13 The evolving politics of labour standards in Bangladesh: taking stock and looking forward

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Introduction

In this chapter, I provide a brief history of more than three decades of national and international efforts to improve labour standards for workers in the Bangladesh export garment industry. I will examine the different forms it took in different phases of this history and will conclude with some comments on the future of the industry. As someone who has been carrying out research on the industry on and off almost since its inception, I will be drawing on my own findings as well as the wider literature to narrate this history.

Any account of achievements and failures in the efforts to improve labour standards in the Bangladesh industry has to be embedded in the wider context in which it is located because it helps us to understand why working conditions continue to fall short of international conventions and national regulations. While the country faces the typical difficulties of any underdeveloped country with a very limited history of industrialization, it has been given unusual prominence in international efforts to promote labour standards in global value chains. For this reason, it provides an important case study of the challenges encountered by these efforts when the apparent protectionism of powerful global actors encounters the apparent intransigence of those with relative power at the local level.

The emergence of the export garment industry in Bangladesh

The fact that protectionism is a major theme in this chapter is to be expected. It is dealing with a sector of manufacturing that has long been granted protected status in international trade by advanced industrialized countries, despite their stated commitment to trade liberalization. The General Agreement on Tariffs and Trade (GATT) was set up in 1948 precisely to promote this objective through the gradual reduction of barriers to trade. By 1974, tariffs on trade had been reduced from an average of 40% in the immediate post-war period to 6% in 1974 (World Bank, 1987). However, that same year, trade in garments and textiles was removed from the trade liberalization framework of GATT and placed under the framework of the Multi-Fibre Arrangement (MFA) signed by the USA, Canada and a number of European countries.

The MFA was originally represented as a short-term measure to 'facilitate' the process of trade liberalization by allowing signatory countries time to make an orderly adjustment to rising imports from the fast-growing East Asian economies. In fact, it turned into a longer-term measure, which was renewed every four years on increasingly restrictive terms until it was finally phased out in 2005. Under the MFA's 'anti-surge' clause, signatory countries were allowed to impose quotas on items imported from another country if the annual rate of growth in imports in these items exceeded 6% a year. However, in recognition of their particular development needs, the MFA allowed exemption from these quotas for imports from poorer developing countries.

The recession that followed the oil price hikes in the early 1970s led several countries to invoke MFA quotas, primarily to curb imports from East Asian countries. At the same time, a number of their trade unions began to lobby for the insertion of a social clause into the rules of the MFA. This would allow sanctions against countries whose exports were made in conditions that violated internationally agreed labour standards. Although efforts to link trade sanctions to labour standards were over a century old, the renewed interest in the social clause was a response to re-emergence of structural unemployment in advanced industrial countries (Bairoch, 1999).

The imposition of quotas gave rise to the practice of 'quota hopping' as East Asian capital went in search of new low-wage sites which were still 'quota-free'. The export garment manufacturing industry in Bangladesh emerged as a result of this practice. A small number of subcontracting factories were set up in the country by the late 1970s with the assistance of South Korean capital and know-how. Expansion in the early years was slow so that even in 1983, there were only 47 such units in the country.

This changed with the adoption of the 1982 New Industrial Policy by the Bangladesh government, which, in conformity with IMF conditionalities, adopted a strategy of export-oriented growth. The nascent garment industry was seen as a viable alternative source of foreign exchange to the country's declining jute industry. Various incentives were offered by the government to encourage local entrepreneurs to invest in the industry. Combined with low capital requirements and an apparently unlimited supply of poor female labour unable to find work in the countryside, the industry offered the prospect of easy profits. In the absence of purpose-built industrial centres, factories were opened wherever space could be rented, very often in residential buildings. The industry had expanded to 700 factories by 1985 and grew rapidly thereafter. Estimates of the number of jobs created varied between 80,000 and 250,000 in 1985, but it was generally agreed that 85% of them were held by women (World Bank, 1990).

Despite the ad hoc beginnings of the industry, garment employers were able to organize themselves very early on to deal with the challenges of operating in the global economy, setting up the Bangladesh Garment Manufacturing Exporters Association (BGMEA) in 1987. The close relationship between the BGMEA and successive governments has allowed it to extract various concessions from successive governments as well to exercise a certain degree of autonomy in the governance of the industry (Khan, 2013).

By contrast, there was very little effort by the state to support labour in the industry. Existing labour legislation, which included around 51 labour laws, had been inherited largely intact from the days of

British rule, applied only to 3% of the workforce that were in the formal sector (Mondol 2002: 121). Provisions for labour inspections to ensure compliance with national regulations were minimal as were efforts to enforce the international conventions on labour that the government signed up to.

While the right to form unions was recognized by law, it was subject to various bureaucratic obstacles, including a 30% membership threshold requirement to register a new union. As a result, trade unions were virtually absent, not only from the garment industry but from the economy at large. Trade union membership accounted for less than 5% of the total workforce and only one-third of the formal workforce (Mondol 2002: 121).

Other factors contributed to the low levels of unionism in the garment sector. One was the hostility of employers who regarded them as a disruptive force and sought either to co-opt them through paternalistic relationships or to repress them through a range of coercive tactics. The other was the fact that the unions did indeed have a history of disruptive politics. The major unions in the country were affiliated to its main political parties and partisan interests generally dominated over those of their membership (Rahman and Langford, 2012).

Given the absence of a history of industrial development, an industrial work force and an independent trade union movement, both employers and workers constructed their relationships in the emerging export garment industry along the informal lines which prevailed in the rest of the economy. As a result, great deal of the industry was characterized by the absence of written contracts and by the routine violations of health and safety regulations, long hours of overtime often without pay, low levels of unionization and high rates of turnover in the work force. Not surprisingly Bangladesh began to feature prominently in the concerns expressed at international level about working conditions in the export garment sector.

The MFA and the call for quotas

The Bangladesh industry had its first encounter with these concerns almost as soon as it took off. In 1985, Britain, France and the USA all invoked the 'anti-surge' clause of the MFA to impose quotas on clothing imports from Bangladesh. They argued that the rapidity with which these imports had grown was threatening to disrupt the domestic markets of these countries. The imposition of quotas was extremely punishing for an industry that was still in its infancy: 'Shipments of garments were stopped on their way to the docks, investors panicked and the bottom fell out of the booming market. With no experience of quotas and no system in place to manage them, there was chaos' (Jackson, 1992, p. 29). As quota-induced uncertainty spread, around two-thirds of the factories closed down within three months and over 100,000 women workers had been thrown out of work (Ahmed and Rahman, 1991, cited in Jackson, 1992).

Within the UK, views supporting and opposing quotas divided along predictable lines. Associations of UK garment employers, trade unions and the Labour Party, which was then in opposition, argued in favour of renewing the MFA on more restrictive terms to insulate the domestic industry while it underwent a process of planned restructuring. They also favoured the introduction of a social clause in trade agreements to penalize countries which violated labour standards, arguing that the extremely exploitative conditions which prevailed in Third World factories gave their employers an unfair advantage in the international market.

The opposition to a restrictive MFA came from the Thatcher government, then in power in the UK, who strongly espoused a free market philosophy. It pointed out that the restrictive practices permitted by the MFA militated against the efficient allocation of resources along lines of comparative advantage and represented a net cost to British consumer, who had to pay for more expensive locally produced goods.

