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**Research Report**

(De)escalating labour conflicts in global production networks: A global framework agreement in the garment sector and its implementation in Bangladesh

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## (De)escalating Labour Conflicts in Global Production Networks

A Global Framework Agreement in the Garment Sector and its Implementation in Bangladesh

Jona Bauer  
Masterarbeit

**76 FORUM**



## **(De)escalating Labour Conflicts in Global Production Networks**

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# Preface

The garment sector has become the prime example of a global production network (GPN). While multinational corporations (MNCs) in the Global North conduct more profitable processes such as design, marketing and retailing, the production of garments takes place in the countries of the Global South. These labour-intensive production processes are often performed under problematic employment conditions where workers receive low wages and are exposed to health and safety risks. National approaches – either from lawmakers or from workers' collective action – have often failed to improve labour conditions and to secure labour rights due to the global structure of production and the power asymmetries within GPNs.

In his Master's thesis, Jona Bauer focuses on so-called 'Global Framework Agreements' concluded by Global Union Federations and Multinational Corporations as a global tool to strengthen labour rights in the context of GPNs. Building on the GPN approach combined with concepts of multi-scalar labour agency and the power resource approach, he shows for one specific GFA of a Swedish retailer applying to Bangladesh, that these agreements can provide an option for workers to address workers' issues through the power of a global buyer. On the other hand, the agreements contain multiple conflicts and are not an instrument for changing power relations within the GPN.

This thesis is an important contribution to the discussion on how to reduce or eliminate unsustainable production conditions in GPNs. Similar to the analysed GFA, many instruments such as supply chain laws or technical solutions to increase traceability and transparency do not alter existing power asymmetries within global production networks. Thus, the formation, functioning and limits of such tools and the impact on unequal value distribution and production conditions, and ultimately on power relations should be critically assessed in future research.

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## Abstract

*Global Framework Agreements (GFAs) between multinational corporations and Global Union Federations are considered a means to secure labour rights such as freedom of association and collective bargaining in Global Production Networks (GPN). However, the effects of this instrument are debated. This thesis explores how power relations between trade unions and companies shape one specific GFA and how the agreement in turn affects those power relations. The case study looks at a GFA signed by a large Swedish garment retailer and IndustriALL Global Union and its implementation in Bangladesh. By integrating concepts of multiscalar labour agency into the Power Resource Approach, the study analyses the power dynamics determining the formation, functioning and limits of the GFA. The research draws on 18 video interviews with representatives of the retailer and participating trade unions as well as public and internal documents and databases. The analysis of the formation and functioning of the GFA shows that workers' organisations have at least some agency in the GPN under consideration. This agency is further an important driver of the buyer engagement in labour rights violations at its suppliers. Based on the empirical examination, I argue that the agreement's effect on agency spaces of workers' organisations on the ground is double-edged. On the one hand, the agreement creates an institutionalised path for workers to voice their concerns. It allows them to bypass less effective state institutions and utilize buyer power over suppliers to improve their situation. On the other hand, the GFA mechanism aims at containing conflicts within the lowest nodes of value addition and thereby limits transnational labour agency. By curtailing horizontal escalation of conflicts to other factories and vertical escalation to consumer markets, it helps the buyer govern labour conflicts and maintain its powerful position in the GPN. While the GFA approach can be helpful in responding to specific labour rights violations, it does not impact the power relations in GPNs sufficiently for the intended modes of social partnership to emerge.*

---

*Globale Rahmenvereinbarungen (GRV) zwischen multinationalen Konzernen und globalen Gewerkschaftsföderationen gelten als Mittel zur Sicherung von Arbeiter\*innenrechten wie Vereinigungsfreiheit und Kollektivverhandlungen in globalen Produktionsnetzwerken (GPN). Die Wirkung dieses Instruments ist jedoch umstritten. Die vorliegende Arbeit untersucht, wie die Machtverhältnisse zwischen Gewerkschaften und Firmen eine bestimmte GRV beeinflussen, und wie sich die Vereinbarung wiederum auf diese Machtverhältnisse auswirkt. Die Fallstudie betrachtet eine GRV und ihre Implementierung in Bangladesch, die von einem großen schwedischen Bekleidungseinzelhändler und IndustriALL Global Union unterzeichnet wurde. Die Arbeit integriert Konzepte der Multiskalarität in den Macht-Ressourcen-Ansatz, um die Machtdynamiken zu analysieren, die die Entstehung, Funktionsweise und Grenzen der GRV bestimmen. Die Untersuchung stützt sich auf 18 Videointerviews mit Vertreter\*innen des Konzerns und beteiligter Gewerkschaften sowie auf öffentlich zugängliche und interne Dokumente und Datenbanken. Die Analyse der Entstehung und Funktionsweise der GRV zeigt, dass Arbeiter\*innen im untersuchten GPN zumindest eine gewisse Handlungsmacht haben. Diese erwies sich als ein wichtiger Faktor für die Motivation des globalen Einkäufers, sich für die Reduktion von Arbeitsrechtsverletzungen bei seinen Zulieferfirmen einzusetzen. Auf der Grundlage der empirischen Analyse argumentiere ich, dass die Auswirkungen der Vereinbarung auf die Handlungsräume von Arbeiter\*innenorganisationen zweiseitig sind. Einerseits schafft die Vereinbarung einen institutionalisierten Weg für Arbeiter\*innen, ihre Interessen vorzubringen. Sie ermöglicht ihnen, weniger effektive staatliche Institutionen zu*



*umgehen und die Einkäufermacht des Einzelhändlers über die Zulieferer zu nutzen, um ihre Situation zu verbessern. Andererseits zielt der GRV-Mechanismus auf die lokale Einhegung von Konflikten ab und schränkt damit transnationale Handlungsspielräume von Gewerkschaften ein. Indem die GRV die horizontale Eskalation von Konflikten auf andere Fabriken und die vertikale Eskalation auf Konsument\*innenmärkte hemmt, hilft sie dem globalen Einkäufer, Kontrolle über Arbeitskonflikte in seinem GPN auszuüben und seine Machtposition im GPN aufrechtzuerhalten. Während der GRV-Ansatz beim Umgang mit spezifischen Arbeitsrechtsverletzungen hilfreich sein kann, wirkt er sich nicht stark genug auf die Machtverhältnisse in GPNs aus, um die intendierte Sozialpartnerschaft entstehen zu lassen.*

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## List of abbreviations

<b>ACT</b>	Action Collaboration Transformation living wage initiative
<b>CBA</b>	Collective Bargaining Agreement
<b>CSR</b>	Corporate Social Responsibility
<b>GFA</b>	Global Framework Agreement (International framework agreement)
<b>GPN</b>	Global Production Network
<b>GUF</b>	Global Union Federation
<b>GVC</b>	Global Value Chain
<b>HQ</b>	Headquarters of multinational corporation
<b>IBC</b>	IndustriALL Bangladesh Council
<b>ITGLWF</b>	International Textile, Garment and Leather Workers' Federation
<b>ILO</b>	International Labour Organization
<b>JIRDC</b>	Joint Industrial Relations Development Committee
<b>MNC</b>	Multinational corporation
<b>NGO</b>	Nongovernmental Organisation
<b>NMC</b>	National Monitoring Committee
<b>NOLA</b>	Networks of Labour Activism
<b>PRA</b>	Power Resource Approach
<b>TUN</b>	Transnational Union Network
<b>UNITE</b>	Union of Needletrades, Industrial, and Textile Employees

# Introduction

Today's production of consumer goods is fragmented, globally dispersed and organised in so-called Global Production Networks (GPNs) (Henderson et al. 2002; Hess and Yeung 2006; Bair 2008). In GPNs, workers in the Global South often perform labour intensive tasks under problematic working conditions and in exchange for low wages (Gereffi and Fernandez-Stark 2016; Baldwin, Ito, and Sato 2014). One industrial sector particularly known for bad employment and working conditions is the apparel or garment sector (Anguelov 2016). Large brands and retailers in Europe and North America source the products they sell from supplier firms mainly in South and Southeast Asia and China while generating substantial profits through design, marketing and sales (Gereffi 1999; Gereffi, Humphrey, and Sturgeon 2005). Only a fraction of the selling price of an item goes to the workforce producing the garment (Hachfeld 2019).

Accounting for the distribution of value capture, the related power relations, and agency across GPNs is fundamental for the analysis of global inequality and unequal development. The operations of Multinational Corporations (MNCs) do not only profit from inequality at different levels but also stabilize and deepen disparity (Selwyn 2019). Globalized production influences almost the entire world's population in one way or another. The functioning and the effects of GPNs are therefore key to understanding why some regions are so much poorer than others and to developing and evaluating strategies for change (Bair and Werner 2015).

Working conditions in apparel GPNs are harsh (Plank, Rossi, and Staritz 2014; Rossi, Luinstra, and Pickles 2014). Problems reach from wages below subsistence level (van Klaveren 2016) and health and safety problems such as bad ventilation or chemical exposure (De Neve and Prentice 2017), to gender-based harassment and physical violence (Asia Floor Wage Alliance 2018). Overtime work and lack of breaks and holidays are common issues (Anner, Bair, and Blasi 2013). Workers often do not have adequate housing, sanitation, formalised labour contracts, access to health care or any type of social security. Most workers are women, and suppressive gender relations are deeply engrained in the production of garments (Choudhury, Luthfa, and Gayen 2016). Unionisation attempts are regularly met with intimidation, dismissal, and violence. Basic labour rights such as the right to organize, unionize and bargain collectively are violated or simply not accessible at all (Appelbaum and Lichtenstein 2016).

There are three major approaches to changing working conditions and securing labour rights in GPNs - state interventions, corporations responding to consumer and civil society pressure, and initiatives from workers and their collective organisations. All three types are interrelated and often influence each other substantially (Coe 2015). Nation states often fall short in providing adequate protection of workers, especially states in the Global South squeezed by global competition and lacking resources (Egels-Zandén 2009b). Initiatives by multinational corporations run the risk of being closer to marketing than to actual change on the ground (Niforou 2012). In contrast, approaches focusing on workers' agency are intriguing because they build on affected groups' active engagement in improvements (Newsome et al. 2015; Coe and Jordhus-Lier 2011). Workers' agency is closely connected to the right to organize and to freedom of association. Institutionalised rights are often the outcome of collective agency and struggle and can at the same time enable workers to further fight for their demands (McCallum 2013; 2017).

Collective actors of workers are usually trade unions and similar organisations. Despite a long history of transnational solidarity, their federated structures and operations are traditionally confined to national territories (P. Evans 2014). However, confronted with globalised production and the highly mobile capital of MNCs, trade unions do not seem to get past strategizing and collaborating across borders and continents (Cotton and Croucher 2010). Global Union Federations (GUFs) are one possible way of organizing transnationally that has gained in importance in recent decades. They connect national trade unions and represent workers at the global level (Ford and Gillan 2015).

One of very few institutional instruments of global-level trade unionism are Global Framework Agreements (GFAs). They are documents negotiated and signed by GUFs and MNCs headquartered in Europe. The agreements consist of basic workers' rights such as the right to organize or to collective bargaining and apply to all operations of the MNC worldwide, partly also covering suppliers (Papadakis 2011). They are not legally binding but at least more recent ones include mechanisms for handling non-compliance, thus falling into the 'soft law' category (Mund and Priegnitz 2007). GFAs are mechanisms of global governance, co-created by workers' organisations and MNCs (Niforou 2014; McCallum 2013). Through GFAs, firms in the Global North are said to recognize their responsibility for workers' rights in their GPNs (Herrnstadt 2007; Miller 2011). If implemented, the agreements have the potential to create agency spaces and allow workers in the Global South to raise their voice and stand up for their demands (Fichter and McCallum 2015; Riisgaard 2005; Hammer 2005). However, as

employment relations and working conditions are based on power asymmetries between employers and workers, the effectiveness of such agreements depends on their potential to change power relations between the parties.

In my thesis, I examine the GFA of a major apparel brand. The agreement focuses on labour rights in the suppliers' network of the MNC, subsequently called ApparelCorp. While I discuss the agreement on different institutional levels and include a global outlook, I focus on Bangladesh, one of the MNC's most important sourcing regions. The aim is to explore how power relations between trade unions and companies shape the GFA and its institutionalised structures, and how the agreement in turn affects those power relations and agency spaces of workers. My work thereby addresses the relation between agency and institutional frameworks in the context of globalized production.

The thesis stands out in two aspects. First, the empirical research centres on an interesting and important case, which has not received much attention in the past. Due to its unique and seminal architecture of implementation and conflict resolution, the agreement between ApparelCorp and IndustriALL Global Union represents a highly relevant research case. Second, in an interdisciplinary conceptual framework, I combine theoretical approaches from GPN analysis with the Power Resource Approach (PRA) (Wright 2000; Silver 2003; Brookes 2013; Schmalz, Ludwig, and Webster 2018; 2019) to analyse the institutionalist mechanisms of the GFA. This provides an actor-centred perspective without ignoring the institutional and structural dimensions. By carving out power relations as contingent on institutional structures and mechanisms, the thesis contributes to debates on working conditions in globalised production and transnational trade unionism.

The PRA allows for operationalizing complex power struggles and their potentials as well as their limitations. In combination with work on governance in GPNs, the approach helps to understand agency spaces of labour organisations and both actual and potential strategies. Since power relations are rarely linear but interdependent and entangled with a multitude of economic and societal dynamics, power is categorized heuristically. This thesis looks at power in two dimensions and three areas of investigation. The dimensions are vertical power relations, i.e. intra-firm governance in the GPN, and horizontal power relations between workers, employers and the state (Gereffi, Humphrey, and Sturgeon 2005; Newsome et al. 2015). The areas of investigation are the formation of the agreement, its functioning, and its effect. I examine how



power relations in the two power dimensions condition the GFA in all three areas and how the GFA impacts on these power relations.

The empirical part of my work relies primarily on 18 online interviews with experts located in Bangladesh and around the world, who are or were directly or indirectly involved in the GFA or the GPN of ApparelCorp. Additionally, the research draws on internal and public documents, such as the text of the agreement itself, guidelines and press statements. Furthermore, quantitative data from ApparelCorp's supplier database illustrates my arguments. The main limitation of the project is that it does not include fieldwork in Bangladesh. Therefore, certain local phenomena can only be explored superficially. However, video interviews are a suitable method for evaluating the global scope of the agreement and examining its transnational dynamics.

The thesis comprises five chapters. In the first chapter, I present the theoretical foundation and explain the selection and adaption of theoretical approaches for this project. The theoretical framework is divided into two subsections, theoretical concepts related to GPNs on the one hand, and those focusing on industrial relations and workers' agency on the other. In the first subsection, I explain concepts of inter-firm governance in GPNs and the paradigm of economic and social upgrading. In the second subsection, I present the PRA. I extend the PRA by two elements crucial for conceptualising the empirical findings. These are the multiscalarity of trade unions' power resources and the concept of social partnership. I utilize the concept of horizontal and vertical escalation of labour conflicts to describe the enlarging and upscaling of issues along GPN dimensions.

The second chapter introduces the research design and explains the selected methods. I start with general remarks on the methodological rationale guiding the research and discuss my positionality. I continue with the background of my case selection. Subsequently, I explain the data collection process, i.e. interviewee sampling, developing interview guidelines, and conducting the interviews. I proceed with my approach to analysing the data - qualitative content structuring analysis. The chapter ends with a discussion of the limitations of the project.

In the third chapter, I give an overview of literature on GFAs and position my research within existing debates. I summarize GFA literature focusing on buyer-supplier dynamics and central characteristics of garment GPNs. Based on this, I provide a literature review on GFAs in the garment sector.

The fourth chapter presents my case study and findings. I start with insights on the structure, properties, and scope of ApparelCorp's GPN and its sourcing operations in Bangladesh. Subsequently, I discuss workers' voice and trade unionism in the garment sector in Bangladesh. Turning to the GFA with ApparelCorp, I reconstruct the agreement's formation process. I then analyse the principal documents of the agreement and explain its institutional design. This facilitates the investigation of how the implementation mechanism functions. I discuss what kind of labour rights violations have been mitigated by the mechanism so far and in what ways it has failed. I further examine how participating parties and outsiders perceive the agreement, its implementation bodies, and effects.

In the last chapter, I analyse the empirical findings through the theoretical lens of the PRA. I focus on the effects of horizontal power relations in Bangladesh and vertical governance structures within the GPN on the functioning and outcomes of the GFA. Moreover, I highlight the effects the GFA has in turn on power relations and labour agency spaces in the GPN. My argument comprises four sections, covering structural power, institutional power, vertical escalation of conflicts and social partnership in the context of the GFA. The findings are analysed in the light of the literature presented in the third chapter.

The empirical findings allow for four major conclusions. (1) The analysis of the formation and functioning of the GFA shows that workers' organisations have at least some agency in the GPN under consideration. Agency is further an important driver of the buyer engagement in labour rights violations at its suppliers. Based on the empirical examination, I argue that the agreement's effect on agency spaces of workers' organisations on the ground is double-edged. On the one hand, (2) the agreement creates an institutionalised path for workers to voice their concerns. It allows them to bypass less effective state institutions and utilize buyer power over suppliers to improve their situation. On the other hand, (3) the GFA mechanism aims at containing conflicts within the lowest nodes of value addition and thereby limits transnational labour agency. By curtailing horizontal escalation of conflicts to other factories and vertical escalation to consumer markets, it helps the buyer govern labour conflicts and maintain its powerful position in the GPN. While the GFA approach can be helpful in responding to specific labour rights violations, (4) it does not impact the power relations in GPNs sufficiently for the intended modes of social partnership to emerge.

# **1 Theoretical framework**

## **1.1 Global Production Networks**

### **1.1.1 Global Value Chain and Global Production Network analysis**

A wide range of literature on globalised production, especially on production processes linking the Global North and the Global South can be found in geography, sociology, economics, political science, and development studies. In this context, the interrelated but differing approaches of Global Commodity Chains (GCC), Global Value Chains (GVC) and Global Productions Networks (GPN) have attracted substantial attention. An extensive analysis and comparison of the theories cannot be done at this point and has been provided elsewhere (Bair 2005; Neilson, Pritchard, and Yeung 2014). Instead, the most important developments and aspects relevant for this project are discussed. I will proceed in three steps. First, I shortly summarize the intellectual developments regarding the mentioned approaches. Second, I present concepts of governance in production networks. Third, I discuss approaches to upgrading.

The origin of all three approaches point back to World-systems Theory which reconstructs the production of goods in geographically dispersed chains (Hopkins and Wallerstein 1986). Hopkins and Wallerstein subsumed under their research on commodity chains the investigation of unequal and hierarchical relations of exchange in networks of work and production on a global scale. Gary Gereffi's work on GCC in the 1990s develops a more formalised framework for the analysis of globalised production in modern capitalism, emphasizing inter-firm linkages (Gereffi 1994).

GCC analysis later deviated from the critical perspective of the World-system Theory by shifting the focus from analysing inequality to searching ways of development (Bair 2005, 158). At the same time, the World-system's macro perspective has been substituted by a more micro or meso perspective, being concerned with individual firms or sectors (Bair 2005, 164). Research on commodity chains is now increasingly used to formulate policy recommendations for economically weak regions. The central question here is how "economic actors gain access to the skills, competencies and supporting services required to participate in global value chains" (Gereffi et al. 2001, 2).

As the attention on analysing international production and trade from academics, businesses and policy makers rose, leading experts in the field agreed in 2000 to subsume different approaches under the umbrella term Global Value Chain (GVC) (Gereffi et al. 2001; Gereffi and Fernandez-Stark 2016). Analyses now include more concepts from international business literature such as transaction cost theory and value added. Looking at outsourcing dynamics from a transaction cost perspective can help to understand structures of production more precisely. On top of this methodological advance, GVC is more open towards networks of services and non-material goods by its departure from the term commodity. However, GVC analysis tends to focus mainly on firms and technological aspects of production, external factors and institutional environments are considered as having less room compared to the more sociological GCC approach (Bair 2005, 163f).

Partly parallel to debates on GVCs, the term Global Production Network (GPN) evolved (Henderson et al. 2002; Hess and Yeung 2006; Bair 2008). Inspired by geographic and sociological perspectives and less by business logics, the GPN approach diverts from orthodox GVC by opposing the linear, firm-centred idea of chains. It stresses certain aspects which are absent or less central in orthodox GVC analysis. First and most importantly, GPN analysis aims for including non-firm actors not only as external factors. The approach considers interactions between firms and non-firm-actors as fundamentally structuring production chains and therefore places them in the centre of analysis. Accordingly, it goes beyond the analysis of intra- and inter-firm dynamics. This is particularly important in this project as workers' organisations and their potential are under examination.

Second, GPN puts analytical emphasis on institutions (Coe, Dicken, and Hess 2008; Levy 2008). This demand has been prominently formulated for GVC research. Accordingly, the emergence and changes of chains of production must be analysed at the backdrop of the "larger social, cultural and political-economic environments in which they operate" (Bair 2005, 168). Institutions might be externally to GPNs shaping their operation or co-created by GPNs and their actors. As this project is concerned with industrial relations and compliance to labour standards, the institutional dimension is crucial.

Despite sticking to the GPN framework, I follow Niforou's argument that networks of production have to be understood as primarily being built to extract value (Niforou 2015, 303). I use several concepts originating in GVC in my analysis, such as intra-firm governance schemes and value added. Frameworks focusing on value can explain many dynamics of

globalised production and are far developed. These are explained in the next section on governance of globalised production.

### **1.1.2 Governance**

As GCC and GVC analysis is concerned with processes of economic globalization in a historical and comparative way, authors compare different sectors to identify common and differing characteristics and developments. Especially in sectors with highly mobile capital, the question of who decides on different organisational and technological configurations is highly debated. Governance has been theorised in different ways, but the overreaching aim is to explain organisational patterns of globalized production and their emergence by examining the “authority and power relationships that determine how financial, material, and human resources are allocated and flow within a chain” (Gereffi 1994, 97). In this section, prominent concepts of value chain governance are discussed with a focus on aspects relevant for the case under examination.

In a widely used typology, governance in GVCs/GPNs has been understood as driving, as coordination and as normalization (Gibbon, Bair, and Ponte 2008). For the industry under examination and my argument, the first one is most important. Gereffi distinguishes between buyer driven chains, which describe chains governed by retailers or brands in industrialized countries not owning production facilities, and producer driven chains. The latter are governed by big producers which perform central manufacturing steps inhouse. The conceptualization basically distinguishes between commercial and industrial capital and the subsequent structure and coordination of globalized production. In this “spectrum of industrial organisation possibilities” (Gereffi 1994, 99), typical examples for producer driven chains are technological complex and capital-intensive products like cars and aircrafts. Apparel serves as the ideal type of buyer driven chains. Buyer driven chains are characterized through brand or trader coordinated outsourcing and offshoring of labour-intensive manufacturing to regions with low labour costs, usually to the Global South.

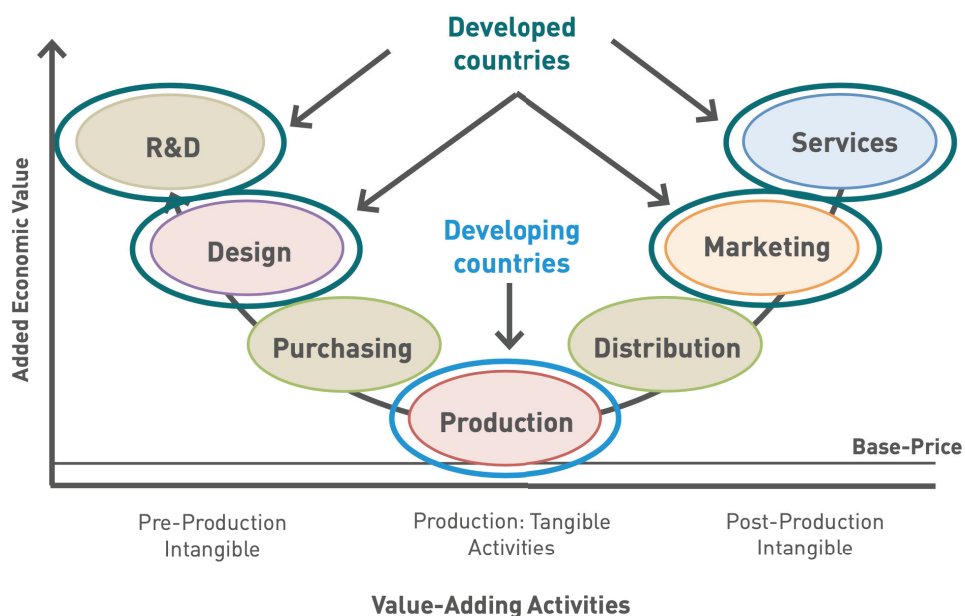
Building on the original distinction between buyer and producer driven chains, Gereffi, Humphrey and Sturgeon (2005) propose a more differentiated framework of five ideal types of corporate governance: Market, modular, relational, captive and hierarchy. These ideal types span a continuum between networks characterised by arm’s length market relationships and vertically integrated corporations. This model of governance explains governance with

transaction cost theory, shaped by three factors: The complexity of transactions, the ability to codify the information and the capabilities at suppliers. The advantage of the new conceptualization of governance lies in a greater variation in modes of coordination in GVCs and its applicability to a wide range of industries. In this context, the term ‘lead firm’ is prominent, denoting the company, which is closest to the customer and which often owns the brand name.

