LABOR, GLOBAL SUPPLY CHAINS, AND THE GARMENT INDUSTRY IN SOUTH ASIA: BANGLADESH AFTER RANA PLAZA

Edited by
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This book argues that larger flaws in the global supply chain must first be addressed to change the way business is conducted to prevent factory owners from taking deadly risks to meet clients' demands in the garment industry in Bangladesh.

Using the 2013 Rana Plaza disaster as a departure point, and to prevent such tragedies from occurring in the future, this book presents an interdisciplinary analysis to address the disaster which resulted in a radical change in the functioning of the garment industry. The chapters present innovative ways of thinking about solutions that go beyond third-party monitoring. They open up possibilities for a renewed engagement of international brands and buyers within the garment sector, a focus on direct worker empowerment using technology, the role of community-based movements, developing a model of change through enforceable contracts combined with workers movements, and a more productive and influential role for both factory owners and the government. This book makes key interventions and rethinks the approaches that have been taken until now and proposes suggestions for the way forward. It engages with international brands, the private sector, and civil society to strategize about the future of the industry and for those who depend on it for their livelihood.

A much-needed review and evaluation of the many initiatives that have been set up in Bangladesh in the wake of Rana Plaza, this book is a valuable addition to academics in the fields of development studies, gender and women's studies, human rights, poverty and practice, political science, economics, sociology, anthropology, and South Asian studies.
This introductory chapter lays out characteristics of the Bangladeshi garment industry that led to the Rana Plaza tragedy. Using the literature around international interventions, it makes several arguments critiquing the strategies of the international brands and buyers after the disaster. At the end, the chapter lays out innovations in rethinking the global supply chain, direct worker empowerment through the use of technology, community initiatives, the enforcement of gender protections, and a renewed role for the domestic private sector, the Bangladeshi government, and international buyers.

The volume does three things through its collection of chapters that are both theoretically analytical and “solution” oriented. First, it puts Rana Plaza into a larger context to help readers understand the structural, managerial, and political conditions within which poor labor standards flourish. Second, the book productively critiques the existing plans that are in place and highlights their limitations with the hopes of new and improved methods to address these critical concerns. And finally, many of the authors provide a way forward by examining innovations, new ideas, and novel approaches that can all be part of a larger set of “solutions” to address workers rights post-Rana Plaza and beyond.

It is clear that third party monitoring initiatives are limited in their scope and focus and will not likely prevent future tragedies from occurring. To effectively addressing the gaps going forward, there must be a concerted effort by all actors in the global supply chain, public and private, from consumers to donors, international organizations, local industry, civil society, to governments to engage in a dialogue. This book argues that in order to prevent horrific tragedies like Rana Plaza from occurring in the future, larger flaws in the global chain must be addressed, direct and long term buying relations with factories must be established, the government of Bangladesh must assume responsibility for properly regulating garment production, and linkages with existing movements must be created with the hope that this will change the way business is conducted and reduce the incentives of factory owners to take deadly risks in order to meet the demands of their clients.
Rana Plaza hosted garment factories that functioned as direct suppliers to brands but also took in subcontracted orders. According to our empirical research, the garment production involves more than twice as many facilities than brands and retailers currently monitor directly. While many brands are adamant about their ‘zero tolerance policy’ for unauthorized subcontracting, the policy is largely ineffective in practice. In this chapter we argue that unless business models change and all factories in Bangladesh are monitored, the issue of compliance will continue to be a problem.

CHAPTER 3
OFF THE RADAR: SUBCONTRACTING IN BANGLADESH’S RMG INDUSTRY
by
Sanchita Banerjee Saxena & Dorothee Baumann-Pauly

...that has been producing garments for the world market since the mid-1970s. This tragedy, however, was not an isolated incident. Yet, it took more than 40 years for European and North American buyers to acknowledge the cost to Bangladeshi workers of cheap garment production, and to propose two international interventions, the Accord on Fire and Building Safety, and the Alliance for Worker Safety each, demanding safety checks by companies buying clothing from the world’s second largest producer.
Why does the actual size of the industry matter so much? Defining adequate solutions requires a proper definition of the problem. Without better knowledge about the size of the industry and the scope of the problem (how prevalent are fire safety and building integrity issues in all levels of the supply chain), approaches designed to address these issues will not be able solve the problem comprehensively. It is even questionable that current approaches, which involve inspecting the direct suppliers of western brands, solve the issue partially...