Opposition also came from sections of civil society but on somewhat different grounds. The World Development Movement (WDM) in Britain launched an influential campaign against the imposition of any quotas on imports from the 50 poorest countries of the world (Jackson, 1992). It argued that the production of clothing and textiles for a wider export market offered a promising and indeed, at that time, the only route, out of the 'trade trap' which bound so many poor countries into dependence on a limited range of primary commodities whose prices on world market had been in steady decline. It also pointed out that although 'cheap imports from the Third World' were frequently cited as the major cause of job losses in Britain, fuelling public and political support for an ever-more restrictive MFA stance towards the Third World, the major factor in job losses was the prevailing economic climate in which crippling interest rates, a soaring exchange rate and slump in domestic demand had all adversely affected domestic production, employment and capacity.

Around this time, and broadly in support of the WDM position, a number of us became involved in a campaign organized by Tower Hamlets International Solidarity, a group based in the East End of London, the heart of the British clothing industry. In a report by the group, which was co-authored by Nick Chisolm, Swasti Mitter, Stuart Howard and myself (1986), we argued that that the quota system symbolized the way in which powerful countries not only wrote 'the rules of the game' in international trade, but interpreted them in their own interests. Bangladesh, for instance, was an obvious candidate for exemption from anti-surge quotas under the special provision of the MFA which required participating countries to be conscious of the problems posed by quota restrictions on exports from poorer countries. It was at the time one of the world's poorest countries, second only to Ethiopia, with an annual per capita income of $150, less than one-hundredth of that of the USA.[1] Moreover, the 'surges' in question started from a very low base. In the UK, for instance, the rate of growth in imports from Bangladesh had indeed exceeded 6% permitted under the MFA, but in actual terms, it took Bangladesh's share of total clothing imports into Britain from a mere 0.01 of total imports in 1980 to 0.11 in 1985, a share that was totally dwarfed at all times by the more established suppliers (Jackson, 1992).

We called for a renewal of the MFA on terms which would facilitate a planned restructuring of the UK clothing industry to improve its own working conditions and adjust to growing competition from cheaper import. We also supported the continuation of special provisions to encourage industry in the poorest countries. In addition, we supported the call by the Trade Union Congress for a social clause in international trade agreements in order to strengthen the ability of workers' organizations in lower wage economies to resist exploitation – but we added that the role of the international labour movement should be one of solidarity rather than covert support for protectionism.

The outcry against quotas on clothing imports from Bangladesh led to them being lifted by Britain and France in 1986. By contrast, almost all items of ready-made garments exported to the USA, and many into Canada, continued to be governed by quotas.

The campaign against the quotas gave me my first encounter with the power of symbolic politics, the use of words, metaphors and images to frame particular arguments in ways that increased their persuasive power, regardless of what bearing they had on the realities they claimed to depict. For instance, the support of the UK trade unions for quotas on imports from developing countries was justified at the time in terms of their opposition to the exploitation of 'cheap' Third World women workers. Elson (1983) provided a perceptive deconstruction of the meanings embedded in this persistent, and stigmatizing, equation of 'Third World women' with 'cheap labour'. She noted how the equation served to legitimize demands by workers in the First World for greater protection from 'unfair competition':

> Women workers in the Third World are often stigmatised as 'cheap labour', willing to work in appalling conditions which undermines the position of women workers in the First World countries of North America, Western Europe and Australasia. There is often a feeling that Third World women are at fault; that they won't stand up for their rights, and thus jeopardise any attempt by women in the First World to stand up for theirs. Tighter restrictions on imports of garments and textiles are often seen as the only strategy for women in the First World to protect themselves against the supposed menace of 'cheap labour' founded on 'oriental submissiveness'.
>
> (p. 6)

She went on to point to the pejorative subtext of the discourse of 'cheap labour':

> The term 'cheap labour' carries with it condemnation of the workers themselves. There is something of an implication that workers who are cheap labour must be lacking in self-respect. … Frequently, it also has racist implications when applied to non-white people – the implication that people of colour are 'cheap labour' because they are culturally backward. When used to describe women in the Third World (or of Third World origin) sexism and racism are often combined – as in the myth of the submissive Oriental girl.
>
> (p. 10)

This form of symbolic politics, with its persistent tendency to conflate the characteristics of work at the lower end of the global value chain with the characteristics of workers who did it, has, as this chapter argues, remained the hallmark of Northern-led campaigns to promote labour standards in developing countries.

My own position on the social clause shifted after I carried out detailed qualitative research in 1988 with some of the women who were working in the export garment industry (Kabeer, 2000). It was not simply that their accounts of their lives and struggles bore no relationship to the stereotypes of docile victims that would be regularly invoked in the international politics of representation. Certainly, these women had been drawn into the industry because it promised a better option to working for a casual daily wage in the fields or other people's home, the only other options available to women with little or no education. Certainly, they had defied patriarchal traditions that required them to remain secluded within the shelter of the home and dependent on a male breadwinner for their entire life course. And certainly they were able to carve out some degree of agency and a better life for themselves and their families, despite the exploitative conditions under which they had to work. But much more importantly, it had become clear to many of us that that the growing support for the social clause among influential sections of the international labour movement was, for all its rhetoric of compassion and solidarity, motivated by protectionism.

The Harkin Bill: protecting children or protecting jobs?

The next major controversy to hit the Bangladesh industry came hard on the heels of the quota campaign. The neo-liberal policies promoted by the Thatcher government in the UK were mirrored in the policies of the Reagan administration. They led to a decline in manufacturing jobs in the USA, as these jobs were moved to low-wage, non-unionized offshore locations, and to a decline in union membership. The AFL-CIO (American Federation of Labour-Congress of Industrial Organizations), the leading federation of US unions, had begun to lobby sympathetic politicians for protectionist trade measures to halt this movement of jobs. In August 1992, in response to these efforts, Senator Harkin of Iowa introduced the Child Labour Deterrence Bill into the US Senate to ban imports into the USA of any products made partly or wholly with child labour. The bill combined a concern with the rights of the child with the assertion that 'adult workers in the USA and other developed countries should not have their jobs imperilled by imports produced by child labour in developing countries' (cited in Brooks, 2007: p. 6).

American unions had already been drawing attention to the issue of child labour in the Bangladesh industry and in December 2002, NBC aired a programme on the use of child labour in Bangladeshi factories that supplied Walmart (Nielsen, 2005). Along with its concern for these children, the programme also promoted another message. This was communicated by a prominent American trade unionist who appeared on the programme to declare: 'for every child working in a Bangladesh garment factory, there is an adult American out of a job'.

The programme was described by observers on the ground as a 'highly unbalanced and sensationalised account' of the situation of children in the garment industry (Bissell and Sobhan, 1996) but it had the desired effect. Various supporters of the Harkin Bill, which included AAFLI (Asian-American Free Labour Institute), the international division of AFL-CIO as well as the US Child Labour Coalition were able to mobilize public opinion behind the call for a boycott of Bangladeshi clothing imports.