In the captive type, suppliers produce non-standards items and are highly depended on a much larger lead firm due to high switching costs. The buyer is involved in control and monitoring of the supplier to a great extent. In contrast, relational value chains are characterised by a higher degree of mutual dependence between buyer and suppliers. Supplier capabilities are more advanced and broader. Lead firms depend to a certain degree on the knowledge and capabilities of suppliers as they might not have them in-house. Suppliers in relational value chains are often so-called full package suppliers or original equipment manufacturers. They independently source their material, interpret designs, and make samples. Compared to captive relations, power is here distributed more symmetrically. Nevertheless, as Gereffi, Humphrey and Sturgeon make clear, even suppliers in more relational governance schemes have to meet the buyer’s price (Gereffi, Humphrey, and Sturgeon 2005, 84ff). The different degree of concentration at the retailer level and at lower nodes in the value chain has great influence on the companies’ competitive environment and their set of potential strategies (Gereffi 1994; Milberg 2004). By not having their own channels of distribution, suppliers always depend on lead firms to certain degree.

To understand the motivation of lead firms to establish production networks in one or another architecture, several dimensions need to be taken into consideration. Gereffi (1994) elaborates on three of them. First, state policy such as import quota, development policy and infrastructure like export processing zones play a crucial role. Second, the ‘technical’ requirements of different production steps like demand for capital, technology and manual labour are fundamental. Third, and connected to the second, the economic conditions at different production locations are important. For example, offshore-outsourced manufacturing in apparel, mostly to East and South-east Asia, is heavily related to the “search for low-wage labour and the pursuit of organizational flexibility” (Gereffi 1994, 102). Further, as Anner (2015) argues, not only wages but the specific labour control regimes emerging from labour market properties, institutional environment and local power relations play a significant role.

Figure 1 shows a very simplified mapping of production, relating the type of activity to their value addition and their geographic location. In typical buyer driven GPNs, activities in both high value-added ends of the curve are kept inhouse and in the Global North, such as Design and Marketing. The tangible activity of manufacturing with low value addition (in the middle of the curve) is outsourced and offshored by MNCs to the Global South. Focusing on the rent aspect, the concept of governance has been used to explain dimensions of global inequality. The party or parties which can exceed governance in a chain are able to occupy steps with high value added and outsource the ones with lower rents. Therefore, an analysis of who exercises what form of governance is crucial to understand why some are losing and others are gaining through integration into global trade (Kaplinsky 2000).



**Figure 1: ‘Smile curve’ of tangible and intangible activities in buyer driven production, the related economic value addition, and typical geographic locations.**

Source: Gereffi and Fernandez-Stark (2016, 315), based on Baldwin et al.’s smile curve (Baldwin, Ito, and Sato 2014).

Understanding the structure of production and governance enables policy makers to improve the economic situation of certain corporate actors. However and more central for this project, it also helps non-firm actors such as trade unions and NGOs to identify targets of campaigns

and develop transnational strategies (Bair 2005, 161). Further, research on governance is not only based on mapping the links between suppliers, buyers, retailers, traders, and understanding their position within the chain but also contains the analysis of expert knowledge and practices of purchasing practitioners (Gibbon and Ponte 2008). Therefore, it is particularly helpful for pinpointing responsibilities in GVCs.

### **1.1.3 Economic and social upgrading**

Much work in GVC analysis is motivated by the question how individual firms or regions can economically upgrade (Bair 2005, 164). Economic upgrading improves an economic actor's position and is usually the goal of economic development (Gereffi 1999). By improving their capabilities and changing processes, products or/and markets, potentials for firms to engage in more competitive activities at the backdrop of international trade can arise. The aim is to engage in higher value-added activity. In case of devaluation of production steps or entire chains, the aim is to at least keep the level of value-added (Werner 2016).

Firms can try to improve their production processes to improve productivity (process upgrading), to switch to more sophisticated products, to diversify their function by providing full-package products or services (functional upgrading) or to shift to another, more sophisticated chains (chain upgrading) (Barrientos, Gereffi, and Rossi 2011, 323f). To increase (or keep) the value captured at one node, firms can strategically position themselves in GPNs by understanding their specific dynamics and governance structures. Such knowledge is considered as fundamental, especially for actors in the Global South who want to integrate into global markets (Gereffi et al. 2001; Gereffi, Humphrey, and Sturgeon 2005, 79). As value-added increases with governance, actors often try to gain or improve their access to lead firms (Gereffi 2001, 32). However, as especially functional and chain upgrading often bears economic risks, firms might also decide to stick or switch to lower value-added activities (Gereffi 1995, 131ff).

Social upgrading was introduced as an alternative concept to economic upgrading, focusing on employment and working conditions of people involved in GPNs. It demands for analysis of economic policies and business strategies in GPNs regarding the situation of workers instead the situation of firms. The International Labour Organisation's (ILO) concept of Decent Work is often understood as trajectory of social upgrading (International Labour Organization 1999; Bibby 2016). In short, the ILO agenda for Decent Work aims for "quality jobs along with social



protection and respect for rights at work to achieve sustainable, inclusive economic growth, and eliminate poverty” (International Labour Organization 2020a).

The connection between social and economic upgrading is not as straightforward as assumed in early GVC analysis. The idea that economic upgrading of firms in the Global South automatically leads to an improved situation for workers is at best not universally true (Barrientos, Gereffi, and Rossi 2011; Milberg and Winkler 2011). Although process upgrading needs some higher skilled workers with more stable employment relations, it often also leads to a rise in insecure and low-wage positions. Firms might employ strategies of economic upgrading combined with social downgrading by employing a small number of high skilled workers and a large number of flexible, low-wage workers through subcontractors (Barrientos, Gereffi, and Rossi 2011, 333). Such configurations help to cope with price pressure from lead firms and fluctuating production volumes.

Divergences between economic development paths and living conditions of workers in the Global South have led to a rising scholarly interest in labour conditions in GPNs. Employment and working conditions have not only great influence on workers themselves, but also on configurations of reproductive work and communities far beyond the workplace (Newsome et al. 2015, 2). Empirical analyses show how development strategies focusing on economic upgrading can lead to a highly flexible and precarious workforce without labour organisations. Learning spill overs and linkages to domestic firms are often absent (Plank and Staritz 2013).

At the backdrop of limited state regulation in favour of social upgrading, approaches to global governance of labour standards are proposed to address deficits in employment and working conditions in GPNs. The term ‘global labour governance’ subsumes solutions which try to improve working conditions by some form of centralized intervention of lead firms or supranational organisations such as the ILO. Such transnational regulation can have diverse forms like minimum standards formulated by multi-stakeholder initiatives and codified in labels and certifications (Ponte, Gibbon, and Vestergaard 2011). For a comprehensive overview of types of transnational labour regulation see Coe (2015, 183).

Ben Selwyn provides a critique of the social upgrading paradigm (Selwyn 2012; 2013). Accordingly, many approaches of social upgrading contain and reproduce top-down ideas of development and do not sustainably solve problems on the ground. Further, the concept of social upgrading obscures the capital-labour conflict which must be placed at the conceptual heart of GPN analysis. As labour (workers) and capital (firm-owners and management) have

different interests, approaches focusing on win-win solutions run the risk of neglecting the fact that firms need cheap labour to operate. Instead of voluntary programs by firms, the improvement of working conditions highly depends on the power relation between workers and corporate bodies. The outcome of the struggle and cooperation between the two is shaped by distinct historical developments, local and international institutions, governance of the respective GPNs and decisions made on the workshop floor.

## **1.2 Industrial relations in Global Production Networks**

### **1.2.1 Labour agency**

Authors have demanded to make workers as one or even the integral part of GVC and GPN analysis (Cumbers, Nativel, and Routledge 2008; Coe, Dicken, and Hess 2008; Rainnie, Herod, and McGrath-Champ 2011; Newsome et al. 2015). Bair and Werner introduce a straightforward categorisation of two streams incorporating workers into GPN. One takes labour as an object, describing how (power) dynamics in GPNs impact workers. The other conceptualises labour as agent which is “co-constitutive of global production arrangements” (Bair and Werner 2015, 120). In this sense, workers are not understood as passive victims, but as actors with (at least collectively) a certain potential of power (Barrientos, Gereffi, and Rossi 2011; Coe and Jordhus-Lier 2011). Whether and in which ways workers have agency and can influence the conditions of their own employment depends on their form of organisation as well as the organisation of the GPN they are working in.

With Smith et al. (2002) and others, authors finally focused on the capital-labour relation and questions of labour conditions in their empirical research and theoretical considerations. By looking into the social as well as spacial relations of production (Bergene 2007), the approach considers interactions between firms and non-firm-actors as fundamentally structuring production chains. The GPN approach relates governance not only to lead firms but conceptualizes governance as arising out of complex power relations in multi-actor settings. Power, in this understanding, exists in three forms: Corporate power of a firm or an association of firms, institutional power of states or multi-stakeholder configurations, and collective power of trade unions and NGOs (Henderson et al. 2002).

One strain of research helpful for the analysis of labour agency can be subsumed under Labour Process Theory. Work under this label is concerned with the “control, consent and resistance at the point of production” (Newsome et al. 2015, 4). The theory and empirical case studies take

the capital-labour antagonism as baseline provoking manifold strategies of firms and workers alike within and regarding specific employment relations on an individual as well as associational level. The underlaying idea is:

*“(M)arket mechanisms alone are insufficient to regulate the labour process and to ensure that a surplus is generated. An endemic control imperative within capitalist production compels management to limit or overcome labour’s indeterminacy. Fourthly, the structured antagonism at the heart of capitalist employment relationship is concerned not only with closing down indeterminacy but also with securing the co-operation of labour” (Newsome et al. 2015, 4)*

However, the analysis of the micro level, i.e. the cooperation and conflict at the factory level, poses the challenge of providing case studies “without making explicit the analytical implications of how such phenomena should be conceptualised within the broader dynamics of global capitalism” (Taylor 2009, 449). The so-coined connectivity problem tackles the interrelation of the analytical layer of macro processes in political economy and the micro level analysis of events at the workplace and in the factory (Thompson and Smith 2009). GPN/GVC analysis can count as a suitable candidate for connecting the two other analytical layers and filling the meso level (Newsome et al. 2015, 15). Differently put, wider macro-economic developments shape via value chains the conditions at the point of production and vice versa. Dynamics at both analytical layers constitute regimes of labour control which respectively form modes of workers’ resistance (Anner 2015).

For example, a buyer driven organisation of production narrows the agency spaces of workers’ organisations in the Global South (Gibbon, Bair, and Ponte 2008, 328). However, not only the organisation of production is decisive. Supranational CSR and social compliance mechanisms influence the potential avenues for workers and their associations on the ground as well. Further, and the other way around, struggles at the ground influence strategic decisions concerning the architecture of GPNs. Agency spaces of labour are as much shaped by local institutions and the wider social environment at the production node as by the vertical dimension of GPNs, i.e. the governance structure of inter-firm linkages. This territorial as well as network embeddedness (Henderson et al. 2002, 452f) of production is particularly apparent when describing effects of labour governance initiatives which crystalize at the intersection of workplace dynamics and global regulation (Coe 2015, 182).

Mechanisms of global governance address bad working conditions by implementing either minimum standards or so-called enabling rights. Enabling rights refer to rights such as the right to organize workers’ representation, to join trade unions and to bargain collectively. Moreover,

they cover non-discriminatory employer behaviour based on gender, race etc. Enabling rights allow for affected groups to advocate themselves for improvements. Measurable improvements of standards are often the result of an effective engagement of enabling rights (Barrientos, Gereffi, and Rossi 2011, 324f).

By building on Bob Jessop's concept of multi-level governance (Jessop 2014), Christina Niforou proposes a conceptual framework of connecting agency spaces of workers with transnational governance schemes (Niforou 2015). With this focus, she touches the vibrant debate among researchers whether to focus on institutionalized, but rather top-down, or on bottom-up movements concerned with labour rights issues in GPNs (Brookes and McCallum 2017, 212). According to Niforou, mere top-down mechanisms tend to be ineffective and characterised by non-compliance. However, bottom-up movements are most successful if complementarities exist with top-down mechanisms. Top-down approaches can provide workers with leverage points as well as avenues for bottom-up organising. This idea motivates my research interest of analysing agency spaces of workers vis-à-vis an instrument of transnational labour governance.

By combining GPN analysis and labour geography, Neil Coe (2015, 185ff) sketches characteristics of a research which explores the relation between transnational labour regulation and workers' agency spaces. First, an analysis must be territorial-cum-relational. This refers to understanding workers' ability to act as being impacted by GPN dynamics as well as local contexts. Second, the analysis must be multi-scalar, as different layers such as the regional, the national, and the global intervene and produce overlapping governance structures. Third, approaches need to take up an institutional perspective covering formalized as well as informal rules and conventions, reaching from trade laws to gender norms. Fourth, the researcher's perspective must be dynamic, conceptualising GPN structures and institutional contexts as changing and interdependent. Sixth, action in GPNs must be understood as being intermediated to a high degree. Regulatory instruments, monitoring structures, campaigns and related processes incorporate different actors and organisations at different scales. These six requirements were central in my selection of the methodological as well as theoretical approaches as well as guides the whole research process.

### 1.2.2 The Power Resource Approach

For looking at worker agency in GPNs at the backdrop of uneven development, it is necessary to “consider worker agency beyond the network optic” (Bair and Werner 2015, 129). According to Bair and Werner, this requires to specifically explore power relations within as well as beyond production. To analyse worker agency and explore sources of power for workers and their collective organisations, the concept of structural and associational power is a promising avenue. The distinction between the two was most prominently developed by Wright (2000).

The conceptualisation and terminology of Wright was employed and refined to describe historic developments of capitalism (Silver 2003) as well as in debates on trade union revitalization (Brinkmann et al. 2008). In this strain of research, processes of utilizing available power resources and creating new ones are at the centre of analysis. The approach was further developed and extended towards different directions, for example by incorporating a dimension of trade union capabilities (Lévesque and Murray 2010). Finally, the approach was applied to the GVC/GPN context (e.g. Coe and Jordhus-Lier 2011; Selwyn 2013). The most universal and most applicable version is the Power Resource Approach (PRA) by Schmalz, Ludwig and Webster (2018). In the following, I will present their conceptualisation of structural, associational, institutional, and coalitional power.

**Structural power**, also economic power, is the power of workers and their collective organisations which arises out of their position in the production process (Schmalz, Ludwig, and Webster 2018, 116f; Wright 2000, 962f). If workers can disrupt production by striking, they have something to bargain on. Different workers in the production process have different structural power. Relevant factors are the mode of business operation (e.g. just in time production vs. long term warehousing), the workers’ position in the process (e.g. logistics vs. less-critical tasks) and the nature of their employment (e.g. quickly replaceable vs. expert; day labourer vs. fixed contract). Silver introduces the differentiation between workplace bargaining power and market bargaining power (Silver 2003, 13f). Workplace bargaining power refers to the workers’ ability to disturb the production process by stopping working. Market bargaining power arises out of the workers’ position in the labour market and the employers’ dependence on them. This bargaining power is influenced by qualifications and skills of workers as well as the unemployment rate.

In the contexts of GPNs, the structural power of workers is further influenced by the governance structure of the GPN. Not only might technical employers not be the management deciding over

workplace issues, subcontracting, and outsourcing plays an important role. For example, in captive relationships between suppliers and brands, striking at the supplier level puts workers in a different bargaining position compared to labour action by employees of the lead firm. Noteworthy, GPNs can also provide sources of power based on certain workers ability to disrupt business operations which are far beyond their workplace. In an integrated, global, just-in-time network, a small number of people producing an important component can disturb major production sites thousands of kilometres away. The vertical dimensions of GPNs is therefore one important element shaping workers' structural power resources (Coe 2015, 181).

If not activated by employees of a specific employer but on a sector-wide or regional scope, structural power refers to the ability to engage in political strikes. They may be directed to a group of or one rule setting employer, or towards state regulation and institutions such as maximal working hours or minimum wage (Hinz 2018). Structural power does not require stable collective organisations or workers. The potential of 'spontaneous', non-centralised strikes and protests might sometimes even be more feared by employers. However, the outcomes of the activation of structural power often depends very much on the organisational and strategical capabilities of the workforce.

**Associational power** of workers arises out of their ability to collectively form organisations which can and do strategically act (Schmalz, Ludwig, and Webster 2018, 118f). If successfully developed, associational structures can fulfil a coordinative function and pool and direct structural power. Further, broad and effective association sometimes succeeds to counterbalance low or declining structural power (Brinkmann and Nachtwey 2010). Associational power is usually understood as arising on different levels, at the workplace through some form of workers' representation, in the sector through trade unions and in the political system through labour parties. However, the associational structures and corresponding terminology might differentiate on sector, regional histories and legislation.

The most common ways to measure associational power are membership numbers and union density in a certain workplace, sector, or country. However, there are more aspects to consider which can be grouped into two kinds. First, the associational power of workers is not fully reflected by its membership as internal factors such as infrastructural resources, organisational efficiency, member participation and internal cohesion play a vital role (Lévesque and Murray 2010). Second, formal membership might not always be representative of existing networks of coordinated agency. Workers might be in contact with trade unions without formal membership

due to repression or lack of ability to pay membership fees. Further, networks of agency might not be based on structures of formal membership altogether, especially important for workers with informal employment relationships.

**Institutional power** of workers is power which arises from institutional arrangements (Schmalz, Ludwig, and Webster 2018, 121f). These contain legal guarantees such as the right to strike, legal institutions like labour courts, access to policy fields on the political level and systems of codetermination like stabilized systems of collective bargaining. There are certain institutionalised frameworks on the supranational level such as ILO mechanisms. Institutions are not only formal rules and regulations but also informal cultures and conventions of and between employers and workers' organisations (Coe 2015, 186). Institutional power is usually understood as a secondary power which developed and develops from the primary forms of power, structural and associational power. Institutional arrangements are always the historic product of struggles and negotiations of labour movements on the workplace as well as political level. Their establishment though contention supports the argument that such institutions cannot be easily transferred from one regional, sectoral, and cultural context to another. For example, this has been depicted in the South African context (Webster 2013).

**Societal or coalitional power** refers to the power of labour organisations to engage with non-labour stakeholders and utilize civil society support for workers' demands (Schmalz, Ludwig, and Webster 2018, 122ff). For example, advocacy organisations and customers might be valuable partners. This dimension is particularly important if labour organisations are understood as being embedded in their wider societal environment. Prominent under the term social movement unionism, workers groups especially in the Global South have been successful in incorporating community, women and immigrant organisations into one joint battle (Waterman 1991, 16; Scipes 1992, 84; Ross 2007, 24; Fairbrother 2008; Nowak 2017). By doing so, trade unions can enlarge their associational power beyond their own membership. In the Global North, trade unions mobilisation against trade agreements such as TTIP and CETA are examples of successful cooperation with other movements and NGOs (Dierckx 2015). In the context of GPNs and working conditions in manufacturing, workers and trade unions mobilize coalitional power resources by engaging with domestic or foreign advocacy organisations. This aspect is discussed in more detail later.

The PRA is a simplification which helps to explain certain dynamics but not others. I agree with Nowak's (2018) criticism that the approach conceptualises power in a too linear,

functional way. Without doubt, all four presented power resources are tightly interconnected and the differentiation between the different power types is somewhat artificial. However, I consider the approach as a useful research heuristic to describe reinforcing and contradicting dynamics. Power resources are not understood as excluding each other but certain settings might not lead to reciprocal reinforcement but to conflicting forces. Further, the power resources are understood as being embedded in and structured by the wider socio-cultural environment. All four power types may be engaged at different levels, as illustrated in Table 1.

	<b>Structural power</b>	<b>Associational power</b>	<b>Institutional power</b>	<b>Societal power</b>
<b>Applied in the form of</b>	Disruption of the valorisation of capital	Formation of workers' associations	Referring to legally fixed rights	Interaction with other social actors
<b>At the level of the workplace</b>	Labour unrest Changing jobs	Grassroots works group Works council Shop-steward bodies	Works constitution	Coalitional and discursive power by their very nature transcend the boundaries between the levels
<b>At the industry-wide level</b>	Economic strikes	Trade unions	Collective bargaining autonomy	
<b>At the level of society</b>	Political strikes	Workers' parties	Constitution Law and legislation	

**Table 1: Power Resource Approach: Types and levels of labour power.**

Source: Schmalz, Ludwig, Webster (2018, 119)

At its very basis, I understand exercising power as having the ability of influencing the set of actions available to an actor, resulting in this actor acting in a way she\*he would not do otherwise (Knight 1992, 41). Power in the PRA is understood as “the capacity of workers to realize their class interests [which] depends in part on their capacity to counter the power of capitalists. Power, in this context, is thus a relational concept.” (Wright 2000, 962). The overall focus lies on workers realizing their interest in the structurally asymmetric relation between capital and labour. Despite this relation, the power in question is a ‘power to do’ and not a ‘power over somebody’ (Schmalz, Ludwig, and Webster 2018, 115; Lévesque and Murray 2010).



Following Brookes (2013) and others, I apply the PRA to the GPN context in this project. This honours Selwyn's demand for putting the capital-labour conflict at the centre of GPN analysis (Selwyn 2012; 2013). It enables to understand today's labour struggles at the intersection of institutional analysis and more social movement-oriented perspectives on labour agency. Being connected to social movement theories, the model departs from a solely institutionalist view and understands trade unions' and workers' agency spaces as the outcome of institutional arrangements and production-related factors. Thereby, the PRA serves as a bridge builder between institutionalist and action-centred approaches to industrial relations (Müller-Jentsch 2004). The concept has been proven suitable for linking structural analysis of capitalist production with investigating workers' agency (Birelma 2018; Munck 2018).

Another advantage of the PRA is that "it is a tool designed to analyse spaces of action beyond established routines of trade union action, thus focusing on innovative forms of unionism" (Schmalz, Ludwig, and Webster 2019, 85). The PRA is particularly useful for describing activities of labour organisations which transcend orthodox boundaries of trade unionism, might they be national borders or the realm of production. Further, by its relatively straightforward, less abstract theoretical architecture and by its openness to a wide range of strategies, the PRA is appreciated for its practical utility (Brookes 2018; Gallas 2018). In this sense the approach bears the potential not only to be a valuable academic perspective but also to serve as a helpful tool for trade unionists to develop strategies.

Finally, the PRA has been shown as being very useful not only for analysing contexts with established and institutionalised industrial relations but also for configurations in the Global South. After its prominent application by Webster (2015) on existing empirical cases from the Global South, the PRA perspective has produced fruitful insights for very diverse labour struggles. Recent examples are a analyses covering street vendors in India (Kumar and Singh 2018), the relation of informal workers and unions in Uganda (Spooner and Mwanika 2018) and an application of the PRA on the MENA region (Slaiby 2018).

In the two following two sections, I discuss the PRA in a transnational context and the mode of social partnership from a PRA perspective. These two steps prepare my later use of the PRA as a model to analyse labour and trade-union strategies and potentials in the context of the GFA with ApparelCorp.

### 1.2.3 Multiscalarity and vertical escalation

The global connectedness shapes workers' power in GPNs in two connected, but distinct ways. First, the transnational links of production, their governance and arising requirements e.g. in terms of time and quality offer avenues for workers. Strategies can have a global scope in the sense that they are connected to foreign governance schemes but do not necessarily involve any transnational engagement. An example is the successful struggle of horticulture workers in North East Brasilia. By utilizing the time sensitive quality requirements of export production, workers mobilized their structural power arising from vertical integration to realize their interest (Selwyn 2013). Second, workers' power in GPNs also depends on their ability to transgress regional and national borders with activities or demands, respectively ally with organisations abroad and address consumers and/or central management. These organisations are usually other trade unions or advocacy organisations. Such transnational agency of workers' organisations is in the centre of this section.

Approaches transgressing common frames of action such as national borders receive growing attention. Labour geographers refer to multiscalarity or multiple scales if describing activities of globalised labour movements targeting MNCs at different nodes of their GPNs simultaneously (Castree 2004). Workers' organisations employ strategies to jump to other scales and extend their local battle towards buyer HQs (Lier 2007; Merk 2009). A prominent examples is the urgent appeal system of the Clean Clothes Campaign, channelling labour rights violations towards consumer markets and HQs (Merk and Zajak 2019). As such scale jumping transfers issues to upstream scales and intensifies a conflict at the same time, I refer to it as *vertical escalation*.

Depending on the specific phenomenon, scales might for example refer to the workplace level, the regional, the national and the global level. Scales have been used to describe geographically and politically constructed spaces of social relations like capital-labour relations (Herod 2001). Consequently, the concept of scales is used in the following not only as referring to physical relations but also to social ones. In the context of GPNs, scales are best understood as necessarily interrelated. Through globally operating MNCs, workers and their agency spaces are connected to different scales simultaneously (McGrath-Champ 2005; Herod, Rainnie, and McGrath-Champ 2007; Cumbers, Nativel, and Routledge 2008).

Conflicts may not only escalate vertically to other scales but also within one scale. Such dynamics I call *horizontal escalation*. Strikes may enlarge locally from one factory to the whole

industrial zone or to other factories of the same owner or buyer. Not seldom unrest in one factory provokes protest in other factories eventually nationwide. In a situation of great discontent between most workers in one industry, a relatively small incident can easily trigger larger unrests.

The integration of the PRA and the concept of scales provides a way to understand transnational campaigns in GPNs and its effects on trade unionism at production sites. Marissa Brookes' work shows how this, combined with a GPN perspective, helps to understand multiscalar workers' power and potential strategies (Brookes 2013; 2017). One strategy is of workers from the South is to build alliances with trade unions in Europe. Such transnational union alliances can provide a way for less powerful trade union actors to utilize other trade union's institutional power resources. This strategy has certain similarities with the work of advocacy organisations which was described with the boomerang metaphor. In the boomerang model, actors "blocked from political action in their home state activate a transnational advocacy network (TAN), whose members then pressure their own, more powerful states to intervene in the first state's domestic affairs on behalf of the local actors" (Brookes 2017, 923; see also Keck and Sikkink 1998). Transferred to the PRA, actors in the peripheries activate transnational associational power resources by escalating their struggle to the MNC HQ with the help of HQ or MNC home country unions (Brookes 2013, 188).

