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Dr. Solomon Kyalo Mutangili

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Abstract

This review examines Supply Chain Constitutionalism: The Emergence of Private Governance Regimes and Their Impact on Traditional Legal Hierarchies, which explores the growing influence of private governance mechanisms within global supply chains and their implications for traditional public legal frameworks. The review analyzes the book's examination of how private entities, including multinational corporations and third-party certifying bodies, are increasingly assuming regulatory roles traditionally reserved for sovereign states. The review highlights the book's discussion of the tension between private governance regimes and state-run legal systems, exploring how corporate self-regulation and voluntary compliance frameworks challenge traditional legal authority. It covers the book's analysis of "supply chain constitutionalism," where corporations create binding governance structures that establish regulations and standards for business conduct within supply networks. Key areas addressed in the review include the legal ramifications of private governance systems, the challenges of addressing global issues through private mechanisms, and the implications for economic inequality and power distribution within supply chains. The review also discusses the book's examination of enforcement mechanisms, the role of digital technologies in reshaping governance, and the potential for private regimes to exacerbate inequalities while offering superficial solutions to systemic issues. The review concludes that the book provides essential insights into the need for balanced supply chain governance that integrates both public and private mechanisms, calling for collaborative frameworks that ensure accountability, transparency, and equitable treatment across global supply networks.

Key Words: *Private governance, supply chain constitutionalism, corporate regulation, legal hierarchies, enforcement mechanisms*

1.1 Introduction

Supply Chain Constitutionalism: The Emergence of Private Governance Regimes and Their Impact on Traditional Legal Hierarchies explores the growing influence of private governance mechanisms within global supply chains and the resulting implications for traditional public legal frameworks. The book critically examines how private entities, such as multinational corporations, industry coalitions, and third-party certifying bodies, are increasingly assuming regulatory roles that were once reserved for sovereign states. As supply chains have become more globalized and complex, these private governance regimes are emerging as key players in shaping the rules and norms that govern trade, labor practices, and environmental standards across borders. The book explores the concept of "supply chain constitutionalism," which refers to the creation of governance structures within private enterprises that establish binding regulations and standards for how business is conducted within supply networks. These private systems are often developed outside the purview of traditional state institutions, and the book investigates their growing power and influence in the context of global commerce.

A central theme in the book is the tension between private governance regimes and traditional state-run legal systems. The book explores how the rise of corporate self-regulation and voluntary compliance frameworks has undermined the authority of national and international legal bodies that historically governed trade, labor, and environmental standards. Private governance regimes, such as those implemented by corporations through their supplier codes of conduct, are often more flexible and faster to implement than traditional regulatory mechanisms. However, this flexibility comes at the cost of public accountability and transparency. The author critiques the growing reliance on private, non-state actors to regulate business practices in global supply chains, questioning the legitimacy and effectiveness of these regimes in protecting workers' rights, ensuring environmental sustainability, and promoting fair trade. The book argues that while private governance may fill gaps left by state regulation, it does not always prioritize the public good, and in some cases, it may exacerbate inequalities and reinforce exploitative practices.

2.1 Literature Review

The review delves into the legal ramifications of private governance systems in supply chains, particularly how they interact with national laws and international trade agreements. The author explores the concept of "constitutionalism" within the private sector, suggesting that corporations and industry associations are increasingly creating legal frameworks that dictate the behavior of businesses within their supply chains. These private rules often establish requirements that go beyond national regulations, setting standards for labor practices, environmental protection, and corporate social responsibility that businesses must adhere to in order to participate in global markets. The book examines whether these private rules can be considered legally binding and how they may conflict with or complement traditional legal hierarchies. It provides a critical analysis of how private sector regulation can impact the enforcement of public law, particularly in situations where multinational companies operate across jurisdictions with conflicting legal

requirements. The author raises important questions about the extent to which private governance regimes should be allowed to override or sidestep state-enforced regulations, especially in cases where these private regimes do not align with human rights, environmental sustainability, or fair trade standards.

Another significant aspect of the book is its examination of the challenges that arise when private governance systems attempt to address global issues such as labor rights, environmental degradation, and corruption. The book explores the role of third-party certification organizations, such as Fair Trade or the Global Reporting Initiative, which are often tasked with monitoring compliance with private governance standards. While these organizations play a crucial role in creating more ethical supply chains, the book critically assesses their ability to enforce compliance and hold companies accountable. It raises concerns about the potential for "greenwashing" or "social washing," where companies may claim to meet high ethical standards without genuinely implementing practices that improve labor conditions or reduce environmental harm. The author argues that while private governance regimes can promote transparency and accountability in supply chains, they often lack the necessary enforcement mechanisms to ensure meaningful change. The book suggests that without stronger legal frameworks or state involvement, these private systems may only offer superficial solutions to deep-rooted issues within global supply chains.

Furthermore, the book examines the implications of private governance regimes for global economic inequality and the distribution of power within supply chains. The author argues that private governance mechanisms often reflect the interests of large corporations, which hold the power to set the terms of trade within their supply networks. This concentration of power in the hands of multinational corporations can marginalize smaller suppliers and workers, particularly in developing countries where labor rights and environmental standards are weaker. The book discusses how private governance may exacerbate inequalities within supply chains, as corporations have the leverage to impose strict requirements on suppliers while failing to provide the resources or support needed to help them meet these standards. The author explores the tension between corporate social responsibility initiatives and the reality of power imbalances in global supply chains, suggesting that private governance may not adequately address the structural inequalities that perpetuate exploitation and environmental harm in certain regions.

