On Labour Governance Failure: Critique and Way Forward

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Abstract

Issues of conditions of work and employment such as living wages, downsizing, algorithmic management, workplace democracy, migrant working and modern slavery in business are discussed here as issues of labour governance failure. Neither moralizing business strategy rhetoric nor non-binding global social policy can resolve this failure. Corporations and states have failed to fix the problem. Worker-driven, post-Keynesian and neo-Marxist solutions are the alternatives to be considered and upheld.

Keywords: Social policy, Moralizing, Living wages, Downsizing, Algorithmic management, Migrant work, Modern slavery, Industry-driven solution, Worker-driven, Post-Keynesian, Neo-Marxist

JEL Classification Codes: J08, J23, J28, J3, J5, M48, M54, P12

1. Introduction

On the one hand, international labour rights violations and poor working conditions in economic activities testify to the uselessness of whatever private and public measures of labour governance have come into existence. There is escalating disclosure about state-aided macho managerialism, low wages despite productivity increases, excessive

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overtime, insecure labour contracts, forced labour, and deaths from fire accidents/building collapses and worker suicides.

On the other, "a collection of fine words" can indeed be copiously collected from the International Labour Organisation (ILO), United Nations Global Compact (UNGC) and the like global custodians of labour rights and human rights.

Thanks indeed to the tripartite (state-employer-worker) social policy deliberations and formulation of the ILO for more than a century (Maul, 2019), for example, we have at least four core international labour standards, viz., freedom of association and the effective recognition of the right to collective bargaining; elimination of all forms of forced or compulsory labour; effective abolition of child labour; and elimination of discrimination in respect of employment and occupation (ADB, 2006).

However, since the ILO has just been like a counsellor since its inception, voluntarism on the part of its members has resulted in worldwide deficits of implementation and enforcement. Member states ignore the standards and employees remain without any legal protection. Even high ratification rates for some international labour conventions have not led to enhancement of protection of labour rights (Hirano, 2021; Samwer, 2018).

Similarly, like Sermon on the Mount by Jesus of Nazareth, UNGC (2022) pontificates that businesses and firms worldwide should support and respect the protection of internationally proclaimed human rights; make sure that they are not complicit in human rights abuses; uphold the freedom of association and the effective recognition of the right to collective bargaining; eliminate all forms of forced and compulsory labour; effectively abolish child labour; eliminate discrimination in respect of employment and occupation; support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; encourage the development and diffusion of environmentally friendly technologies; and work against corruption in all its forms, including extortion and bribery.

And there is no dearth of businesses in the world like the wealth manager Van Lanschot Kempen (2023) proclaiming, in turn, that they "are committed to respect international human rights, at all times and in all the different roles…: as a lender, investor, service provider, employer and purchaser." In saying so, such businesses factor labour rights into human rights.

However, again, as UNGC is a non-binding pact like ILO's social policy is non-binding, what is conspicuously present is what the moral hypocrisy literature points to, which is that even as some individual businesses care about appearing to act morally, all businesses together or individually on their own do not take up true moral action. More importantly, although celebrated academics and business leaders have promoted the idea over the past three decades that companies can simultaneously promote the social good and private profit, their proposed "strategies contain improbable mechanisms, promise implausible outcomes, and boast effectiveness that outstrips available evidence…they also inflict harm because they distract the business world and society from making the difficult choices needed to address pressing social and environmental issues" (King and Pucker, 2021). For example, environmentalists now know that "fossil fuel companies will not, of their own volition, save us from climate breakdown" (Morton, 2023). Oil and gas companies indulge in green washing and green hushing.

It is in this moralizing rhetoric plus ineffective social policy versus brutalizing reality context all over the world that this paper examines living wages, downsizing, algorithmic management, workplace democracy, migrant working and modern slavery in business—all issues bearing on labour dignity and welfare.