Another, similar conceptualisation can be found under the term 'Networks of Labour Activism' (NOLA) (Zajak, Egels-Zandén, and Piper 2017, 899). These networks of different actors can be neither characterized as being exclusively based in a trade union, nor advocacy logic. Rather, NOLAs are understood as functioning through a combination of tactics. The approach was successfully applied in the Bangladeshi context in the analysis of the Accord on Fire and Building Safety (Zajak 2017a). The multi-stakeholder mechanism by trade unions, GUFs, NGOs and lead firms established a multi-level regulatory framework to secure workers' rights regarding health and safety. Zajak summarizes the advantage of her integration of the PRA and NOLAs:

*"The article challenges assumptions in power resource theories that associational, institutional and social-cultural power are pre-existing factors, arguing that trade unions have to co-construct and enact those power sources in order for them to become meaningful. [It shows] that networked interactions with global unions and other labour support organizations help to construct power in an incremental way" (Zajak 2017a, 1007)*

There are differences between transnational advocacy networks and networks more routed in labour organisations (Brookes 2017, 924). Nevertheless, the strategy of upscaling conflicts to another scale and beyond the actual employer to trigger a reaction of brands and buyers is similar in differently structured networks. When applying the boomerang model on the case of the electronics supplier NXP, Brookes concludes that the combination of structural power and transnational coalitional power can result in employers being more afraid of the intervention by buyers than actual intervention happens (Brookes 2017, 931). In this sense, multiscale labour alliances can have a deterring effect.

Bringing in different scales as strategic avenues for labour, opposing forces need to be considered as well. While one party aims to transgress boundaries such as the nation state and ally with organisations abroad is understood as an expansion of the scope of conflict, restricting scope is the rational interest of the other party (Brookes 2013, 193). To explain this aspect, Brookes refers to E. Schattschneider, thinking about balances of power:

*“Private conflicts are taken into the public arena precisely because someone wants to make certain that the power ratio among the private interests most immediately involved shall not prevail.” (Schattschneider 1960, 38)*

Transferred to the multiscale PRA concept, trade unions ally with abroad, not directly involved actors and enlarge the scope of their struggle to increase their leverage on employers. Restricting the scope of the conflict to the workshop floor and preventing the escalation of the conflict to parties at other scales, for example advocacy organisations in consumer markets, is the strategic aim of the MNCs.

To summarize, two factors determine the access to power resources and the power relation at the point of production to a great extent. First, power resources are contingent on the workers' capacity of building linkages to other scales and to vertically escalate the conflict. Second, the capital's capacity to prevent this upscaling simultaneously influences the power resources of workers (Herod, Rainnie, and McGrath-Champ 2007, 257). The capital's ability to govern the vertical escalation of conflicts can lead to a continuation of power-inequalities at a lower, isolated scale.

### 1.2.4 Social partnership

The term social partnership is used in the context of capital labour relations with different attributions and slightly different meaning. Most commonly, the term refers to the mode of industrial relations common in Europe. In this section, I shortly define my understanding of social partnership and describe its situation in the PRA.

Social partnership refers to a collaboration between trade unions and employers which produces mutual gains. This contains the institutionalisation of the relation to a certain extent into predefined forms of dialog, so-called social dialog. Streeck and Hassel understand social dialog as:

*“Stable relations of mutual recognition, institutionalised co-operation and regulated conflict between organised labour, organised business and government” (Streeck and Hassel 2003, 101)*

Beside the institutionalised co-operation, this quote stresses two important aspects. First, it stresses the regulation of conflict between the parties. Employer and employee interests are understood as either necessarily or at least occasionally differing and social partnership is a mode which entails regulated conflict resolution. Following this line of thought, ‘harmonious industrial relations’ is sometimes used to describe states of social partnership. Second, social partnership often refers to tripartite dialog in which the state facilitates between the interests of employers and employees at the national level.

As discussed earlier, institutionalized dialog is usually a product of past conflict. Edwards Webster writes by recurring to Dörre, Holst and Nachtwey (2009):

*“Institutional power embeds past social compromises by the incorporation of associational and structural power into institutions.” (Webster 2015, 9)*

In Europe, associational and structural power resources of workers and their organisations and the power of capital owners led to processes which mediate the contrasting interests. This produces a configuration characterised by not complete opposition of both parties. However, a compromise in form of institutionalised dialog and bargaining does not emerge necessarily from conflict. The analytical Marxist Erik Wright develops in his fundamental article on the PRA a convicting game theoretical model, describing the emergence of “class compromise” (Wright 2000). Wright’s conceptualisation of class compromise has been successfully applied to industrial relations in GPNs, for example in the context of Brazilian horticulture (Selwyn

2011) and Indonesian sport wear production (Siegmann, Merk, and Knorringa 2017). In the following, I shortly explain his conceptualisation by extracting the most central arguments.

In Wright's simplified model, workers and employers can cooperate with each other by participating in dialog and compromising (working hard, respectively paying reasonable wages). Alternatively, they can oppose the other and being not up for compromises (engaging in labour action, paying the lowest possible wage and resits workers' organisation). If the associational and structural power of workers is low, a 'negative class compromise' might emerge. Weak workers cooperate to a necessary extent as not having any choice, the employers oppose collective organisation and decent wages. This situation can be characterised as a situation of unilateral dominance by employers.

As workers' power increases, capital owners have increased difficulties to realize their interest of most cost-efficient production. Until a certain threshold, opposing workers is the optimal strategy. However, as the associational power of workers rises, cooperation of both parties becomes the new game-theoretical equilibrium. Wright calls this a "positive class compromise", in which "both parties can improve their position through various forms of active, mutual cooperation" (Wright 2000, 958).

In such a situation, workers' associational power can be beneficial for employers in solving collective action problems. For example, the existence of labour organisations or sector wide bargaining agreements can help to ensure that all capitalists pay their share in labour costs covering basic needs and in preventing sector-affecting incidents or unrests. If only one employer would (voluntarily) engage in such matters, the unwanted outcome might be neither prevented nor does it economically pay off in a competitive environment. As Wright states:

*„(T)he positive gains capitalists can realize by virtue of workers' power only occur when workers are sufficiently well organized and solidaristic that their associations can effectively sanction defectors from cooperation both among their own members and among capitalists" (Wright 2000, 976)*

The central argument of Wright is that a positive class compromise and its stabilization in institutions of social partnership are only likely to occur if there are mutual gains for both parties from the cooperation. This is only the case if workers are relatively powerful and efficiently organized. Otherwise, both parties are stuck in opposing non-cooperation, respectively forced cooperation.

Authors of the PRA who focus on practices of union revitalisation in Europe see institutionalised social partnership ambivalently. The casting of structural and associational power into institutional arrangements and thereby stabilizing capital-labour relations has advantages and disadvantages for workers. On the one hand, institutions strengthen workers' position by securing achievements like freedom of association and mechanisms of conflict resolution such as labour courts. On the other, institutions and their routines also shape workers' agency spaces in a not necessarily beneficial manner. As Schmalz et al. put it:

*"Institutional power is a 'double-edged sword' as it has a two-fold nature – although it may grant trade unions rights, at the same time it restricts the union's power to act."*  
(Schmalz, Ludwig, and Webster 2018, 121)

Institutional arrangements also restrict workers' capacities and strategies, as they predefine paths of action and negotiation. Typical examples for this are collective bargaining agreements (CBA) which prohibit striking.

### **1.3 Synopsis of the theoretical framework**

This section shortly illustrates how the presented theoretical approaches are integrated and applied to the object of study in this project. GPN theory serves as the foundation and the PRA as heuristic model to explain dynamics around the GFA of ApparelCorp. The PRA is supported by two additional concepts which have been found to be central for discussing the collected data. These are the concept of scales and their integration in the PRA on the one hand, and the idea of social partnership on the other.

GPN theory is utilized as the underlying theoretical framework and helps to understand the dispersed networks of garment production. Conceptualisations of governance originating from GVC and GPN theory explain vertical, inter-firm power relations in the network. As the GFA involves many actors with different positions in the GPN, understanding their power relations is crucial for evaluating the functioning of the GFA and its limits. The concept of social upgrading introduces the idea of putting the improvement of working conditions and the livelihood of workers at the centre of GPN analysis, as it is done in this project. Work on labour agency develops this perspective further and asks for conceptualising workers as actors who can and do co-produce configurations of production by acting in collective organisations.

The PRA is employed in the analysis to conceptualise power relations between labour organisations and corporate bodies. This is done regarding the formation of the GFA, the functioning of its implementation mechanism and its effects. The approach is supplemented by

the concept of scales originating from geography. This helps to apply the PRA in the transnational setting of GPNs. The integration is very fruitful as not only production operates at different levels or scales, but also the GFA mechanism. The terms horizontal and vertical escalation are introduced to describe the enlarging of conflicts within or across scales. Finally, the concept of social partnership finally is employed as the GFA originates from partnership between labour organisations and firms and aims for further establishing and improving such collaboration. Theoretical work which integrates the approach of social partnership in the PRA also helps to identify limits of the GFA.

## **2 Research design**

### **2.1 Methodological remarks and positionality**

The intriguing character of this project lies in its interdisciplinarity. Its interdisciplinarity is reflected in its theoretical discussion and in its empirical analysis. The project draws on work from geography, development studies, political science, and sociology. The aim is not to unify everything into a homogenous corpus but to point to diverting perspectives and identify frictions. Such an approach can be understood as integral to interdisciplinary areas such as industrial relations (Müller-Jentsch 2004). The underlying conviction is that complex phenomena such as GFAs cannot be captured by a single perspective but by applying several, probably necessarily conflicting ones.

As this project is concerned with social phenomena in the realm of development, the engaged perspective demands for an intersectional approach (Soni-Sinha 2010; Choudhury, Luthfa, and Gayen 2016; Mezzadri 2016; Ayaz, Ashraf, and Hopper 2019; Fajardo-Fernández, Soriano-Miras, and Requena 2019). Despite the employed theoretical lens having a class focus, class relations are understood as being always entangled with other social relations of oppression like gender and race (Campling et al. 2016). Therefore, I second Bair's and Werner's demand of not isolating class relations when analysing GPNs (Bair and Werner 2015; Bair 2010). In the process of collecting data and analysing, I therefore aim for being sensitive regarding different dimensions of inequality and for incorporating them as much as possible. However, more research is needed to explore these avenues in greater detail.



Scholars of feminist standpoint epistemology have prominently stressed that the position of a person in a social order has an influence on their way of perceiving, interpreting, valuing, and weighting phenomena (Haraway 1988). The positionality of researchers in society provides them with access as well as barriers to certain experiences, cultural ideas, and discourses. Even if making great effort to apply “the view from nowhere” (Nagel 1989), researchers cannot detach themselves from their position regarding nationality, gender, race, sexual orientation etc. (Collins 1990, 253). Following this line of thought, research in the context of GPNs is confronted with complex positionalities consisting of agenda, class, North/South, gender and many more. As Neilson et al. remarks:

*“Researchers are inevitably socially and territorially positioned, and through this positioning, come to see the functionalities and implications of GVC-GPN processes with distinctive emphases and purposes in mind. (...) A GVC-GPN analysis of the textiles sector in Bangladesh undertaken by a labour-rights organisation will look very differently from one done by a management consultancy, yet common terminologies and conceptual frameworks may flow through both studies.” (Neilson, Pritchard, and Yeung 2014, 7)*

I address this property of social science in three ways. First, I explain my perspective as explicitly as possible in the introduction and in the theoretical framework. Second, I reveal central aspects of my positionality below. This helps the reader to reflect on my statements and results in relation to my position in society. Third, I discuss related issues wherever possible in the analysis.

This research project is conducted by a white cis man, born in the Global North, Germany. Despite having lived and worked in different countries including the Global South, my precepting of the phenomena at hand are surely influenced by the experiences I have and have not made based on my background. I do not have a long-term living and working experience in South Asia. Further, with a middle class background, I have never feared substantial loss of livelihood. Even working on it academically, my practical experiences with trade unionism at the level of production are rudimentary at best.

While the positionality of the researcher is a relevant factor in the perception and attribution of meaning, it does not touch the epistemological layer alone. The social relation interviewee-interviewer can also be consciously or unconsciously influenced by hierarchies such as societal status, North/South and gender (Littig 2002; Meuser and Nagel 2009, 474ff). This problem cannot be mitigated in a comprehensive manner. Instead, the sometimes-assumed

interviewer's lack of knowledge is utilized to discuss fundamental issues in the GPN under consideration and thereby explore basic beliefs and logics of the involved actors.

## **2.2 Case selection**

Regarding the case under examination, two major selections are made. On the one hand, I examine the GFA and production network of a specific MNC. On the other, I analyse the agreement with respect to a specific implementation region. To focus on a specific MNC is necessary as I am looking into GFAs which are signed by HQs of MNCs and apply for their GPN. A focus region helps to go into more detail instead of remaining at the global level. Based on the typology of Seawright and Gerring, both decisions follow the Extreme Method. In this approach, the case(s) under examination exemplify unusual values compared to the population (Seawright and Gerring 2008, 301f).

The GFA with ApparelCorp and the corresponding GPN stands out in several ways. First, the GFA covers a buyer driven value chain with a completely outsourced production. Therefore, the workers covered by the GFA are all together not employed by the MNC itself. This is rather unusual for GFAs, the implementation of most existing GFAs is primarily concerned with employees of subsidiaries fully or partly owned by the signatory MNC. Such GFAs are particularly challenged by subcontracting arrangements (Williams, Davies, and Chinguno 2015; Gregoratti and Miller 2011). ApparelCorp's GFA provides an interesting case for exploring the potential and effects of GFAs in buyer driven GPNs and their effect on suppliers. More GFAs of this type can be expected to be signed in the future.

Second, as a relatively recent GFA, the agreement with ApparelCorp has probably the most sophisticated implementation structure explicitly elaborated within the original agreement and realised by today. At the backdrop of the implementation issues of many GFAs, this makes the atypical case of ApparelCorp's GFA an interesting case to study.

To cater for the transnational character of GFAs, my examination is multiscalar and covers the global and local dimension simultaneously. I chose Bangladesh as a focus region of its implementation due to its non-typical properties among ApparelCorp's production regions. First, Bangladesh is one of the biggest sourcing regions of ApparelCorp. Second, the country is among the first ones where GFA implementation structures were installed. I expect the most experience with the instrument being available here. Third, among the countries where the GFA has been implemented so far, Bangladesh provides the best access in terms of language. In the

advance of my research, the decision for Bangladesh was affirmed by the observation that most grievances and conflicts processed by the GFA mechanism occurred in Bangladesh.

## **2.3 Data collection**

A mix of data sources is employed to reconstruct the implementation activities and mechanisms of the GFA, the intentions of participating actors and the limits of the instrument. The main source are 18 semi-structured interviews, conducted in March and April 2020 and between 30 and 60 minutes long. Insights from the interviews are supplemented by documents such as the GFA itself, internal procedural guidelines, press releases by participating actors such as IndustriALL, business reports by the MNC and videos of meetings and conferences. Further, quantitative data from ApparelCorp's supplier disclosure database provides data on involved supplier companies and numbers of workers. Additionally, insights from six additional interviews with insiders on GFAs and their potential and limits are integrated where useful which I conducted for another project in 2019.

All interviews fall in the category of expert interviews. As an integral element of qualitative research, expert interviews are commonly used as an explorative tool (Meuser and Nagel 2009; Bogner and Menz 2002). According to theoretical work on qualitative methodology, an expert has "a certain responsibility for the conceptualisation, the realisation, the implementation or the monitoring of a process of problem solving, and therefore got privileged access to information" (Meuser and Nagel 2009, 470, own translation). Differently put, an expert is a person who functions as a representative for a certain knowledge system and therefore possesses specific knowledge on internal processes and contexts (Kruse 2014, 173). The interviewees in this project have an expert status in two aspects. First, they have an overview on the GFA related activities due to their involvement. Second, they are talking about others (workers) not available for interviews within the scope of this project.

The interviewees are understood as experts in respect to my research interest and might not necessarily be considered as experts in other contexts. However, when selecting potential candidates within one organisation considered as relevant for my case of inquiry, interviewees were chosen to represent the position of the organisation most adequately. For example, trade unions presidents are understood as representing the perspective of the respective trade union. Such a focus on leadership reflects the hegemonial position of the interviewees which influences the agency spaces of the organisation's members to a great extent.

All interviewees except of one are engaged in work related to the supply chains of ApparelCorp. Most interviewees provided access to operational as well as context knowledge (Meuser and Nagel 2009, 470f). Operational knowledge refers to knowledge regarding processes and decisions within the GFA structure or other trade unions work in the GPN. In contrast, context knowledge are experiences and information regarding sector dynamics, situation of workers in Bangladesh and the political and economic environment. Especially regarding context knowledge, the assignment of expert status through researchers must be sensitive to the North-South dimension. Postcolonial and post-development research approaches have demonstrated how global inequalities and power relations are uphold and reinforced by representation in expert interviews (Dannecker and Vossemer 2014, 161ff). Critical research must therefore aim at including not only actors who already have the power to define but also ones with different backgrounds and perspectives. In this project, this is reflected by combining views from participating organisations and ones having a critical standpoint towards the GFA.

The sampling of interview partners followed a mixed approach of purposeful, snowball and quota sampling. In a first step, parties and representatives in committees which should be represented in the interviews were predefined. The required groups of interviews were clustered in two dimensions. The first dimension consists of the interviewees' organisation. They are either representatives from ApparelCorp, from labour organisations in some way involved in the GFA implementation, or from not involved labour or advocacy organisations. The second dimension distinguishes between experts for the Bangladesh level and ones being concerned with the supranational level.

As requirement, experts from the Global South should be more then 50%. Further, the aim was to have as much as possible women interviewees in the sample. To identify fitting candidates, news reports and blog posts of relevant organisations and Social Media such as the business network LinkedIn were utilized. Further, the register of IndustriALL affiliates served as a valuable recourse for contacts. In the second step, interview partners were asked to name other potential interviewees with key positions in the respective structures or knowledge regarding the project.

All interviewees are listed in Appendix 2. The sample fulfils the set requirements. Representatives located in the Global South make up 72%. Interviews from the labour side are quantitatively more represented, ApparelCorp representatives cover 9%. This reflects the much greater diversity of participating actors at the labour side. In ApparelCorp's production network

in Bangladesh many different independent trade unions, trade union federations and NGOs with potentially differentiating interests and perspectives are active. Further, the distribution makes sense regarding the research question of workers' power resources. The interviewees are strongly anonymized to prevent any consequences for participating representatives. The anonymization must be solid as individuals within the GFA structure are easily to identify for insiders. Accordingly, the association to organisations is not revealed.

The inclusion of perspectives from the corporate as well as the labour side reflects Selwyn's demand to place the capital-labour relation at the centre of GPN research (Selwyn 2012). Representatives from workers' organisations involved in the GFA implementation are employees of the GUF IndustriALL at different offices and leadership level trade unionists in Bangladesh and from the MNC's home country union. The category consisting of not directly involved labour organisations, advocacy organisations and researchers contains experts who have in-depth knowledge of GFA related processes and/or trade unionism in the apparel sector of Bangladesh. This group has been a very valuable resource to discuss issues and downsides of the GFA and its implementation structure.

The categories 'Supranational level' and 'Bangladesh level' refer to the primary information the interviewees shared in the conversations. Interviewing experts operating at the domestic and at the supranational or global level is motivated by the approach to neither only understand the governance and architecture of the GFA mechanism nor the work on the ground but to combine insights from both realms. The categorization must be understood as representing tendencies as many interviewees operate on different scales simultaneously. All interviewees labelled as 'Bangladesh level' are local representatives and experts.

The gender distribution among the interviewees is 8-10 women-men. At the backdrop of a workforce consisting of 80-95% of women (Asia Floor Wage Alliance 2018, 4), this distribution is unsatisfying. However, as the population of potential interviewees are not workers themselves but labour organisation representatives in the GFA implementation mechanism, the distribution rather mirrors the gender distribution within these structures (A. Evans 2017). Non representative gender distributions in expert interviews are a common problem and can be explained by the general overrepresentation of men in elite structures and leadership (Littig 2002, 192ff). However, it is crucial to stress that expert interviews run the risk of doing gender by reproducing such patriarchal structures. To mitigate the problem to a certain extent, I privileged women during the selection of interview partners where possible.

The gender distribution in trade union structures and the GFA implementation mechanism is further discussed in section 4.

A dedicated interview guide was prepared for every interview, based on a general template. The guides consisted of a mix of specific questions, e.g. regarding numbers or procedures and open questions. The method of open questions is more likely to reveal action-oriented knowledge and the logic of decisions instead of officially legitimised arguments. Such “institutionalised truth” (Meuser and Nagel 2009, 474) is usually revealed by more standardised approaches. The interview guide template was reviewed by and discussed with research colleagues from the same field. It was necessary to heavily adapt the guide as the position and involvement of interviewees in and with the GFA differed to a great extent. At the same time, a flexible use of the interview guides provided space for the relevance structures of the interviewees (Meuser and Nagel 2009, 472–74). Some interviews were accompanied by a follow-up conversation via email to clarify open aspects.

All interviews were conducted via video-call or telephone. Most were done as one-to-one interviews. However, one group conversation with three participants was organized as well. Regarding the number of members, the conversation might not be sufficient to count as focus group discussion (Smithson 2009). However, the aim was to experiment with the approach of focus group research in a virtual context. As data collection happened during the lockdown of the Covid-19 pandemic, this approach explored new ways of data collection. Such virtual settings might become more needed as resources for field work and environmental effects of long-distance travelling by researchers are more debated. Additionally, it provides the opportunity to bring together discussion partners which are geographically apart (Moore, McKee, and McCoughlin 2015).

The use of virtual focus groups in qualitative research is still in its infancy and deployed approaches often consist of asynchronous channels such as e-mail groups (e.g. Adler and Zarchin 2002) or forum software (e.g. Gignac and Gazzola 2016). To explore possibilities further, I used video-call software to synchronically connect two representatives of two different National Monitoring Committees (NMCs) of the GFA in two countries, spanning the conversation over three time zones. Following procedures of focus groups (Macnaghten and Myers 2004), we discussed their work and perspectives based on a semi structured guideline. The conversation turned out to be very fruitful as the participants exchanged their perspectives

with minimum supervision and reflected the differences and commonalities in their respective countries and NMCs.

## **2.4 Analysis**

For the analysis of the interviews, I rely on the Jan Kruse's pillars of qualitative social research (Kruse 2014, 60). Accordingly, qualitative social research firstly relates to the "problem of understanding foreignness" ('Problem des Fremdverstehens', Kruse 2014, 60, own translation). As reconstructive research, qualitative social research is primarily dependent on processes of understanding. However, this is always a matter of constructing meaning. In conversations, meaning is not created in autonomous speech acts. It is constructed in the interaction of the conversation and can therefore only be generalised to a limited extent. Moreover, the construction of meaning is subject to the social power relations inscribed in the interaction. This also applies to expert interviews (Kruse 2014, 180–83). Understanding refers to a process in which the statements of a person are attributed with a meaning by another person. This always takes place in view of the recipient's own system of relevance, i.e. against the background of their own expectations and patterns of interpretation. Since it is impossible to completely exclude one's own system of relevance, integer research requires to disclose own interpretations and reflect upon them.

Further, reconstructive social research assumes the "indexicality of language" (Kruse 2014, 75, own translation). Concepts acquire their meaning in the context of their concrete linguistic use and in relation to other concepts. This means that language always refers on the one hand to a collective experience of the interlocutors as members of an implicitly assumed shared world. On the other hand, the choice of terminology is subject to the individual's biography. However, the speaker's biography cannot be regarded as separated from a collective horizon of experience and meaning. Individual actions always represent the individual confrontation with social reality. Consequently, an analysis must neither pursue the subjective nor the socio-collective dimension in a one-sided manner (Kruse 2014, 78ff).

Based on this understanding, I analyse the statements of the interviewees in terms of "action and expert knowledge gained from practice, reflexively available and spontaneously communicable" (Bogner and Menz 2002, 37, own translation). Additionally, I interpret the statements as representations of the subjective and implicit decision maxims of the interviewees (Bogner and Menz 2002, 38).

Audio recording was possible in 89% of the interviews what resulted in 10 hours and 32 minutes material. The recordings were fully transcribed using half automated procedure, whereby bad sound quality caused by network problems posed a challenge. In cases where the interviewee did not agree to audio recording, written notes assisted the reconstruction of the conversation. The administration, the coding and the analysis was conducted with the help of the software MAXQDA.

Procedurally, I followed the approach of content structuring qualitative analysis ('inhaltlich strukturierende qualitative Inhaltsanalyse'). As Philipp Mayring's canonical toolkit only provides limited elaboration of this approach (Mayring 2015), I primarily follow Udo Kuckartz's guidelines for analysis and interpretation (Kuckartz 2018, 77–98). The approach of content structuring qualitative analysis is especially suitable for the case study as it corresponds to the exploratory character of interviews, to their diversity and to the nature of the research question. Additionally, it is commonly used for problem-centred interviews and allows for a mix of deductive and inductive coding.