Finally, the book offers a forward-looking perspective on the role of private governance in the future of global supply chains. It explores how emerging technologies, such as blockchain, artificial intelligence, and data analytics, may reshape the landscape of supply chain governance. The author suggests that these technologies have the potential to enhance transparency, improve traceability, and increase accountability within supply chains by enabling real-time monitoring of compliance with private governance standards. However, the book also raises concerns about the ethical implications of these technologies, particularly with regard to data privacy and the potential for surveillance. The author argues that as supply chain governance becomes increasingly digital, the legal and regulatory frameworks governing private governance regimes must evolve to address

these new challenges. The book concludes by calling for a more balanced approach to supply chain governance that incorporates both public and private mechanisms, ensuring that legal frameworks support the effective regulation of business practices while also addressing the ethical, environmental, and social impacts of global commerce.

The book further investigates the growing complexities of private governance regimes within global supply chains, focusing on the evolving role of multinational corporations as the primary architects of legal and ethical norms. This shift has led to what the book describes as "corporate constitutionalism," where companies establish binding rules and standards not only for themselves but for their entire network of suppliers. These private frameworks often encompass a wide range of issues, including labor rights, environmental practices, and corporate social responsibility. The author critiques this trend, arguing that private governance can sometimes work in tandem with state laws, but more often it operates outside of the formal legal system, creating a "parallel" governance structure that lacks the transparency and accountability inherent in state-run legal systems. The book emphasizes the implications of this shift for national sovereignty, noting that the rise of private governance challenges traditional notions of legal authority, as companies impose rules that can affect both local communities and global markets without the checks and balances typically associated with public law.

One of the central concerns raised in the book is the lack of enforcement mechanisms within private governance regimes. While these regimes can create robust standards for environmental sustainability, fair labor practices, and ethical business conduct, they often lack the legal tools necessary to ensure compliance. The book highlights the reliance on voluntary adherence to corporate codes of conduct and third-party certification systems, which, while valuable in fostering transparency, often fall short in addressing deep-rooted issues such as wage exploitation, unsafe working conditions, and environmental degradation. The author critically examines several high-profile examples where companies and certification bodies have failed to enforce their own standards, questioning the efficacy of private governance in achieving long-term, meaningful change. The book also points out the potential for "compliance fatigue" among suppliers, particularly smaller businesses in developing countries, who may struggle to meet the increasingly stringent demands of global corporations without adequate support or capacity-building efforts.

Another key theme explored is the relationship between private governance and the increasing digitalization of global supply chains. The author discusses how digital technologies such as blockchain, big data, and artificial intelligence are transforming supply chain management, particularly in terms of increasing transparency and traceability. These technologies offer the potential to improve the monitoring of supply chain practices, ensuring that companies adhere to their own ethical standards and legal obligations. However, the book also raises critical questions about the digital divide between developed and developing economies, pointing out that the widespread adoption of these technologies may leave behind regions with limited technological infrastructure. The author suggests that while digital tools have the capacity to enhance accountability within private governance systems, their implementation must be accompanied by

efforts to bridge the gap in digital access and ensure that smaller suppliers are not disproportionately burdened by the costs and complexity of new technologies.

The impact of private governance regimes on global economic inequality is another critical area of focus in the book. The author argues that the rise of private governance, while offering solutions to some ethical issues in supply chains, may inadvertently exacerbate existing power imbalances. Large multinational corporations, which are often the architects of these private rules, hold significant leverage over smaller suppliers, particularly those in developing countries. These suppliers are frequently forced to comply with the terms set by large corporations, even when doing so may place considerable strain on their resources. The book also discusses how private governance frameworks can sometimes reinforce unequal relationships by setting high standards that suppliers cannot afford to meet, while failing to provide the necessary support or compensation to ensure compliance. This dynamic, the author suggests, perpetuates a cycle of exploitation in which the benefits of ethical business practices are not equally distributed across the supply chain, leaving the most vulnerable stakeholders at a disadvantage.

Finally, the book offers a critical reflection on the future of supply chain governance in an increasingly globalized and digitalized world. As private governance continues to play a larger role in shaping global trade, the author calls for a more integrated approach to supply chain regulation, one that combines the strengths of both public and private governance frameworks. The book argues that while private governance has proven effective in setting high standards for certain aspects of supply chain management, such as sustainability and ethical sourcing, it cannot replace the need for state-based regulation and enforcement. The author proposes that governments, international organizations, and private entities must collaborate to create a more cohesive regulatory framework that ensures the fair treatment of workers, environmental protection, and the equitable distribution of resources in global supply chains. The book concludes by calling for a reimagining of supply chain constitutionalism, where private governance regimes complement, rather than substitute, the role of public legal systems in addressing the broader social, economic, and environmental impacts of global commerce.

3.1 Conclusion

In conclusion, *Supply Chain Constitutionalism: The Emergence of Private Governance Regimes and Their Impact on Traditional Legal Hierarchies* provides a critical and thought-provoking analysis of the shifting landscape of supply chain governance. The book emphasizes the increasing influence of private governance regimes—led by multinational corporations, industry coalitions, and third-party certification bodies—on the rules and practices governing global trade. While these private systems have provided flexibility and responsiveness in addressing key issues such as labor rights and environmental sustainability, they have also raised significant questions about accountability, enforcement, and equity. The author argues that while private governance can offer short-term solutions, it must not replace the role of state-based regulation in ensuring fair, transparent, and just supply chains. The book calls for a more integrated approach, one that

balances the strengths of both public and private systems, recognizing the need for international cooperation and legal frameworks that address both local needs and global challenges. Ultimately, it presents a vision of supply chain governance that is more inclusive, collaborative, and responsive to the evolving demands of the global marketplace.