Employers reacted immediately to this unwelcome publicity, laying off child workers *en masse*. It quickly became clear to development organizations within Bangladesh that this would not end child labour, but merely push it into far more hazardous and exploitative forms of work (Boyden, 2003; Bissell and Sobhan, 1996). Concern with the fate of retrenched children led United Nations International Children's Emergency Fund and a number of local non-governmental agencies to call for some kind of 'holding' operation until a more satisfactory alternative to immediate dismissal could be worked out.

After prolonged negotiations, in which the BGMEA participated on condition that AAFLI was excluded, an agreement was arrived at (Nielson, 2005). However, the final memorandum that was signed by the BGMEA, the ILO and UNICEF was not the one that met with the unanimous approval of all three signatories. Their preferred version would have permitted some light, part-time regulated factory work for children in the 12–14 age group along with school attendance. However, this was rejected by US buyers because of 'the perceptions of the Western consuming public' who, it was claimed, would be satisfied only with the complete elimination of all child labour from the factories Bissell and Sobhan, 1996)).

'Unfair' trade: debating the social clause

elson has pointed out, the themes that played out during this episode in the history of Bangladesh's export garment industry were reproduced in broader debates about the social clause that **were being played out** in international forums. Arguments made by US unions in favour of the social clause routinely drew on working conditions and workers in the Bangladesh industry to bolster their case. Thus US trade union leaders seeking to make their case for the social clause referred contemptuously to the 'culturally passive Islamic women toiling 60 hours a week and making less than $30 a month' to swell the profits of US corporations (Collingsworth et al., 1994: p. 8).

At the same time, the issues raised by the case of child labour in the Bangladesh industry were cited by Rao (1999), an advocate of the social clause, as an example of its counterproductive potential when their consequences for workers had not been thought through:

> A social clause that forces employers to improve labour standards would necessitate greater investment in human resources. If employers are not willing to do this or if wages rise, they may resort to greater mechanisation in order to cut down on labour costs. Labour will then be displaced. In other words, there may be a trade-off between the right to better labour standards and the right to work.

In 1995 the newly established World Trade Organization took over from GATT in setting the rules for international trade. The decision had already been taken that the MFA would be phased out by 2005 and the WTO would become responsible for regulating the trade in garment and textiles. The US government led demands at the very first WTO ministerial meeting in 1996 for the insertion of a social clause into WTO rules so that it could exercise oversight of labour standards in exporting countries.

In a review of the debates about the social clause, Pahle (2010) uses as his point of departure the attempt by Van Roozendaal (2002) to pose the divisions between supporters and opponents in terms of a clear-cut ideological dichotomy between interventionist and neo-liberal politics. The reality, as he notes, is far more complex.

There is no doubt that advocates of neo-liberal policies were adamantly opposed to the social clause on the grounds that linking labour standards to trade agreements would distort market forces and erode the comparative advantage of labour-abundant, low-wage economies in the Global South (Bhagwati, 1996). This position was also supported by many governments in the Global South on grounds which echoed the arguments of neoclassical economists but also added concerns about national sovereignty into the mix.

Those in favour of the social clause included a larger number of Northern governments and trade unions, the latter led by the International Confederation of Free Trade Unions (ICFTU), the global voice of organized labour in these debates. The ICFTU had sought to frame the social clause as a measure to uphold basic labour rights of workers within international trade in order to prevent a 'race to the welfare bottom'. The question that Pahle set out to investigate was why, in spite of the ICFTU having conducted 'the most wide-ranging [campaign] in the history of the union movement' (ICFTU, 1999 cited in Pahle, 2010) in support of this position, it 'failed to secure sufficient support for the proposal from its own southern constituents, and from civil society more broadly' (Pahle, p. 390). Why was a proposal that it saw as a kind of 'freedom fighter' on behalf of workers in the Global South regarded by the representatives of these workers as more akin to a 'terrorist'.

He suggests that a major factor behind this outcome was that the most powerful Northern trade unions and the AFL-CIO, in particular, were not at all wedded to the ICFTU position. Their support for the social clause was as a protectionist trade measure that would help to lessen the effects of 'unfair' trade on workers in the north. As Pahle notes, the concept of 'unfair' trade within US trade policy referred unequivocally to what foreign competitors' practices did to US firms and their workers, not to the effects of these practices on firms and workers within the competitors' own national contexts. Consequently, the support of US unions for upholding labour standards in the low-wage economies of the Global South were consistently couched in terms of the interests of American workers – the argument that had featured in the case of the Harkin Bill – making it difficult for the alternative framing of fair trade to defend workers' rights to gain much purchase in the international debates.

It was the dominance of this protectionist framing of social clause arguments over the solidaristic one that explains why resistance to the social clause went beyond governments of developing countries to many trade unions, non-governmental organizations as well as progressive academics. For instance, Bhattacharya (1996), a Bangladeshi economist not known for his neoclassical/neo-liberal sentiments, criticized the steady rise of 'neo-protectionism' by advanced industrialized countries in the shape of 'non-tariff' barriers which explicitly targeted those labour-intensive products in which developing countries had a competitive advantage. He pointed to the MFA as one example of such barriers, the proposed social clause as another.

The intensity of the opposition to the social clause in the run-up to the WTO Ministerial Conference in Seattle, 1999 brought together an unexpected coalition of southern trade unions, civil society organizations, think tanks as well as a number of neoclassical, institutionalist as well as feminist scholars who signed the 'Third World Intellectuals and NGOs Statement against Linkage' (TWIN-SAL) (1999).[2] They declared their unambiguous opposition to the linkage of labour and environmental standards to WTO and trade treaties and took issue with attempts to represent their position in terms of corporate interests and malign governments. They acknowledged that many who supported the social clause may have been sincere and well-intentioned in their concerns about workers' rights but charged that their legitimate concerns were being 'contaminated' by powerful protectionist lobbies who sought to blunt international competition from developing countries by raising their costs of production.

They suggested that failure to reach agreement on the social clause reflected the fact that it was an attempt to use the WTO to achieve two very different objectives: the liberalization of trade and the advancement of social agendas. They supported the idea that the WTO be tasked with the liberalization agenda while recommending that appropriate international organizations, such as the ILO and UNICEF, be made responsible for the social agenda along with civil society organizations in developing countries.

The TWIN-SAL statement also touched on other concerns which had been expressed by those who opposed the social clause. One was the hypocrisy of countries that were calling for the social clause despite evidence that their own track record on labour rights was extremely flawed. For instance only 12% of US labour force was in trade unions at the time, due in no small part to restrictive legislation dismantling workers' rights in that country. Moreover, the USA had systematically failed to sign key ILO conventions on labour rights, including the clause on forced labour, continuing to use prison labour in the manufacture of goods in a violation of ILO conventions. There was also a concern about how asymmetries of power in the international trading system would play out within the WTO. Could smaller, less powerful countries like Bangladesh use the WTO's dispute settlement procedures to demand trade sanctions against the USA for its violation of ILO conventions? What would be the political fallout from doing so (Raghavan, 1996; Thoene, 2014)?

Efforts to incorporate a workers' rights clause into the WTO were defeated at the Ministerial Conference at Doha in 2001 and debates about the issue died down, at least within multilateral trade forums. But the USA increasingly incorporated provisions about labour standards into its bilateral agreements with its trading partners.