The analysis of the interviews proceeded in six steps. The initial step consisted of a first thorough reading of the material. Interesting or surprising passages were marked, and first impressions were noted in memos. Second, based on the initial reading, the research question and the interview guide template, main codes were deductively defined. Third, the first three interviews were coded with the main codes. In this step, the coding scheme was tested for its applicability and refined. Additionally, these first three interviews gave an impression on possible sub codes. Fourth, the codes were applied to all 18 interviews. Fifth, the text retrieval based on the main codes was reread, and additional sub codes were inductively created and applied, as well the coding refined by reorganising and merging. For sub codes, I followed Kuckart's maxim of manageability by keeping them as simple as possible but as differentiated as needed. Finally, the codings were exported as reports from MAXQDA. The examination mainly follows the main codes while comparisons based on sub codes are done where fitting.

The quantitative data was aggregated and analysed in Microsoft Excel mostly by disaggregating data from cells, calculating arithmetical means, summing values, and counting unique strings, such as supplier names. Numbers are partly doublechecked with ApparelCorp's CSR report (ApparelCorp 2020b). Workers numbers are estimated based on factory size categories which provide ranges for every factory.



## 2.5 Limitations

The major limitation of this project is probably that it does not contain fieldwork in Bangladesh. The 18 interviews conducted over video-call provide some but limited insights on local contexts. While I agree with the demand for research on local contexts and dynamics on the factory floor (Ryland 2010; Anner 2015; Newsome et al. 2015, 4), my research interest is the transnational instrument GFA. Therefore, I focus on discussing the general structure and logic of ApparelCorp's GFA instead for example on local trade unions rivalries. Video interviews offered the excellent opportunity to gather information from representatives and participating organisations at many different levels of the instrument.

General challenges regarding data collection can be connected to the research design, the phenomenon of exploration and to external circumstances during the time of the interviews. First and foremost, almost only English-speaking representatives could be interviewed. Only one interview was conducted with the help of a translator, what turned out to be difficult in terms of resources and practicality in video-calls. This clearly limited the pool of potential interviewees. Further, the research design also excluded potential interviewees not having access to internet. However, as the transnational GFA mechanism was under examination, most representatives engaged with transnational work have internet access and speak English in Bangladesh. However, the perspective of not directly engaged unions in the GFA structure is proportionally underrepresented in the sample. This shortcoming should be addressed in further in-country research.

Second, I experienced barriers due to hierarchical structures and political agendas within the concerned organisations. This made it partly difficult to retrieve unfiltered and quotable statements (for pro and cons of hierarchically organised labour organisations see: P. Evans 2014, 360ff; Sarkar and Kuruvilla 2019, 14ff). The same applies for the Bangladesh trade union landscape and the MNC. Despite all protagonists are motivated to display a picture of transparency, many interviews had moments of obviously intended opacity, especially regarding problems. However, one valuable approach to mitigate this barrier was to talk with previously engaged representatives who had in-depth insights but were less concerned about displaying a certain picture.

Third, data collection was heavily influenced by the worldwide outbreak of Covid-19. As many offices switched to remote work, several already scheduled interviews were cancelled. Others could be conducted but were troubled by internet connectivity problems due to bad network at

representatives' homes located in South Asia. However, the effect of the Covid-19 related lockdown on the supply chains of apparel influenced the process of data collection even more. With the massive layoffs and corresponding problems of homelessness and hunger due to the sudden break down of demand of apparel goods (see Anner 2020a), labour representatives had busy schedules and their resources and emotions were occupied by the current crisis. Nevertheless, the situation provided the opportunity to discuss the GFA structure and its usefulness in the context of a crisis in real time.

As the sample only contains 18 people, many voices could not be heard. The aim is to provide insights on tendencies and exemplify opportunities as well as key challenges. Presented advantages and disadvantages of the GFA need further evaluation. Finally, dynamics described in this project are most probably not generalisable regarding other GFAs. However, identified chances and problem areas provide points of departure for analysing other GFAs.

### **3 Global Framework Agreements and the garment sector**

#### **3.1 Global Framework Agreements and workers' power**

In this section, I discuss for my project relevant aspects of GFAs and apparel GPNs. I proceed in four steps. First, I discuss literature on GFAs which focus on workers' power and labour struggle in the analysis. Second, I present literature on GFAs which explicitly put a GVC/GPN analysis of supplier-buyer dynamics at the basis of the discussion. Third, I summarize general characteristics of globalised garment production. Fourth, I discuss literature which focuses on GFAs in the garment sector.

As a reasonably new tool to improve workers' rights in GPNs (the first one was signed 1988), GFAs received academic attention from a wide range of academic strands, reaching from industrial relations, political science to business ethics, law, geography and GVC/GPN analysis. Early work focused on the concept of GFAs and their content (Hammer 2005), whereby more recent work tends to focus on their implementation, effectiveness and limits. By researching specific GFAs and their implementation, scholars have looked into a wide range of aspects by examining the process of GFA formation (Sarkar and Kuruvilla 2019; Helfen, Schübler, and Botzem 2015; Dehnen 2013; Egels-Zandén 2009b; Papadakis 2009; Cumbers, Nativel, and Routledge 2008; Schömann et al. 2008; Miller 2004) and implementation (Fichter and

McCallum 2015; Sydow et al. 2014). Others have analysed the outcome of GFAs at certain production sites (Wills 2002; Gregoratti and Miller 2011) or certain regions (Fichter and Stevis 2013; Williams, Davies, and Chinguno 2015; Cumbers, Nativel, and Routledge 2008). Conceptually different, authors also start at headquarters countries of MNCs, comparing GFAs from this perspective (Helfen, Schübler, and Stevis 2016; Krzywdzinski and Schröder 2017; Bourguignon, Garaudel, and Porcher 2019).

Case studies of GFAs span over sectors divers as tourism (Wills 2002), apparel (Miller 2004; 2011; Gregoratti and Miller 2011), communication (Burgoon and Jacoby 2004; Niforou 2014), security and property services (McCallum 2013; Sydow et al. 2014; Sarkar and Kuruvilla 2019), automotive (Krzywdzinski and Schröder 2017; Fichter and Stevis 2013; Telljohann et al. 2009), energy (Niforou 2012; 2014), food (Riisgaard 2005; Riisgaard and Hammer 2011) and construction (Williams, Davies, and Chinguno 2015). GFAs have been shown as transferring institutional configurations of industrial relations from lead firm HQs to overseas production facilities (Helfen, Schübler, and Stevis 2016).

GFAs have the advantage of putting a focus on so called enabling or process rights which are known to be less secured by classic approaches of CSR (Egels-Zandén and Merk 2014). By including trade unions in the implementation, GFAs are especially concerned with rights such as the right to organize or the right to collective bargaining. This is a big difference compared to Codes of Conduct which rather focus on outcome standards (Egels-Zandén and Hyllman 2007; Barrientos and Smith 2007). Sabrina Zajek has shown that that even multistakeholder CSR initiatives such as the Fair Labor Association which try to provide channels for workers' participation fail to enable workers to communicate their concerns to a great extent (Zajak 2017b).

After an early hype, academics became in 15 years of research on GFAs less excited by the outcomes of GFAs on the ground. Besides focusing on the problem of subcontracting (Williams, Davies, and Chinguno 2015; Gregoratti and Miller 2011), authors stress the lack of local ownership and inclusion of trade unions at the production sites (Cumbers, Nativel, and Routledge 2008; Helfen and Fichter 2013; Fichter and Stevis 2013).

Focusing on institutional processes and configurations, research on GFAs has been relatively weak in providing conceptualizations of power structures and agency spaces for workers and trade unions. When looking at industrial relations, Müller-Jentsch argues for taking power relations between conflicting groups as a logical starting point instead of structures of effective

pacification and institutional regulation (Müller-Jentsch 2004, 19). Such a focus on conflict and battle acknowledges power as the “characteristic of social relations within the company” (Jürgens 1984, 61).

It is interesting to note that there has been a shift in research on transnational labour alliances. Brookes and McCallum (2017), proposing “The New Global Labor Studies”, have identified a departure from analysing bureaucratic organisations to an enthusiasm of trade union networks and transnational labour campaigns which are inspired by social movements (see also Waterman 1991; 2004). These transnational labour alliances are less about stable institutional configurations but about transnational collaboration and cooperation on specific issues or campaigns. What is crucial about this shift is that actors, strategies, and agency spaces became more relevant in analysis than institutions. Nevertheless, as research presented in the following shows and as I also argue later, it is worth to take a power-based perspective and apply it on institutional frameworks like GFAs. Such an approach promises to provide insights on the role and impact of institutionalized transnational alliances for workers’ agency spaces in GPNs.

One among the first, and one of the few examinations putting the question of power explicitly at the centre of discussion of GFAs is Hennebert’s et al. “The Mobilization of International Framework Agreements: A Source of Power for Social Actors?” (Hennebert, Fairbrother, and Lévesque 2012). The authors discuss the potential for trade unions to use GFAs for mobilising and organising by summarizing three GFAs from three different sectors. By understanding “(t)rade unions are primarily an agency and a medium of power” (Hennebert, Fairbrother, and Lévesque 2012, 695) and stressing unions’ potential to bridge scales, they provide a very fruitful conceptual approach to pre-existing, rather descriptive examinations of GFAs.

Another way to conceptualize GFAs with regard to power-relations in GPNs is Helfen and Fichter’s (2013) much discussed global arena perspective. Building on the arena concept originating from theoretical work on industrial relations within the nation state (Müller-Jentsch 2004, 26ff), Helfen and Fichter see GFAs as building blocks for a global forum of conflict resolution and institutional rule setting. They investigate two GFAs from the metal and security sector and take the establishment of transnational union networks and of a global forum to negotiate labour issues as the most important outcome of GFAs. By applying the question of network governance on their cases, they shed light on the structures and power relations in GFA initiated transnational union networks depending on GPN characteristics.

In most contexts, even where GFAs exist, there is no institutionalization of industrial relations on a global level in the sense of a “regular, standard or routine manner” (Müller-Jentsch 2004, 12). Helfen and Fichter argue that the arena concept provides space not only for established institutionalized contexts but also for processes of institutionalization. However, as the authors admit, “transnational (...) labour relations currently consist of little more than a patchwork of nascent sub-arenas” (Helfen and Fichter 2013, 556). Hence, understanding GFAs as creating global arenas runs the risk of overstating the impact and actual effects of GFAs.

Jamie McCallum’s book “Global unions, local power: the new spirit of transnational labour organizing” (2013) discusses the prominent case of the security firm G4S and its GFA. As theoretical concept he proposes “governance struggles” (McCallum 2013, 19). He understands global governance as “refer(ring) broadly to the exercise of power in the absence of an overreaching political authority, usually by constellation of institutions that make decisions and enforce compliance with norms and rules at the supranational level” (McCallum 2013, 28). Without global legislation, the governance paradigm describes a collaborative interaction between MNCs, auditing firms, trade unions and NGOs producing forms of labour regulation. In this sense, GFAs can be understood as a response to a transnational governance gap of workers’ rights as described by Egels-Zandén (2009a). However, diverting interests and power asymmetries between the parties might make any collaborative work very difficult (McCallum 2013, 29).

By introducing the concept of governance struggles, McCallum draws attention to the fact that rules and rights produced by governance schemes must be understood as products of conflict between unequal parties and can and have to be rewritten by power struggles (McCallum 2013, 29). Accordingly, he conceptualizes trade unions as agents of governance. Whereas Codes of Conduct allow MNCs to manage conflicting interests by minimally influencing power relations, GFAs are an outcome of negotiations between capital and labour on a global level and construct rules that reorder the relation between them. Most important, the rules brought about by GFAs “are potentially part of a long-term industrial strategy to build power within a sector or region’s largest players” (McCallum 2013, 38). However, McCallum realizes that in many cases GFAs produced an institutionalized, regulated situation with unchanged power asymmetries (McCallum 2013, 43). He identifies five reasons for this limited success, namely a shortage of resources at GUFs, the absence of local unions, lack of lead firms’ influence on suppliers, an absence of communication between national trade unions and insufficient incorporation of local unions in the negotiation process.

With G4S, McCallum presents a GFA formation and implementation process brought about by the GUF UNI. UNI engaged in a worldwide mobilizing campaign including labour action to push the MNC for signing the agreement. This has fostered local ownership of the GFA, and the agreement has substantially helped in subsequent struggles in South Africa and India. Therefore, McCallum concludes that GFAs can be useful instruments of labour transnationalism. However, focusing on the role of campaign governance, Sarkar and Kuruvilla stress in their recent comparison of the G4S case with a transnational campaign on Nestlé that the Nestlé campaign, not leading to a GFA, has been more effective on the ground than the one on G4S. They argue that the Nestlé campaign provided more space for bottom-up activity and local concerns, whereas the G4S process was governed by the GUF (Sarkar and Kuruvilla 2019). The analysis partly resonates with reflections on whether transnational labour organizing reproduces North-South hierarchies by being led from Europe based GUFs (Palpacuer 2019). McCallum also addresses this issue in a research note (McCallum 2017). He observes an under-theorisation and lack of discussion on governance struggles in industrial relations on a global level. At the same time, he admits a certain bias of his book on the GFA with G4S towards top-down regulation through bureaucracies of GUFs.

Two years after the release of McCallum's book, he and Michael Fichter present a comparison between the G4S case and the GFA of the MNC ISS, offering property services such as cleaning. Their main argument is based on the distinction between social partnership and conflict partnership approaches to GFAs. By deploying an approach of actor-centred institutionalism (Müller-Jentsch 2004, 26ff) combined with elements of the Power Resource Approach (PRA), they relate the type of GFA negotiation to its potential for implementation. This work represents the only examination of GFAs which explicitly takes up the perspective of the PRA, albeit not in a systematic manner. With this focus on conflict and power relations, the authors conclude that "GFAs can be most effective when union power resources are openly invoked to challenge corporate power" (Fichter and McCallum 2015, 66) up to the global negotiations as in the case of G4S. In contrast, in the case of ISS, the GFA was negotiated in a context of social partnership. They attribute the lack of battle as hindering effective implementation of the GFA. The analysis is based on an understanding of capital and labour as an "unstable relationship characterized by more elastic boundaries, with each side angling to change the balance of power between management and labour" (Fichter and McCallum 2015, 81).

By putting the question of power relations at the centre, my analysis builds on the work of McCallum and Fichter. Their insights on the relation between formation processes of GFAs and the potential on the ground are very important. However, as ApparelCorp's GFA applies to a context of manufacturing and not property and security services, power relations between capital and labour and the GFA will be analysed with a more rigorous inclusion of GPN theory on supplier-buyer dynamics. This aims for a more nuanced understanding of the interrelations of structural and institutional power. Helfen and Fichter's selective use of the PRA will thereby be developed further.

### **3.2 Global Framework Agreements and buyer-supplier dynamics**

Many studies of GFAs discuss agreements of MNCs which produce local services such as security, facility management or energy. Additionally, the implementation struggles under examination are often between HQ management and subsidiaries fully owned by the MNC (e.g. Wills 2002; Bourguignon, Garaudel, and Porcher 2019; McCallum 2013). Although many GFAs formally cover suppliers, trade unions and trade union federations usually focus on implementing it within the boundaries of the MNC.

Examinations of working conditions and social upgrading often zoom into certain regions or firms. However, in today's globalized production, the unit of analysis must be the GPN in which the workers are embedded (Barrientos, Gereffi, and Rossi 2011, 325f). This does not imply that production in GPNs shall be prescinded from local circumstances. Configurations of production and work are always deeply embedded in local as well as in global contexts (Henderson et al. 2002).

Only few authors have explicitly put GVC/GPN analysis at the basis for their empirical research on GFAs, less have analysed buyer-supplier dynamics in this context. This is a shortcoming as agency spaces for workers and strategies of employers are highly contingent upon the configuration of production and inter-firm governance structures in the GPN. The potential and limits of GFAs in the context of buyer-supplier dynamics and outsourced work has been studied in a limited way. Beside work on garment GPNs, discussed in the next section, I consider two publications on GFAs bringing in GVC/GPN analysis as relevant. Additionally, I shortly discuss one recent study which investigates the motivation of MNCs to sign GFAs and invest in their implementation.

Riisgaard and Hammer (2011) analyse a banana GPN with GFA and cut flower GPN with CSR mechanisms to show how vertical power dynamics between corporate actors influence strategies of labour agency. They conclude that leverage points of labour highly depend on whether GPNs are governed in a hands-on manner or in a market based, loose relationship. Accordingly, GFAs are a promising tool in producer-driven chains, whereby approaches targeting consumers are more common and promising in buyer-driven chains.

Williams et al. (2015) show in their analysis of subcontracted operations in the South African construction sector how an MNC exceeds extensive governance on captive suppliers in certain areas but completely fails to translate enabling labour rights from the GFA into its network through the same channels. This work recognized the potential of GFAs as a top-down instrument as well as a tool for local organizing. However, the discussion primarily covers the company's strategies of subcontracting and the failure of top-down GFA implementation through corporate management. An analysis of agency spaces for workers and trade unions is not at the centre of discussion.

Bourguignon, Garaudel and Porcher (2019) look at GFAs from a rather different perspective. By taking up the business point of view, they elaborate how ten French MNCs use GFAs and the corresponding implementation networks as monitoring device of subsidiaries. The authors conceptualise GFAs as "an alliance between central CSR managers of transnational corporations and central actors within trade unions" (Bourguignon, Garaudel, and Porcher 2019). Accordingly, the alliances are motivated by the MNCs' hope to utilize the capacity of TUNs in identifying and mitigating human rights risks in a much faster way compared to classic auditing. While Bourguignon et al. are primarily concerned with MNC supervision of subsidiaries, it is not devious that MNCs might intend to use GFAs also to monitor supplier CSR compliance in an efficient way. This is in a somewhat contrast to an argument put forward by Brookes and Zajak in a forthcoming article which explains MNCs cooperation with host country unions as primarily a result of home country unions' leverage on management (Brookes and Zajak forthcoming). For now, I propose that both dynamics might exist parallelly within the same GFA-cooperation, involving many individuals and spanning over an extended period of time.



### 3.3 Global Production Networks in the garment sector

How GFAs work strongly depends on the characteristics of the GPN, most importantly its governance structure. Before discussing literature focusing on GFAs in the garment sector, properties of garment GPNs relevant for my argument are summarized.

In the in chapter 1 discussed typology, governance in garment GPNs can be related to the captive and the relational type (Gereffi, Humphrey, and Sturgeon 2005, 91f). Captive value chains are characterized by a high degree of power of buyers over suppliers. While European and American apparel brands do not produce garments themselves, they are as lead firms heavily involved in direct control of suppliers. Supplier capabilities and their access to consumer markets are relatively low. The producers usually depend on lead firms in terms of logistics, design, and marketing and sales. According to Helfen, Schübler and Sydow, governance of lead firms over suppliers also involves governance of employment relations to a certain extent (Helfen, Schübler, and Sydow 2018).

European and North American lead firms offshore-outsourced their sewing from 1950 onwards to East Asian producers (Gereffi, Humphrey, and Sturgeon 2005, 91f). The supplier relationship of such configurations must be understood as captive. Over the years, producers shifted from mere assembly towards full package production, accompanied by increased competence through close collaboration with lead firms. According to Gereffi et al., this led to more relational governance schemes and more balanced power relations between large lead firms in apparel and first tier producers in Asia.

From 1970 onwards, fuelled through the quota system of the Multi-Fibre Arrangement and rising labour costs in Hong Kong, Taiwan and South Korea, well established suppliers shifted their production to China and Southeast Asia (Gereffi 1999, 49ff). Experience in production and logistics and earned trust by buyers allowed them to improve their position by manufacturing in countries with lower wages such as Indonesia or Vietnam. Today's supplier companies are often MNCs on their own, covering a growing range of services such as logistics, product development and quality assurance (Merk 2014). Referring to the smile curve presented above, supplier MNCs covering more and more activities on the slopes left and right from manufacturing. However, activities with highest value-added such as principal design, marketing and consumer sales are still occupied by lead firms from the Global North, owning high valued brand names.

Workers' issues in supplier factories producing for large brands are diverse, reaching from health and safety issues and gender-based violence to the lack of trade union recognition (Rossi, Luinstra, and Pickles 2014; De Neve and Prentice 2017). Health and safety problems might be for example bad ventilation and lighting, blockage of fire exits and instable buildings. Working conditions and compliance to standards tend to be worse the more downstream a node is in the chain (Nadvi and Raj-Reichert 2015). Safety problems are the ones which received most media attention as they have resulted in severe accidents, most notably the collapse of Rana Plaza in Bangladesh in 2013. At the same time, health and safety issues might be the ones easiest to address by buyers as they can be monitored comparably easily by buyers and external parties (Barrientos and Smith 2007). Accidents and public outrage sometimes trigger the development of labour standards and related governance schemes such as the Accord on Fire and Building Safety in Bangladesh (Schuessler, Frenkel, and Wright 2019).

Although work in garment production for export is often seen as the first step for countries on the lather of industrialization, the architecture of typical garment GPNs provide limited possibilities for social upgrading. Analyses reveal that short-term orders make it difficult for producers to employ their workforce on a stable basis, an increasing part is employed via subcontractors. Prevailing purchasing practices in fast fashion also lead to effects such as excessive overtime and very low wages (Plank, Rossi, and Staritz 2014).

Production and management practices characterised by abuse and lack of workers' rights are deeply entangled with the general characteristics of the governance scheme of apparel GPNs (Anner 2020b). Termed as "supplier squeeze" (Anner 2020b, 321) and "super-exploitation" (Marslev 2020, 121; see also Marslev et al. forthcoming), buyers have the power over supplier firms to demand low costs (price squeeze) and extremely short lead times and high flexibility (sourcing squeeze). In a very asymmetrical GPN architecture, buyers employ purchasing practices leaving very little room for supplier firms to engage in socially responsible operation.

Certain buyer behaviour of course does not imply that owners of supplier firms are not responsible for the working conditions in their factories. Instead, the overall vertical hierarchy in the GPNs of garment builds the foundation for bad working conditions and poor realisation of workers' rights such as freedom of association. For addressing the situation of workers in apparel, programmes enforcing compliance with certain standards at the point of production are not enough. Root conditions like the vertical power relations and purchasing practices of buyers

and brands, leading to price squeeze and sourcing squeeze, need to change as well (Anner 2020b, 341ff).

### **3.4 Global Framework Agreements in the garment sector**

Until now, there are five MNCs with active GFAs in the garment sector. The first GFA was signed with Inditex in 2007, followed by Mizuni in 2011, H&M in 2015 (an earlier version signed 2007 with UNI only covered direct employees), Tschibo (non-food) in 2016 and last with Asos in 2017 (European Commission 2019). The Mizuni agreement does not have any meaningful implementation procedures in place. Inditex agreed in a separate document in 2012 on a processes of implementation and monitoring, however the first body of overseeing the agreement was only established in 2019 (Inditex 2019).

Scholarly work on GFAs in garment focuses almost exclusively on the Inditex case as the first one negotiated. All these studies are authored or co-authored by Doug Miller. He worked during the time of their publication for the GUF International Textile, Garment and Leather Workers' Federation (ITGLWF) which was merged into IndustriALL Global Union in 2012. Additionally, his co-author Steve Grinter was campaigning officer at ITGLWF at the time. This has the advantages of providing in-depth insights into processes which might have been difficult to observe otherwise. However, Miller's and Grinter's association to one of the signatories of the agreement also runs the risk of biasing their views.

Miller and Grinter (2003) and Miller (2004) present the concept of GFAs (at this point more commonly called 'International Framework Agreements') and describe the applicability in the garment and footwear sector. The articles were written at a time when the ITGLWF was still at the beginning in terms of GFAs and none existed in the sector. The difficulties of negotiating GFAs with lead firms in apparel and footwear are attributed by Miller to an anti-union position of management and the multitude of 'voluntary' CSR initiatives in the sector.

After the GFA with Inditex was signed in 2007, Miller and his colleagues present a more detailed account on their and the ITGLWF's understanding of GFAs (Miller, Turner, and Grinter 2010). GFAs are discussed at the backdrop of social upgrading and the problems of CSR approaches. The authors argue that auditing in the context for CSR and NGO driven initiatives like the Clean Clothes Campaign should be substituted by what they call a "mature systems of industrial relations" (MSIR) (Miller, Turner, and Grinter 2010, 1). Accordingly, monitoring by the workers themselves and their organisations is not only most effective but

sustainable change of working conditions can only be brought about through established forms of trade unionism at all nodes of production.

Crucial for the concept of MSIR is the primacy of the employment relationship. Although networks of apparel and footwear are buyer-driven and sourcing strategies of buyers influence hiring practices on the ground, buyers rarely have been successfully made responsible. Therefore, the efforts should be directed towards the employment relationship between workers and direct employers, including institutionalized forms of collective bargaining (Miller, Turner, and Grinter 2010, 11).

In Miller (2011), the formation of the Inditex GFA is discussed. Miller describes the process neither as an initiative from the HQ work council, disconnected from production, nor as the result of a transnational campaign as for example in the case of G4S (McCallum 2013). Instead, the agreement is presented as an outcome of a tight personal collaboration between the director for CSR of Inditex and the general secretary of ITGLWF, triggered by a factory collapse in Bangladesh in 2005 and the obvious violations of the Code of Conduct by suppliers.

In a case study of union busting in a knitwear factory in Cambodia, Gregoretti and Miller (2011) examine the Inditex GFA on the ground. By reconstructing struggles over dismissal of union members in a Chinese owned factory, the authors analyse how workers appeal to European buyers like Inditex and ApparelCorp. With the facilitation of ITGLWF, Inditex agreed to intervene (they had a GFA in place) whereas ApparelCorp didn't (no GFA in place at the time). A combination of buyer intervention, international campaigns by trade unions and NGOs such as the Clean Clothes Campaign and massive labour action on site finally led to indeterminate contracts for all 2500, mostly women workers of the factory, including the reinstatement of union members.