2. Living Wages

Business Fights Poverty (BFP) has made anew the case for living wages (Barford et al., 2022), and this is nothing but rehash of the hoary efficiency wage theory (Simpson, 2018) about which Alfred Marshall, the father of modern economics, had talked about. And the Centre for the New Economy and Society (CNES), floated by the World Economic Forum (WEF), has gone further to broaden the business strategy agenda in order to "shape prosperous, resilient and equitable economies and societies that create opportunity for all" and establish "a more resilient, equitable, inclusive and human-centric future of work". In this connection, CNES requires business organizations under 'good work alliance' to comply with human rights, such as eliminating forced or child labour, and address issues such as: workplace flexibility for all; responsible and ethical deployment of algorithms and new technology; an engrained culture of diversity and inclusion; well-being; and equitable and sufficient pay (fair or living wages) for a decent standard of living (WEF, 2022).

The business and societal benefits of paying living wages are hailed once again on the grounds that they lead to lower staff turnover, which reduces recruitment and training costs; promote a more motivated and productive workforce, by improving morale and commitment; contribute to productivity as well as improvement of the overall working environment; improve revenues and profits; lead to responsible procurement policies and strengthen value chain stability, performance and resilience, thereby establishing a direct correlation between supplier performance and supplier treatment of workers; offer a measurable pathway to improve supply chain transparency and social impact, while reducing the costs of managing labour issues; deliver significant reputational benefit as consumers increasingly seek out ethical companies; increase in disposable incomes of direct and supply chain workers and consequently increase in market size in key communities apart from creation of new customers; make investors recognise the long term social impact in terms of mitigating the systemic risk of poverty and inequality; stimulate local economies due to wage increases with positive multiplier effects and societal well-being; and reduce the push factors driving young people to leave their home countries in search of work.

As against this utopia, the ground-level anti-utopia discovered, for example, by Aggarwal (2023) "should be read by every student of Indian capitalism". Her meticulous subaltern study points out, inter alia, that "Wages are not only the means for meeting the essential and not-so-essential needs of the worker and his family but also the medium of rising and moving beyond the station of birth…The idea of upliftment of the standards of living of the majority through manufacturing sector growth remains a pipedream…the workers' reality has been that minimum wages do not cover the basic needs of food, clothing, and shelter, let alone education and medical expenses…The minimum wage has become the maximum paid to most workers. It has become the ceiling rather than the floor. The very idea of minimum wages is that all essential needs are met. In reality, the needs which can be met with wages have been steadily falling. When the wages are adjusted for the rise in prices, less and less can be purchased. Wages are considerably below what can be regarded as living wages…The garment workers' wages are close to the poverty levels…An increasing majority of workers, both in the OEMs and the vendor companies (in the automobile industry), have short-term work contracts and earn a little over the minimum wages." New Labour Codes have worsened the wage insecurity and other insecurities for industrial workers. Both state policy and business behaviour are, thus, insensitive to the reality of 'life is unfair' for the weak and vulnerable groups of people in labouring India.

In general, taking the world as a whole, contrary to the erstwhile argument of some economists of capitalism such as Paul Samuelson that the working class has improved its lot, all the studies about inequality of income earned and wealth owned between the very rich capitalists and the mass of working people and about injustice prove that Karl Marx was right (Roberts, 2007).Justice is a 'dreadful word' as Baxi (2024) recently quipped thus: "…going long while back in time, St. Augustine…raised a question: What is state without justice but a band of robbers? Had he been around now to speak with us, he would have raised a similar question: What are human rights bereft of justice but mere playthings of possessive individualism and designer policy goods in the global marketplace of policy prescriptions? It seems no longer politically correct to speak of justice because it brings to full view the issues of deep inequality, structural exploitation, impoverishment, and unequivocal duties of reasonable help to those who suffer" (Baxi, 2024). And justice, the subject matter of ethics which signifies whether life is fair, matters more to the working people than efficiency, the subject matter of business and economics (Brockway, 2001). But neoliberal policy changes over four decades since the late 1980s have been in favour of efficiency, and not justice. Business continues, relentlessly, in the pursuit of profit, to treat wage labour as wage slavery equivalent to or even worse off than chattel slavery (Gourevitch, 2020).