Campaigning for corporate social responsibility

While Northern trade unions led advocacy in favour of linking trade and labour standards in international forums, they were also active in the street-level politics of the anti-sweatshop movement which took off in the 1990s. Mainly based in the USA, the movement brought together trade unions, consumer groups, church groups, human rights activists, students and others with the aim of mobilizing consumer outrage about the conditions in which their garments were made in order to put pressure on global brands and buyers to take greater responsibility for working conditions in the factories from which they sourced their garments.

Their strategy to achieve this relied heavily on the politics of representation in a particularly negative form: 'a language of horror, of sensationalized narratives generalized from individual stories that may or may not be representative' (Siddiqi, 2009) but which was crafted to 'inflame' (Ross, 1997, p. 10) the conscience of consumers in the north. Their relentless focus on the victimhood of women and children working in global value chains was not accidental. Research into consumer behaviour had suggested that it was far easier to persuade consumers to avoid commodities that had been produced under negative conditions than to seek out those that had been produced in conditions that respect workers' rights (Elliot and Freeman, 2003). This meant that anti-sweatshop discourses were most likely to be effective in their pressure to get corporations to act when they framed women workers in the Global South as victims of ruthless global capitalism than as agents capable of protesting their conditions of work in solidarity with others.

In a collection of articles brought together to mark the 'Year of the Sweatshop', Bangladeshi workers made an appearance in a particularly sensationalized form. Elinor Spielberg (1997), who was associated with UNITE, the garment workers union within AFL-CIO, offered a contribution based on what appeared to have been a brief and cursory visit to the country in 1994. She began her account with the extraordinary claim that 'there's a saying among the girls in the slums of Bangladesh: if you are lucky, you'll be a prostitute – if you're unlucky, you'll be a garment worker' (p. 113). Despite having done extensive research with garment workers by then, I had found no evidence for this saying either in my own research (Kabeer, 2000) or among other researchers and activists who had been working in the urban slums of Bangladesh for many years (a point also made by Siddiqi, 2009). As in many other countries in the world, particularly in sexually conservative societies like Bangladesh, prostitution remains possibly the most socially stigmatized of occupations.

Spielberg goes onto make a number of other extraordinary statements about the garment workers she met but what stands out among these is her detailed description of the condition of the *feet* of a young garment she encountered, a description she links, improbably, to working conditions in the girl's garment factory:

> Whatever early malnutrition had started doing to her chances of marriage, the garment trade had finished off. The mind cannot register, in the first few seconds, that these appendages are attached to a creature that walks upright on the ground. They have flattened and spread out to such a degree they seem more suited to one that propels itself in the water. Like fins. Like flounders, but curved in toward each other: bottom fish that got trapped, and grew, inside a kidney-shaped pan. The mind tries to grasp hold of something more noble,

> something scientific perhaps, to explain why a child, a child who is now admiring her new plastic bangles and smoothing the hem of her best dress, has been cursed with feet like that on which to toil. Compensation: now that's a scientific word. The bones of her feet were too weak to support the weight of the body, so they accommodated the floor.
>
> (p. 114)

While the kind of malnutrition she describes is widespread among poorer children, particularly girls, in Bangladesh, it reflects economic deprivation and gender discrimination since birth in an underdeveloped and patriarchal society rather than the effects of a few years' work in the garment industry. Its inclusion in her account helps to establish her credentials as a caring moral being but it reduces the young girl to the status of 'a creature', almost a different species, while testifying to the dehumanizing conditions that her union claimed to be campaigning against.

The anti-sweatshop movement has, without doubt, been extremely effective in raising awareness among Northern consumers about the conditions in which their clothes were made and helping to invest private acts of consumption with political meaning (Balsiger, 2010). Moreover, it has had an impact beyond the transnational corporations (TNCs) that were the direct targets of their campaigns. Today most corporations with a brand image to protect seek to pre-empt such campaigns by building their own reputation for corporate social responsibility. This has generally entailed developing their own codes of conduct, based on some or all of the ILO's 'core labour standards', and incorporating them into contracts with their suppliers in low-wage economies.

National regulation and corporate codes of conduct

By the late 1990s, Bangladesh industry had experienced the same proliferation of corporate codes of conduct that was occurring in supplier factories across global value chains. Bangladeshi employers were also beginning to realize that compliance with these codes was becoming as important for their ability to compete in global markets as low labour costs and capacity to deliver on time. There was also evidence that the government was making efforts to improve the national regulatory framework, albeit very slowly. A commission had been set up in 1992 with a view to developing a unified labour legislation that would cover workers in both formal and informal sectors. The draft code was drawn up in 1994, but it is indicative of the obstacles it encountered that it was not till 2006 that the law was finalized.

The new legislation included a number of important measures relating to wages and working condition of workers in Bangladesh but it had many shortcomings, including continued restrictions relating to the formation of trade unions. To compensate for the absence of unions, it required employers of establishments with more than 50 workers to set up participation committees, made up of representatives of management and of workers, the latter either nominated by management or elected by workers. This was intended as a platform for social dialogue between management and workers as well as to encourage various forms of training, monitor application of labour laws and ensure production targets were met.

In order to find out whether these various efforts had resulted in progress on workers' rights and working conditions, Simeen Mahmud and I undertook a number of studies between 2000 and 2006. We carried out a survey in 2001 to compare how workers fared in export garment factories and in informal wage labour in urban areas, their most likely alternative. We found evidence of improvement in working conditions in the garment sector, more markedly in the EPZs, where factories were more likely to be joint ventures but also in locally owned factories. These relate mainly to paid leave, maternity leave, overtime pay and medical care. In comparison to informal wage workers, they were more likely to report paid leave, maternity leave, overtime pay and medical care. They also earned more, and while they worked longer hours, they were much less likely to have been without work in the past year and more likely to report an increase in their income. However, there were two telling indicators of the limits to what had been achieved: less than 5% of the garment workers reported a presence of a trade union in their workplace and only around 20% had heard of the country's labour laws (Kabeer and Mahmud 2004a).

We also carried out qualitative research with various stakeholders in the garment industry in 2004 (Mahmud and Kabeer, 2006). Our interviews with employers suggested that while membership of the BGMEA had helped to formalize their relationships with each other and with the state, their relationships with their workers remained rooted in the culture of the informal economy. Some had been shamed into improving working conditions by the negative image that the industry had acquired in the international arena but they were a minority.

Many of the employers we interviewed expressed the belief that their workers had no discipline and did not expect or deserve to be treated like a formal work force: '…they don't like to work under any rules. They work for some days, if they need to go home they leave without any notice and come back to join another factory' (p. 232). Yet these employers had benefited as a group from considerable state support, more than any other group of employers and, according to the laws of the country, they owed a great deal more to their workers than the simple generation of jobs. Seen in this light, corporate codes of conduct could be interpreted as attempts on the part of international buyers to enforce the social responsibility obligations of their suppliers, given their failure to do so voluntarily and the failure of the state to compel them.