The research highlighted in this chapter is an important step in gaining greater understanding of the true size and complexity of the apparel supply chain in Bangladesh. It is incontrovertible that the supply chain is bigger, more complex, and contains greater risk for more workers than previously imagined. New ways of thinking and acting are needed to ensure that all factories provide employment in safe conditions and with the dignity of work for all workers.
Greater attention is required to enabling a range of opportunities for worker representation and engagement which challenge the decision-making status quo, and enable workers to claim greater representational and collective power to drive improvements in labor rights. Ultimately, however, different strategies – including pressure on the state to enforce its own labor laws – are needed to disrupt the enduring power dynamics between the state, global capital and labor. Otherwise third-party monitoring will continue to de-mobilise and de-politicise the efforts of organised labor to advance sustainable employment rights in global production networks.

The analysis proceeds on the premise that fundamental contradictions and constraints remain untouched by the legal and others reforms – much needed as they were – that occurred after 2013. My argument is nested in a broader analysis of the ways that dominant, neoliberal framings of the “problem” of labor in the garment sector privileges some issues while occluding or dismissing others. The Accord-Alliance solution and corresponding ILO initiatives to form factory level unions illustrate the limited nature of such interventions. Both leave untouched long-term structural issues that fundamentally shape workers’ experiences on the shop floor and with respect to organizing. This chapter shows how evoking the rhetoric of the garment industry’s survival being a question of national interest allows the state to create a space of exception where routine labor laws do not apply.
The momentum that started five years ago should continue and the government needs to play an exemplary role by addressing the drawbacks of the entire process in a systematic way, and utilise the resources available from different stakeholders to prevent another incident similar to the one at Rana Plaza. There is no way to deny that the capacity of the government needs to be strengthened contd.
The post-Rana Plaza period has been marked for various national and global initiatives with a view to fix the decent work agenda of Bangladesh's apparels sector. According to the ILO, decent work has four components, which include employability, decent wage, workplace safety and workers' rights. Among different stakeholders, the buyers and suppliers play the most important role in implementing the decent work agenda in the value chain. The main focus of this chapter is to examine how the buyers and suppliers have taken part in implementing related activities during this period and how distinctive those activities were compared to those of the pre-Rana Plaza period.

The post-Rana Plaza initiatives are a step forward in implementing the decent work agenda in the apparels sector value chain of Bangladesh. The international agreement of the Sustainability Compact, USTR Plan of Action and the National Initiative had identified a set of activities which the stakeholders have committed to implement. However, the activities pursued have primarily focused on workplace safety issues and, partly, on workers' rights issues.

...so that dependence on transnational or private governance approach would be reduced and a self-reliant independent body would lead effectively. To make it happen, the cooperation of and collaboration with different stakeholders is essential which has already initiated and should be continued.
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To ensure that benefits reach the most vulnerable workers at the bottom of labor intensive value chains we need move beyond a narrow focus on the workplace to also target the places and communities where workers live. Alongside top down, multilateral arrangements, we also need to think of more proximate, locally embedded initiatives that can simultaneously build vigilance and accountability from the bottom up. This ‘sandwich’ strategy of scrutiny where mobilization, engagement and oversight from below meets reformist mechanisms from above, can serve to deepen workers’ own agency while building local institutions and organizational capacity that can remain in place even after more global initiatives have faded. This chapter draws on insights from a place-based experiment in spatially embedded contracting in Mewat, India to illustrate this argument.

We need to move beyond the workplace and into the community where the most vulnerable, informal garment workers live and work to really make a difference. To ensure that benefits reach them, we need to target the places, localized labor markets and communities that they are a part. In addition to place the state needs to get involved by forging new sourcing models that involve networked ties between public sector agencies, branded buyers, and locally rooted community associations (or NGOs) that can provide continuous oversight, accountability and learning as global (and local) work reaches those that are the most unprotected at the base of the garment industry’s value chains. By building up local relationships, workers can become a central part of a local movement to creating safer working conditions and decent work. Adopting an approach such as this could be critical to preventing horrific tragedies such as Rana Plaza from occurring again.
CHAPTER 11
EMERGING SOLUTIONS TO THE GLOBAL LABOR TRANSPARENCY PROBLEM
by Kohl Gill & Ayush Khanna

In this chapter, we discuss solutions to supply chain transparency. This is by no means a new problem, so we begin with a recap of existing solutions, looking into their strengths and weaknesses. Using these, we create a framework for what the ideal solution might look like: not just in terms of worker impact, but also driving benefits across the supply chain. This includes global brands, suppliers, consumers, and governments. Then, we introduce some solutions, and dive into case studies to understand exactly how they are delivering results. Specifically, we look at the underlying approaches and technology that enable these solutions. We end by examining the barriers these solutions need to address to be successful at scale.