3. Downsizing

There is now a worldwide context of rampant downsizing (reducing headcount via layoffs and terminations) due to economic headwinds.

In this milieu, the Harvard Business School Working Knowledge evangelises that "a layoff is a lousy way to take care of business", without understanding legal obligations, without reducing costs without cutting people, without developing a fair process, without investing in laid-off people and by damaging company's reputation (Rand, 2023).

But real-world businesses do not heed such research possibly because it "offers no obvious value to people who actually work in the world of business" (Nobel, 2016). They know that they cannot sustain long term relationships with employees in the face of the short-term stresses from "destructive" financial and product market requirements (Konzelmann and Forrant, 2000). A work system is "creative" when it promotes operational and dynamic efficiency, which together rely on a high degree of both technical and social cooperation among and between managers and workers. In general, creative work systems feature innovative forms of work organization and management methods, in particular flatter, less hierarchical employment structures with fewer middle managers and greater worker participation in decision making. There is greater flexibility in job definitions. Enlightened human resource policies feature greater employment security and incentive pay systems such as profit sharing. Continuous training is an important component of creative work systems, contributing positively to the reproduction of a highly skilled labour force and hence to quality of the labour supply in the external labour market and the long-run strength of the broader productive system. In contrast, destructive work systems feature adversarial management methods and human resource policies, and the regular blackmailing through threat of job loss, especially through relocation, particularly during labour negotiations. Destructive work systems economize on training, undermining the long-term reproduction of labour force skills. Creative work systems are not found in the real world because they are expensive to implement and maintain. And they require a long-term commitment to production relationships in order to ensure sufficient time to recover short run costs and to generate long term performance benefits. They are thus particularly vulnerable to competition from "low-road" firms that focus on cutting short run costs. They are also vulnerable to financial and stock market pressures to generate continuous share value appreciation. Destructive product market pressures can originate in competitive relationships with low road firms as well as in supply relationships with customers who are either low road firms themselves or in competition with them. Stock markets have exerted important destructive pressures on firms and their work systems. Pressures on publicly traded firms to maintain high and appreciating short run share values have been intense, resulting in efforts to continually reduce costs and/or to expand market share and global reach. Thus, in a long-term sense, there is no escaping the global race to the bottom due to heightened global production mobility for the sake of global labour arbitrage.

In this milieu of downsized or precarised workers, the sociologist Sennet (1998) had movingly bemoaned how "the working conditions of modern capitalism are eating away at loyalty, commitment and the kind of long-term thinking that used to make even the most routine work a central ingredient in orderly human life".

4. Algorithmic Management

The Foundation for Economic Education, a pro-free-enterprise American think tank, has hailed the emergence of online platform economy based on AI as good for economic efficiency as also labouring people. It puts forward the view that the platform economy, also known as sharing economy or gig economy or networked economy with electronic commons is simply decentralizing power by allowing ordinary people to use their own small-scale means of production. By solving coordination problems and lowering transaction costs, internet technology is augmenting capitalism and enhancing the quality of life of working people, exactly according to how Karl Marx had dreamt about how communism could upgrade the life of working people (Borders, 2015).

But there are now cautionary tales about the monstrous rise of AI. Some management researchers have stated that "Algorithmic management promises to make work processes more effective and efficient…However, ethical challenges and potential negative downsides for employees must be considered when implementing algorithmic management" (Jarrahi et al., 2023). And, we need to focus on how this new disruptive innovation could affect "our social, democratic and civic institutions". If instead, we leave it to tech entrepreneurs, there could be "more destruction and less creation than we bargained for" (Acemoglu, 2024a) in the already strongly entrenched "tragedy of villainous business behaviour" not being effectively addressed with "better regulations and stronger institutions" (Acemoglu, 2024b).

In an amazingly comprehensive review of the complexity of this topic by Baiocco et al. (2022), the following points about its labour impact are worth noting.

