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„Is the "Accord on Fire and Building Safety in Bangladesh" a game changer for global labour governance?"

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Abstract

On the 24th of April 2013, 1135 people were killed and more than 2000 injured in the incident of Rana Plaza. The apparel industry and its working conditions were stronger than ever present in the public discourse. Due to strong external demands by the international community of end consumers and NGOs, the Accord on Fire and Building Safety in Bangladesh, a multi-stakeholder initiative, was established in an agreement of global and local trade unions, the International Labour Organisation (ILO), global buyers and supplier factories. It is the first legally binding multi-stakeholder agreement of its kind and was enacted on the 15th of May 2013 for a period of five years. The aim of the present thesis is to take a closer look at the Accord as an instrument of global labour governance. The Accord contains new arrangements which in this scope and combination have not been used in previous initiatives. The thesis, therefore, assesses the impact of the Accord in the apparel sector in Bangladesh as well as more generally on global labour governance. The concept of global production networks is applied to identify relevant actors and network connections and to carve out the underlying power structures and their effects within the apparel production network and the garment industry in Bangladesh. The garment industry and its characteristics are described globally and in the context of Bangladesh in order to identify problems regarding working conditions and labour rights and to elaborate on the different types of labour governance initiatives. The research, based on literature review, document analysis and expert interviews with labour activists and researcher in global governance, reveals that the Accord offers a broader engagement of actors and, through its legally binding character, sets a milestone in global labour governance debates. Nevertheless, it operates within existing power structures which is also visible within the agreement itself. State institutions in Bangladesh are not involved sufficiently and sustainable local capacity building is very limited. Most problematically, the incident of Rana Plaza is portrayed as a local issue and not seen as related to buyers' business and sourcing strategies and low-cost-based export-oriented development models.

Keywords: Global Production Networks, Global Governance, Global Labour Governance, Corporate Social Responsibility, Garment/Apparel Industry, Bangladesh Accord on Fire and Building Safety

Abstract (Deutsch)

Die Bekleidungsfabrik Rana Plaza in Bangladesch erlangte am 24. April 2013 traurige Berühmtheit. Bei dem Einsturz der Fabrik wurden 1135 Menschen getötet und über 2000 Menschen verletzt. Die Bekleidungsindustrie und ihre Arbeitsbedingungen waren stärker denn je im öffentlichen Diskurs präsent. Aufgrund starker externer Forderungen der internationalen Gemeinschaft aus Kund*innen und NGOs, wurde in einer Vereinbarung zwischen globalen und lokalen Gewerkschaften, der Internationalen Arbeitsorganisation (ILO), globalen Einkäufern und Zulieferbetrieben der "Accord on Fire and Building Safety in Bangladesh", eine Multi-Stakeholder-Initiative, ins Leben gerufen. Es ist das erste rechtsverbindliche Multi-Stakeholder-Abkommen dieser Art und wurde am 15. Mai 2013 für einen Zeitraum von fünf Jahren verabschiedet. Ziel der vorliegenden Arbeit ist es, den Accord als Instrument von Global Labour Governance näher zu betrachten. Das Abkommen enthält neue Regelungen, die in diesem Umfang und in dieser Kombination in bisherigen Initiativen nicht ausgehandelt wurden. Es werden daher die Auswirkungen des Abkommens auf den Bekleidungssektor in Bangladesch sowie allgemein auf Global Labour Governance genauer betrachtet. Das Konzept der globalen Produktionsnetzwerke wird angewandt, um relevante Akteur*innen und Netzwerkverbindungen zu identifizieren und die zugrunde liegenden Machtstrukturen und deren Auswirkungen innerhalb des Bekleidungsnetzwerks und der Bekleidungsindustrie in Bangladesch herauszuarbeiten. Die Bekleidungsindustrie und ihre Charakteristika werden global und im Kontext von Bangladesch beschrieben, um Probleme hinsichtlich der Arbeitsbedingungen und Arbeitsrechte zu identifizieren und die verschiedenen Arten von Labour Governance Initiativen zu erarbeiten. Die Forschung, die auf einer Literaturanalyse, einer Dokumentenanalyse und Experteninterviews mit Gewerkschaftsmitgliedern und Forschern im Bereich Global Governance basiert, zeigt, dass das Abkommen ein breiteres Engagement von Akteur*innen bietet und durch seinen rechtlich verbindlichen Charakter einen Meilenstein in den Debatten über Global Labour Governance darstellt. Dennoch operiert es innerhalb der bestehenden Machtstrukturen, was auch in der Vereinbarung selbst deutlich wird. Staatliche Institutionen sind in Bangladesch nicht ausreichend eingebunden und nachhaltiger lokaler Aufbau von Kapazitäten findet nur begrenzt statt. Am problematischsten ist, dass der Vorfall von Rana Plaza als lokales Problem dargestellt wird und nicht in Verbindung mit den Beschaffungsstrategien der multinationalen Unternehmen und den exportorientierten Entwicklungsmodellen von Staaten gesehen wird.

Schlüsselwörter: Globale Produktionsnetzwerke, Global Governance, Global Labour Governance, Corporate Social Responsibility, Bekleidungsindustrie, Bangladesh Accord on Fire and Building Safety

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Acronyms

ATC	Agreement on Textile and Clothing
BGMEA	The Bangladesh Garment Manufacturers and Exporters Association
BIGUF	Bangladesh Independent Garment Worker Union
BKMEA	Bangladesh Knitwear Manufacturers & Exporters Association
CCC	Clean Clothes Campaign
CMT	Cut Make Trim
CSR	Corporate Social Responsibility
EPZ	Export Processing Trade Zone
ETI	Ethical Trade Initiative
FLA	Fair Labour Association
FWF	Fair Wear Foundation
FoA	Freedom of Association
GCC	Global Commodity Chain
GPN	Global Production Network
GVC	Global Value Chain
IFA	International Framework Agreements
ILO	International Labour Organisation
MFA	Multi-Fibre-Agreement
MNC	Multinational Company
MSI	Multi-Stakeholder Initiative
NAP	National Action Plan
OPT	Outward Processing Trade
RMG	Ready-Made-Garment
ROO	Rules of Origin
WPC	Workers' Participating Committees
WRC	Workers' Rights Consortium
WTO	World Trade Organisation

1. Introduction

Globalisation has several effects. It is characterized by economic integration and consolidation on the one hand and social tensions, unequal development and rising inequality on the other (Kaplinsky, 2005: 10). Precarious forms of work have expanded, particularly in the economies of the Global South which also leads to pressure on labour in more traditional centres of production (cf. Mayer and Pickles, 2014: 17). Here the apparel industry is particularly interesting due to its highly globalised structures and its role as a major global employer. In recent years considerable challenges related to predatory sourcing and production practices and governance failure could be observed in the sector (cf. Mayer and Pickles, 2014: 18).