From the employers' perspective, on the other hand, corporate codes of conduct were simply another set of conditions imposed by global brands and buyers, along with production deadlines and quality control, the costs of which they were forced to bear in order to stay in business. They saw the codes as a public relations exercise on the part of global brands that were concerned about their public image so as to maintain a facade of social responsibility for their consumers while covertly passing the cost of compliance onto their suppliers. They complained with bitterness about the double standards of companies who combined their demands for increasingly onerous and expensive quality and labour standards with a steady reduction in the prices they offered to their producers. As one employer who has been in the industry for many years commented:

> There is no such thing as a permanent contract in this business. None of the buyers will give you a permanent contract and say okay, we have booked orders with your factory for at least

> the next two years…. They will work from contract to contract and demand shorter and shorter delivery times.
>
> (p. 233)

Thus, if local suppliers profited from keeping their relationships with their workers as informal as possible, using the threat of dismissal to discipline their workers, international buyers in turn exercised their monopsony-like power in the global market for clothing to keep their relationship with their producers as informal as possible, using the constant threat of relocation to create a permanent condition of insecurity among suppliers across the world.

Nor did we find much grounds for hope that the main trade unions in the country would step in on behalf of workers. As Dannecker had noted in her research, many of their leaders viewed female garment workers as passive products of rural backgrounds, illiteracy and general lack of awareness:

> Since the women are illiterate they do not understand what a labour union is and that we are trying to improve their working conditions. We visit them but they hardly listen to us because they cannot grasp the idea of solidarity and unity.
>
> (Dannecker 2002: 222)

But our conversations with workers suggested that they had not remained untouched by the forces of change in the larger society. Intense media coverage of their working conditions, increased attempts to mobilize them by a wide range of actors, including local and international trade unions, labour rights organizations and women's organizations, had all served to raise their knowledge and awareness of their rights. The workers we interviewed reported various cases when they had come together, sometimes spontaneously, sometimes in a planned and coordinated way, to undertake factory-wide protests which often spilled out onto the streets.

We concluded on the basis of their accounts:

> There is …no linear story of progress that emerges out of these accounts, of victories gained leading on to further victories. Some workers felt that conditions had improved after a protest, some felt they had worsened. Employers made promises in order to quell a disturbance, but used every pretext subsequently to victimise or get rid of the leaders. However, changes in consciousness were often permanent and the leadership that developed did not simply fade away when a struggle was lost but went on to other factories to start the job of organisation once again
>
> (p. 240)

In fact, very soon after we had completed out research, these piecemeal and isolated protests escalated in 2006 into the largest mobilization of garment workers in the history of the RMG sector in Bangladesh. It was led by two independent leftist unions – neither part of the mainstream movement nor of the organizations being promoted by international trade unions (Rahman and Langford, 2012). The government responded to these protests by raising the minimum wage which had been frozen since 1994. They raised them again in 2010, in 2014 and then again in 2018. Each such raise was preceded by a period of agitation by workers.

From compliance to cooperation: multi-stakeholder initiatives after Rana Plaza

Codes of conduct have become an accepted part of doing business in global value chains but their effects in Bangladesh – as elsewhere – have been mixed. The improvements we noted in our study, and those that have taken place subsequently, have taken place in an ad hoc and uncoordinated way, manifestations of what we called a 'culture of compliance' with corporate codes of conduct rather a 'culture of accountability' to national legislation (Mahmud and Kabeer, p. 240). Furthermore, these improvements were largely focused on various aspects of working conditions within the factories, rather than on infrastructural conditions, despite the series of fires and industrial disasters that occurred periodically over the industry's history.

The scale of the tragedy at Rana Plaza in April 2013 provided a much needed wake-up call. The death of over a thousand garment workers and the injury of many more galvanized a range of institutional actors at global and local levels into action. Pressure from Western governments, especially the suspension of the Generalized System of Preferences facility by the USA and threats to do so by the EU, prompted the Bangladesh government to act. In July 2013, it signed a Sustainability Compact with the EU, the USA, Canada and the ILO whereby it agreed to take immediate and longer term measures to address health and safety in the RMG sector.

The Bangladesh Labour Act 2006 was amended to promote work place safety and to bring into line with international conventions. Among various changes, it made it obligatory that workers' representatives on the WPCs were elected rather than nominated by management. Health and safety committees had to be set up in factories with more than 50 workers, with worker representatives drawn from trade unions or the WPCs. However, it left the 30% threshold requirement to form unions intact. There was a rise in the number of new unions that were registered in the aftermath of these changes (Anner, 2018), but the momentum could not be maintained in the face of resistance from government and employers.

The other major response to Rana Plaza was the adoption of the two major multi-stakeholder agreements.[3] These were seen as exemplifying a new cooperation-based, multi-stakeholder approach to CSR in place of the buyer-driven, compliance-based approach of the codes of conduct. The Accord was signed by more than 200 international brands from 20 mainly European countries, two European-based international unions (UNI Global Union and IndustriAll Global Union) and eight of their associated labour federations in Bangladesh. It represented a departure from past agreements of this kind in its legally binding nature: all signatories agreed that arbitration awards or the enforcement of fees could be pursued in the relevant national legal systems. A counterpart agreement, the Alliance, was signed by 28 mainly US-based firms: it had limited union participation and, due to the reluctance of US firms, was not legally binding.

The initiatives were envisioned to last till 2018.[4] Funding was provided through annual contributions by buyers. The objective was to list all firms supplying the signatory companies, to send inspection teams to ensure that their structural and safety conditions complied with national building regulations and to draw up corrective recommendations where necessary to be implemented by managers within a prescribed time frame. Factories that did not comply were disqualified from further business with the signatory firms. As of April 2018, Accord had inspected 2,022 factories while Alliance had inspected 836 factories, around 50% of which were shared with Accord (Barrett et al., 2018).

In 2017, Simeen Mahmud and I joined a larger team of researchers to assess the impact of these initiatives from the perspective of workers, while others on the team explored the managers' perspectives[5]. We found that many of the health and safety requirements associated with the Accord and Alliance had been carried out, not only but most significantly in factories affiliated with these initiatives. We also found significant evidence of 'spill over' effects on outcomes which were not covered by the agreements, including higher wages, more permanent contracts, greater likelihood of elected participation committees and greater knowledge of both labour laws and codes of conduct (Kabeer et al., 2019).

Based on the workers' survey alone, our conclusion would have been that the new multi-stakeholder approach to corporate responsibility had achieved some important outcomes – or at least made them more likely. But this account of change was made more complex by the findings reported by the study of managers of AA-affiliated factories carried out as part of the same project (Rahman and Rahman, 2018). Their initial response to the AA agreements had been favourable: they welcomed what promised to be a coordinated framework for improving health and safety conditions in their factories and the opportunity to improve the country's international reputation.

But this gave way to considerable dissatisfaction. While they complained about various technical problems that had proved costly for them, their greatest bitterness was reserved for the fact that while buyers paid for the costs of inspections, the costs of expensive remediation or relocation measures had to be borne by the employers (Barret et al., 2018).