There are three major conclusions to be drawn from the case described by Gregoretti and Miller. First, the GFA and subsequent intervention by Inditex and the ITGLWF were helpful but major issues in the areas of health and safety and wages, both covered by the GFA, have not been solved. Second, it is crucial to note that the new arrangements of industrial relations at the factory were not brought about by the GFA itself but by combining with local labour action and an international, multi-stakeholder campaign. Gregoratti and Miller cite Kate Bronfenbrenner:

*"(T)he authority of an IFA (GFA) '...is only as good as the power of the multilevel grassroots networks of workers and their allies in labour organisations and NGOs to enforce those agreements, through local, national and international action'"*  
(Gregoratti and Miller 2011, 98; Bronfenbrenner 2007, 218)

Third, after the main conflict was settled in the factory under examination, the orders from Inditex went down due to the financial crisis. Workers were laid off and union members are quoted to have restrained from any further action in fear of shifts of orders to other factories. The case shows clearly that there is little room for change without long-term purchasing commitments.

By using empirical data covering a decade proceeding the signing of the GFA with ApparelCorp (2002-2008), Niklas Egels-Zandén et al. (2015) do not analyse the GFA formation process itself but provide insights to the background and preconditions of its formation. By examining the relationship between Swedish unions and the NGO sector, namely the Clean Clothes Campaign, the authors reveal a shift from a union-NGO alliance working towards CSR commitments to a decoupled approach of the Swedish IL Metal focusing on the formation of a GFA.

Corporate representatives stress the aspect that the deployed campaigns pressured them to speed up with their CSR initiatives. Swedish union representatives on the other hand express their doubts on relying primarily on consumer pressure and the effectiveness of CSR measures and universal rules. Additionally, they formulate a lack of mandate in negotiating on behalf of workers in the Global South and the need of enabling measures for genuine workers representation and collective bargaining at production regions. The strategic conflicts finally led to fade out of the NGO-union corporation and associated campaigns in 2012.

As part of an overview by the ILO on the impact of GFAs in different sectors, the GFA with ApparelCorp was examined (International Labour Organization 2018). The publication provides a solid introduction to the GFA. However, it is a rather superficial showcase lacking in-depth analysis or critical discussion of the implementation. A review of the interviewees and the deployed questionnaire reveals two aspects. First, only persons directly involved in the formation and implementation of the GFA were interviewed, almost exclusively staff of IndustriALL. This provides insights into the design of the implementation process but not into opinions of external parties and is therefore limited in revealing limits or even negative effects of the instrument. Second, the questions used in the interviews reflect the ILO commitment to the concept of Decent Work and global governance of minimum standards for work. This perspective does not put power relations and worker agency at the centre of analysis. In consequence, the examination mostly stays on a descriptive layer of the institutionalized

framework and processes. By applying another research question on ApparelCorp's GFA, I aim for getting a deeper understanding of it.

During data collection for this project, I was provided with an at the time unpublished article on the implementation of ApparelCorp's GFA in Cambodia (Norpoth, Neset, and Kaltenborn 2020). The study engages the concept of industrial democracy and combines it with the PRA. By asking whether the GFA and its implementation structures provide a power resource for local unions, it takes a similar perspective on the GFA as my work does. Most importantly, it elaborates how the GFA and the associated mechanism serve as an institutional power resource for trade unions. Further, it presents the GFA as providing a platform to discuss issues beyond singular labour rights violations and to influence ApparelCorp's corporate decisions regarding Cambodia. With the latter, the authors argue similarly to Helfen and Fichter (2013) with their vision of GFAs building a global arena of labour relations. Issues within the local trade union landscape and sector characteristics are identified as main obstacles to GFA effectiveness. The authors conclude:

*„Overall, GFAs seem to ameliorate unfavourable macro-conditions for industrial democracy, but are themselves limited by macro-conditions that affect their mobilization by local unions.“ (Norpoth, Neset, and Kaltenborn 2020, 22)*

Despite a similar theoretical foundation, my work differs in several aspects from the examination by Norpoth et al. First, their empirical data has been collected in 2017, only one and a half year after the signing of the GFA. As the authors and other experts note, one and a half years is extremely little time for such an instrument to be implemented. My findings suggest that there have been not only developments and changes in the implementation strategy, but also much more experiences of different kinds since then. Second, the study focuses exclusively on the context of Cambodia. My work, in contrast, focuses on Bangladesh with a very different institutional environment and therefore extends our knowledge on the GFA. Third, Norpoth et al. emphasise very much the local context as hindering the potential of the GFA. Despite having a focus country and understanding the local context as crucial, my interest is more in conceptual advantages and disadvantages of the GFA and motivations behind it. Therefore, I include the perspectives of participating actors at different scales, especially representatives from the MNC and IndustriALL in several offices. Fourth, connected to the previous point, I am less interested in GFA-external factors hindering its effectiveness but rather the contradicting dynamics and conceptual limits of the instrument itself and its implementation.

## 4 The Global Framework Agreement with ApparelCorp

### 4.1 ApparelCorp's Global Production Network and its sourcing in Bangladesh

ApparelCorp is a fashion and apparel retailer. By the end of November 2019, the cooperation operates 5,078 stores in 74 countries under several labels. Recently, the corporation started a new chain retailing household goods. Germany and the United States are its biggest key markets. In the fiscal year 2019, ApparelCorp increased its net sales by 11% and the gross profit by 10%. Its profit was SEK 13.4 billion (ApparelCorp 2020a).

Considering itself a “global design company” (ApparelCorp 2020a, 5), the firm leads classic buyer driven supply chains as described by Gereffi and others (Gereffi 1999; Gereffi, Humphrey, and Sturgeon 2005). All production with low value-added is sourced out to formally independent suppliers. The lead firm focuses with its ca. 179,000 employees on design, operating retail stores, marketing and parts of logistics and quality assurance. Different to online competitors who release fashion trends with a constantly increasing frequency, ApparelCorp operates with seasonal collections. However, it counts as a classic example of a fast fashion company. Their strategy relies on shortened lead times of new collections, thereby quickly responding to trends. This does not only allow for variations in the design but also to a reduction of warehousing. Via computerised systems, the demand for certain products can be monitored in real-time. This mode of operation allows sourcing departments to quickly react and requires a high speed and flexibility of production and suppliers.

The HQ of ApparelCorp, located in Stockholm, is mainly concerned with design and marketing. In 1984, a subsidiary was founded to manage all sourcing-related activities of the corporation. Coordinated by its HQ in Hong Kong (appr. 200 employees), the subsidiary operates sourcing offices in Bangladesh (appr. 700 employees), Shanghai (appr. 1100 employees) and small representations in all major sourcing regions.<sup>1</sup> ApparelCorp's collections with small volumes are still produced in Europe, mainly in Turkey and Portugal. In contrast, the company offshores

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<sup>1</sup> All information provided in chapter 4 not explicitly referenced originates from interviews. Interviewees corresponded with each other in many aspects; contradictory passages are mentioned and discussed as such.

the production of goods with big volumes, mostly to Asia. Bangladesh is one of ApparelCorp's major sourcing regions.

In ApparelCorp's GPN, around 1.6 million workers are directly employed by 757 suppliers (ApparelCorp 2020b, 6). Suppliers often operate several factories and are either domestically owned, rather common for Bangladesh, or owned by foreign investors. Regarding the selection of production regions, it is crucial that lead firms generally profit from low wages in production countries and the specific local configurations of labour control (Anner 2015). Fittingly, Shen concludes that "[ApparelCorp's] sourcing managers may be more likely to select suppliers in the countries with lower degrees of human wellbeing" (Shen 2014, 6236).

The supplier relations of ApparelCorp are locally built, resulting in no direct connection between design and retail teams in Stockholm and producing suppliers. The sourcing subsidiary and its regional offices operate under a very generic name, completely unrelated to ApparelCorp's brands. Regardless, the offices today openly communicate that they source for ApparelCorp. This can be interpreted as an attempt to provide some transparency. As an ApparelCorp representative notes, sourcing under their brand name distinguishes them from major competitors who at least partly source without revealing their brand name to avoid bad publicity.

The regional sourcing offices have their own CSR departments with around 150 dedicated staff, including so-called 'developers'. Local CSR staff is responsible for monitoring standards, engaging in various own and multi-stakeholder programmes, and communicating with local representatives from trade unions and NGOs. While public communication on CSR issues happens from the HQ in Stockholm, work on the ground is coordinated from the sourcing subsidiary HQ in Hong Kong.

Based on ApparelCorp's supplier disclosure data from March 2020, 759 1<sup>st</sup> tier manufacturing suppliers and their subcontractors produce products in 1898 factories (Table 2). As hidden subcontracting is an issue, not all subcontracted suppliers might be captured (Theuws 2015). The database consists of cross-sectional data and therefore reveals only supplier connections of ApparelCorp at a certain point of time. However, in my research, this data provides an overall idea of the geographic shape of ApparelCorp's GPN.



	<i>First tier manufacturing suppliers</i>	<i>Factories</i>	<i>Workers approx.</i>
<b>Worldwide</b>	759	1,898*	2,610,000 - 3,360,000**
<b>Bangladesh</b>	142	587	2,150,000**
	<i>Owned/employed by first tier:</i>	196	550,000**
	<i>Contracted by first tier:</i>	391	1,600,000**

**Table 2: Numbers of 1<sup>st</sup> tier manufacturing supplier firms, corresponding factories, and workers in ApparelCorp's GPN.**

Source: Author's compilation based on the ApparelCorp's supplier disclosure data (ApparelCorp 2020c)

Note: Does not include processing factories such as printing and packaging.

\* Including operated by subcontractors.

\*\* Workers numbers are own estimations based on factory size categories in the supplier list. Single values represent the rounded sum of arithmetic means.

Regarding the number of involved workers, only approximations based on categories of factory sizes can be given. Engaged factories employ between 2.6 and 3.4 million workers worldwide, while only about half of them are directly employed by 1<sup>st</sup> tier supplier companies (ApparelCorp 2020c). The production of apparel and others associated products is supported by processing suppliers such as printing, and lower tier suppliers producing input materials such as fabric and yarn. Nearly 20% of the directly contracted suppliers are in Bangladesh, operating 196 factories on their own and subcontract production to another 391 factories (Table 2).

31% of all 1,898 factories worldwide producing for ApparelCorp at the time of data collection manufacture in Bangladesh. This makes Bangladesh the largest production region of the MNC outside of China. Of around 1.6 million workers directly employed by 1<sup>st</sup> suppliers, one third is working in Bangladesh. Remarkably, three times as many workers as employed by 1<sup>st</sup> tier supplier companies are working for factories which receive subcontracted orders. My estimations indicate that of all manufacturing workers directly and indirectly connected to the GPN of ApparelCorp, between 60% and 80% are in Bangladesh (Table 2).

The discrepancy between 31% of the factories and 60-80% of the workers being in Bangladesh can be explained by the country being favoured for high volume orders, going hand in hand with larger factories compared to European factories which produce low volume collections. It is important to note that not all those workers are physically engaged in production for ApparelCorp, as most suppliers have several customers. However, CSR mechanisms

concerning workers' representation and trade unionism apply for the whole factory by their nature. Therefore, even workers not directly engaged in orders from ApparelCorp are within ApparelCorp's scope of potential CSR improvements if their employer produces for the MNC.

Wages in apparel production are particularly low and often below what is considered as subsistence level (van Klaveren 2016). In 2013, ApparelCorp has pledged to ensure fair living wages for workers employed by their long-term suppliers. Long term suppliers make up 60% of ApparelCorp's supplier base. The announced fair living wage lies far below what is considered as a living wage by supranational organisations such as the Asia Floor Wage Alliance (Bhattacharjee and Roy 2016) or local think tanks such as the Centre for Policy Dialog Bangladesh (Moazzem 2019). Furthermore, a study conducted by the Clean Clothes campaign in 2018 shows that even ApparelCorp's 'gold and platinum suppliers' fall short in paying the promised living wage. Later, the MNC has removed its pledges and roadmap for the payment of their living wage from their website (Musiolek 2018). Instead, ApparelCorp shifted to a sector-based approach for increasing wages called the Action Collaboration Transformation (ACT) platform, an approach that has yet to prove itself (Alexander et al. 2017; Ashwin et al. 2020).

A report of the Asia Floor Wage Alliance tracked gender based violence in ApparelCorp's GPN by interviewing 331 workers of factories producing for ApparelCorp (Asia Floor Wage Alliance 2018). The forms of violence and harassment cover practices leading to physical and/or psychological harm, happening at the workplace or in associated housing and community contexts. A major share of garment workers are women, whereas supervisors are usually men. Additionally, women workers are dependent on mechanics, usually men, who ensure the functioning of sewing machines. Their services are critical for women sewing operators to keep up with their production targets (Asia Floor Wage Alliance 2018, 61). This produces strong dependencies.

While the wage labour in the garment factories of Bangladesh can mean a certain form of empowerment for women workers from the countryside, the industrial context confronts them with new forms of gender related oppression (Choudhury, Luthfa, and Gayen 2016). The oppression of women and associated forms of violence are deeply imbedded in society, cultural and intuitional settings. However, women's exposure to harassment can also be seen as a "by-product of how [ApparelCorp] and other transnational corporations do business" (Asia Floor Wage Alliance 2018, 7).

ApparelCorp is the biggest single brand sourcing in Bangladesh. Additionally, many interviewees stress that ApparelCorp's CSR work in Bangladesh is considered as comparably strict and active compared to other buyers. Both puts ApparelCorp in a special position in the sourcing market of Bangladesh. ApparelCorp's leverage on supplier firms is relatively high not only because they have a certain market power due to the volume they source, but also due to their reputation. According to interviewees, other smaller brands partly rely on ApparelCorp's risk monitoring. Buyers tend to prefer ordering at suppliers which also produce for ApparelCorp, considering them as less risky. As one interviewee puts it:

*"[T]his gives [ApparelCorp] a much more superior power over one specific factory supplier. Whoever has business relationship with [ApparelCorp], they just don't want to lose that. Because, if they for example only produce 5,000 pieces of apparel for [ApparelCorp] in a year, they still want to keep the business relationship with [ApparelCorp], so that they can get other brands as well. They can show, 'look, I work for [ApparelCorp], so please, [ApparelCorp] is a very responsible buyer, you know, so please give your orders'. So [ApparelCorp] has also that sort of very good pressure points on these employers as well." (Interview 08)*

While interviewees also present examples in which ApparelCorp's leverage on suppliers turned out to be not that straight forward, the company must be understood as more powerful than many other buyers in the country. An interviewee states:

*"In an industry you have sometimes companies who organize other companies and set the agenda. [ApparelCorp] does that. They are not simply looking after their interests; they are also organizing other brands so that their interests dominate." (Interview 13)*

ApparelCorp's position provides the company with a certain room for manoeuvre regrading CSR improvements but also with a certain responsibility. The special position in the sourcing markets and its leverage help the MNC to pursue its economic interest vis-à-vis on suppliers. It puts suppliers into a squeeze between low-cost production and requirements of social standards. This squeeze has been described in-depth for safety measures. Only "an elite segment of suppliers [in Bangladesh] can afford to make improvements and continues to enjoy relationships with international brands and retailers" (Barret, Maumann-Pauly, and Gu 2018, 3). This most probably also applies for other CSR commitments such as workers' representation. A report by Swedwatch interviewing factory owners identifies the problem of producing at very low prices demanded by buyers and at the same time complying with demands of unionization, considered as increasing the cost of production (Shamsher and Åkerblom 2018, 19). Moreover, almost all persons interviewed for this project portrait the factory owners' fear of trade unions hampering their operation instead of pacifying it.

The special position of Apparel Corp influences potentials and obstacles of change and makes the company an interesting object of study. One CSR area in which ApparelCorp has been particularly active in the last years is workers' voice. In the following section, I will shortly summarize central aspects of workers' voice in Bangladesh and corresponding work of ApparelCorp.

## **4.2 Workers' voice in the Bangladeshi garment sector**

Bangladesh is characterised with high unemployment and severe poverty. The country must thereby be associated with a "market labour control regime" (Anner 2015, 300). This results in a high vulnerability of workers, especially in the garment sector, and high risks for workers to raise their voice or build up resistance. By ITUC's Global Rights Index, Bangladesh is ranked among the worst countries regarding workers' rights (International Trade Union Confederation 2019).

At the same time, labour unrest is relatively common. However, the number of incidents has fallen in the period between 2013 and 2016. Most common triggers of protest and wild cat strikes are unpaid or deferred wages. A high number (45%) of conflicts end with clashes between workers and employers or private security forces, or police intervention (Moazzem 2017, 16ff). Industrial areas in Bangladesh have their own industrial police whose task is to pacify labour unrest, especially in garment export industry (The Daily Star 2010). Surprisingly, the industrial police often also participate in subsequent negotiations between workers and employers. In this context, only around 10% of labour demands are accepted. Only a few incidents are brought to court, while the jurisdiction takes years and often does not benefit the involved workers (Moazzem 2017, 23).

There are some institutions of social dialog in place, albeit not very functional. Institutionalised dialog between workers and employers at the factory level can happen in two major institutional forms, so-called Participatory Committees (PC) and trade unions. At the sectoral and national level, several tripartite committees are in place. Such forums consisting of employers' representation, workers' representation and government are described as badly functioning due to lack of coordination and interest from the employer side (Hossain and Akter 2016).

The most important forum on the sectoral level is the Minimum Wage Board. It determines the wages in the garment sector. Technically, the board does not set a single minimum wage but a wage scheme for all the grades including a yearly increment, currently at 5%. In the 2019, the

minimum wage revision, accompanied by massive protests, resulted in 4,100 BDT (43 EUR) per month for the lowest grade covering basic sewing operators and up to 10,938 BDT (114 EUR) for jobs for example in quality assurance (The Daily Star 2019). Despite increases, the wages are still far below all living wages schemes which aim to cover basic needs, such as 13,620 BDT/month (Global Living Wage Coalition) or 36,385 BDT/month (Asia Wage Floor Alliance) (seen benchmark table in Fair Labour Association 2018, 26). According to the interviews, factories seldom pay above the scheme. Only in very rare cases there are CBAs at the factory level which sometimes reach an annual increment of 7%-10%.

At the factory level, it is legally required for factories without unions to establish PCs since 2006 (*Bangladesh Labour Act* 2006; for its emergence see Siddiqi 2016). These committees are made up of an equal number of representatives from labour and management. Interviewees estimate their formal existence in about 70% of garment factories. PCs are designed to resolve disputes at the factory level and are especially promoted by buyers.

Labour representatives and ApparelCorp representatives stress alike that PCs are not a substitute for trade unions. They partly consist of management and are not allowed to represent workers, e.g. in the context of collective bargaining. Interviewees note:

*“Collective bargaining can only be done by elected unions, only by registered unions. That is the main reason why the collective bargaining process is very weak. [...] The participatory committee is not a trade union; it is a joint platform of management and workers reps to work together.” (Interview 09)*

*“Somehow these worker participation committees are more guided by in a top-down manner where the owners having major influence in their operational process. And these worker participation committees don't have much discussion about major issues.” (Interview 17)*

The trade union density in the garment sector is particularly low. In 2017, there were only 77,543 trade union members out of over 3 million workers (approx. 2.15%) (Moazzem 2017, 11). Interviewees' estimations of the trade union density do not exceed 3% and describe half of the registered unions as non-active. Factory trade unions in Bangladesh are organized in around 30 national trade union federations. Trade union federations associated to IndustriALL have a joint body with a democratic structure, the IndustriALL Bangladesh Council (IBC). Of 20 trade union federations in Bangladesh which are affiliated with IndustriALL, 16 are active in the garment sector. Trade unions exist mostly in small and middle-sized factories which employ 500 to 1,500 workers. Many factories in the garment sector Bangladesh have several thousand workers, and no trade union. Beside officially registered trade unions, there are labour NGOs

which sometimes function in a similar manner. However, only registered unions can engage in collective bargaining or affiliate to IndustriALL Global Union. NGOs do not have access to the programs and mechanisms of the GUF.

The low union density in the garment sector in Bangladesh can be attributed to anti-union behaviour of employers, institutional barriers and economic as well as social-cultural structures. Attempts of union formation in factories are not seldom accompanied by union busting activities from the employer side. Interviewees attribute the strong anti-union stance in many factories to the historical developments of the Bangladeshi trade union movement in the period after Bangladesh's independency in 1971. Accordingly, many trade union leaders were working for their own interest and the trade union landscape was characterised by nepotism. All this happened at the backdrop of privatisation and subsequent anti-labour legislation which weakened labour organisations to a great extent.

While many interviewees stress historical reasons and cultural barriers, others explain today's resistance against trade unions with suppliers' conviction that trade unions negatively affect their business operations. The idea of trade unions as institutions which stabilise production and make it easier to coordinate workers is absent. Rather, unions create "chaos and confusion in the factory that can hamper production" (Interview 04). Unions are perceived as fundamentally hostile to economic activity, and especially incompatible with operating in garment GPNs.

Newly formed trade unions need to formally register with the Ministry of Labour. Several interviewees describe the entanglement of factory owners with government as key barrier. For example:

*"If you are very close to owners, if you are close to government, if you are inclined to government and owner, then it is easy to get registration. [...] Before there is a registration, owners get the information that workers are organizing, and they will put them on a blacklist and try firing them. So, it is not easy to make a registration. In the name of registration, in the name of a formal process, workers are hindered to access their rights." (Interview 16)*

Nevertheless, interviewees are stressing that the situation is generally improving. The Rana Plaza incident 2013 is often described as a somewhat disruptive moment for the trade union movement in Bangladesh and for international attention to working conditions alike (e.g. Schuessler, Frenkel, and Wright 2019; Reinecke and Donaghey 2015). This is reflected in the interviews, for example:

*"If there were trade union in Rana Plaza, this might not be happened. The trade unions should have motivated [the workers] not to work in the factory. That was in 2013, there was international cry and international pressure, and trade unionism has got a little momentum in 2014." (Interview 09)*

The quote illustrates two relations often expressed in the interviews. First, effective workers' organisation is perceived as key to mitigate other problems such as building safety. Second, pressure from customer markets has an impact on agency spaces of trade unions in Bangladesh.

Despite the disruptive power of Rana Plaza and a peak of 187 new union registrations in 2014, their rise has diminished in the following years, in terms of a decrease in registration requests as well as an increase in rejections (European Commission 2016). Critics note that the new legislation still requires workers to get 30% membership in a factory to form a union (*Bangladesh Labour (Amendment) Act 2013*). This makes it practically impossible to get a union registered in larger factories.

One aspect not to dismiss regarding trade unionism in the garment industry are the already mentioned gender relations. Alice Evans (2017) describes how gender ideologies weaken the potential of workers and their organisations, being reproduced on the workshop and in patriarchal unions. Several interviewees share similar observations, for example:

*"In terms of where [women workers] live to where they work, everywhere it's very much male dominated, although women are the majority of the workforce. But they're not in the supervisory or decision-making roles, they are at the very top and bottom. They are abused if they talk. This is something which is very important for us to understand when we talk about dialog processes within the factories where these women have always been rebuked for voicing their concerns." (Interview 15)*

There are prominent women leading the struggle for better working conditions in Bangladesh (Dannecker 2010). However, in terms of formalised trade union presidents, the trade union landscape of Bangladesh is still very much men-dominated.

Of 587 factories producing for ApparelCorp in Bangladesh, currently only 32 are unionised, accounting for less than 6% of its supplier base in the country. The MNC has engaged in a whole range of projects and approaches to address workers' voice and dialog in the garment sector of Bangladesh. Beside the cooperation with IndustriALL Global Union in the GFA and connected activities, ApparelCorp runs two major outreach projects on social dialog in their factories. With these, ApparelCorp stands apart from many buyers in terms of engagement. The MNC started its workplace dialog project in 2014, training management and workers on the

legally mandatory PCs in the factories through workshops, supervision, and awareness sessions. However, the general weakness of the PC concept already mentioned persists:

*“The election is going nicely, [ApparelCorp] monitoring person is there, they support the election, the develop the curriculum of the election, all these things. And at the time of the election, when [ApparelCorp] is there and those who are responsible for social dialog project, the shop agent is there, the election is conducted, the results are declared, everything is okay, fine. But the problem is that workers are not getting so much time after work. In meetings, they don't get any leverage to talk to the management. The functionalist status of elected PCs is very weak, that is my observation.” (Interview 9)*

Additionally, ApparelCorp is stakeholder of the ‘Promoting Social Dialogue and Harmonious Industrial Relations in Bangladesh Ready-Made Garment Industry Project’ by the ILO. It started in 2015 and is funded by the Swedish and Danish development agencies. While also focusing on trainings of PCs in grievance resolution at the factory level, this project goes several steps further by additionally working on genuine trade unionism and dialog at the sectoral level.

When looking at the general strategy of ApparelCorp in Bangladesh, an emphasis on firm level negotiation and multiple brand initiatives like ACT can be observed. At the same time, the MNC retreated from tripartite, government governed approaches like minimum wage schemes. A local expert reports with respect to the sector-wide minimum wage setting mechanism in Bangladesh:

*“[A]fter the Rana Plaza tragedy, we found that [ApparelCorp] was quite vocal to initiate and implement the fair wage practice that time. But in 2018, when the next revision was undertaken, we didn't find much response from the brands including [ApparelCorp] towards the implementation of a fair wage.” (Interview 17)*

However, most of the interviewees perceive ApparelCorp as comparably cooperative and open to workers problems, compared to other major buyers in Bangladesh. In the following section, I discuss the formation process of the GFA before looking closer at its implementation.