The incident of Rana Plaza on the 24th of April 2013, killing 1135 people and injuring more than 2000, is the largest tragedy in the apparel sector up to now but also only one of many other tragic consequences of globalised production. The apparel industry ever since has been a gateway to the global economy and therefore has been very attractive to countries of the Global South. As one of the earliest and most globalised export industries in the world (cf. Pickles and Godfrey, 2013: 3), it was characterized from the outset by strong power asymmetries, unequal trade relations, competition between locations and precarious employment relationships that continue to have an effect today (cf. Komlosy, 2010: 77). In the 20th century, the sourcing model of the garment industry changed from a nationally based production to a global sourcing model, taking advantage of low production costs predominantly in countries located in the Global South. This shift of production to lower-income economies meant that a growing proportion of work for international demand was carried out in locations where governance capacities were weak, if established at all (cf. Mayer and Pickles, 2014: 20).

The Director-General of the International Labour Organisation (ILO), Guy Ryder already pointed out in 2003 that it is not acceptable that companies shift their production to avoid trade unions and worker rights (cf. Thomas and Turnbull, 2017: 547). Deregulations are encouraged by international agreements on trade liberalization, while there has been no progress in enforcing social rights, occupational health and safety obligations at the international level (cf. Interview 2 Kemperle, 2019). The working conditions at the production sites of the world garment market seem to have changed little over time. The difficult working and living situations of seamstresses in the Global South seem to be largely known in the meantime, but this issue only attracts increased public attention in the event of major catastrophes such as factory collapses or factory fires.

After the incident of Rana Plaza, one of the interview partners Mrs Monika Kemperle, former member of the advisory board of the Accord, also called it an “institutionalised murder” (Interview 2 Kemperle, 2019), the apparel sector and its lead firms as well as the criticized working conditions were stronger than ever present in the public discourse. Responding to poor working conditions, highlighted through several activists, the debate around global labour governance and private initiatives such as codes of conduct started to rise again (cf. Schüßler et al., 2018: 1). The incident highlighted once more prevalent labour issues in the context of globalised production.

Bangladesh's export-oriented ready-made garment industry (RMG)[1] has experienced enormous growth over the last three decades. Starting from \$3 million in 1980-81, which accounted for 0.4 % of Bangladesh's exports, RMG exports rose to approximately \$21 billion between 2012 and 2013, accounting for nearly 79% of the country's total exports, to \$34 billion in 2018-2019, accounting for nearly 85% of total exports (cf. BGMEA, 2019[2]). The industry, according to the ILO, has over 3,500 exporting factories employing around 4.2 million workers; although, some sources cite at least 7,000 factories including indirect exporting factories and over five million workers. Working conditions have been precarious and due to the rise of fast fashion long working hours, no secure contracts and missing payments have aggravated (cf. Neve and Prentice, 2017: 5). In consequence of Rana Plaza, not only Bangladesh workers but also the international community started fierce protests.

Consequently, the “Accord on Fire and Building Safety in Bangladesh” was established in an agreement of several parties including global and local trade unions, the International Labour Organisation (ILO), global buyers and supplier factories to improve current working conditions in Bangladesh. It was the first legally binding multi-stakeholder initiative (MSI) of its kind and was enacted on the 15th of May 2013. It is argued that the agreement changed the whole labour governance debate (cf. Anner et al., 2014: 2). This thesis tries to answer the question if the

[1] RMG are mass-produced finished products of the apparel industry. In this thesis the term RMG, garment and apparel sector are used synonymously.
[2] http://www.bgmea.com.bd/home/pages/TradeInformation, last access: 10.08.19

Accord is a game changer in global labour governance and examines the outcomes for the Bangladesh apparel industry. To understand the impact the Accord might have, it is vital to have a closer look at global labour governance, the garment industry, how labour governance has been implemented in Bangladesh so far and prevailing problems related to working conditions and labour rights.

1.1. Research objective and research question

After Rana Plaza different initiatives were issued in Bangladesh to improve working conditions. The Accord is often highlighted as a game changer in this regard. The aim in the present thesis it is to take a closer look at the Accord as an instrument of labour governance and to examine the differences to previous labour governance initiatives. Besides MSIs also a National Action Plan (NAP) was developed as well as an ILO Better Work Programme, which was established in April 2014 and ended in June 2017 (cf. ILO BWB, 2019). Furthermore, the EU, the US and Bangladesh agreed on a Bangladesh Sustainability Compact. The government hereby agreed to take immediate action in changing current health and safety standards and improve current legislation and regulation of working conditions (cf. Kabeer et al., 2019: 7). Although comparatively many measures were taken due to Rana Plaza, research shows a general downward trend in labour rights protection and even a deterioration of labour rights performances in Bangladesh's apparel sector (cf. Hendrickx et al., 2016: 339). The Accord as the main document of the analysis should help to evaluate how the understanding of labour rights has developed in the context of different labour governance initiatives.

The concepts of Global Production Networks and social upgrading are applied to identify relevant actors and network connections. Thus, it's possible to carve out the underlying power structures and their effects within the apparel production network. It helps to investigate how different transnational networks of enterprises can lead to different outcomes for producers and workers within and between countries and industries. In order to address this debate, an evaluation of different labour governance initiatives is done to identify the relevance of the Accord and further assess the scope of the agreement. Therefore, the leading research question is as follows:

Is the "Accord on Fire and Building Safety in Bangladesh" a game changer in global labour governance?

Further, the main question is broken down into three interrelated research questions. All questions are answered independently as well as collectively.

1. How is the Accord different from other labour governance initiatives?
2. Which impact has the Accord in Bangladesh?
3. Does the Accord have an impact on global labour governance?

The relevance of the present thesis results from the fact that, despite the manifold initiatives for labour standards, working conditions and labour practices within the apparel sector are fundamentally unchanged (cf. Anner et. al 2013: 5). Buyers are not held responsible for labour violations caused in supply chains largely characterized by subcontracting and outsourcing (cf. Ungericht 2010; Anner et. al 2013; Scheper 2017). Many of the present initiatives have a limited impact on labour. To a certain extent is the Accord different on global and supplier country level. This distinction needs to be examined further as the question remains what the primary source for labour violations is and how it is still possible to exploit supply chains in favour of buyers.

1.2. Theoretical approach

Two main pillars make up the theoretical framework. On the one hand, labour governance is central to understand and analyse the shortcoming of workers' rights. On the other hand, the subordinate dynamics of the global economy are fundamental as most countries and jobs are directly and indirectly linked to global production networks increasingly influencing labour standards by their structure and governance. Therefore, the approach of Global Production Networks (GPNs) is chosen to describe how the sector is structured, how governance takes place and which actors are in powerful positions.

Since the 1990s, a body of literature has evolved using chain and network frameworks to conceptualise and analyse how global production is organized and governed. For the purpose of the present analysis, three main areas are presented to outline the core strengths of the GPN approach referring to Plank and Staritz (for the following see Plank and Staritz, 2013: 5–7).

