Checked On 24.05.2023.
- Yakovleva, N., Frei, R., Murthy S. R. (2019). Sustainable Development Goals and Sustainable Supply Chains in the Post-global Economy. [Online]. Cham: Springer International Publishing.
- Zapotoczky, K., Galtung, J. (1996). Weltwirtschaft und Entwicklungspolitik, In 1. Aufl. 1996 Frankfurt A.M: Brandes & Apsel [U.A.].
- Zaynel, N. (2018). Prozessorientierte Auswertung von qualitativen Interviews mit Atlas.ti und der Grounded Theory. In: Scheu, A. (2018). Auswertung qualitativer Daten. Springer VS; 1. Auflage.

Zürn, M., Faude, B., Kreuder-Sonnen, C. (2018). Overlapping spheres of authority and interface conflicts in the global order: WZB Discussion Paper, No. SP IV 2018-103, Wissenschaftszentrum Berlin für Sozialforschung (WZB), Berlin, Online available at: <http://hdl.handle.net/10419/180687>, Last Checked On 27.07.2023.