CHAPTER 12
FAST FASHION, PRODUCTION TARGETS, AND GENDER BASED VIOLENCE IN ASIAN GARMENT SUPPLY CHAINS
by Shikha Silliman Bhattacharjee

Gender based violence in the garment industry is a predictable outcome in an industry where women workers in subordinate, low-wage employment roles are driven to meet demanding production targets for below living wages in order to keep pace with fast fashion trends. Building upon inroads in brand accountability in the Bangladesh Accord Model, this chapter makes a case for substantive obligations on apparel brands and retailers through binding, contractually enforceable agreements that are developed and implemented in partnership with workers and their unions. In order to address gendered power relationships that subordinate women garment workers, agreements must not only be worker driven, but should be driven by women garment workers.

In-depth factory profiles of 13 garment supplier factories from Bangladesh, Cambodia, & India revealed consistent distribution of workers by gender across departments and roles. Women workers are concentrated in low-wage production jobs where they are hired on short term contracts. Within these roles, they are driven to reach unrealistic production targets through excessive hours of work in unsafe workplaces. These risk factors for violence stem from the structure of garment supply chains, including: asymmetrical relationships of power between brands & suppliers; brand purchasing practices driven by fast fashion trends & pressure to reduce costs; and proliferation of contract labor and subcontracting practices contd.
This chapter provides a brief history of three or more decades of national and international efforts to improve labor standards for the workers in the garment industry. It concludes by looking forward to what could be done in the future. The author draws on her own research in this field to structure the wider literature on this topic. This chapter argues that any account of achievements and failures in relation to these efforts has to be embedded in the wider context in which the Bangladesh industry emerged and grew because this helps us to understand why its working conditions continue to fall short of international conventions and national regulations. While it faces the difficulties faced by any underdeveloped country with a limited history of industrialization and an industrial working class, Bangladesh has featured particularly prominently in international efforts to promote labor standards in global value chains in the garment sector. It can therefore provide an important case study of the challenges encountered by these efforts when the apparent protectionism of powerful global actors encounter the apparent intransigence of locally powerful actors.

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CHAPTER 13
THE SHIFTING POLITICS OF LABOR STANDARDS IN BANGLADESH: A WAY FORWARD
by Naila Kabeer

...to understand why problems of working conditions are so pervasive and persistent in garment value chains, we would be looking in the wrong place if we focus only on the factories where these problems are manifested. We need to move from a narrow ‘spotlight’ perspective on working conditions in global value chains, a perspective that draws our gaze to the locus of production alone, to a ‘flood light’ approach which illuminates the broader political economy of supply chain capitalism within which these production processes are located...Studies have shown that the fast fashion retailing has been particularly inimical to the observance of decent wages and working conditions across the global industry (Anner et al., 2012). Global brands and buyers have been able to use the increasingly unequal distribution of bargaining power within these chains to pressure their suppliers to meet the competitive pressures within the industry by producing smaller batches of increasing varieties of products more rapidly and at decreasing prices. Even if some global buyers did make efforts to improve labor standards among their suppliers, and even if some suppliers were responsive to these efforts, the ‘upstream’ business practices associated with fast fashion retailing inevitably undermined its ‘downstream’ CSR efforts. Faced with CSR practices which increased the production costs of suppliers, and purchasing practices which reduced the prices they received, suppliers had a limited range of options: to reduce their profit margins, pay their workers lower wages, demand longer hours of work, subcontract out their work to lower cost units and take short cuts in safety standards.

Contd. among supplier firms. In short, gender based violence in the garment industry is a by-product of how multi-national brands do business. The structure of production in global production networks, involving several companies across multiple countries, allows brands and retailers to dictate sourcing & production patterns while deflecting accountability for how purchasing practices drive severe violations of rights at work.

- Price paid to suppliers declined by 13%
- Lead times declined by 8%
- Wages have dropped by 6%
- Profit margins for Bangladeshi suppliers decreased by 13% (Anner, 2019)

Increased profit margins for global brands
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