First, the chain literature has mostly focused on the analysis of MNCs and inter-firm relations. As a result, the relationships between firms and non-firm actors and the broader institutional contexts, they are embedded in, is neglected. Coe et al. (2008) state that the GPN approach attempts to go beyond the global commodity chain (GCC) and global value chain (GVC) research by emphasising two differences:

> "First, GCCs/GVCs are essentially linear structures, whereas GPNs strive to go beyond such linearity to incorporate all kinds of network configuration. Second, GCCs/GVCs focus narrowly on the governance of inter-firm transactions while GPNs attempt to encompass all relevant sets of actors and relationships."(Coe et al., 2008: 4).

Second, within the chain/network literature, a substantial amount of research has accumulated on how actors can improve their positions within the international hierarchy of production processes. The concept of economic upgrading - understood as firms', regions' or countries' development from lower to higher value-added activities – has become a basis in the chain and network research. Conventionally, economic upgrading is understood as a process where local suppliers "learn from global buyers" and subsequently improve their capabilities to move up in the chain hierarchy (cf. Humphrey and Schmitz, 2002: 1020). But this is only one of many possible consequences resulting from involvement in GPNs as it may also lead to economic downgrading as in general, upgrading processes are very complex. Moreover, with only looking at economic upgrading the chain/network literature for a long time neglected broader socioeconomic effects arising from participation in GPNs.

Third, the research field of social upgrading – understood as the improvement of workers' position regarding decent working conditions – became a major topic in GPN research during the last couple of years (Barrientos et al., 2011a: 320). As already mentioned, there are fundamental barriers to economic upgrading, and even if firms succeed, they do not necessarily gain rewards. And if they do gain rewards, those may not be passed on to workers in the form of higher wages or improved working conditions like access to GPNs is often based on low wages and problematic working conditions.

Besides GPNs, global labour governance is another important pillar in the theoretical framework. Since labour initiatives have been introduced in the early 1990s, they represent an important part in global governance. The term "global labour governance" was first used by Hassel in 2008 and has since then gained a lot of scholarly attention. Moreover, the growing popularity of the term "governance" itself can be observed as a shift from government to governance and from hard to soft regulation is happening (cf. Meardi and Marginson, 2013: 651–652). The problem international institutions of today have, is the vacuum between national law and global acting companies, raising the question which rules do multinational companies need to follow and which institutions have the task to monitor their activities (cf. Ungericht, 2010: 58). This vacuum is the reason why global governance scholars argue it is inevitable to install global mechanisms to ensure humane working conditions (cf. Barrientos, 2007: 3). The economic liberalisation and rising competition are the reason why countries, predominantly those of the Global South, lowered or neglected labour standards completely to gain competitive advantages within production resulting in deregulation of labour markets (cf. Marx et al., 2015: 2). This deregulation led to a shift away from formal, regular to more flexible, informal work to meet the needs of corporate buyers in global production. It emerges that global labour governance is of great importance in order to establish the possibility of an equilibrium in the world economy (cf. Barrientos, 2007: 3)

To summarise, through the chosen approach it is possible to analyse GPN dynamics regarding institutional, societal and power relations in the context of global supply chains by including various stakeholders into the analysis and connecting different levels (local, national, regional, global) (cf. Henderson et al., 2002a: 442). As the presence of GPNs form a whole new political space beyond the logics of nations and geographic borders, following social practices of manufacturing and consumption, they immensely affect labour standards (cf. Scheper, 2017: 1074), which is addressed in the literature on global labour governance. The global economy is increasingly structured around GPNs which means that the production process is fragmented across multiple countries and firms. Therefore, value creation needs to be disaggregated to have a closer look and identify value capture and value distribution to allocate them to separate stages of production (cf. Henderson et al., 2002a: 443). Here using a global production network as well as a global labour governance perspective promises conceptual advance in terms of depth and multi-level dynamics to analyse and understand the prevailing labour issues as well as governance solutions and their limitations in the apparel sector.

1.3. Methods

For the purpose of answering the research question, a qualitative research approach was chosen. Quantitative data about the size of the apparel sector in Bangladesh and the apparel industry in general as well as a literature review serve as a basis. To get a closer insight into the Accord the instrument of document analysis is chosen, to identify its potential as a game changing contract. The document analysis in social science was developed from the source analysis in historical science and is an interpretative technique (cf. Reh, 1995: 203). Besides a document analysis, expert interviews are the other main pillar.

Looking at the expert-interviews, interviews are among the most important instruments within qualitative data collection. The focus lies in analysing and understanding experiences of certain actors. The approach is, therefore, more open and flexible in order to be able to adapt to the interview situation. Dannecker and Vossemer define experts with their access to knowledge or the state of their knowledge, defined by the interviewee (cf. Dannecker and Vossemer, 2014: 161). In the present case three interviews with scholars and labour activists are conducted (see Appendix 2) in which questions are prepared and structured beforehand to create a guideline and lead to a pre-structuring of the interview (see Appendix 1).

1.4. Thesis structure

Following the introduction, chapter two presents the theoretical framework. A contextualisation of GPNs and social upgrading takes place within chapter 2.1. Global labour governance as an emerging term within globalisation is described in more detail in chapter 2.2. to then make the connection to global governance and its different instruments. After describing the theoretical basis and before bringing the focus to Bangladesh the method of data collection and analysis is highlighted in chapter three. Starting with the explanation of the case, chapter four describes at first the apparel industry and its challenges in general to then head over to the Bangladesh apparel sector. Chapter five as the first part of the main analysis contains information about the content and structure of the Accord and gives a comparison to other labour governance initiatives, especially the Alliance. Chapter six focuses on answering the research question and on carving out the positive and negative effects the Accord had in Bangladesh and on global labour governance. Eventually, chapter seven concludes with summarizing the main findings and giving an outlook to further research.

2. Theoretical framework

In this chapter, I will provide an overview on the theoretical framework in order to embed my study. Empirically, something has changed in the global economy, as global economic networks have formed. The GPN framework hereby presents a concept to analyse phenomena such as the Bangladesh apparel sector. GPNs are defined through globally dispersed supply chains as with globalisation production processes and trade changed into international divided production steps. Hereby global supply chains emerged, which are defined as follows:

> Demand-supply relationships that arise from the fragmentation of production across borders, where different tasks of a production process are performed in two or more countries (Joonkoo, 2016: 1).

Mayer and Phillips (2017) further add that besides a fragmented production process in which all or most of the manufacturing steps are outsourced (geographically) to suppliers and sub-suppliers, also low trade barriers and concentration of market power must exist to create such globally spread supply chains (cf. Mayer and Phillips, 2017: 139). To analyse these globally spread supply chains, the network approach is chosen to put a focus on social upgrading as well as on labour. Additionally, labour governance must be understood from a global point of view in order to approach my research interest. The Accord is one instrument that was introduced to tackle the labour issues. Without a global governance context labour issues emerging through global economy cannot be addressed. In the following, all concepts and their linkages are explained further.