Algorithmic management, as a derivative form of scientific management progressively refined as lean or agile manufacturing, is the use of computer-programmed procedures for the coordination of labour input in an organisation. Algorithm is a set of predefined rules to be followed in sequence to solve a problem. Management is a set of administrative tasks like planning, staffing, commanding, coordinating and controlling. Algorithmic management is, thus, the use of algorithms to perform the management functions. It is used in digital labour platforms and also in more traditional working environments or regular workplaces such as factories, offices, retail and wholesale warehouses.

Algorithmic management in digital platforms involves using incentives and rewards to discipline workers; punishment of workers when they digress from performing the task by restricting access to work or deactivating them temporarily or permanently and self-disciplining on the part of workers due to oversupply of workers. It has led to degradation of job quality. There are "job and income insecurity due to unpredictability of work demands, difficulty to exert autonomous decisions in task performance to comply with the given instructions; accidents and mental distress at work; high work intensity to meet requirements or make a living working on platforms; and difficulties for work-life balance reconciliation because of unpredictable scheduling and prolonged online availability to get assigned tasks."

And in regular workplaces too, there is a loss of autonomy for workers. There is work intensification and worsened working time quality. There is reduced human interaction with peers and with supervisors. Instructions to and evaluation of workers (based on pervasive monitoring and surveillance to develop workers profiling) have created a social environment affected by discrimination and by competitive behaviours. As subcontracting, outsourcing and crowd sourcing are resorted to, there are more casual and atypical work relationships associated with deskilling and worsened career prospects. And finally, psychosocial and physical risk factors have increased for workers in terms of anxiety, depression, cardiovascular diseases or muscoskeletal issues.

In general, there is evidence almost everywhere that technology-driven industry upgrading has led to labour degrading as found, for example, in China (Xu and Ye, 2021).

In light of this, as to what policy options are there to take on the downside of dictatorial algocratic management, so to say, we arrive at a crossroads, with one road pointing to balancing the inequalities of labour precariousness, increased surveillance and labour market deregulation with universal basic income; and the other road pointing to regulating the exercise of power in algorithmic management by making data and algorithms open and transparent. This implies creating the digital and legal infrastructure to allow for workers to build collective power, and to be aware about new technologies and algorithms so as to use them to pursue social aims and collective benefits. Part of this latter road is the researchable concern as to what the various forms of worker representation are and attempts to establish them and how worker resistance is building up in different parts of the world (Heiland, 2020).

5. Workplace Democracy

It is a pleasant surprise that Harvard Business School Working Knowledge has endorsed the call for instituting democracy at work as also economic democracy, from, for example, Melman (2001), Hsieh (2008) and Cloke and Goldsmith (2002). The last writers had made the case for a new organisational order that will transform the 21st century workplace by replacing "inflexible, static, autocratic, coercive bureaucracies" by "agile, evolving, democratic, collaborative, self-managing webs of association".

However, this change-management, intended perhaps to save capitalism from capitalists causing its discontents, is easier said than done. It opens up the question of whether plans for worker ownership and control of firm will be entertained in the present worldwide neoliberal order wherein there is no democratic corporate governance policy as well as larger democratisation of society itself (McCarthy, 2019).

All the same, democracy really matters more than ever to the worker-representatives: "Democracy at work is at the core of trade union action…Democracy at work provides for sustainable and balanced corporate governance. It allows companies to perform significantly better and be more innovative. It stimulates an enabling environment for better working conditions, better paid and more productive workers, and for a higher labour force participation. Democracy at work fosters more equality in the workplace, as well as in society. In time of crisis, in particular in such an unprecedented worldwide pandemic, democracy at work is of paramount importance to maintain workplaces safe and secure and to ensure the workers' health. Democracy at work is also a key condition for any restructuring process to be carried out in a sustainable and socially acceptable manner to safeguard employment and guarantee fair working conditions in coping with the crisis. These are the reasons why we all should care about democracy at work. This is the reason why the trade unions are engaging in an active and determined strategy to empower workers and their representatives to exercise their democratic rights at the workplace and to strengthen information, consultation and participation rights" (ETUC, 2022).