### **4.3 Formation of the agreement**

ApparelCorp made experiences with GFAs already before the one analysed in this project. In 2004, the MNC signed a GFA with UNI Global Union, covering not production but directly employed staff in retail stores and warehouses. This earlier agreement is interesting in its formation process and might have provided the company with certain learnings. The formation



process of the GFA with UNI is therefore shortly reconstructed with the help of timeline data from the Transnational Labor Alliances Database<sup>2</sup>.

In 2003, the North American Union of Needletrades, Industrial, and Textile Employees (UNITE) starts organizing at ApparelCorp's main distribution centre in the US, accompanied by anti-union measures like anti-union meetings, anti-union marketing and intimidation. ApparelCorp's anti-union behaviour provoked petitions, demonstrations, and picket lines on a regular basis. Disagreement between UNITE and ApparelCorp on the mode of election and data collection regarding union membership became central. The further development involved an escalation of the conflict towards ApparelCorp HQ management in Stockholm by UNITE, including several meetings with top management without outcome. Solidarity actions and rallies in front and inside of retail stores evolved in larger cities and the case got prominent support from Hilary Clinton. At this point, the main argument of the campaign crystalized around the question whether North American workers should have the same rights as their colleagues in Europe.

Early 2004, the campaign stops by the signing of a GFA between UNI and ApparelCorp. The GUF UNI is reported as not supporting the protest and public campaigning approach of UNITE. Instead, UNI employed a partnership approach which was in turn perceived as inappropriate by UNITE activists (Hyde and Ressaissi 2009). To put it in a nutshell, confronted with massive protest, ApparelCorp found it more suitable to agree with the GUF on a GFA and set up globally governed processes of labour representation instead of negotiating with UNITE on the ground.

Eleven years later, and in a time when memories of the Rana Plaza accident were still vital, ApparelCorp signed another GFA. This is the one under examination in this thesis. This time, workers in the supply chain are covered. I reconstruct the events leading to this signing based on interviews with several involved representatives.

Around 2000, the Swedish union IF Metall started meetings with ApparelCorp, at this time still involved in the Swedish Clean Clothes Campaign (for the history of their relation see Egels-Zandén, Lindberg, and Hyllman 2015). IF Metall and the International Textile, Garment and

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<sup>2</sup> The Transnational Labor Alliances Database Project is a collection by Prof. Marissa Brookes, University of California, and colleagues of over 100 transnational labour campaigns. Currently, it is not open to the public. The timeseries on ApparelCorp and UNI was compiled by Kianna Maldonado, Khachatur Chris Ourkhan and Angel Lee. I would like to thank everyone involved for their work and for kindly allowing me to access and use the data.

Leather Workers' Federation (ITGLWF) were demanding a GFA which covers the supply chain. However, ApparelCorp was not intrigued. As an ApparelCorp representative puts it:

*“In that time, we didn't really understand what a global framework agreement is, and we didn't see, we couldn't understand what's in it for us.” (Interview 01)*

There was doubt whether the ITGLWF at that time would be able to stand up to an agreement, and whether the GUF would have the resources to implement it in a way leading to institutionalised industrial relations in the GPN:

*“[T]hey [ApparelCorp] always responded: What's in it for us? Does the ITGLWF have the resources to actually to stay up to an agreement?” (Interview 04)*

Interviewees from the trade union movement mention that the ITGLWF might not have been able to do meaningful implementation at that time. Either way, ApparelCorp's expectation of getting something in return for their signature is clear. From cooperating with the GUF in a GFA, ApparelCorp expected implementation activities such as capacity building of trade unionists in sourcing regions and eventually the establishment of harmonised industrial relations on the ground.

Important to note, the relation between ApparelCorp management and IF Metall is described as one of partnership:

*“And I mean we never came any further in this discussion [on a GFA], but it was nothing wrong. We had a good cooperation with [ApparelCorp], [...] good cooperation, but to take the step and sign a global framework agreement, she [head of sustainability] was not prepared.” (Interview 4)*

IndustriALL Global Union came out of a merge in 2012 between ITGLWF; the International Metalworkers' Federation; and the International Federation of Chemical, Energy, Mine and General Workers' Union. However, the garment department of IndustriALL is described as very weak at the time, gradually being built up in the following years.

In 2013, leadership of the new IndustriALL Global Union and ApparelCorp management started a close personal cooperation in the aftermath of the Rana Plaza accident, especially in the context of the *Accord on Fire and Building Safety* in Bangladesh. Confronted with substantial negative publicity, ApparelCorp gradually deepened its engagement in multi-stakeholder initiatives with trade unions (Alderman 2013).

Approximately one year after the accident and after becoming more familiar in cooperating with IndustriALL, it was this time ApparelCorp who proposed to start negotiations on a GFA

covering the supply chain. Insiders attribute this strategic shift to increased public pressure from advocacy NGOs from the North. They were increasingly cooperating with labour organisations from the South and campaigning against labour rights violations in consumer markets. An ApparelCorp insider reports:

*“[There were] discussions [on a GFA], going back and forth for several years. And of course, we had conflicts in our supply chain, union leaders were dismissed in Cambodia, Bangladesh, India and so forth. And gradually we started to realize that it could be good to have a more formalized cooperation with the global textile unions [...], to work in a more preventive manner. And also, be able to talk to the, what we call the legal representatives of the workers in our supply chains, instead of answering to NGOs, Clean Clothes Campaign, Workers’ Rights Consortium etc.” (Interview 01)*

The corporate as well as the trade union side stress that they do not see advocacy NGOs as legitimate representatives of workers in the Global South. GFAs have the advantage of including GUFs, perceived as more legitimate representatives due to their membership structure. However, interviewees from the trade union movement and from outside alike attribute the major share of public pressure on brands to NGOs. This supports the argument that ApparelCorp’s motivation to cooperate with the GUF was at least supported by the facilitation of public pressure by NGOs.

Further, labour unrest became an increasing cost factor for ApparelCorp. Non-disruption of the supply chain is especially relevant in GPNs with little warehousing and short lead times, characteristics of fast fashion:

*“[We want to] work further for more solid conflict resolution. Because there's of course not an interest of [ApparelCorp] to have a lot of conflicts, that are strikes which are quite costly, businesswise. I mean we need stable, predictable purchasing markets. We saw for example the strikes that happened in Cambodia back in 2014, it was a lot of civil unrest. And that was quite expensive if you did the calculation afterwards. Not only for the workers and the society in Cambodia, it was also costly for us. In terms of no shipped goods, nothing to sell!” (Interview 01)*

Compared to the approach of transnational escalation of issues and public pressure by NGOs as well as to grassroots protest, the GFA offered an avenue for ApparelCorp to work in a more preventive, but also more governed manner on issues regarding industrial relations and supply chain disruption through labour action in its GPN.

The negotiations on the GFA started in autumn 2014, the agreement was finalized in June and finally signed in November 2015. At ApparelCorp side, the department for sustainability management was responsible for negotiating. At the labour side, Swedish IF Metall was assigned by IndustriALL Global Union to lead the negotiations. IF Metall is a historically active

union in terms of transnational engagement. However, the manufacturing union IF Metall does neither represent any worker employed by ApparelCorp nor employed in its supply chain. ApparelCorp does not produce in Sweden and MNC employees in the country are organized in the union for service workers.

Regarding the content of the GFA, both sides describe the negotiations as very frictionless:

*“And we started our discussions [with ApparelCorp] immediately, and actually – well, surprisingly – it went very well.” (Interview 04)*

*“The negotiations took approximately one year, it was quite smooth, it was quite easy to work and corporate with [IndustriALL leadership].” (Interview 01)*

A major aspect which the parties could not find a satisfying agreement on was the legal binding of the GFA. As per IndustriALL guidelines for GFA negotiations, GFAs must “contain an effective mechanism for implementation, enforcement and a procedure for binding dispute resolution” (IndustriALL Global Union 2014, 2). Instead, the parties agreed on a non-binding mechanism which includes the possibility to bring in a not specified, external independent body to mediate if needed. Approached by the negotiation team, the ILO did not agree on serving as the mediating body in case of conflict. One year after the original signing of the agreement, which was limited to one year, it was extended without further changes. It now lasts until one of the parties cancel it with a six-month notice.

To summarize, several insights can be drawn from the GFA formation process. First, the initiation and negotiations were accompanied by a high degree of social partnership between trade union and corporate leadership in Europe. Second, IndustriALL’s position vis-à-vis ApparelCorp might to be less strong than it seems. ApparelCorp’s openness to negotiate an agreement with IndustriALL generally counts as an indicator for IndustriALL’s powerful position. However, the lack of a binding resolution mechanism despite being an internal requirement for GFAs at IndustriALL relativises this assessment. Third, social partnership in sourcing regions is presented as the central interest of ApparelCorp, and a way towards more stable and therefore more cost-efficient sourcing markets. Additionally, the cooperation in the GFA is seen as a mean to prevent NGOs escalating labour rights violations in ApparelCorp’s GPN. The last two appear to be central motivations of ApparelCorp to sign and even proactively initiate the GFA. Fourth, GFAs are understood as requiring GUFs to actively working on the realisation of harmonious industrial relations. Fifth, even the agreement with UNI and IndustriALL are very different in many aspects, they share a certain similarity. Both agreements can be interpreted as an MNC’s response on a global level to labour action on the ground outside

of Europe. In both cases, the GFA was employed as a mitigation strategy by the GUF and MNC HQ but not subject of the protests itself, compared for example to the case of G4S (McCallum 2013).

#### **4.4 Principal documents of the agreement**

This section summarizes outstanding characteristics of two important documents concerning the GFA with ApparelCorp. One is the GFA itself, negotiated between IndustriALL Global Union, IF Metal and ApparelCorp and signed by the general secretaries and the CEO. The second are the procedural guidelines for case handling and dispute resolution within the GFA. This document is not public and not signed by top management, but negotiated and agreed on by representative from both sides who are involved in implementation of the GFA (IndustriALL Global Union 2018b). The negotiation of the guidelines was facilitated by the ILO. The document outlines processes introduced in the GFA in greater detail und provides courses of action for participating bodies.

The agreement itself extends on seven pages and covers the scope and intent of the agreement, the agreed labour standards and rights, and an implementation structure. It covers “all production units where ApparelCorp’s direct suppliers and their subcontractors produce merchandise/ready made goods sold throughout [ApparelCorp’s] retail operations” (ApparelCorp, IndustriALL, and IF Metall 2015, 1). In other words, all first-tier suppliers are covered, but not factories who produce input materials such as yarn or fabric. The stated intent of the agreement are “well-structured industrial relations” which do not only improve the workers’ position but also “enable[.] business to flourish” (ApparelCorp, IndustriALL, and IF Metall 2015, 1). The parties agree to actively work together on accomplishing this goal, and ApparelCorp “recognizes IndustriALL as its legitimate partner for discussions regarding human and trade union rights in the workplace” (ApparelCorp, IndustriALL, and IF Metall 2015, 1). Further, ApparelCorp pledges to “actively use all its possible leverage to ensure that its direct [garment] suppliers and their subcontractors [...] respect human and trade union rights in the workplace” (ApparelCorp, IndustriALL, and IF Metall 2015, 1).

Regarding the agreed labour standards, the GFA refers primarily to ILO Conventions and Recommendations in the following areas:

- Freedom of association and collective bargaining
- Discrimination, diversity and equality

- Child labour and young workers
- Forced, bonded, prison and illegal labour
- Recognized employment
- Fair living wage and benefits
- Working hours
- Health and safety

Beside the agreed Conventions and Recommendations, all sections contain one or more paragraphs summarizing wishes, rules, and rights. For instance, the section on wages states:

*“In any event, a fair living wage based on regular working hours and exclusive of overtime, bonuses and allowances, should always be enough to meet the basic needs of employees and their families, and provide some discretionary income.” (ApparelCorp, IndustriALL, and IF Metall 2015, 3)*

The section on health and safety is obviously shaped by accidents such as the one of Rana Plaza. It explicitly grants workers “the right to refuse to enter or to remain inside a building that he or she has reasonable justification to believe is unsafe for occupation” (ApparelCorp, IndustriALL, and IF Metall 2015, 4). Further, the agreement states that “health and safety issues shall be dealt with within the system of industrial relations” (ApparelCorp, IndustriALL, and IF Metall 2015, 4). Appendix 1 shows the ILO Conventions the parties agreed on. Almost half of them are not ratified by Bangladesh, among them Convention no. 154 on collective bargaining.

The last section of the GFA, containing an explicit elaboration of an institutionalised implementation structure, makes ApparelCorp’s GFA unique among GFAs. The implementation structure establishes three levels. First, there is the factory level, containing management and trade union / workers’ representatives. Second, there are so called National Monitoring Committees (NMCs) on the country level, composed 50% of local ApparelCorp representatives and 50% of representatives of trade unions which are affiliated with IndustriALL Global Union. Third, there is the Joint Industrial Relations Development Committee (JIRDC) at the global level. This is made up of representatives from leadership of ApparelCorp and the participating labour organisations. The agreement lines out the responsibility of both parties to engage in training on their respective sides, at suppliers’ management and affiliated trade unions. Among other, the trade union side agrees on capacity building in the “fields of employers’ responsibility, workers’ rights and obligations, industrial

relations, collective bargaining agreements and peaceful conflict resolution” (ApparelCorp, IndustriALL, and IF Metall 2015, 7).

The core element of the implementation structure are the NMCs. The signing parties are requested to decide in which countries they are to be established. The NMC’s function is to “create, monitor and evaluate national strategies for implementation of [the] agreement”. This involves collaborative activities with local trade union structures and the resolution of industrial conflicts in the supply chain. The process for the latter is sketched out in the GFA and more detailed in the *Procedural Guidelines for Case Handling/Dispute Resolution* (ApparelCorp, IndustriALL, and IF Metall 2018). All recommendations for different situations at different levels cannot be presented here. Instead, I discuss the overall concept of the resolution process based on both documents.

The central idea is “to solve issues as close as possible to where they occur and at the same time avoid unnecessary labour actions from the social partners” (IndustriALL Global Union 2018b). In other words, conflicts between the ‘social partners’ are supposed to be discussed and potentially solved at the factory level. Only if no conclusion can be reached here, the case is ought to travel up the instances. This governance structure with final decision making and negotiation at the global level but with the intent of local conflict resolution has been described as „nested hierarchy” (Merk, n.d.).

Cases of conflicts can be forwarded to the NMC by workers’ and management representatives “for support and facilitation for a resolution of the case” (ApparelCorp, IndustriALL, and IF Metall 2018, 4). The NMC decides whether to advice the parties involved in the conflict to try to resolve the issue independently or to invite them to a meeting. Recommendations regarding the timeframe of the case handling mention two aspects: “Factors to consider include the extend of business disruption and the threat to personal safety” (ApparelCorp, IndustriALL, and IF Metall 2018, 4). These are the two CSR aspects which have been most troublesome for ApparelCorp in the years before the agreement.

Regarding meeting procedures, the guidelines remind that “the role and purpose of the NMC[s] [lays] in assisting with case handling, which is to facilitate a dialogue between both parties and not to make a judgment or to act as an arbitration body” (ApparelCorp, IndustriALL, and IF Metall 2018, 4). Accordingly, the NMC members from ApparelCorp, local unions, and IndustriALL are asked to behave non-partial regarding potential labour rights violations but simply to moderate. This in a certain sense contradicts the pledge by ApparelCorp formulated

in the GFA to “actively use all its possible leverage to ensure that its direct suppliers and their subcontractors [...] respect human and trade union rights” (ApparelCorp, IndustriALL, and IF Metall 2015, 1). I discuss this aspect further in the next section.

The procedural guidelines further motivate NMC members to “[w]ork to hear, (to) accommodate each other’s needs, [to] generate ideas leading to outcomes” (ApparelCorp, IndustriALL, and IF Metall 2018, 4). Additionally, the “[s]ocial partners are recommended [...] not to take labour action as long as the process under the GFA is ongoing” (ApparelCorp, IndustriALL, and IF Metall 2018, 5). These sentences ask the participants to fully trust in the mechanism and not to engage in building up pressure and improving their bargaining position through strikes or the like. The intention of constructive social partnership and the idea of the GFA as an enabling instrument is highly visible in content and language of both documents.

In case it is neither possible to resolve the conflict at the national NMC level, nor with the help of other NMCs and so-called support managers, the GFA and the guidelines propose to escalate it to the JIRC: “If the NMC disagree on the best way to facilitate a resolution of an industrial relations issue, either party may submit it to the JIRDC for final decision” (ApparelCorp, IndustriALL, and IF Metall 2015). This means that the mechanism formally allows the participating bodies to access top-level management for their concerns.

In addition to the NMCs at the national level and the JIRDC, a global steering committee was created to support the NMC’s work. It is made up of IndustriALL and ApparelCorp representatives from different subcontinents, one from ApparelCorp’s global CSR team and one from IF Metall. The steering committee engages in capacity building of NMCs and advisory tasks in cases of conflict. Interviews indicate that this committee is more actively involved in the implementation and conflict resolution as the JIRDC. To date, there has not been a single conflict which was escalated to the JIRDC. Moreover, its members are reportedly not involved in the details of the supply chain.

At the NMC level, there is an annual global meeting which brings together all NMC members from around the world to share best practice. These meetings are occasionally accompanied by ILO and OECD representatives. The insights provided in the global NMC meeting also build the basis for the global steering committees’ reporting to the JIRDC. In the following, the practice of the bespoke structure and mechanism in Bangladesh is examined.



## 4.5 Implementation of the agreement in Bangladesh

The Bangladeshi NMC had its first meeting in 2016. Currently, it has seven members, four from the labour side and three from ApparelCorp's sourcing office in Bangladesh. Originally, there were also four from ApparelCorp, but one was sent to another region. Labour representatives in the NMC in Bangladesh are partly IndustriALL employees and partly trade union federations' leaders. Two of the seven members of the NMC are women. This somehow mirrors the disproportionate gender ratio among trade union activists and representatives in Bangladesh. IndustriALL seems to be aware of this aspect, being proud of the first NMC fully composed of women members recently established in India (IndustriALL Global Union 2019b).

According to the interviews, the regional IndustriALL office chose the two representatives from 16 trade union federations affiliated to IndustriALL in the garment sector based on the factories ApparelCorp sources from and the representatives' suitability for the job. Remarkably, the two chosen are the ones probably most famous in the international arena. Both are known for working with European NGOs and appearing in TV shows and newspaper interviews in the Global North. It can be argued that the ones were selected who somewhat functioned as the mouthpiece for the workers' situation in Bangladesh.

Normally, the Bangladeshi NMC meets quarterly and is in contact by phone or alternative means in between. However, in case of an emergency or an ongoing dispute, the meeting frequency might increase up to biweekly. Interviewees describe the meetings as very constructive but mention that generally more frequent meetings would increase the efficiency of the GFA mechanism. From the two poles of the NMC, namely proactive capacity building and conflict resolution, interviewees associate the latter more prominently with the NMC. Before focusing on this aspect, proactive activities in Bangladesh are shortly summarized.

Regarding organizing and capacity building at the labour side, IndustriALL engages in different projects. They are either large scale training initiatives, for example one in cooperation with the German development agency and the German trade union confederation. Additionally, there are smaller interventions and trainings by IndustriALL which happen on a more ad-hoc basis, partly triggered by requests from the ground. However, proactive activities of trade union capacity building and GFA implementation appear as less tightly connected. Rather, interviewees present the GFA as one element of a set of approaches which support local trade union presence.

Capacity building by ApparelCorp at suppliers is central according to interviews, partly connected with the workplace dialog project presented above. Supplier top management and mid management are addressed by a GFA awareness program and receive trainings on resolving industrial dispute. Factory owners are invited to discussions with CSR staff of ApparelCorp on a yearly basis. The right of freedom of association and to collective organizing are said to be the most central aspects. ApparelCorp reports that their sourcing honours supplier compliance to social standards by closer and long-term business relationships. Further, there are proactive meetings with supplier management and trade union leaders “so that they can feel free to ease their relationship” (Interview 06). The interviews draw a picture of the conflict resolution being most central in the NMC work. Some representatives, especially from the global level, express the wish of the NMCs moving towards more proactive collaboration of the ‘social partners’.

As described above, cases of conflict and alleged violations of the GFA can be brought to the NMC by employers and from labour side. However, in the case of Bangladesh, there was only one case since the start of the NMC which has been reported by an employer, concerning an internal conflict in a PC. All other cases have been reported from the workers' side. If there is a trade union in the factory which is affiliated to one of the trade union federations personally present in NMC, the flow of reporting of the case is clear. However, most factories do not have a trade union, and an PC might be non-existent, non-functioning or not in any contact with the trade union landscape. Therefore, interviewees mention the lack of trade unions as the major obstacle in GFA process. Nevertheless, the IBC as a platform of trade union federations and informal networks is described as channelling cases in ApparelCorp’s supplier network towards the NMC. Interviewees portrait trade union leaders as having networks also covering factories without formal unions. Still, everyone agrees that a comprehensive implementation would require a higher trade union density.

Interviewees from trade union federations not personally represented in the NMC, as most of them, point to the static composition of the committee and criticise the lack of representation and access. Insiders on the other hand stress and the lack familiarity with the NMC work and that changes require additional training. Clearly, that trade union federations are involved in the mechanism to a very different extend. A trade union representative report:

*“Here is the problem: People like us who work at plant level, we do not know much about this agreement [with ApparelCorp]. [...] They [ApparelCorp] are like the owners of other companies, they don’t want us to know about this agreement, they do not have that much interest. It’s all about the global people, it never reached the plant level.”*  
(Interview 14)

The multiplicity of trade unionism in Bangladesh is a challenge for the GFA and its implementation mechanism. Even if the GFA itself is known, the NMC and its operation are not widely acknowledged. As one interviewee puts it:

*“They may have some committees, but I'm not aware of that. Or in the other way, you could interpret it that the lack of information on National Monitoring Committees rather indicates that they have not yet been a very effective mechanism which has been being appreciated by all.” (Interview 17)*

By engaging in a close cooperation with IndustriALL, ApparelCorp did not only extend a hand to the GUF but also selected who to work with, and thereby also excludes certain actors. An excluded actor remarks:

*“For example, when we approach [ApparelCorp], they are very happy to say we are already working with IndustriALL, so we don't have to work with you on this, which many other brands may not say. So, their preference is with IndustriALL because they can get away with a lot with IndustriALL. They would find negotiation with us much tougher. [...] [Regrading wages and sexual violence, ApparelCorp] has used IndustriALL as an alibi to say we won't talk to unions outside the framework of IndustriALL even though there are many unions in the garment industry that are not part of IndustriALL.” (Interview 13)*

Some actors might be excluded explicitly, others might just not be familiar with the mechanism. Involved persons stress the need of and their efforts in awareness raising and that the implementation of such kind of mechanisms requires extended timeframes. While the GFA offers possibilities for some trade unions, my findings suggest that not all workers' organisation have the same access to this channel.

Regarding types of cases reaching the NMC, union busting (freedom of association), non-payment of termination benefits, delayed payments, and non-payment of benefits such as maternity benefit are mentioned as typical issues. Commonly, these are individual cases, concerning one or few workers. Other conflict cases are connected to bigger events and often involve several hundred workers. Interviewees describe the NMC as being capable of solving conflicts in the scope of a factory or an individual worker, in contrast to sectoral problems. As corresponding platform to tackle bigger, sector wide issues, interviewees refer to the ACT platform .

An example illustrating the relation of the GFA and ACT platform is the Covid-19 crisis which hit the garment sector of Bangladesh during the interview phase of this project. Interviewees report about ongoing negotiations regarding ApparelCorp's role and responsibility in mitigating the situation of garment workers who were terminated without any compensation due to

ApparelCorp's cancellation of orders. The sector-wide ACT platform was the one selected as the appropriate forum for discussion at the Bangladesh level while the NMC is not considered as crucial for such kind of issues. However, the NMC is mentioned as potentially handling cases of supplier non-compliance with agreements negotiated under ACT. Therefore, both platforms might complement each other:

*"We're trying to work through these processes and it's not like we have a very lot of success up until now but at least we have a certain amount of success by using all these tools together to address all the issues." (Interview 08)*

To understand success cases of the GFA, the functioning of the mechanism is explored in greater detail in the next section.

#### **4.6 Utilizing buyer leverage to mitigate labour rights violations**

In terms of involved factories, there was a rise during the last four years at the Bangladeshi NMC. While the NMC handled conflicts in 4 factories in 2016, there were 6 in 2017, 14 in 2018 and 19 factories in 2019. Comprehensive data on cases worldwide are not available. However, the relation of all cases globally in 2019 in respect to the ones in Bangladesh speaks for itself. Out of 27 factories which had cases worldwide (in 22 factories the cases were resolved successfully by the end of the year), 19 factories were in Bangladesh. Again, this confirms this project focus on Bangladesh as suitable.

Regrading individual workers covered by the cases reported to NMCs, the developments are somewhat different, illustrated by the mix of larger scale and single worker cases. In 2017, 984 workers were covered by resolution process of the Bangladeshi NMC, 92 in 2018 and 858 in 2019. There are two major events in the history of the Bangladeshi NMC, amounting to two peaks of worker-cases in 2017 and 2019 (Table 3). The majority of the 984 cases handled by the GFA resolution process in 2017 emerged in the labour unrest in Ashulia, a suburb of Dhaka (see also: IndustriALL Global Union 2017; International Labour Organization 2018, 40). At the end of 2016, there were major protest regarding the increase of the national minimum wage. The monthly minimum wage at this time was BDR 5,300 (EUR 55), while trade unions demanded the triple to assure a basic livelihood for workers. A Bangladeshi expert working in the trade union context describes the situation as:

*"A lot of workers went unrulyunruly. Without any lawful process, they came out on the streets." (Interview 09)*

The unrest must be understood as a mass-mobilisation of workers beyond one firm, partly supported by workers organisations but to a high degree decentral and bottom-up, thereby counting as wild-cat strike.