2.1. Global Production Networks

Labour and employment within global production are both driven by requirements of global buyers and shaped by specific local labour market norms and circumstances (cf. Barrientos, 2007: 1). One central presumption in the GPN approach is that the global economic interdependencies are understood as networks and not as a subsequent chain. This emphasizes the vertical, horizontal and multidirectional connections that exist in a network. Thus, this approach underlines the complexity and dynamics of the production contexts (cf. Fischer et al., 2010: 15). The complexity is not only highlighted at the corporate level. The GPN approach also includes the role of states, international organisations, NGOs, trade unions, consumers and workers in the analysis. GPN literature focuses other than related approaches not only on value creation and value capture but more on the institutional and social context of the network and looks at the whole range of actors who are influencing the production globally. Furthermore, power relations and the social, as well as institutional embeddedness of production, are taken into account while analysing the production network (cf. Barrientos et al., 2011a: 321). Different chain and network approaches arose over time. To give some background information on how GPNs emerged, Global Commodity and Global Value Chain research will be highlighted in the following.

2.1.1. Chain and network approaches

Beginning with Wallerstein and Hopkins it was at first the world system theory approach and the term of commodity chains, which were used to explain global trade. They defined it as "a network of labour and production processes whose end result is a finished commodity" (Hopkins, Wallerstein 1986: 159 quoted after cf. Fischer et al., 2010: 12). From the world-system approach Global Commodity Chain, Global Value Chain and Global Production Network approach emerged. All approaches include three main analysis criteria: upgrading (the ability to move to a more value-added position in the chain), governance (the ability of the more powerful enterprises to control activities of the chains) and third how do the two latter points influence economic rents (cf. Barrientos, 2007: 5). It is important to mention that the different concepts show linkages to each other but shouldn't be understood as an interlinked chain of research. The literature overlaps and research in all traditions continues (cf. Bair, 2016: 164).

The Global Commodity Chain (GCC) approach understands chain as an interrelated set of firms, connecting manufacturers, suppliers and subcontractors, all acting on global markets. The centre of attention is the question of how taking part in those chains can change and enable industrial upgrading possibilities for exporters from the Global South. The main aim is to understand how global industries are organized and who is part of the chains to eventually understand how and by whom value is created and more importantly distributed throughout the chain. Attention is especially drawn to lead firms as they inherit the opportunity for development for other participants. (cf. Bair, 2016: 156–157)

GCC developed by Gereffi (1992) and the world system theory align on the fact that the commodity chain concept is useful to understand the international division of labour in the environment of capitalist productions. But still, they cannot be understood as similar analytical tools. World system supporters define commodity chains not only as of the actions involved in producing the final goods but also as the interrelation of productive activities. And the focus of interest mostly lays in how these structures redefine the hierarchical world-system (cf. Bair, 2016: 155–156). Bair points out that the GCC research provided scholars with a framework to map and analyse the "spatially dispersed and organisationally complex production networks that are an important part of economic globalisation" (Bair, 2016: 158). Furthermore, they have helped significantly to understand the theoretical framework of how the global economy works and how power is exercised within networks. The concept of governance used in GCC shows that power dynamics and control are not necessarily interlinked with ownership. Therefore the inter-firm network can be identified as an organisational form that is neither market nor hierarchy (cf. Bair, 2016: 158–159).

The participation of countries of the Global South in global value chains is often viewed as an opportunity for them to integrate into the global economy, to increase income, create employment and positive impacts on development. However, such gains do not automatically occur. Strong (national) institutions and policies are needed to lead the market liberalisation into the right directions. Referring to Gereffi and the concept of Global Value Chains (GVC) the evaluation of governance[3] is therefore vital to understand global market dynamics and industries. Two different types of governance structures evolved over time: the producer-driven and buyer-driven commodity chains. Producer-driven commodity chains are found in industries in which lead firms are controlling the whole production system and all actors which are part of the chain. Those sectors are mostly very capital- and technology-intensive, a perfect example is an automotive industry (cf. Gereffi, 1995: 115). Buyer-driven commodity chains are dominated by large retailers. Decentralized global supply chains are set up and mostly labour-intensive goods are traded. One main characteristic of those chains is, that the lead firms owning the highest value addition do not necessarily own production facilities. Often named examples are Nike or other apparel-based companies. Crucial in buyer-driven commodity chains is managing the network and to make sure everything comes together at the right time in the right place. Other as within producer-driven networks, value is created through a unique combination of different services and design processes. (cf. Gereffi, 1995: 116)

[3] Gereffi (2017) defines chain governance as follows: "authority and power relationships of the chain".

Later, this dichotomy was extended with five types of governance patterns. In market-based chains, actors can easily switch suppliers or buyers at a low cost. In modular governance models, suppliers serve several different buyers and dependencies are low. Relational governance structures involve complex relationships between suppliers and buyers and high asset specificity. Due to relatively mutual high competencies and dependence power relations are quite equal. In captive value chains suppliers are highly dependent on buyers as the costs of switching are high and a high level of control of lead firms is typical. Hierarchy, the last governance type, is characterised by vertical integration and managerial control through big lead firms (Gereffi et al., 2005: 83–87).

A major weakness of all chain approaches is its understanding of the production process as a linear and vertical process, whereby the GPN approach, forming a multi-dimensional and multi-layered structure offers a promising understanding of production as systems. It is capturing the global, regional and local economic and social dimensions of processes of the global economy. It highlights that firms, governments and other actors do have different priorities looking at profitability, growth and other parameters of production. A special focus is placed on input-output structures as they are central for value generation. An understanding for territoriality of production is established as the networks are namely constituted by the economic, social and political regulations they are located in. The distinction between producer- and buyer-driven networks made by Gereffi is seen as more fluid.

From a theoretical point of view GPNs help to set a focus on the distribution of corporate power within the networks, the importance of labour and the process of value creation and its transfer as well as the institutions, especially government agencies, trade unions, employer associations and NGOs and which implications all of the previous have on upgrading (cf. Henderson et al., 2002b: 445-447). To conclude it is important to mention that besides all the positive framing of finally having a network approach to analyse and understand global markets, the GPN framework indeed promised to open up on theoretically and analytical space for states, institutions and power, but still analysed power relations predominantly remain in the scope of economic terms and companies are the main agents within power centres (cf. Mayer and Phillips, 2017: 137). To briefly summarise the previous information and to give an overview of the different backgrounds of the developed theories, the following table was created. GPNs, as a theoretical concept is used as its three main advantages comparing the other concepts, are: it is not linear as it is using a network approach, various actors are considered, and power imbalances can be analysed more precisely.