The expectation on the part of suppliers that these costs would be shared was based on the terms of the Accord agreement which had spelt out the responsibilities of the signatory companies towards their suppliers. According to Article 28 of Accord: 'participating brands and retailers will negotiate commercial terms with their suppliers which ensure that it is financially feasible for the factories to maintain safe workplaces and comply with upgrade and remediation requirements instituted by the Safety Inspector'. Yet none of 109 managers interviewed by Rahman and Rahman had received any assistance in implementing the recommendations advised by inspectors. While larger factories were generally able to finance these measures through profits or loans, small and medium firms found it a major struggle, many going out of business.[6]

Furthermore, lead firms had continued to pursue 'business as usual' purchasing practices that went directly against the financial feasibility of local suppliers. Not only did they fail to increase the procurement prices paid to local suppliers, one way to have offset some of the remediation costs incurred by the latter, but the prices they paid to their suppliers in Bangladesh continued their long-term decline. According to the results of a survey of factory managers by Anner (2018):

> the average FOB price was USD 4.64 in 2016, which is a 7.79% decline from a FOB price point of USD 5.03 in 2011. If we look at exports to the United States, the price point declined by 10.67%. For European buyers, the price point came down by 9.04%. Indeed, in all major product categories we find a decline in nominal prices paid per unit.

Evidence from other sources supports this trend of declining prices which continued after Rana Plaza, a decline that could not be explained by the rising price of raw materials or fluctuations in exchange rates (Anner, 2018). Also part of the 'business as usual' approach was the continued reduction of delivery times. In 2011, the major global brands had given Bangladesh factories an average of 94 days to complete an order. By 2016, it had declined to 86 days. With production costs, including wages, going up and purchasing prices declining, the only way that supplier factories could remain in business was by reducing their profit margins. This was indeed the case. Anner's survey (2018) of 223 managers found that profit margins had decreased by 13.3% between 2011 and 2016 leaving managers with a mean profit margin of 7.69%.

It would appear therefore that while the shift from a compliance to cooperation-based model of CSR had improved structural safety in the garment industry, it had left intact certain fundamental asymmetries in relationships within global value chains. The externalization of corporate social responsibility by the buyers associated with the new agreements and the complaints they gave rise to on the part of managers were uncannily similar to our findings in relation to the codes of conduct that we had reported earlier.

The persistence of these asymmetries of power within the garment supply chain helps to explain what emerged as certain key sticking points in the processes of change that were recorded by our workers' survey. These related to the level of wages, with the majority of workers reporting them to be inadequate; long working hours and the use of compulsory overtime; the mistreatment of workers, generally associated with the failure to meet production targets; and the continued hostility towards trade unions that might seek to challenge these practices. Some of this resistance to change can clearly be attributed to the continued intransigence of a group of employers who refused to accord dignity and respect to those who worked for them. But it also reflected the continuing insecurities associated with competing in the global market for clothing with no assurance that compliance with CSR requirements would improve the terms on which they do business with global buyers.[7]

'Looking in the wrong place?' from spotlight to flood light perspectives

The key ‘sticking points’ in processes of change that we recorded through our workers’ survey related to conditions at work that might well be worse in Bangladesh than other garment exporting countries, but they are by no means unique to it. Rather they are endemic to the organization of global supply chains. As Locke (2013) pointed out on the basis of his study of these supply chains, despite initiatives of various kinds, include private compliance programmes as well as efforts at capacity building, ‘poor working conditions, excessive working hours, precarious employment practices and low wages persist in factories producing for global supply chains’ (p. 126).

He suggested that if we wanted to understand why problems of working conditions are so pervasive and persistent in garment value chains, we would be looking in the wrong place if we focus only on the factories where these problems are manifested. We need to move from a narrow ‘spotlight’ perspective on working conditions in global value chains, a perspective that draws our gaze to the locus of production alone, to a ‘flood light’ approach which illuminates the broader political economy of supply chain capitalism within which these production processes are located.

Bangladesh entered the global garment industry at a time when the retail sector became increasingly concentrated, particularly in the USA and Europe, investing a small number of global brands and retailers with disproportionate bargaining power vis-à-vis the large, and growing, number of suppliers dispersed in low-wage economies across the developing world. Competition in the global apparel industry further intensified when the quotas permitted under the MFA were phased out, effectively marking the end of the MFA by 2005. The increased liberalization of trade expanded the number of countries from which buyers could source, allowing them to play suppliers in increasing numbers of countries against each other (Anner et al., 2012).

This was also a period that saw the rise of a new ‘fast fashion’ business model based on a greater variety of cheap clothing delivered faster and more frequently to retail outlets. Studies have shown that the fast fashion retailing has been particularly inimical to the observance of decent wages and working conditions across the global industry (Anner et al., 2012). Global brands and buyers have been able to use the increasingly unequal distribution of bargaining power within these chains to pressure their suppliers to meet the competitive pressures within the industry by producing smaller batches of increasing varieties of products more rapidly and at decreasing prices.

Even if some global buyers did make efforts to improve labour standards among their suppliers, and even if some suppliers were responsive to these efforts, the ‘upstream’ business practices associated with fast fashion retailing inevitably undermined its ‘downstream’ CSR efforts. Faced with CSR practices which increased the production costs of suppliers, and purchasing practices which reduced the prices they received, suppliers had a limited range of options: to reduce their profit margins, pay their workers lower wages, demand longer hours of work, subcontract out their work to lower cost units and take short cuts in safety standards.

The implications of these sourcing practices for labour standards within value chains have been by Anner et al. (2012) using US data. They found that the nominal price per square metre of imported clothing into the USA increased from $3.48 in 1989 to $3.77 in 1997 but had declined to $2.89 in 2010.

This represented a drop of 23% in nominal dollar prices but 48% in real dollar price over this period. In addition, they found that while respect for the rights to freedom of association and collective bargaining was relatively steady in the 1990s among the top 20 garment exporters to the USA, it began to decline significantly after 2001. In fact, prices, and presumably respect for workers' rights, were highest in 2010 among those countries who had faced greatest decline in their share of US markets.

Consumers have been mobilized to put pressure on global brands to improve conditions in their supplier factories but the strength of their stake in this outcome is not clear. Some authors believe that consumers have demonstrated their willingness to pay higher prices for clothes made in decent working conditions (Ross, 1997; Prasad et al. 2004). It is certainly the case that consumer outrage, or the fear of it, was a driving force behind the various CSR efforts that have come into existence since the 1990s. Yet consumer outrage has not been sustained enough or powerful enough to force a change in business practices.

Other authors have been less sanguine about the power or motivation of consumers. An early OXFAM report (2004) appears to suggest that they may have been co-opted into the fast fashion model: '…consumers have come to expect high quality and year-round availability at "value" prices. Many retailers and brands compete to capture their loyalty through new products, short fashion cycles, and price wars, and so increase their own market share' (p. 36). And more recently, Taplin (2014) observes, 'Western consumers have become accustomed to cheap fashion and for the most part appear unwilling to pay more for items that are untainted by exploitative practices' (p. 73).[8]

Reviewing the confluence of forces that led to Rana Plaza, Taplin concludes that the fast fashion business model that dominates global value chains has created a situation 'where the "villains" are many and the innocent caught up in the manifold uncertainties that such a model produces' (p. 73). In such a situation, industrial disasters like Rana Plaza are not only highly likely, but almost inevitable.

Assessing recommendations for the way forward

The question that this raises is what can be done to protect 'the innocent'? One of the striking features of successive efforts to enforce labour standards in developing countries is the extent to which the main burden of proposed change generally devolves almost entirely on stakeholders in the Global South. The campaign around the 'social clause' in the 1990s, for instance, placed the responsibility for upholding labour standards on the governments of developing countries. While anti-sweatshop campaigns put pressure on global buyers and brands to adopting corporate codes of conduct, the actual responsibility and costs of implementing these codes fell squarely on supplying factories. And as we noted, the Accord and Alliance agreements have also externalized the costs of making the factories safer to local suppliers.