		2016	2017	2018	2019
<b>Worldwide</b>	<b>-Factories:</b>				27
<b>Bangladesh</b>	<b>-Factories:</b>	4	6	14	19
	<b>-Workers:</b>		984	92	858
<b>Important events in Bangladesh</b>			Ashulia wage protests		Protests minimum wage revision

**Table 3: Cases of labour rights violations in ApparelCorp's production network handled by NMCs and important events regarding industrial relations in Bangladesh.**

Source: Author's compilation based on verbal and written sources

Note: Empty cells represent non-availability of data.

As consequence of the protests, factory owners fired 1,600 workers without notice or compensation and filed criminal cases. Under Bangladeshi labour law, employers are required to notice a worker of their termination 120 days ahead. If this does not happen, the employer is required to pay the workers a two-month salary at departure, known as termination benefit. The irregular termination was done especially during Christmas time, when NGOs in the Global North and consumers were occupied with private celebrations. Consequently, the global coverage and involvement of advocacy organisations was minimal.

Labour representatives decided to use the GFA and the NMC, as some factories among the ones violating labour standards were supplying ApparelCorp. As an industry wide issue, the employers' association BGMEA was involved in the subsequent negotiations. The negotiations resulted in most workers who were covered by the GFA getting the legal termination benefit and some were reinstated. While the cases arising from the Ashulia protests concerned specific factories, interviewees note that the process had sectoral implications through the involvement of powerful employers. This process 2016/2017 is the most prominent one in the context of the GFA with ApparelCorp. In the interviews conducted three years later, it was still the most prominent example. This exemplifies the importance for the event for the legitimization and establishment of the NMC but also raises questions of replicability.

In the context of an official minimum wage revision in 2019, an even larger wage unrest resulted in about 12,000 workers losing their job, many without termination benefit. Again, criminal cases were filed against about 5,000 workers and more than hundred workers were imprisoned. Additionally, suppliers started blacklisting dismissed workers by sharing their pictures with other factory management in the area. Beside informal networks, a database was used for blacklisting which was originally created after the Rana Plaza incident to provide more transparency at the advantage of workers. Dismissals especially targeted union members, even if not participating in the protests (IndustriALL Global Union 2019a). The backlisting made it impossible for workers to find new placements and obviously was intended to discourage further unrest.

The rise in cases in 2019 is attributed by interviewees to this event as the NMC tackled dismissals of workers covered by the GFA. However, an interviewee stresses that non-compliance (e.g. non-payment of termination benefit) was relatively low at ApparelCorp's suppliers, given the overall dimension of lay-offs:

*“Regarding [ApparelCorp's] supplier factories, it was not that much that happened compared to in 2016/2017. In 2019, it was different because they [supplier management] had this lesson of getting trouble [with the NMC]. At this time, they were actually fearful of [irregularly] firing workers in large amounts, because they had a lesson back in 2017 when the NMC dealt with these issues. Because they knew that this will happen again, and it will have a bad impact on them.” (Interview 08)*

Accordingly, the NMC seemed to have had some sort of deterrence effect on suppliers. While laws might not prevent employers from violating labour rights in certain cases, the possibility of that violation being escalated to the NMC and thereby to buyer representatives is a motivation to comply to standards.

When discussing the functioning of the resolution process at the NMC level, I overserved a tension between two narratives in the interviews. On the one hand, the neutrality of the NMCs is stressed, displaying the committee as merely “providing the table for negotiations between the relevant social partners, management in the factory and the workers' representatives” (Interview 01). On the other hand, most interviewees reveal that ApparelCorp's intervention and demands vis-à-vis its suppliers is central to the NMC's success.

One of the involved interviewees, mainly working at the global level, makes clear:

*“[The role of the NMC is] not to take part in the negotiations, not at all. We don't want to do that. [...] Of course, we can be present during negotiations, but never ever take part of it, or take decisions on behalf of them.” (Interview 01)*

While not patronising actors at the factory level is clearly a desideratum, such explanations do not considerate the huge imbalance of power between the actors, factory owners and trade unions. Further, they ignore the leverage and responsibility buyers have.

NMCs are supposed to have an enabling character:

*“We as NMC, we are non-partial, we do not judge.” (Interview 02)*

While enabling actors is understandable, the practice of this neutrality and distance is difficult to comprehend. Having in mind that the NMC is partly made up of local trade union leaders, an actual neutrality would imply that they are not fully committed to representing workers or that their position in the NMC restricts their agency to a great extent.

Regarding the buyer, already the original GFA document exceeds a neutrality. ApparelCorp pledges to “actively use all its possible leverage” (ApparelCorp, IndustriALL, and IF Metall 2015, 1) over suppliers. When describing the proceedings of the NMC in specific cases, most interviewees stress that ApparelCorp’s role is not a neutral facilitator of negotiations but crucial for the NMC’s success:

*“The advantage [of the NMC platform] is that the brand is there, the brand has its leverage, leverage over suppliers. So, they can use it to influence the suppliers.” (Interview 07)*

Based on the interviews, the breach travels from the factory via local trade union structures ‘up’ to the NMC. After a case is reported to the NMC and the resolution of the conflict at factory level was not possible, the committee starts investigating into the matter to clarify the allegations. ApparelCorp employees who are members of the NMC approach the employer as “they have leverage on suppliers to ask for resolving the issue” (Interview 10). According to trade union representatives, this aspect is the central principle of the NMC’s work.

The importance of buyer leverage in the NMC process must be contextualized in the local context of Bangladesh. Interviewees stress the powerful position buyers generally have in the country:

*“Retailers are the only sort of people that the owners in Bangladesh would be afraid of, because the owners do not want their orders to go.” (Interview 18)*

This connects back to my description of ApparelCorp’s position in the buyer landscape of Bangladesh. The business relation to ApparelCorp is important for many suppliers not only because of the brand’s market share but also because of their reputation. Factory owners are

said to be particularly responsive to the brands demand. If it becomes public that ApparelCorp terminated its relationship with a specific supplier because of CSR concerns, the producer is likely to lose other customers as well.

Further, the interviewees contextualize brands and the NMC with state institutions. One interviewee explains:

*“Because [ApparelCorp] is a big buyer, they have control over the supply chain factories. Because sometimes [supplier] management does not fear the government or the law, but they fear the brands for losing business. For business interest, they listen to the brands. [...] That is an advantage for the NMC in mitigating workers’ problems.”*  
(Interview 09)

Another trade unionist adds:

*“A lot of factory owners are in the government; they are members of the parliament. From business they go to politics, and they have influence over government decisions. So, I mean, in this sort of situation, it's only the brands who are their customers having power over these employers. None of the other bodies have. It's only the brands [who can] say something to the suppliers and they vow to hear those things.”* (Interview 08)

The political power of owners of garment producing companies might not always rely on direct personal involvement but is also mediated by the politically very powerful employer's association BGMEA. The statements above present the NMCs as platforms which work towards ensuring basic standards or rights, a task being understood as a genuine responsibility of the state. However, many interviewees expressed that they do not see state agencies to stand up to this task, at least not in the extend desired.

Questioned on the motivation for trade unions to report an issue to the NMC, an interviewee says:

*“If we're going to court, it takes long, but if we are taking the case to the National Monitoring Committee, it's sometimes - in most of the cases it's easier. Some cases are not very good with the court. Most of the cases we can resolve with the NMC.”*  
(Interview 10)

Accordingly, the state and legal institutions in Bangladesh are partly not enforcing legal compliance of employers to the desired extend. The NMC is an avenue for workers and trade unionists to realize certain rights without the state apparatus.

There are reports of cases in which the mitigation through an NMC was not successful and no conclusion could be found between the parties. Conflicts in Myanmar and Cambodia resulted either in the closure of the factory and disinvestment by the owner or in the termination of the



business relationship by ApparelCorp. In cases of the latter kind, ApparelCorp reports to engage in so called ‘responsible exit’. This refers to phasing orders out over an extended timeframe, allowing producers to find new clients and to prevent a high number of layoffs in a short period of time.

While the analysis of events and interviews suggest that the NMCs are able to intervene in certain kinds of workers’ issues, especially non-compliance with basic regulations and unions busting, the committees do not engage in wage setting. NMC members are inclined to train workers’ representatives at the factory level in collective bargaining, the NMC platform however does not provide the table for it. An interviewee explains:

*“[In cases of union busting], everyone is made aware that there is an NMC, there is a body to see that, that it is not violated. The same applies for collective bargaining, it is a fundamental right. But the CBA is negotiated between the union and the management, they decide, they sign. Only in case a dispute arises out of it, it will be taken to NMC. If there is any dispute out of it, then the NMC comes in. [...] The NMC does not have an active role in signing CBAs.” (Interview 07)*

By leaving the wage setting to the parties at the factory level, the NMC tries to assure “mature industrial relations” (Miller, Turner, and Grinter 2010) but does not engage in the establishment of the fair living wage agreed on in the GFA. Members of the NMC describe its role as enabling and stressing that the factory trade unions are the ones to negotiate wages. Thus, the conflict resolution mechanisms of the NMC addresses the different standards and rights defined in the GFA in very different ways.

While the GFA mechanism offers a route to access buyer leverage on employers, it generally aims for minimizing escalation of conflicts beyond the factory. The desired process is described as one of autonomy of the parties at supplier level. The barriers between employers and employees should be lowered, resulting in resolution of issues at the place where they occur:

*“The aim is that they [suppliers] solve problems on their own, without any external parties. [...] If factories have unions, the unions are asked to take ownership of dealing with the conflict and solve it.” (Interview 02)*

This matches the wish of solving cases as close to suppliers as possible outlined in the implementation guidelines. ApparelCorp even sees this as the central purpose of the whole resolution structure:

*“And it [the procedural recommendation] is mainly about trying to keep the conflict resolution on the factory floor” (Interview 01)*

The NMCs allow keeping conflicts in the production countries, at least in certain cases. A Bangladeshi trade unionist describes this a central property and advantage of the NMC structure, as it allows for quicker and more efficient resolution of workers' problems:

*"A platform like the NMC is helpful to resolve issues within a short period of time. Otherwise, you have to go internationally, it goes to the headquarter, it goes to IndustriALL, this has happened before." (Interview 10)*

According to such statements, the GFA mechanism prevents the transnational escalation of conflicts. It provides access for trade unions to buyers and their leverage on employers without consumer campaigns in the Global North.

Both described large-scale cases in 2016 and 2019 prove the ability of the Bangladeshi NMC to resolve conflicts. The NMC provides a way for certain labour organisations to solve issues with the support of the leverage of ApparelCorp in-country staff over supplier management. Additionally, the NMC might have a preventive function. Both dynamics question the neutrality of ApparelCorp in the NMC. The NMC is a channel to escalate issues resulting in the buyer's passive and active intervention at its suppliers. With this mechanism, the NMC provides a way to enforce employer's compliance with local labour regulation, which is not effectively enforced by the state, may it be due to unwillingness or due to the lack of resources. Further, both major cases were partly about dismissed union members and therefore fostered freedom of association.

It is important to contrast the number of workers who profited from the mechanism with the whole workforce. For example, issues of 858 workers reached the NMC in 2019. They stand vis-à-vis the approximately more than 2 million workers theoretically covered by ApparelCorp's production network in Bangladesh (550,000 employed by first tier suppliers, see Table 2). Having in mind the overall bad situation regarding workers' rights in Bangladesh, this number appears rather insignificant.

While the NMC was able to intervene in certain kind of breaches with the help of buyer leverage, the committee does not take part in wage setting. This is central as the GFA contains clauses on a fair living. The desired mode is one of autonomy at the factory level in which conflicts are solved locally at the factory.

## 4.7 Collaboration on different levels

As discussed earlier, social partnership is widely established between GUF leadership and ApparelCorp global management. At the national level in Bangladesh, social partnership does exist superficially at best. However, within the GFA structure, the NMC is described as a committee of social partnership operating at the national level. Without intervention or facilitation of the state, the NMC aims for setting the table for negotiations between the parties.

*“Now [with the NMC] they could actually start building trust and confidence with each other, start to learn to know each other a little bit better. Being more – we’re are saying – maybe not a family, but more familiar at least with each other. [...] I would say that’s for me the biggest achievement [of the GFA].” (Interview 04)*

Indeed, the cooperation is described as accompanied by a “very good working relationship” (Interview 08) by representatives from both sides. In a public statement, a Bangladeshi trade union leader attributes the NMC’s achievements so far primarily to “mutual understanding and bonding” (IndustriALL Global Union 2018a). Another states:

*“We speak a common language whenever we are together, as an NMC and as partners in the GFA. Whenever we meet a supplier, whenever we meet the workers, whenever we are in the whole process, whatever happens in terms of industrial relations, we speak the same language. Because we feel that both [sides] are committed to this.” (Interview 07)*

During the interviews, it turned out that in the past an employee of IndustriALL was simultaneously working for ApparelCorp. Without questioning anyone’s good intentions in improving social dialog at the supplier level, such overlapping illustrates the closeness between IndustriALL and ApparelCorp. The close collaboration between buyer personnel and workers’ representatives in the NMC is appreciated by ApparelCorp:

*“For example, whenever we have a minimum wage revision and there is an unrest, via the NMC we get information and insights on the industry, what is going on. If there is a crisis or a grievance, the NMC is informed. When something happens, we are informed. So, it helps to anticipate risks.” (Interview 02)*

The platform is described as a channel for ApparelCorp to retrieve information on the situation on the ground, allowing for adequate reaction and intervention. Accordingly, the NMC is perceived as valuable in terms of real time risk monitoring.

As only trade unionists and buyer representatives are part of the NMC, the good collaboration in the committee does not imply social partnership between employers and workers in Bangladesh. Social partnership does not exist here. However, it is the goal of the GFA and NMC members are working on its establishment. Interviewees prominently talk about the

promotion of collaboration and cooperation at the supplier factories and the creation of harmonious industrial relations. A labour representative explains the narrative of the GFA:

*“This is kind of the message. Working together to boost the industry, joint collaboration, joint activities. [...] With all the parties, suppliers, brand, IndustriALL. The union at the plant level shall feel free without any irritation, without any intimation, without any fear. That they can work together, talk to the management and discuss any kind of problems.” (Interview 06)*

This positive spirit is said to lead to a win-win situation for all participating actors. Institutionalised industrial relations on the production level are presented as improving the economic performance of production sites and the overall sector as well as the workers’ situation.

As discussed earlier, one intention of the GFA mechanism is the minimisation of labour action such as strikes. Following the narrative of the GFA, the parties can resolve conflicts before triggering unrest if they have platforms to communicate. Different interests of workers and employers are understood as being most effectively mediated by institutionalised negotiations:

*“Part of the agreement and the goal of the agreement is to avoid unnecessary labour conflicts, unnecessary strikes, unnecessary lock outs etc. [...] As long as you are in a process trying to solve a dispute, if you then actually take labour action during that process, it will make it much, much more difficult to find a solution. And that [idea] is very much built on the system that exists in Sweden and [...] in Germany.” (Interview 04)*

This line of thought goes along with the implementation guidelines asking not to engage in labour action but to trust in the NMC’s process of conflict resolution. The quote further illustrates the idea brought forward by several interviewees that the form of social partnership known at the HQ, based on institutionalised cooperation between labour and management, could be ‘transferred’ to the supplier level.

An interviewee explains the specific gains of a close cooperation for employers in the Bangladeshi context:

*“Union leaders and unions can best protect their management. It has been now gradually being proved that unionization is good for the investors, for the owners. [...] In the unrest of 2019, the unionized factories have not been vandalized, not been destroyed. This kind of vandalism happens more in non-unionized factories. Unionized factories are becoming now a new model to protect the industry at plant level. The image of trade unions, although they had earlier a bad reputation, is changing. That union is good, both for the country and for the management.” (Interview 06)*

The description of the relation between labour unrest, trade unionism and management interests illustrates that the potential gains of and motivations for social partnership differs heavily in the European/Swedish and the Bangladeshi context.

Regarding language, it is notable that terms such as ‘social partners’, prominent in the GFA documents and statements at the global level are not used by interviewees in Bangladesh. Instead, they refer to trade unions and to ‘owners’ for suppliers. Further, the term ‘collective bargaining’ was described as a preferred substitute for ‘social partnership’, declaring negotiations between parties with opposed interests as the central element.

The GFA mechanism has clearly shown some success. However, the establishment of social partnership through the GFA is confronted with substantial obstacles. Asked about the chances of dialog in an institutionalized manner, an interviewee attributes the limits of the process to the asymmetric power relations between the parties at the factory level:

*“[Establishing social dialog is] never just a process of sitting down and talk. It's about whether one party recognises the other as an adult, as someone that is equal to yourself. [...] It's never a simple process, it's a process of emancipation, of struggle, of establishing yourself as a party. And having the force even, if necessary, to make the other party listen to you. That force is often lacking, of course.” (Interview 11)*

Dialog between employer and workers requires a certain balance of power between the parties. Collective emancipatory struggles can help to establish at least communicational equity. If the like is not there, dialog can be a farce. An interviewee identifies basic conditions hindering unionisation and actual collaboration which are not and cannot be tackled by the NMCs:

*“This whole thing of creating an environment [for unionisation] and enabling it, is really not getting to the root of the problem. If you have brand purchasing practices and supplier management practices that are focused only on meeting the production target, at a cost that does not allow for humane working conditions, then you have core root conditions that are violated. Then on top of that to say ‘we will create an environment that enables freedom of association’ is really hypocritical. Because workers who are working all the time, under poverty wages, always being threatened with job loss cannot raise their voices. [...] You do not even have time, you're working overtime, you're working seven days a week. When are you even going to build a union? How are you ever going to access freedom of association? If you are told that you cannot even talk to another worker, if you cannot even raise your head from your machine because you have to keep on the target, how are you supposed to collectivize?” (Interview 13)*

Accordingly, trade unionism is not only a question of capacity building, reducing of preconceptions and establishing platforms for communication. Instead, the overall structural properties of garment production in low wage countries most often does not allow for workers’ engagement, leaving workers with little resources to raise their voice. While the working

relationship appears rather solid at the global and the NMC level, the situation at the factories is much more challenging. Asymmetric power relations in garment GPNs leave little room for social partnership.

## **5 The agreement and workers' power**

### **5.1 Containment of structural power resources**

Structural power plays an important role in two aspects of the GFA with ApparelCorp. First, in the context of its formation and the purpose of the agreement. Second, whenever the mechanism is activated. Both aspects are discussed in the following.

Structural power of workers in the GPNs of ApparelCorp and their ability to disrupt production was one motivation of the MNC to actively engage in the formation of the GFA. As lead firm in a GPN with short lead times and just-in-time production, ApparelCorp is particularly sensitive to supply chain disruptions. Disruptions together with the negative publicity resulting from protests have been identified as one driver for the formation of the agreement. However, compared to the G4S case, labour action on the ground did not explicitly aim for the formation of an agreement at the global level (McCallum 2013). Nevertheless, the interest of ApparelCorp's management in institutionalised industrial relations was at least partly triggered by labour agency on the ground and the publicity arising from its suppression.

Avoiding labour action is a major goal of the instrument. Especially horizontal escalation of issues and protest, spilling from one department to the whole factory or from one factory to another is to be avoided by resolving minor issues effectively. This already became apparent in the analysed documents, which ask for non-engagement in labour action. Further, the interviews show that ApparelCorp expects help from the GUF in establishing 'harmonious industrial relations', reducing the number of strikes in the GPN. The degree of violence and the low degree of success of labour action in Bangladesh explains why also trade unionists seek ways to avoid unrest. The containment of structural power resources, their non-activation or non-escalation, is simultaneously motivation for and purpose of the agreement.

The overall process of the GFA formation involving IndustriALL Global Union and the buyer ApparelCorp is comparable in one aspect to the one between ApparelCorp and UNI. In the earlier GFA, ApparelCorp experienced the signing of a GFA on the global scale as an effective

answer to the mobilisation of structural power resources outside of Europe. In both cases, the MNC HQ in cooperation with a GUF utilized the GFAs as a strategy of global labour governance to reduce conflict. However, in both cases the GFAs were not subject of the labour action itself. Considering pre-existing cooperation between trade unions and MNCs increases the chances of a GFA (Helfen, Schüßler, and Botzem 2015), the GFA between ApparelCorp and UNI might have paved the way for the one with IndustriALL.

The second point where structural power plays a major role in the GFA is in activating it. Both large-scale activations of the Bangladeshi NMC were triggered by labour agency. While the lack of knowledge of the GFA shows that the GFA does not necessarily reach the ground (Niforou 2012), cases of the mechanism improving the situation of workers do exist. The involvement of the NMC in Bangladesh was quantitatively most intense in the context of labour unrests in 2016 and 2019. Despite generally low levels of structural power resources, their mobilisation beyond associational structures (wildcat strikes) at the level of industrial parks and the sector preceded the intervention of the NMC. While the GFA influences power resources of workers, this result supports Gregoratti's and Brofenbrenner's claim that the effectiveness of GFAs greatly depends on pre-existing power resources of involved labour organisations (Gregoratti and Miller 2011, 98; Bronfenbrenner 2007, 218).

My findings show that accounting for the vertical GPN governance structure as well as the local power relations between capital and labour is key to understanding the structural power resources of workers. Just-in-time production and short lead times allow for effective disruptions and activation of structural power. However, properties of the vertical organisation of the GPN, like the asymmetrical governance structure, high volatility in orders and price squeeze also represent a root cause for the issues on the ground. On the local level, the powerful political position of Bangladeshi employers intertwining with state institutions such as the industrial police makes the mobilisation of structural power resources risky for workers. When unleashed, the structural force of workers may take on forms unknown in contemporary Europe, like factory vandalism.

To summarize, the GFA is designed to contain structural power resources and prevent horizontal escalation of conflicts. This is one major motivation of the MNC to engage in it. In cases of unavoidable unrest, the GFA structure seems to at least provide insights to ApparelCorp about labour action on the ground. At the same time, mobilisation of structural

power resources has proved to be a major trigger for the activation of the GFA mechanism in Bangladesh.

## **5.2 Access to institutional power resources**

This section describes the GFA's second function, providing access to institutional power resources in a unique way. To mitigate labour rights violations and solving industrial conflicts through the GFA mechanism, the leverage of the buyer ApparelCorp turned out to be central. As a lead firm with captive and relational supplier relations, ApparelCorp exerts inter-firm power over its suppliers and their employment relations. The GFA mechanism process entails workers activating the buyer's leverage in their interest. Upon notification by worker representatives, the buyer uses its leverage on the suppliers to enforce compliance with agreed standards. Like in the Boomerang model of transnational advocacy campaigning (Brookes 2017; Keck and Sikkink 1998), the case first is escalated to a higher scale and then travels back downstream to the factory.

Figure 2 illustrates the process of mitigation. The institutionalised mechanism of the GFA is staffed with representatives from the buyer, the GUF and national trade unions. The structure allows workers to communicate the problem to other scales of the GPN. Workers and trade unions at plant level escalate issues to the national NMC level, and at least theoretically beyond the national territory and up to the global management if no resolution can be found earlier. That way, labour rights violations follow a circular route (Figure 2, orange arrows). To understand the leverage of the buyer on the supplier as a central part of the mechanisms, the vertical inter-firm power dynamics are crucial.

Compared to transnational labour alliances with advocacy organisations, the described process is executed by more stable committees, it is more formalised and based on a negotiated contract. By setting rules and standards and establishing institutionalised forums of mitigation and resolution, the agreement allowed workers to improve their situation. Importantly, in contrast to the activation of typical transnational coalition power resources, the mitigation process takes place without engagement of consumer power or (foreign) state intervention. Instead, workers' organisations utilize the power of the buyer over the supplier is to enforce compliance.