The difficult problem militating against positive change in this regard is that the employers are blatantly undemocratic. For example, undemocratic, anti-union neoliberal business standards in pursuit of disempowering workers and cutting costs of Boeing have led to the downfall of what once was known as the 'great engineering firm' (Goldstein, 2024). It is worth reading Purser (2024) about how management education promises a better workplace but ends up delivering nothing but more undemocratically creative ways of exploiting people.

As McGaughey (2021) has pointed out, "Employers monopolised by shareholders, and dominated by asset managers and banks; actively threaten the foundations of labour and human rights that underpin the international system. These financialised institutions threaten fair labour standards, fair competition, fair pay, equality, fair pensions and through their refusal to act as stewards for the environment, they threaten our very planet. All their power comes from other people's labour, and 'other people's money', and that money usually belongs to workers saving for retirement. A new Economic Democracy Convention that harmonises standards for worker votes for boards, in elected work councils, and in workers' capital would reflect and encourage the best practice that we already know. The question of whether it can be adopted, whether the ILO can go forward, will depend upon our commitment to democracy, and social justice."

The irony now is that big business and super-rich do not walk their talk. The talk is about championing the cause of stakeholder capitalism while the walk is about only upholding the shareholder theory of management (Goodman, 2002; Goldstein, 2024). In other words, real-world businesses do what the free-market-economist Milton Friedman had advocated that a company has no social responsibility to the public or society; its only responsibility is to its shareholders (Friedman, 1970).

6. Migrant Workers

The International Organisation of Employers as the 'global voice of business' is happy with benefitting from international migration of highly skilled people but rather 'upset' with abusive and unscrupulous practices for recruitment of low skilled workers (IOE, 2014). These latter workers are really the focus of the Global Migration Group (GMG), especially those of them undocumented or in an irregular situation. They are subject to various types of exploitation such as forced labour and human trafficking, labour exploitation, non-labour exploitation including sexual exploitation, exploitation by smugglers, debt bondage and sale and exploitation of children (GMG, 2013).

The UN/ILO Conventions dealing with the problems of the less skilled international migrant workers are found to be ineffective due to their deficit in adequately covering feminization of the migrant labour force, states' increasing reliance on temporary workers, and states' increasing reluctance to agree to legally binding, multilateral instruments that regulate international labour migration and protect the rights of migrant workers (Cholewinski, 2005).

The story of less skilled internal migrants (within countries) is more or less the same as that of their international sisters and brothers. Most of these workers at the lowest level of society are found in the national and global supply chains of majority of companies who are allegedly "unaware" of their serious human rights abuse (Balch, 2016). Their gross human rights abuses, termed as 'modern slavery' is akin to that of the 'old slavery' of the 'coolie' or indentured labour in the 19th and early 20th centuries (e.g. see Kumar, 2017), and slave trading ill-treatment beginning in the 16th century. For example, the 'present past' is reflected in the Israel-India worker deal which resembles British indenture

(Buckley and Chakravarty, 2024). There are utterly shameful mountains of contemporary as also historical literature on these lines supplemented by the indefatigable activist movement of Global Labour Justice-International Labour Rights Forum as the 'global voice of labour'.

7. Modern Slavery in Business

Modern slavery concept is a contested terrain but it can be loosely taken as "extreme forms of labour exploitation" or "abuse of human rights in the pursuit of profit".

It is widespread in both buyer-driven and producer-driven commodity chains as also government supply chains. Most of it is illegal and difficult to identify in practice (Strand et al., 2024; LGA, 2022; Searcy et al. 2022; JCB, 2013; Hess, 2022; Szablewska and Kubecki, 2023; Raworth, 2004).

A distinctly notable feature of these value chains is that they have uneven value distribution. For example, "Nike and its retailers capture nearly 90 % of the revenues of each shoe sold, whereas the combined revenues of the manufacturers of these shoes, which incur the cost of labour and material, amount for 12 %. The labour employed in the production receives 0.4% of the revenues. Similar patterns are apparent across industries, including consumer electronics, iPhones and others. Such uneven value distribution is inconsistent with predictions of economic theory, according to which in equilibrium, economic actors generate rent from their participation in value creation that is proportional to the resources they invest" (Nachum, 2021).