Table 1 Summary GCC-, GVC-, GPN- concepts (adapted from Coe et al., 2008: 3)

	Global Commodity Chains (GCCs)	**Global Value Chains (GVCs)**	**Global Production Networks (GPNs)**
Background (disciplinary)	Economic Sociology	Development economies	Relational economic geography
Focus	Inter-firm networks in global markets	Sectoral logic in global industries	Global network formation and regional development
Related concepts	Governance, Organisational learning, Industrial upgrading	Value-added chains, governance models, industrial upgrading	Value creation; corporate, collective and institutional power; societal, network, territorial embeddedness
Influences	MNC literature	International business	GCC/GVC analysis, actor-network theory

2.1.2. Social upgrading

The concepts of economic and social upgrading have become crucial for GPN analysis. Beforehand the literature on global commodity chains and global value chains concentrated on the role of lead firms in governing chains and in enabling or restricting entry and upgrading prospects of supplier firms (cf. Plank and Staritz, 2014: 7). The initial optimism that participation in GPNs or moving to higher value-added value chain activities would result in social upgrading has been moderated considerably. Evidence from empirical studies shows that benefits of economic upgrading do not necessarily come along with improvements in social standards, such as working conditions, wages or freedom of association. Often economic upgrading is achieved through social downgrading (cf. Barrientos et al., 2011a: 322). As the object of analysis includes labour issues the concept of social upgrading is of particular relevance and will be discussed further in the following.

2.1.2.1. The concepts of economic & social upgrading

The terms economic and social upgrading, established in the GVC literature, are very important analysis tools within GPN contexts. One main critique within GVC literature was the neglection of labour as an analytical frame and as a result and answer the distinction in between economic and social upgrading was encompassed. For economic upgrading, four different types are defined to describe the possible development of skills and jobs within a value chain. Process upgrading describes changes in the production process, product upgrading occurs when the type of product changes or new products are introduced. Functional upgrading means that a company develops within a chain and starts to take over tasks that have a higher added value. The last possible option in economic upgrading is chain upgrading. Here the company is shifting to an advanced production chain, this may also involve moving to a new industry or market. In every type of economic upgrading, a capital, as well as a labour dimension, are included, meaning new machinery or technology as well as skill development and increased productivity are part of the development. (cf. Barrientos et al., 2011a: 323–324; 337)

It is often criticized that economic upgrading inherits a restricted understanding of the whole upgrading process as the ones on the bottom learn from actors further up in the chains. Additionally, it seems to be universally applicable, but as many studies have shown in the past upgrading has very contested outcomes in GPNs because it is only benefitting certain stakeholders (cf. Fischer et al., 2010: 17).

Therefore, the concept of social upgrading has been introduced to better understand those diverging outcomes. It is focusing on the enhancement of rights and entitlements of workers to simultaneously improve their employment. Social upgrading is not a linear process as workers are not a homogenous group. Some workers may benefit whilst others may be left behind. The different impact can be related to the status of workers – regular vs. irregular workers or workers in core plants vs. subcontracting plants – as well as to their gender and ethnic background (cf. Plank and Staritz, 2014: 8). The relatively new concept was first introduced in GVC analysis and is defined as "[…] the process of improvements in the rights and entitlements of workers as social actors by enhancing the quality of their employment" (Barrientos et al., 2011a: 324). It consists of two elements: measurable standards and enabling rights. Measurable standards are defined as wage levels, social protection, working hours or more generally the type of employment, facts that are easily quantifiable whereas enabling rights are very difficult to measure as it includes aspects such as freedom of association or the right to collective bargaining. All elements are closely intertwined as most of the times standards are an outcome of a negotiation process only possible through enabling rights. Better working conditions may come with economic upgrading but are not guaranteed. Links between social and economic upgrading are often very complex and different workers experience upgrading outcomes very differently and often a direct link between economic and social improvements is missing (cf. Barrientos et al., 2011a: 323–324; 337).

Another point of critique is, looking at the analytical sphere, social upgrading leaves out the ability to understand the nature of capitalist exploitation and indecent work. It furthermore represents a 'top-down' conception as improvements to workers' conditions are implied by collaboration between firms, states and international organisations, workers are largely left out (cf. Selwyn, 2013: 76). There remains a certain conceptual incompatibility between chain/network concepts and labour as upgrading is most of the time described as a process of innovation where firms improve their competitiveness through increasing their use of technology, building up skills and knowledge, but contrary to this underlying neo-classical position, benefits to capital do not necessarily translate into benefits to labour (cf. Selwyn, 2013: 79–80).

Referring to Selwyn workers nevertheless do have the ability to transform their environment and make use of the relationship between economic and social upgrading. The structural power they own needs to be used to change it into associational power in order to extract concessions from the capital. Summed up as current conceptions of Decent Work and social upgrading leave out the labour process as a central feature of the capital-labour-relation, a clear focus needs to be set on the analysis of the labour process, workers' actions and trade unions and how these achieve or fail to achieve improvements in their members' condition (cf. Selwyn, 2013: 84–87).

2.1.2.2. Workers' rights and decent work

Within the entire debate about global governance and global labour governance, a closer focus on the labour process and its multi-scalar dimensions places greater analytical weight on workers as actors having rights and operating in a market place who are in need of protection as access to GPNs is most of the times based on an economic structure characterised through low wages and problematic working conditions (cf. Anner, 2017: 58).

The more visible a worker is, mostly on the top of the chains, he/she more likely has access to rights and can use tools such as collective bargaining or labour law. For those who are further down and have irregular contracts or are informal workers are hardly able to gain access (cf. Hensman, 2005: 208). Three main groups of workers with different access to rights and security can be identified: at the top one finds the regular or permanent worker in large-scale first tier organisations. Next are the irregular workers, those with temporary or seasonal contracts working for large- to medium scale factories. Third the informal workers with no contracts at all working for small units or being homeworkers (cf. Hensman, 2005: 190). Barrientos visualized the different type of workers in a pyramid, also showing different types of temporary work and where ILO Conventions have an impact. Visualized one can already see that informal workers are missing representation completely. Due to the multi-layered complexity of GVCs, governance programs are usually only capable of reaching first-, and some second-tier suppliers with their programs. They are therefore unable to capture and address the reality of lower-tier suppliers (i.e. small, home-based workshops), which are often the most affected in terms of precarious work (cf. Barrientos, 2007: 11). This also shows that in promoting labour standards, the growing presence of the informal sector represents further challenges.