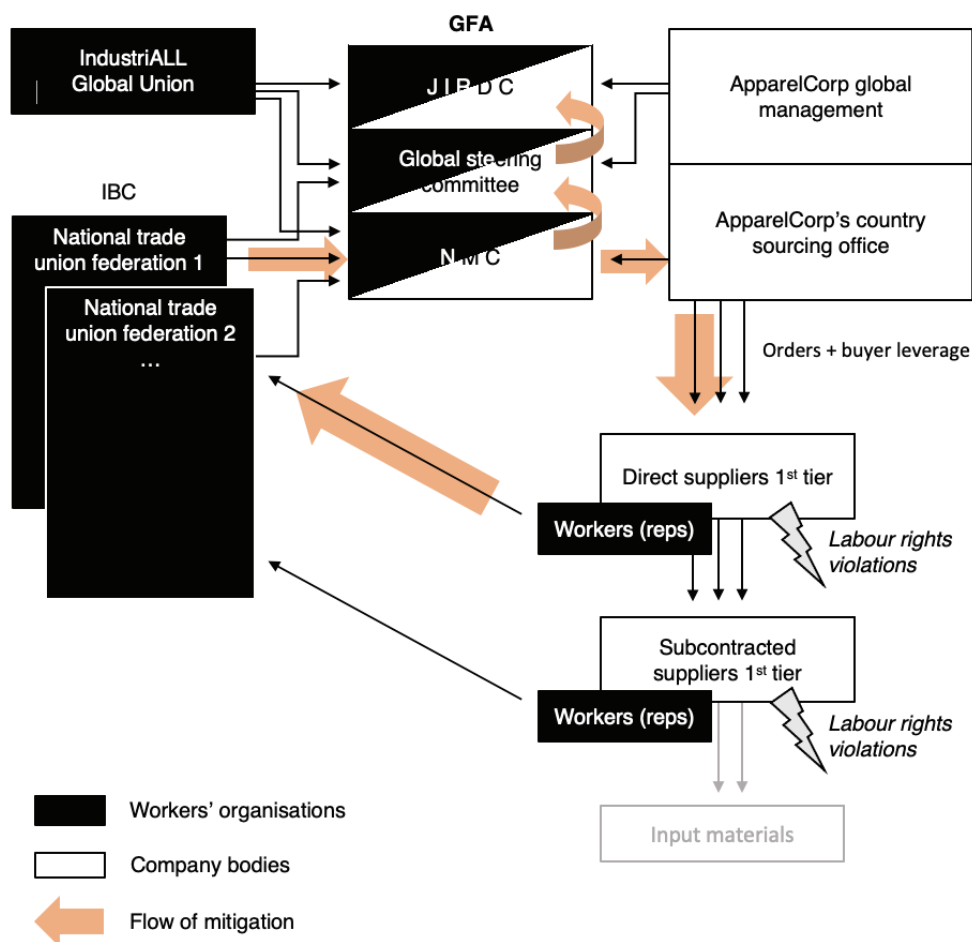
Fighting union busting, criminalisation of protest and non-compliance with local labour law, the GFA has proved to be a functioning institutional resource. This confirms Norpoth et al.'s findings from the early state of the GFA (Norpoth, Neset, and Kaltenborn 2020). For



Bangladesh, The GFA mechanism counted as an alternative and sometimes even preferential to traditional institutions such as the national labour court. Reports suggested the Bangladeshi state does not enforce compliance to labour standards to the extent desirable for local actors, partly due to the close relation between the government and factory owners. In this sense, the GFA establishes a non-state institutional arrangement capable of enforcing compliance with labour standards.

The activation of the institutionalised GFA mechanism further mobilizes associational power resources. By receiving assistance from the national trade union federation and directly or indirectly from the GUF, workers at the factory level use and enforce associational structures. As interviews indicate, having these institutional and associational structures and communicational channels to the buyer in place can already have a deterring effect on suppliers. As an effective institutionalized mechanism against cases of union busting, the GFA additionally provides space for organizing efforts on the ground. This lets local actors mobilize further associational power. Connecting to Niforou's conceptualisation of workers' leverage in the framework of multi-level governance, local bottom-up labour agency can create synergies through utilizing the institutionalized structure of the GFA at the global level (Niforou 2015). The GFA becomes a power resource improving the bargaining position of workers vis-à-vis their employers. In certain cases, the GFA enabled workers to voice their concerns to instances which might not be accessible via other channels. Thereby, the agreement positively influences the agency spaces of workers on the factory floor.

The institutionalised mechanism functions because ApparelCorp exploits its leverage on suppliers. However, it is difficult to conclude whether the corporation does everything in its power. The very low ratio of unionised factories in their supplier base sows doubt whether the company is sticking to its pledge to use all their leverage, especially considering it is the biggest company sourcing in Bangladesh. As Helfen, Schübler and Sydow demonstrate, lead firms are capable of managing multi-employer relations in GPNs through various management practices (Helfen, Schübler, and Sydow 2018). However, the interest in minimal costs and flexible production, leading to a price and sourcing squeeze, contradicts commitments to substantial change. In the context of the GFA, the asymmetry of vertical governance is the condition for its functioning, even if the problems it seeks to address are partly rooted in this asymmetry.



**Figure 2: Circular mitigation of labour standard violations in the GFA mechanism.**

Source: Author, based on interviews.

Note: Members of the different GFA committees are workers' organisations and ApparelCorp delegates. Cases of violation travel in a circular route (orange arrows). Curved arrows indicate the never activated institutionalised path of transnational escalation.

Despite the transnational functioning of the GFA, my findings indicate that ApparelCorp's institutionalized GFA mechanism currently does not create a "global arena" (Helfen and Fichter 2013) for labour negotiations. The structure appears to not offer any space for negotiating wage setting with the MNC on the national or global level. Instead, the mechanism concentrates on resolving disputes at the factory level. The research cannot confirm Norpoth et. al.'s hope that the GFA could function as a platform for discussing broader industry issues, such as changes

in employment contracts (Norpoth, Neset, and Kaltenborn 2020, 19). Instead, interviews revealed that this, at least in the Bangladesh context, is not happening. As the Covid-19 situation illustrates, such discussions rather take place within the ACT platform, if at all.

To summarize, the GFA provides access to institutional power resources beyond state institutions. Instead of functioning based on state power, the GFA mechanism is grounded in the powerful position of the buyer. The institutionalised channels of conflict resolution of the GFA have improved the situation of workers on certain occasions. It proved especially valuable in contexts where state institutions were unable or unwilling to enforce labour standards. Further, the mere hypothetical access to these channels, even if not activated, represents access to transnational power resources and therefore serves as a deterrent.

### **5.3 Governance of vertical escalation**

The expert interviews suggest that strategies of labour activism and transnational union work consist of vertical scales, such as the global, national and factory level with distinct as well as overlapping actors (Figure 3). The GFA and its nested implementation structure offers channels for workers' organisations to upscale issues to higher scales, theoretically up to the global management of the buyer. That way, the GFA displays a way for workers to access "an extra-locational dimension [of] workplace relations" (Merk 2009, 599) and vertically escalate their struggle as described in Figure 2.

While the escalation channel of the GFA has advantages in certain occasions, my investigation also reveals ambivalences. At least some workers' organisations possess transnational coalitional power resources through their ties to the Clean Clothes Campaign and other advocacy NGOs. One motivation for ApparelCorp to sign the GFA was to prevent the escalation of labour rights violations towards advocacy organisations in consumer markets. The involvement of advocacy organisations usually involves bad publicity for the brand, and avoiding it is presumably a central objective of ApparelCorp's CSR strategy.

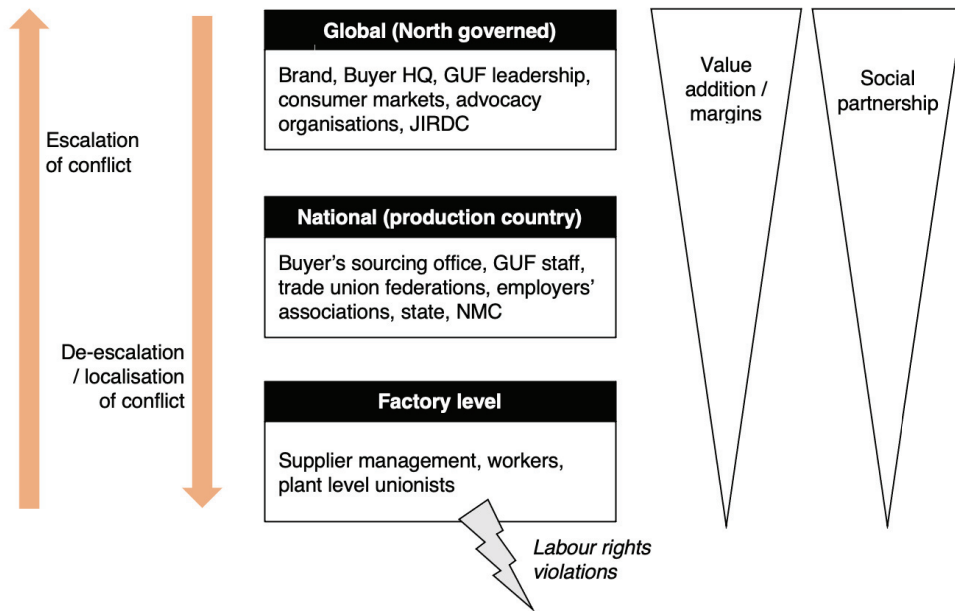
The GFA mechanism provides an alternative to channels of vertical escalation like the Urgent Appeal System of the Clean Clothes Campaign (Merk and Zajak 2019). Without the GFA, advocacy networks and the mobilisation of coalitional power probably represent the most available possibility for workers organisations to activate power resources beyond the local scale and reach the lead firm were. The GFA's provision of an institutionalised approach offering quick resolution, does not bar the route 'to go internationally', but this route becomes

less attractive for Bangladeshi labour activists. Maintaining close collaboration with trade union leaders in production countries, especially ones with international ties, ApparelCorp lowers the risk of vertical escalation to advocacy organisations.

The GFA mechanism is a channel of vertical escalation thoroughly entangled with the sourcing network of ApparelCorp. The committees of the GFA structure consist to 50% of lead firm representatives. On the one hand, this provides labour representatives the possibility to utilize the buyer's leverage to enforce employer compliance with labour standards. On the other hand, this allows ApparelCorp to not only gain insights on the state of escalation but also to a certain extent influence the escalation of the case. While ApparelCorp already governs commercial aspects within its GPN, the GFA structure provides an opportunity to increase governance of the social dimensions of production, especially industrial relations, and the vertical escalation of related CSR issues.

The nested hierarchy and its conflict resolution process is consistently designed to solve problems as close as possible to where they occur, i.e. always at the lowest scale possible. It identifies conflicts on the factory floor, preventing their upward escalation (Figure 3, orange arrows). This mirrors Miller's primacy of the employment relationship, privileging the local employment relationship over vertical buyer responsibility (Miller, Turner, and Grinter 2010). Connecting to the Smile curve describing the different levels of value addition at different geographic locations, the capital-labour conflict is kept at the location of tangible production in the Global South where labour control regimes are most unfavourable for workers (Anner 2015). In contrast, vertical escalation raises the issues to nodes of higher value addition and shifts responsibility and mitigation duties to the lead firm (see fourth column in Figure 3).

On the conceptual level, such 'localizing' of conflicts is closely connected to the identification of suppliers as the actors responsible for the occurrence of conflicts and for resolving them. In this sense, the GFA approach represents the opposite to the approach of ACT, which identifies changes in the buyers' sourcing practice as central for improvements on the ground. The GFA is signed by the MNC, but the agreement is less an act of accepting responsibility for labour right violations than it might seem.



**Figure 3: Scales in the GPN of ApparelCorp and the GFA mechanism.**

Source: Author

Note: Escalating the conflict involves higher scales such as the NMC at the national level or consumer markets and the MNC's global management (orange arrows). Localisation of conflict describes the opposite dynamic. The last two columns illustrate in a very simplified way the distribution of value addition and establishment of social partnership on the different scales, discussed in section 5.4.

To summarize, the GFA and its mechanism cannot only be conceptualised as the enabling structure described in section 5.2 but also as a tool establishing governance of vertical escalation. The escalation of violations is less in the hands of 'non-industrial' actors like NGOs and more militant activists and rather controlled by the buyer and state-registered unions and their federations. By providing institutionalised channels, the vertical escalation is governed by ApparelCorp and the GUF. While the GFA enables a certain form of vertical escalation, it also works towards minimising and restricting such vertical escalation within and beyond its implementation structure.

## 5.4 Lack of basic conditions for social partnership

As shown above, social partnership exists in very differing degrees at the various scales of ApparelCorp's GPN. Close collaboration clearly exists at the global scale of the GFA mechanism. Applying Fichter and McCallum's typology in the context of GFAs, the formation of the GFA followed a social partnership approach which is well established in Europe (Fichter and McCallum 2015). Despite Bangladesh having certain committees in place at the national level, studies show that social partnership does not function (Moazzem 2017; Shamsher and Åkerblom 2018). However, modes of close collaboration at the national level of the GFA mechanism in Bangladesh do occur. Platforms of social partnership are absent or non-functioning in many production countries on the state level, and therefore the GFA structure with its NMCs tries to fill this hole to some degree. At the factory level, social partnership is mostly missing. With reference to the value addition in GPNs and the Smile curve (Figure 1), social partnership seems to be the most established where value addition is highest and absent where value addition is lowest (see last two columns in Figure 3).

The central aim of the GFA is to establish harmonious collaboration and partnership at the factory level in ApparelCorp's GPN. The motivation to establish social partnership at the factory level involves several aspects. Labour organisations including the GUF aired the idea of improving working conditions through collaboration with employers. By working closely with the brand, the GUF gets access to suppliers. ApparelCorp representatives explained how the GFA mechanism can prevent the vertical escalation of conflicts towards consumer markets as well as horizontal escalation within the industry. By promoting social partnership at the factory level at its suppliers, ApparelCorp hopes for less violations of labour standards and an independent resolution of violations and conflicts on site. If conflicts are solved through debate – so the idea – less strikes and riots might occur and negatively influence ApparelCorp's supply with goods as well as the company's public reputation. In the terms of the PRA, the aim is to reduce the frequency of activation of structural and coalitional power resources. Further, by establishing collaboration and partnership at the national level in the NMCs, the interviews suggest the buyer gains insights on dynamics on the ground and anticipates CSR risks. Therefore, the NMCs also serve ApparelCorp as a monitoring tool for industrial relations.

ApparelCorp's strategy of fostering workers' representation especially makes sense in light of Wright's description of collective action problems (Wright 2000, 975ff). Massive labour rights violations, safety problems in their sourcing markets, and the bad reputation of countries like Bangladesh regarding working conditions became an increasing challenge for the retailer.

Conceptually, the problem is addressed in two ways. On the one hand, CSR standards are implemented at supplier sites, especially through external monitoring. On the other hand, programmes fostering trade unionism were developed, including the GFA. Following Wrights' scheme, stronger and more institutionalised trade unionism can help share the costs of changes in the market between employers. In this case, functioning trade unionism could distribute the financial burden of social upgrading could be distributed between buying competitors.

The interviews showed that the GFA aims for a transfer of a mode of industrial relations known from regions with state-institutionalised class-compromise in Europe to production countries. Interviewees refer to the partnership in Sweden and Germany as the goal. While the term social partnership was commonly used by interviewees at the global level, interviewees in Bangladesh preferred to talk about collective bargaining in the same contexts. This indicates a transplantation of the idea of social partnership into capital-labour relations in the Bangladeshi garment sector. Such transfer of industrial relations from lead firms down their supply chains has already been identified as an effect of GFAs in other sectors (Helfen, Schüßler, and Stevis 2016). While this endeavour problematic due to its eurocentrism, it is difficult to condemn it in all aspects. The relation between workers and factory owners in Bangladesh is characterised by neglect of workers' demands, union busting and violent repression of protest and facilitating certain forms of dialog thus a sensible goal. However, transferring a model of industrial relations from somewhere else must recognize underlying necessary conditions as well as local circumstances.

The analysis provides three aspects complicating the transfer of a system of industrial relations to factories in Bangladesh. Though all interconnected, they touch very different aspects and actors. First, social partnership in Europe historically developed in struggles and is now deeply embedded in the national state apparatus, in areas such as social and economic policy, and socio-cultural structures. Social partnership as a societal institution does not exist in Bangladesh. It is unlikely that the related cooperation at the factory level can be brought about by a global agreement with an MNC without wider societal change. Nevertheless, this argument has its limitations. Given the lack of institutions of social partnership, discarding any attempt of establishing dialog by default might not help.

Second, and probably more important is the fact that the asymmetries within GPNs of apparel, especially the distribution of added value and governance leaves almost no room for harmonious industrial relations at the production level. As the interviews revealed, short lead

times, low prices and excessive overtime resulting from these sourcing practises make organising, building trade unions and fighting for improvements extremely difficult. Even if forms of social dialog and collective bargaining are accomplished, negotiations achieve only very small gains. With the current distribution of value addition, there is very little to distribute at the factory level. While ApparelCorp introduces measures facilitating social partnership, the basic structure of its purchasing practices works against it. This is supported by previous analysis which found that ApparelCorp generally profits from producing in regions with low labour standards (Shen 2014, 6236).

Third, and partly connected to the preceding aspect, the current power relations between Bangladeshi employers and workers are not a good starting point for social partnership and class compromise to emerge. According to Wright's model discussed in section 1.2.4., social partnership only emerges as stable equilibrium if both parties, employers and workers, can improve their situation through cooperation. This presupposes a certain degree of workers' power, otherwise cooperation is not optimal for employers. Especially associational power and internal efficiency of trade unions are crucial here.

Considering the trade union density in the garment sector of Bangladesh is between 2% and 3%, PCs are frequently non-functional, and the labour market very loose, mutual gains through cooperation cannot be expected. Consequently, negative compromise or open opposition are the remaining options. In the first configuration, workers partly cooperate because they do not have another choice, and employers only cooperate to the very necessary extent. While the GFA mechanism increases the institutional power of workers in Bangladesh, it does not seem enough for a compromise and partnership to emerge. The other option is open opposition, a route sometimes chosen by workers in Bangladesh. In the light of the political power asymmetries in Bangladesh, institutions such as the industrial police and the very loose labour market, this option involve major risks and disadvantages for participating workers.

To summarize, the signatories have comprehensible motivations for working towards social partnership at the factory level, but this mode of employment relation lacks the necessary basic conditions in Bangladesh. In cooperating with the buyer, the GUF and participating trade unions are interested in improving working conditions and especially gaining leverage over supplier firms to tackle union busting. Through the cooperation, the buyer does not merely gain insights on activities on the ground but additionally has the possibility to use trade unionism to resolve collective action problems regarding social upgrading in the sector. However, three basic



conditions hinder the implementation of harmonious industrial relations through the GFA. First, social partnership as known from Europe is deeply integrated in societal and political structures and cannot be transferred in an isolated manner. Second, the distribution of added value and power in apparel GPNs leaves no room for social partnership at the production level. Third, the highly asymmetrical power relations between employers and workers in Bangladesh means cooperation is not a rational choice for employers. Following the model by Wright (2000), this situation inhibits partnership based on mutual, stable cooperation. The GFA mechanism is most likely unable to provide enough power resources to compensate for the imparity.

## Conclusion

The aim of this thesis was to situate a GFA within debates on labour agency and power relations in GPNs. I used the PRA as a theoretical lens to examine the GFA in the buyer driven production network of ApparelCorp, a global apparel retailer. More specifically, the thesis analysed how the power relations between employers and workers as well as between the buyer and its suppliers shape the GFA, and how the agreement affects these power relations. The geographical focus was Bangladesh. Main reasons for this choice were the country's production volume in the GPN and its leading position in the implementation of the agreement.

In the conceptual framework, I heuristically divided power into two dimensions and three areas of investigation. The dimensions were vertical intra-firm governance in the GPN on the one hand, and the power relations between workers, employers, and the state on the other. The areas of investigation comprised the formation of the agreement, its functioning, and its effect. For all three areas, the empirical research explored how power relations within the two power dimensions conditioned processes related to the GFA as well as the GFA's effect on these very power relations. To describe upscaling of labour conflicts and their local containment, I introduced the concept of horizontal and vertical escalation of labour conflicts, referring to the dimensions of the GPN.

The empirical findings allow for four major conclusions. First, structural power resources of workers in the GPN of ApparelCorp, their ability to disturb production, are relevant for the GFA in four ways. First, structural power was central in the formation of the agreement. Labour action represented one major motivation for ApparelCorp to sign the GFA. Second, the agreement and mechanism are intended to contain structural power resources and curtail

horizontal escalation of labour action. Third, the GFA structure informs ApparelCorp of unavoidable labour action on the ground. Fourth, the mobilisation of structural power resources activated large parts of cases the GFA mechanism dealt with. These aspects not only make clear that labour has at least some agency in the GPN of ApparelCorp, they also show that this agency is an important driver for buyers' engagement with labour rights violations on the ground.

Second, the research indicates that the GFA provides access to institutional power for workers at ApparelCorp's supplier factories in Bangladesh. The implementation structure of the agreement offers an institutionalised channel to react to labour rights violations. The mitigation process flows in a circular way, from workers in the factory to GFA committees and back to the factory floor. The buyer's leverage on its suppliers proved crucial for this process. Enforcing employer compliance, and as means to gaining union recognition, the mechanism partly functions as an alternative to weak state institutions. While the GFA platform turned out to be suitable for addressing and deterring certain kinds of conflicts, it does not provide space for wage setting or even industry-wide bargaining.

Third, the GFA does not only enable vertical escalation of labour conflicts, but at the same time governance of this process by the buyer. By offering to collaborate with trade unions in production countries and providing an institutionalised channel of conflict upscaling, the probability of vertical escalation via other channels such as advocacy organisations is diminished. The GFA does not only allow ApparelCorp to tackle labour rights issues behind closed committee doors. Even more important, ApparelCorp's substantial involvement in the mechanism of this 'new' form of vertical escalation means the lead firm can pursue its interest of minimising vertical escalation and keep issues at the local factory level. In abstract terms, the GFA oscillates between two poles, simultaneously empowering workers by offering access to institutional power resources and containing struggles locally.

Fourth, the social partnership aimed for at factory level lacks necessary conditions. The social partnership on the political level gating social partnership at the plant level in Europe does not exist in Bangladesh. It is unlikely that the GFA can change this. I argued that the power relations between employers and workers in Bangladesh do not provide the basis for stable cooperation between the parties. Substantial workers' power and associational density are necessary for cooperative behaviour to be the rational choice for employers and make social partnership a stable mode. The striking disparity between the parties leaves little chance of mutual gains from cooperation and thus makes partnership unlikely. Moreover, the current vertical power relations

in garment GPNs in combination with the distribution of value-added leaves little room for harmonious collaboration at the production level. These aspects might explain and can justify the Bangladeshi labour movement frequently favouring labour action over cooperation.

As a transnational instrument for securing labour rights, GFAs remain debatable. The overall effect of the GFA under examination on workers' organisations on the ground is double-edged, enabling and limiting agency spaces at the same time. The mechanism does not impact the power relations in GPNs sufficiently for the intended modes of social partnership to emerge. In fact, the GFA's focus on avoiding vertical escalation and containing the conflict at the lowest point of value addition in the Global South stabilises lead firm governance of the GPN while only barely involving global buyers in mitigation. Nevertheless, GFAs have several advantages compared to other approaches of global labour governance, mainly because they build on active engagement of workers and their organisations. GFAs can help workers on lower nodes of the GPN to raise their voice, respond to violations of standards, and sometimes realise enabling rights.

Future research should examine additional aspects and instruments of transnational labour agency and governance. To better understand the institutionalised nature of GFAs, a comparison with more grassroots driven networks such as the Asia Floor Wage Alliance could prove fruitful. Another promising avenue would be a detailed comparison of the GFA mechanism with the approach of ACT. The platform, initiated by IndustriALL Global Union, combines retailers' cooperation with trade unions with a shared commitment to changing purchasing practices. In this context, several large buyers pledge to pay more for the goods they buy (Ashwin et al. 2020).

ACT addresses the issue identified in the GFA of framing social partnership at the factory level as a solution to the problem of low wages. The approach of ACT includes financial commitments of buyers and thereby tries to solve the collective action problem distributing the costs of social upgrading. However, both instruments are likely to complement each other. The institutionalised mechanism emerged from the GFA with ApparelCorp provides an opportunity to register and address instances of basic labour right violations across the GPN. Therefore, it could be of great help for ensuring implementation of ACT commitments on the ground.

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## Appendix

### Appendix 1 ILO Conventions covered by the agreement

<b>ILO Convention</b>	<b>Ratified by Bangladesh</b>	<b>Part of the GFA</b>
<i>C001 Hours of Work (Industry) Convention</i>	•	•
<i>C014 Weekly Rest (Industry) Convention</i>	•	•
<i>C029 Forced Labour Convention</i>	•	•
<i>C087 Freedom of Association and Right to Organise Convention</i>	•	•
<i>C098 Right to Organise and Collective Bargaining Convention</i>	•	•
<i>C100 Equal Remuneration Convention</i>	•	•
<i>C105 Abolition of Forced Labour Convention</i>	•	•
<i>C106 Weekly Rest (Commerce and Offices) Convention</i>	•	•
<i>C111 Discrimination (Employment and Occupation) Convention</i>	•	•
<i>C182 Worst Forms of Child Labour Convention</i>	•	•
<i>C030 Hours of Work (Commerce and Offices)</i>		•
<i>C122 Employment Policy Convention</i>		•
<i>C131 Minimum Wage Fixing Convention</i>		•
<i>C135 Workers Representatives Convention</i>		•
<i>C138 Minimum Age Convention</i>		•
<i>C154 Collective Bargaining</i>		•
<i>C155 Occupational Safety and Health Convention</i>		•
<i>C159 Vocational Rehabilitation and Employment Convention</i>		•
<i>C175 Part Time Work Convention</i>		•
<i>C183 Maternity Protection Convention</i>		•

#### **ILO Conventions included in ApparelCorp's GFA and ratified by Bangladesh.**

Source: Author's compilation based on (ApparelCorp, IndustriALL, and IF Metall 2015) and (International Labour Organization 2020b).

## Appendix 2 List of interviews

<b>Representatives ApparelCorp</b>	• Supranational level	Interview 01
	• Bangladesh level	Interview 02
<b>Representatives of workers' organisations involved in GFA implementation</b>	• Supranational level	Interview 03
		Interview 04
		Interview 05
		Interview 06
		Interview 07
	• Bangladesh level	Interview 08
		Interview 09
		Interview 10
<b>Representatives of organisations not directly involved in GFA implementation</b>	• Supranational level	Interview 11
		Interview 12
		Interview 13
	• Bangladesh level	Interview 14
		Interview 15
		Interview 16
		Interview 17
		Interview 18

### List of interviewees.

Note: The categories 'Supranational level' and 'Bangladesh level' refers to the content the interviews shared in the conversations. The categorization must be understood as representing tendencies as many interviewees operate on different scales simultaneously. All interviewees labelled as 'Bangladesh level' are local representatives and experts. Gender distribution women-men is 8-10.