Governments and private corporations pledge to put an end to modern slavery in these value chains. CEOs of giant companies such as Unilever not only make the case for living wages but also want to eradicate the scourge of modern slavery. To stay woke about modern slavery, to disown legacies related to slavery and to be part of anti-slavery action is indeed now a popular topical ethical love affair.

Ideas of redefining capitalism by 'conscious capitalism' that businesses should operate ethically while they pursue profits in order to circumvent the threat to their 'reputation and revenue' on account of modern slavery permeate the recipes written to make companies honour their 'zero tolerance' socially responsible commitments (Thomson Reuters, 2016; Jardine and Gardner, 2021; Henzel, 2023; De Witte, 2021; Lake et al., 2016; WFF and CIPS, 2014).

All the same, passionate academic cum activist scholars bemoan the empty words of corporate power and the state. They also point to the lack of interdisciplinary perspectives on this limitless "shadow economy", and call for "an in-depth analysis of the business of slavery, including the nature and prevalence of modern slavery within the businesses and supply chains of various sectors and parts of the world; the organisational and supply chain dynamics that give rise to it; and the business actors and models through which it flourishes" (Caruana et al., 2021).

8. Corporations, States and Workers

How LeBaron (2020) has evaluated the current failing labour governance regime is by far the best in the literature concerned. The gist of her argumentation is as follows.

Corporations tell fairytales about their Corporate Social Responsibility (CSR) initiatives to eradicate modern slavery despite there being no evidence in their support. Giant corporations blame the unscrupulous recruiters and 'bad-apple' employers but the real villains are themselves. They are hard-wired to produce modern slavery as they churn out shareholder value, profits and growth at all cost and, in doing so, lower the floor of labour standards across the entire global economy.

This root cause apart, CSR has had negative externalities as well: "Social auditing is privatizing data on working conditions in supply chains; as social auditory reports covered under nondisclosure agreements and commercial contracts prevail over public reporting, the enforcement industry is creating new legal barriers to accountability, liability and reporting for serious labour abuse. This makes it harder for workers to hold businesses accountable for serious problems and labour abuse, and means that workers in exploitative situations are frequently left without remedy…Ethical certification programmes are misleading consumers about the prevalence and nature of forced labour, producers' living standards and labour standards more broadly in the products they buy, and channelling hopes and efforts towards building a better world into faulty industry initiatives. CSR is opening up markets for private consultants to carve off and carry out fragments of labour governance, which often does little more than facilitate corporate obfuscation of bad practices, and, in doing so, we are losing sight of and responsibility for the bigger picture."

On the one hand, business demand for modern slavery is increasing because businesses at the top of supply chains squeeze their suppliers, buy goods at and below costs of production and maintain irresponsible sourcing practices; states are not strengthening the enforcement of labour laws that are already on their books but they have actively allowed corporations to grow, monopolize, financialize and become powerful within national and global governance; there has been limited meaningful uptake of human rights due diligence in business action; there is lack of binding regulation around labour standards and liability for violation within supply chains. Indeed, global supply chains have been created and evolved precisely to evade existing workplace regulation; employers exploit dated laws around labour standards and governance gaps in supply chains; and the enforcement industry is almost entirely self-regulated. On the other hand, the supply of weak and vulnerable workers is increasing because workers are poor and do not have access to decent work with measures to protect them like living wages and permanent jobs. Large swathes of global labour market have no safety net that would allow workers to survive, and so they offer themselves into modern slavery.

The industry-driven CSR's failure is due to its sidelining of workers rather than making use of their knowledge of the problem and involving them in addressing it. By contrast, worker-driven social responsibility (WSR) initiatives have improved conditions for vulnerable, low wage workers in supply chains. They involve legally binding agreements between workers on the one hand and brands and retailers (i.e. lead firms in the value chain) on the other, backed by corporations' commercial power, including financial support to suppliers that enable them to meet the labour standards established. Violation of standards carries serious consequences because the lead firms impose mandatory economic consequences for suppliers who fail to comply. Workers, unions and worker organisations play a central role in creating, monitoring and enforcing initiatives. As such, labour governance against modern slavery requires rebalancing the highly uneven power dynamics between employers and workers characteristic of the neoliberal order.