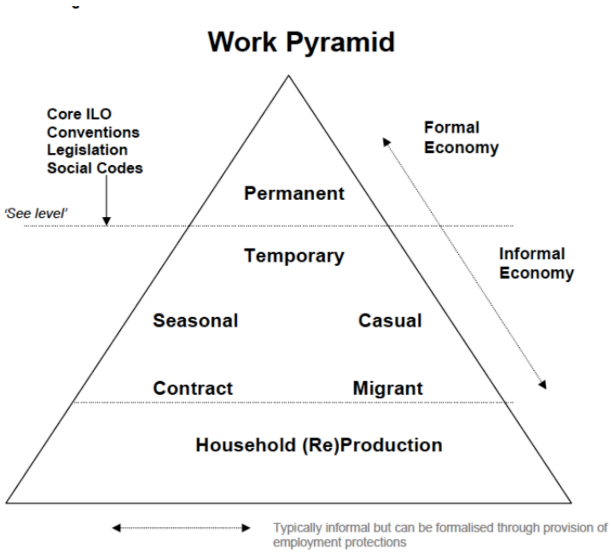

Figure 1 Work pyramid (Barrientos, 2007: 10)

Main rights mentioned in the discourse are labelled as trade union rights including freedom of association (FoA) and the right to collective bargaining. Those rights are fundamental for workers to create and above all sustain a change in their working environment. Three of the ILO core conventions (No. 87, 98, 135) are devoted to them and point out how important they are to achieve a healthy work environment. Additionally, they are part of the Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights (cf. Egels-Zandén and Merk, 2014: 462).

In the debate of GPNs workers' rights are still missing fundamental representation on the agenda. Within research, a first step was made by introducing social upgrading to the discussion, but in implementation and monitoring and representation of interests, there is still a long way to go. The Decent Work Agenda represents another step to sustainably change the capitalist agenda and help make workers' rights a fixed component.

As that national governments only have a limited ability to regulate multinational corporations and civil society demands got more into focus, the ILO replied with the decent work agenda, trying to help minimizing the discrepancy between corporations focussing on technical and outcome standards and civil society organisations prioritising universal and process rights (cf. Barrientos and Smith, 2007: 714).

A lot of employment within GPNs is insecure and unprotected and therefore ensuring decent work especially for vulnerable workers is problematic. Consequently, a key question is how to improve positions of workers but also of firms within the networks and how can both parties gain from participating in GPNs (cf. Barrientos et al., 2011a: 320). The concept of decent work (ILO 1999) was one way to fight the power imbalance between firms and workers and to internationally raise awareness for social protection. The four pillars of action are employment, social protection, workers' rights and social dialogue (cf. Ghai, 2003: 113). The central objective was to offer women and men equally the opportunity to access decent and productive work in conditions of freedom, equity, security and human dignity (cf. Anker et al., 2003: 147). The four main pillars include in detail the following objectives (cf. Barrientos, 2007: 1–2):

- *Employment*: as there is a diversity of employment in global production networks it needs to be ensured that all forms of work, permanent or flexible, regular or insecure and informal are considered.

- *Rights*: within global production networks a rights challenge can be observed. This relates to the difficulty of organising and represent workers as without collective power to negotiate workers are not able to access and secure their rights.
- *Social protection*: this pillar addresses the lack of access to social protection many flexible and informal workers have.
- *Social dialogue*: workers often do not have an effective voice and independent representation in the processes of dialogue with employers, governments and other stakeholders happening in global production networks.

Those pillars are reformulated in six main dimensions. The *opportunities for work* include the need for all persons who want to work to be able to find employment. Work is broadly defined and includes all forms of economic activity, containing unpaid care and family work, informal sector employment and self-employment. The second dimension includes *work in conditions of freedom*, which means that work should always be freely chosen, free from discrimination and the possibility to join workers' organisations. Third, *productive work is essential* both for workers to have acceptable living conditions and to ensure sustainable development. Another dimension is *equity in work* which defines that workers need to enjoy fair treatment and opportunity in work. The fifth dimension is *security at work.* It defines the need for health protection, pensions and to provide adequate financial protection in the event of sickness. The sixth and last is *dignity at work.* It means that workers are treated with respect and are able to state their concerns and participate in decision-making processes about their working conditions. (cf. Anker et al., 2003: 151–153)

Key challenges for decent work on national levels are employment creation and employability, reforming labour laws to upgrade wages and improve working conditions (health and safety) as well as establish and improve right to freedom of association. Furthermore, government capacities should be strengthened to enforce market regulations and social dialogue as well as improve and establish social protection programmes. (cf. Bell and Newitt, 2010: 4)

If a state and its economy get part of a global production network it weakens the ability of the national government to ensure decent work and protect its citizens (workers) and employment decisions on a local level are increasingly controlled and managed by oversea corporate buyers (cf. Barrientos, 2007: 2). This also means international organisations and states need to work together to sustainably integrate the agenda. The problem public-private organisations have when looking at ambitious governance goals as decent work, is a moderate governance capacity as states are often unwilling to cede authority to international organisations (cf. Thomas and Turnbull, 2017: 537). On a broader level, this means that governance is a challenge for the ILO – especially looking at the task of promoting decent work. Global supply chains represent a challenge as the multilevel structure of the conventions do not fit to their vertical lines. The present field needs vertical and not horizontal regulation of labour standards, as Guy Rider, ILO Director-General, pointed out:

> National governments ratify [Conventions] and are responsible for answering to the ILO for their observance. It's a nation state-based approach to international labour behaviour. There has been a growing feeling, an accumulation of feelings, that the advent of globalisation, the development of supply chains and production networks, has led to a risk that this purely nation state approach to the behaviour of the globalised economy risked missing the dimension that was the transversal integration of production networks across countries. I think we knew it and I don't think we knew what to do about it. (Ryder, 2015)

Although certain actions already have been taken, workers' rights and decent work are still not the main priority in the global economy and the actors in charge of ensuring are too weak to battle MNCs and their hunt for profits. Plus changes in social upgrading cannot be achieved until underlying principles of the agenda of decent work are changed as they include a weak conceptualisation of class relations deriving from its problematic assumptions that, given the right institutional context, capital does not exploit labour. (cf. Selwyn, 2013: 82)

2.2. Global labour governance

Koch-Baumgarten and Kryst define labour governance as a hybrid combining state and non-state actors and creating rules and regulations both top-down and bottom-up. Summarised it forms a complex structure of different forms of governance:

> It is a diverse and fragmented patchwork of rules, frameworks and governance forms in different policy areas on different levels, established and implemented by a variety of actors. (Koch-Baumgarten and Kryst, 2015: 155)

The Conventions of the ILO are the oldest present form of global labour governance. Within the last 20 years, the debate around labour standards changed significantly. The practice of regulation through ILO conventions moved to codes of conducts and from governments to multinational enterprises and as already mentioned from a centralized to a decentralized setting (cf. Hassel, 2008: 244). The global labour governance environment is facing a major trend:

labour systems are changing in the environment of powerful transnational non-state actors. This, in turn, means that interventions on the supra-state level are becoming more and more important (cf. Hendrickx et al., 2016: 340).