Locke suggests the need for new institutional arrangements and political coalitions which would reallocate costs and rewards among *all* stakeholders engaged in these value chains, thus transcending traditional boundaries between producers and consumers, buyers and suppliers, NGOs and corporations, advanced and developing countries. Given the power dynamics that characterize supply chain capitalism, it is difficult to envisage what these arrangements might be and how they might emerge but the proposal does at least represent a shift from a 'spotlight' perspective on the problem to a 'floodlit' one. By way of conclusion, we discuss some recent recommendations for advancing the transition to a fairer set of institutional arrangements. We will draw in particular on Sobhan (2014) to discuss the specific challenges of the Bangladesh context.

We begin with the proposal put forward by the Stern Centre for Business and Human Rights for what they call a 'shared responsibility model'. It is intended to respond to the immediate challenge of addressing remaining health and safety conditions in the RMG industry in Bangladesh after Accord and Alliance agreements come to an end (Barrett et al., 2018). It calls for an international task force, led by Bangladeshi stakeholders, to coordinate efforts to raise the funds necessary to complete this task and to oversee the implementation process. Along with the Bangladeshi government and RMG employers, the proposal envisages financial contributions from international actors, including Western buyers and the countries that import garments from Bangladesh – mainly EU and the USA who account for 64% and 18% of Bangladesh's garment exports respectively.

While there are self-evident reasons why the Bangladesh government and employers should take lead responsibility for improving conditions in the RMG sector, the case made by the Stern proposal for involving Western buyers and governments is based on appeals to their sense of fairness and their 'special obligations'. Yet the commitment expressed by these actors to economic justice for workers in global value chains calls for a stronger and more institutionalized model of shared responsibility, one based on a fairer distribution of rights and responsibilities across the value chain, rather than on special pleading.

Estimates of the distribution of gains across the value chain have shown that local suppliers retain a very small share of the final retail price of their products. An attempt by Asia Foundation (cited in Kabeer and Mahmud, 2004b) to break down the cost components of a shirt made in Bangladesh and retailing in the USA for $13 found that just 38% of the value of the final retail price was retained by Bangladeshi suppliers. This had to cover all their costs, including fabric (23%), labour (1.2%), trim (0.24%), and all other operating costs, including their profits (2.01%).

Norfield (2011) carried out a similar exercise for a T-shirt retailing in H&M stores in Germany for 4.95 euros. He estimated that H&M paid the Bangladeshi supplier 1.35 euros for a T-shirt (around 27%). This had to cover 0.40 euro for raw cotton material purchased from the USA, leaving 95 cents to cover labour costs, power costs, the cost of materials other than cotton, depreciation of machinery and other items as well as the suppliers' own profit. The rest of the final price of the shirt was made up of 0.06 euro for shipping costs to Germany, 2.00 euros for transport, shop rents, sales force, marketing and administration in Germany, 0.60 euro net profit per shirt and then an additional 0.70 euro, representing the 19% VAT levied by member states in EU countries on all goods and services bought and sold within the EU.

Similar estimates are provided by Sobhan with regard to shirts made in Bangladesh and retailed in Walmart stores in the USA. He estimates that 29% of the final retail price was retained by the Bangladeshi supplier to cover the cost of fabric; rental, local transport, administrative overheads; and the suppliers' profit. But he makes the additional point that there is generally very little information on how much of the final retail price that goes to Walmart was used to cover its costs and how much represented the political rents it was able to enjoy by virtue of its monopsony power within the global value chain.

Western buyers have not shown much inclination to redistribute some of their profits as their contribution to sharing the costs of corporate responsibility but their governments are in a position to make a difference. As Norfield's estimate shows, a sizeable portion of the revenue generated by garment value chain production is claimed by EU governments in the form of VAT. In the case of the USA, government revenue is collected in the form of tariffs on imports, with higher tariffs (15%) being imposed on textile and garments than any other imports. As Bain (2018) points out:

> The reason for the high tariffs is classic—and many might say outdated—protectionism….[E]ven though the US textile industry has dwindled to a tiny share of what it once was, the small manufacturers that remain exert a strong hold on their political representatives, who fight for them in trade deals.

One consequence of this, as Bain (2018) notes, is that Bangladesh has been paying higher tariffs than any of the other 232 countries that export to the USA because it is primarily an exporter of garments. As Sobhan points out, the tariff revenue of around $720 million raised annually from Bangladesh by the US government is considerably greater than $200 million a year that the USA provided in overseas aid to Bangladesh[9]: 'the paradox of a net transfer of resources from Bangladesh, a least developed country, to the budget of the world's wealthiest country' (Sobhan, p. 6).

The concern that governments in the USA and the EU have expressed about the rights of workers in the countries from which they import their clothing surely implies commensurate obligations on their part. These could be met by routinely redistributing some of the revenue they collect from imports from Bangladesh and other lower-income exporting countries back to the countries in question both to ensure that their exporting industries have the resources to provide decent working conditions and to promote mechanisms, including those exercised by civil society, to hold the industry accountable.

Aside from the recommendations contained in the Stern Centre, the literature on labour standards contains a variety of studies and recommendations relating to various local-level efforts to improve working conditions and build skills and organizational capacity in garment factories by national and international trade unions, labour rights NGOs as well as by multi-stakeholder initiatives such as the ILO's Better Works Programme. Others have stressed the importance of strengthening and enforcing national regulations. As Locke suggests, each of these has limited impact on its own but can mutually reinforce each other to amplify impact.

However, the question of the national regulation is clearly problematic in Bangladesh. The failures of government oversight that have contributed to the conditions prevailing in the garment sector are part of a broader crisis of governance failure within the country. While there is no doubt that the government needs to take much greater responsibility for the rights of its workers, as it must for the rights of all its citizens, the present state of governance in the country means that this is unlikely to happen in the foreseeable future.

On the other hand, if the objective of these efforts is to build the export garment sector in Bangladesh as ‘an island of good governance …in an ocean of mal-governance’ (Sobhan, p. 5), this may well be within the realms of possibility. Whether the BGMEA can provide the horizontal form of governance that has helped it to pursue its membership’s interests in the past (Khan, 2013) to compensate for state regulatory failure in relation to workers’ rights is not clear since it is largely led by those most resistant to regulation. But employers would need to take coordinated action, with or without the BGMEA, to work towards achievable labour standards within the industry as their contribution to a shared responsibility model.

These efforts, if successful, will have repercussions for the structure of industry. It is likely that only the elite segment of the RMG sector can meet the necessary standards of ‘good governance’. The suggestion by Barret et al. that buyers reform their purchasing practices and reward high-performance suppliers with longer-term contracts, larger-order volumes and more favourable pricing is likely to hasten the bifurcation of the industry. Smaller factories that are unable to meet the necessary standards will either close down or disappear into the ocean of unregistered informal activities that make up the bulk of the country’s economy. It is not clear how many factories have closed down because of inability or delay in addressing current remediation requirements under AA but media estimates suggest around 400 factories had closed by 2014 with repercussions for about 150,000 workers (Hossain, 2014).