And this requires strengthening upholding of labour rights, unions and labour organizing. Also, regulatory reforms are required to close the governance gaps that fuel the demand for modern slavery and to strengthen protection for low wage and migrant workers to prevent and address the supply of people into modern slavery. Finally, the virtually unregulated recruitment industry needs to be regulated.

9. Post-Keynesian Policy Fix and Neo-Marxist Real Utopia

LeBaron's political economy agenda of rebalancing power dynamics between employers and workers and regulatory reforms governing the demand for and supply of modern slavery, as mentioned above, amounts to a solid critique of the neoliberal order and a definitive way forward out of it. And her agenda can be factored into the visions of post-Keynesian policy fix and neo-Marxist real utopia.

Post-Keynesian economists (e.g. Lavoie and Stockhammer, 2012) know full well that the everyday modern slavery reality of workers will not change a wee bit unless there is alternative to neoliberalism's polarization of income distribution and decline in wage share based on pro-capital distributional policies. What is needed instead, is a domestic demand led growth, through a worldwide well coordinated pro-labour policies. These are policies that strengthen the welfare state, labour market institutions, labour unions and the ability to engage in collective bargaining (e.g. by extending the reach of bargaining agreements to non unionised firms). They are also associated with increased unemployment benefits, higher minimum wages (as living wages) and a higher minimum wage relative to the median wage as well as reductions in wage and salary dispersion. In a nutshell, a global social democratic capitalism can be brought about that will eliminate modern slavery while ensuring sustained growth.

The neo-Marxist real utopia, as propounded by Wright (2020), is about rebuilding a sense of possibility for emancipatory social change by investigating the feasibility of radically different kinds of institutions and social relations that could potentially advance the democratic egalitarian goals historically associated with the idea of socialism. Emancipatory social science serves this purpose by attending to three basic tasks: elaborating a systematic diagnosis and critique of the world as it exists; envisioning viable alternatives; and understanding the obstacles, possibilities, and dilemmas of transformation. According to Wright, “we are best off conceptualising alternatives to the status quo on the basis of the ‘anti-capitalist potential’ of things that actually exist. These ‘real utopias’… include such organisations as workers’ cooperatives and even Wikipedia. They are ‘real’ simply by virtue of existing. And they are ‘utopian’ because the values upon which they rest, along with the practices they uphold, provide insights into an emancipatory alternative that has the potential to be brought into existence” (Masquelier, 2019).

Post-Keynesians and neo-Marxists have no issues with the Progressive view that inequality breeds economic instability via effective demand deficit. Which is opposite to the Conservative view that inequality promotes growth via savings and investment of the wealthy and the big corporations who, therefore, deserve to be given tax breaks.

As Sherman and Meeropol (2013) argue in favour of the Progressive view, “lack of demand is due in large part to low wages and salaries. Wages and salaries are the largest component of consumer demand. This inequality of income reduces aggregate demand for goods and services. Thus, when tax breaks for the rich increase inequality, the smaller share of income going to middle-income wage and salary earners means less aggregate demand. What is needed to cure low growth, according to the proponents of the Progressive view, is more money going to middle-income wage and salary earners. Thus, tax breaks should go to the middle- and lower income groups, who will spend it and increase growth. Tax breaks should not go to the wealthy, because they are more likely to save it, not spend it. In addition, say Progressives, public works should be used to give more jobs to the unemployed, who will also spend their income to increase demand.” By contrast, due to insufficient demand for goods and services, profit on future production looks doubtful, and so investment declines. Slim prospects for future profits stop the rich from putting their savings into investments.