Global labour governance, moreover, is embedded in a broader context of global governance. The term ‘governance’ in general refers to those institutions that limit or enable certain market behaviour – both in public sectors, in the form of governmental policies, rules and regulations, as well as in private sectors, in the form of social norms, codes of conduct, consumer demands for social responsibility or other social movements (cf. Mayer and Pickles, 2014: 17). Looking at the chain concepts governance is defined as inter-firm governance. Here power and power structures are referring to interrelations of companies alone, whereas the GPN approach also includes institutional power (states, international organisations) and collective power (trade unions, NGOs, consumers) into the analysis (cf. Coe, 2009: 558). Hess (2009) summarizes this as follows:

> As far as power and governance are concerned, GPN analysis aims at going further than GCC and GVC concepts in that it sees development through value generation, enhancement and capture as being driven not only by lead firms shaping the Governance structures within the chain, but crucially includes states, nonstate organisations and civil society as important drivers of the process of accumulation and the resulting uneven development. (Hess, 2009: 27–28)

Governance is increasingly influencing labour standards and how they are implemented. Strategies of global buyers set the key conditions for workers' rights and their working environment as it's MNCs who shape opportunities and constraints of suppliers (cf. Joonkoo, 2016: 3–4). Consequently, markets become more dis-embedded from local spaces and national borders and regulations (cf. Posthuma and Rossi, 2016: 188). Here international institutions are still missing mechanisms or instruments to regulate international business activities. In a context of asymmetrical power relations in a value chain between lead firms, suppliers and subcontractors, governance needs to take place as otherwise lead firms are able to take advantage of their powerful and dominant position (cf. Barrientos, 2014: 3). Consequently, inter-firm governance is relevant to understand the prevalent dynamics within production networks, but to fully depict the object of analysis also labour and global governance are of importance. Both topics are further specified in the following sections.

2.2.1. Global governance

Held (1995) was the first one to define global governance as something complementary to nation states rather than a complete substitute. He saw this approach as the only democratic way to preserve social policies and regulations in a globalised economy (cf. Meardi and Marginson, 2013: 654). One characteristic of globalisation is the transition from government to governance, meaning the shift in between market, state and civil society (cf. Alamgir and Banerjee, 2018: 276). Treib et al. define governance very comprehensively as following:

> In general, the term governance is associated with a change in the nature of the state. In this sense, governance denotes a process of governing which departs from the traditional model where collectively binding decisions are taken by elected representatives within parliaments and implemented by bureaucrats within public administrations. Governance takes into account a change in the actor constellation, both during the formulation and the implementation of policies and in the method of political steering. (Treib et al., 2007: 3)

The term global governance, which originates from political science, defines the basic assumption that global problems demand global solutions. It has been used in international relations to offer a field for understanding the current processes of global change (cf. Niforou, 2012: 355). Within this understanding, MNCs have become part of the fabric of global governance and moreover are the evolving symbols of a new age of exploitation, imperialism, and colonialism (cf. Levy and Kaplan, 2009: 2; Litvin, 2003). But global civil society too has become a participant in the multi-layered global governance. Brands and companies have become increasingly vulnerable to adverse publicity and all its risks which enhanced the social powers of civil society and the start of collective actions (cf. Barrientos, 2007: 17).

In global economy, effective regulations for international activities of firms are almost completely missing and national or local rules are becoming less important. Through globalisation and globally dispersed value chains it is now possible for lead firms to refuse an attribution of responsibility and push everything to their supplying units (cf. Ungericht, 2010: 59). Levy and Kaplan underline the global trend towards deregulation and privatization while simultaneously intensifying the “undersupply of governance”. They constitute their findings through the argument that the need and pressure for global competitiveness have limited the resources and weaken the welfare state (cf. Levy and Kaplan, 2009: 435). Niforou points out that due to the so called "governance deficit" (Mayer and Gereffi, 2010: 2) especially labour needs to be governed on a global level and this is why global governance and labour governance are linked closely. The deficit is generated by the steadily increasing power of organisations that promote the expansion of markets. Those deficits in return provoke social responses for governance (cf. Mayer and Gereffi, 2010: 2; Niforou, 2014: 368).

Esbenshade further argues the traditional relationship between state and workers, she calls it the "traditional social contract" (2004), where the state protects its citizens is changing. Nowadays a "social accountability contract" between corporations, contractors and governments rules. Workers are excluded from actively protecting and demanding their rights. Instead of actively involving workers in the monitoring process, corporations are made accountable for workers' protection. Private regulations are only a weak substitute for state regulation and governance paradigms which only focus on private regulation rather than state enforcement deny the presence of strong power imbalances which ever since exist. (cf. Esbenshade, 2012: 550)

2.2.2. Initiatives in global labour governance

Looking at initiatives in global labour governance in general, a distinction between public, private and social governance is made. Public labour governance is executed by the state. Private and social labour governance includes non-state institutions, ranging from broad societal norms to collective bargaining agreements, which nowadays are equally important. Moreover, the scale of labour governance – local, national or international or if its firm- or industry-specific or rather cross-cutting- can be assessed. Public governance mostly operates at the level of the national state and is typically non-sectoral. Private governance, on the other hand, often exceeds national boundaries and is organized along with industry- and firm-specific characteristics. (cf. Mayer and Pickles, 2014: 19)

A shift in power dynamics and the already mentioned "governance deficit" have led to the evolution of such a various set of labour governance initiatives reflecting the entanglement of public, private and social governance and economic and political power (cf. Mayer and Phillips, 2017: 136). The state's role as a protector of its vulnerable citizens is no longer unchallenged, instead, the state nowadays seems more like a supporter for corporations, which in turn promise to provide economic prosperity. Therefore, it seems quite logical that other mechanisms must take over or at least support states (cf. Esbenshade, 2012: 551). Civil society and international organisations get into the spotlight and become actors in enforcing labour governance (cf.

Interview 1 Scheper, Dr. Christian, 2019). Through NGOs and unions, civil society plays an important role in looking at raising issues of discrimination and exploitation and representing workers' interests. In addition, multi-lateral agencies and international bodies have an important gathering role to create spaces for negotiation processes (cf. Barrientos, 2014: 20–21).

Within the approaches to regulate labour three main strands can be identified: the first one covers initiatives implemented mostly through the ILO and governments, representing a public approach. The second pillar includes initiatives which address MNCs on a private basis, based on CSR and third social actors such as NGOs address issues in global labour governance (cf. Hendrickx et al., 2016: 343; cf. Clavet et al., 2008: 68). In the following, all forms are described in detail and are underlined with examples.

2.2.2.1. Public

It is evident that state-level governance has been severely eroded by market-based mechanisms, particularly as production moves to the Global South with less well developed regulatory mechanisms (cf. Mayer and Pickles, 2014: 31). Within public initiatives, two main challenges in the governance of labour standards can be identified. First, the aspect to align and guide key stakeholders on the design, framework and agreement of new instruments to mediate the nations between national and international governance implementations. Second to maintain the authority and mandate to further encourage dialogue and collaboration between different stakeholder groups (cf. Posthuma and Rossi, 2016: 187).