Civil society has also featured in various recommendations about the improvement of labour standards in Bangladesh. Labour activists tend to focus primarily on trade unions as best placed to fight for workers’ rights. Here again, given the history of trade unionism in Bangladesh, progress has been slow. However, a ‘floodlight’ perspective on the problem would take account not only of the vertical dimension of value chains but also of their horizontal dimensions, namely the broader socio-economic context in which production takes place. From this perspective, efforts to build politically independent unions, however discouraging, would not be regarded as futile but part of the painful process of building a strong and active civil society.

Zajak (2017), for instance, points out the presence of Accord provided a ‘shadow of protection’ to efforts by some of the newer unions in the garment sector to stand up for workers’ grievances. She also notes that interaction with international organizations and alliances also increased the strategizing skills of union leaders. These skills and experiences are unlikely to disappear when Accord and Alliance come to an end just as the struggle for workers’ right did not come into existence with their inception. As we noted, our earlier study had found sporadic examples of workers engaging in factory-wide collective actions, sometimes planned, sometimes spontaneously, which frequently spilled over into the streets.

Such actions testified to the growth of 'practical' as opposed to a 'discursive' class consciousness among these workers (Rahman and Langford, 2012), one that was not in evidence in the 1980s and 1990s but had clearly evolved over time. It is this practical consciousness that was at play in the massive strike that took place in 2006 and has continued to be at play in subsequent agitations.

Nevertheless, as FNV Mondial (2016) concluded, Bangladesh trade unions do not currently represent a strong countervailing power when it comes to promoting and enforcing labour legislation despite several years of efforts by international labour organizations. Efforts to build trade unions are likely to continue, but for local activists, it is important to broaden efforts to build voice and organization beyond trade unions and beyond the garment sector because what happens to workers' rights in the garment sector is closely bound up with what happens to the rights of citizens in the wider society. Other sectors of civil society engaged with the promotion of democratic processes and legal justice in Bangladesh have frequently engaged with the garment sector as part of their activities. They can be instrumental in helping to strengthen and expand the potential held out, for instance, by the setting up of elected WPCs within garment factories. In short, the process of building state accountability for the rights of workers in Bangladesh needs to be carried out as part and parcel of efforts to build a broader culture of rights within the country.

Conclusion: diversify and conquer?

Bangladesh moved into the export garment sector when the opportunity arose not simply because of its *comparative* advantage in garment manufacturing but because of its *absolute* advantage, given that it was, and remains, a low-wage, labour-abundant economy. The rapid development of the sector, and its contribution to the country's growth rates and foreign exchange earnings, appeared to hold out the promise of helping the country to transition from aid dependency to greater self-reliance through trade. But while it has gone from the handful of factories that existed in its early years to becoming the second largest exporter of garments after China, it is evident that the market conditions under which it has to compete have steadily worsened as the fast fashion business model has come to dominate global value chains. It is by no means clear that employers in the industry would have voluntarily improved labour standards in their factories if the terms on which they supply their garments had improved over time but what is clear is that their ability to do so has been severely constrained by the increasingly exploitative business practices of global buyers.

Moreover, access to the markets of the richer countries of the world remains governed by such instruments as the Generalized System of Preferences and the EU's Everything But Arms which allow the richer countries to determine how they will interpret the rules of trade that they have helped to put in place. Smaller countries like Bangladesh, especially those with little geo-political significance, are compelled to maintain 'politically serviceable relationships' (Sobhan, p.6) with these countries in order to receive trade privileges, but are always aware that these can be withdrawn at the political discretion of their governments. Consequently Bangladesh has moved from a position of aid dependence to one of trade dependence as it seeks to lobby countries like the USA to remove tariff barriers to its exports (Sobhan, 2003).

The future of the Bangladesh export garment sector as a source of jobs does not look bright. We have noted that many factories have closed down as a result of recent efforts to improve health, safety and working conditions in the industry. Many workers have lost their jobs and more are likely to do so as efforts to build the industry as an island of good governance continue: without a fairer distribution of profits, improvements in the quality of jobs in the garment sector inevitably imply fewer jobs.

Not surprisingly, there have been efforts by the Bangladesh government itself and by others to explore the options for diversification into other higher value-added manufacturing industries that can help to reduce its dependence on garments. It is beyond the scope of this chapter to discuss what these might be but diversification is unlikely to be easy. I will conclude by quoting from an Action Aid report (2015) as to the challenges that Bangladesh faces in any effort to 'diversify and conquer', given its position as a rule-taker rather than a rule-maker in the global economic order:

> Today, the provisions of World Trade Organisation (WTO) law and trade and investment agreements prevent developing countries from using many of the policy tools that today's rich economies relied on to industrialise, such as import quotas, subsidies and tariffs. LDC leaders' hands are tied and cannot easily target economic activities to transform the economy. For example, Bangladesh is highly constrained by having to reduce tariffs and custom duties, remove quantitative restrictions and relax local content requirements of products. Other WTO rules are medium constraining, and include government procurement, intellectual property and export subsidies in agriculture. A third set of rules, regulating devaluations, investment incentives, trade finance and export taxes are the least constraining of them all but are nonetheless there. An economy that is increasingly open to free trade and regulated by the rules listed above makes it difficult for domestic businesses to enter the market: they are put out of business before they have any chance to become competitive.
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> (p. 11)

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[1] www.nationmaster.com/country-info/stats/Economy/GDP-per-capita-in-1973.

[2] www2.bc.edu/james-anderson/twin-sal12.pdf.

[3] The government took responsibility for oversight over factories that did not have business with the members of Accord and Alliance under the National Tripartite Plan of Action for Fire and Structural Integrity, now known as the National Initiative. There is less information on the number of factories that come under government overview, much of it is contradictory but it seems clear that the initiative has not made much headway (Barret et al. 2018).

[4] The Alliance has now come to an end. The extension of Accord is under negotiation.

[5] The Garment Supply Chain Governance project was funded by Volkswagen Foundation in co-operation with the Riksbankens Jubileumsfond and the Wellcome Trust. (http://www.wiwiss.fu-berlin.de/forschung/Garments/index.html)

[6] www.reuters.com/article/us-bangladesh-garments-insight/safety-overhaul-puts-strain-on-bangladesh-garment-industry-idUSKBN0KD0N820150104.

[7] A 2018 survey of 156 suppliers across 24 countries which asked about their experiences with 65 buyers found that over 60% of suppliers were not incentivized for being compliant to buyer codes of conduct, despite many observers believing incentives are essential to improving purchasing practices. Purchasing practices by apparel brands were unaffected by the length of relationship with supplier. https://apparelinsider.com/survey-raises-questions-purchasing-practices/.

[8] A survey of 2,025 respondents carried out a month after Rana Plaza, by *Retail Week*, an industry publication, found that only 13% said they were a lot more likely to ask retailers where their clothes were produced than before the collapse of the building while 44% of consumers were no more likely to ask retailers and 22% said that

they were ‘little more likely’. As Quelch and Rodriguez (2013) note concern among some observers that consumer preference for low prices might outweigh their preference for workplace safety.

[9] The US withdrawal of Bangladesh’s GSP status after Rana Plaza was a purely symbolic gesture since it had not enjoyed duty-free access on any of its exports prior to Rana Plaza.