Thus, inequality-reducing pro-labour policies are good for the capitalists as well! But capitalists hate those policies towards achieving full employment also because they weaken their power over workers (Kalecki, 2018). This political constraint (war between capitalists and workers like wars between nations) needs to be overcome by everyone accepting perpetual peace not just as a reasonable idea but, more importantly, as a practicable moral ideal or idea of duty in the interests of all (Kant, 2023).

10. Concluding Remarks and Further Research

Noting that the neoliberal era (defined in public policy by deregulation, liberalisation, privatization, globalisation and austerity) has led to disastrous results (gaping inequality unleashing the economically powerful to reshape politics, markets and society to serve their own interests), Sitaraman (2019) has pointed out four possibilities for the future emerging, viz. reformed neoliberalism, nationalistic populism, authoritarianism or nationalist oligarchy, and a new era of saving democracy by achieving democracy (economic and political democracy).

This paper's focus on the possibilities of eliminating modern slavery and other problems of poor wages, downsizing, algorithmic management, and dictatorial workplaces by rejecting non-binding moralizing rhetoric as also social policy and undemocratic industry-driven solutions on the one hand and accepting democratically binding pro-worker social responsibility initiatives along with regulatory reforms on the other, fits well into the case Sitaraman has made for upholding democratisation of polity and economy. There is no other way of effectively fixing the current labour governance failure problem. However, whether democracy will survive and evolve the social democratic post-Keynesian way or the neo-Marxist socialist way is the open-ended moot question now.

Labour governance, after all, has three components: first, there is transnational private regulation via CSR—"corporations have sought power and authority to make their own rules, and with this have implemented private supply chain governance mechanisms including multistakeholder initiatives, standards, certifications, and codes of conduct which purport to manage and solve environmental and social problems"; second, state-based regulation, enforcement and power relations which is supplanted and sabotaged by the private governance domination; and thirdly, international conventions related to labour standards and corporate accountability, which are non-binding. All these have turned out to be much ado about nothing for worker dignity and welfare.

Minimally speaking, this review paper unequivocally accepts the bold and fearless political and public policy argumentation of LeBaron (2020) that "labour exploitation cannot be eradicated by corporate fairytales…Recognizing that corporations are actively creating and maintaining governance gaps regarding labour standards in supply chains should prompt policy makers, NGOs and unions to change their understanding of corporate accountability and liability. The growing evidence that core elements of global supply chains—including subcontracting, outsourcing, uneven value distribution, financialization and monopolization—fuels severe exploitation compels us to consider whether eradicating labour exploitation will require more profound change to contemporary business models than is generally considered in debates about supply chain governance. It also requires fresh and innovative thinking about how to protect workers in the twenty-first century."

Maximally speaking, this paper's discussion becomes part and parcel of the humanity's deathless quest for democracy and just and equitable and peaceful society based on collective rationality and morality that can be traced back to the Enlightenment Era of the 17th and 18th centuries and the writings about it as exemplified by the philosopher Immanuel Kant (SEP, 2021). Contemporary political and economic writings about reinventing social democracy by Post-Keynesians or about libertarian socialist real utopia by neo-Marxists, as mentioned in this paper, are integral to this quest.

An interesting research agenda on labour governance that may be noted and evaluated is that of Ebert (2015; 2018). It is about how international economic institutions such as the World Bank, the IMF, the OECD as well as selected regional organisations have been able to exert significant influence on both the protection of individual workers and industrial relations systems through "instruments of diverse legal forms—ranging from legally binding arrangements to highly informal phenomena". These organisations are more powerful than the ILO and they are reshaping domestic labour law systems which are incoherent with those undertaken by the ILO so much so that there is "tension between two paradigms inherent in international labour governance", namely those of 'protection' and those of 'flexibility' of which the latter has tended to prevail much to the disadvantage and plight of the working people.

Another related research agenda worth evaluating, concerns the effectivity and worldwide applicability of the new social democratic labour market policy concept of ‘flexicurity’ for simultaneously serving the employers’ need for a flexible workforce and the workers’ need for security, celebrated as the “Danish Labour Market Model” (DH, FH and MoE, 2021).

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