Established in 1919 the ILO had the aim of developing international policies and norms on labour-related issues. Based on the principles of social justice the idea was to prevent further deterioration of labour standards after the war (cf. Hendrickx et al., 2016: 342). The ILO's approach assumes that it is the state and not companies that is obliged in the first place. Therefore, the ILO instruments assume that the states must influence MNCs through their jurisdiction to behave in an acceptable manner. Consequently, very important tools are several conventions. Here rather support than punishment is the aim. With a membership, states are committed to respecting and promoting conventions, even if they have not ratified them. Today it is not the goal in regard to labour standards to issue new conventions but rather ensure that existing standards are applied more effectively (cf. Thomas and Turnbull, 2017: 546–547).

One of the most important documents in the labour debate is the 1998 ILO Declaration on Fundamental Principles and Rights at Work as it represents an important step for the recognition of core labour standards. Four core standards are defined to ensure universal recognition and application:

- Freedom of association and the effective recognition of the right to collective bargaining
- Elimination of all forms of forced or compulsory labour
- Effective abolition of child labour
- Elimination of discrimination in respect of employment and occupation

Today eight ILO core conventions help to ensure implementing labour standards, all referring to the 1998 Declaration (cf. EU Commission, 2005: 58). To address MNCs more directly the 2006 ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy is vital.

The ILO as an institution inherits several instruments to promote its standards. At first, the supervisory mechanism should be mentioned. Here a regular report on the implementation of ratified conventions is published. Furthermore, peer pressure can be exercised during annual ILO Conferences by means of the tripartite Committee. Additionally, a complaint procedure next to the regular supervisory instruments was established. Besides that, also a report on core labour practices from non-ratifying countries is issued yearly. Here those countries must report which steps have been taken to promote the conventions. As well as the reporting mechanisms the ILO further offers technical assistance in which advisory on legislative reforms, capacity building of regulators and administrators and training government officials are covered. (cf. EU Commission, 2005: 58–60)

The standards have become an important, internationally accepted point of reference in the regulation of transnational value chains. But with the ILO one core problem remains: its low assertiveness. The tripartite approach, for which the ILO is famous for, on the one hand, gives all parties a possibility to take part in the negotiation but on the other hand always taking government, workers and employers into account, makes the agreed measures very broad and difficult to implement. Furthermore, only small sanctions can be issued by the ILO, wherefore ILO-instruments have a more moral-symbolic meaning (cf. Ungericht, 2010: 62–63). On top, the big gap between ratification and implementation of ILO conventions is one of the major problems labour governance is facing. As one of the most important tools, it is vital that states take the implementation seriously: The lack of administrative structures for effective implementation, weak trade unions and disinterest of governments are key challenges. Moreover, the monitoring process is weak as reports are written by the member states themselves and all conventions show a very wide range of interpretation, which allows plenty of scope for justification (cf. Weiss, 2013: 9). To sum up, public labour governance initiatives have historically been better at facilitating than at regulating, although the ILO has always been an important voice for workers and for promoting decent work (cf. Mayer and Pickles, 2014: 29). To conclude even in today's globalised economy, national governments and their legal systems are central to labour governance and the setting of standards (cf. Vogel, 2008: 265). This further means that state regulation remains very important in questions of global labour regulation.

2.2.2.2. Private

Private labour governance refers to such a high number of organisations and practices that one definition would be too restricting. As part of a more general belief in market-oriented solutions for labour issues, private labour governance initiatives became very fashionable in recent decades (cf. Mayer and Pickles, 2014: 22). Reputation and image of companies are at risk through exposure to violations of labour rights within supply chains. Activists nowadays use this power to mobilize consumers and manifold initiatives are the result. Codes of conduct emerged when the risk of consumers rejecting products because of poor working conditions was too high and firms felt threatened by bad publicity. Companies' awareness of reputation increased and was embedded in the upcoming of Corporate Social Responsibility (CSR) as a management tool and nowadays a whole industry (cf. Hassel, 2008: 239–240).

Critical voices claim that many private governance initiatives are foremost driven by corporations seeking to protect their brand image and satisfy customers (cf. Donaghey and Reinecke, 2018: 16). But others argue that private regulation is the only reasonable regulation, as nation states only have a limited scope looking at the globalised economy (cf. Esbenshade, 2012: 549).

The European Commission defines CSR as the responsibility enterprises have for their impacts on society:

> [...] To fully meet their corporate social responsibility, enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders, with the aim of maximizing the creation of shared value for their owners/shareholders and for their other stakeholders and society at large as well as identifying, preventing and mitigating their possible adverse impacts. (EU Commission, 2011: 6)

The EU Commission (2005) furthermore states that it „strongly encourages companies to practice corporate social responsibility " as it believes CSR should be seen as and developed in a partnership with all significant stakeholders (EU Commission, 2005: 62). What further needs to be added is that content of such programs is always defined by its actors as Anner summarises: "[...]who participates in the formation and governance structures of CSR programs affects their outcomes" (Anner, 2012: 634). The term "responsibility" might give the impression of including binding law, but instead, only voluntary initiatives are covered, as the initial aim was to complement the law to reach higher and not minimum standards for stakeholder, especially workers (cf. Clavet et al., 2008: 108).
As can be seen, CSR has not one single definition as it covers a wide range of different actions and actors, but all definitions have in common that CSR should go beyond legal requirements and is voluntary in nature (cf. Servais, 2005: 22). CSR describes a broad umbrella for several initiatives relating to the company's profitability, social sustainability and environmental sustainability (cf. Barrientos, 2007: 15). The above-mentioned definition was chosen, as the author believes it covers the concept's core understanding.

Today companies modify internal processes to be compliant with social and environmental standards and represent a sustainable use of resources. In order to check compliance with codes, some leading companies introduced their own controlling mechanisms for factories (monitoring) or commissioned external companies with the task. These external companies and organisations can be divided into three groups of actors: firstly, profit-oriented global audit firms, secondly, non-profit organisations founded by companies themselves and thirdly, non-profit multi-stakeholder initiatives, which include companies, NGOs, trade unions and human rights organisations (cf. Wells, 2016: 53).

Looking at the implementation and monitoring of CSR standards, it is often the case that many of the monitoring processes are carried out by private profit-oriented operators are inadequate in terms of quality and quantity and monitoring activities are executed by underqualified persons (cf. O'Rourke, 2002: 200). In addition, many private monitoring activities focus primarily on issues that increase the productivity of companies, such as ventilation and workers' health (cf. Plank et al., 2009: 42). Tensions between legitimacy and control can be observed quite well in the field of CSR, as corporations always aim to enhance legitimacy in the public discourse but at the same time do not want to damage their control. This finding explains the fact that corporate-influenced CSR-initiatives focus more on safety and health issues than really addressing key points of power dislocation (cf. Anner, 2012: 634). Levy and Kaplan summarise the dilemma as follows:

> [...] CSR is limited by the logic of the marketplace. It relies primarily on the pressure exerted by NGOs and consumer activism in affluent countries on MNCs with vulnerable brand names. CSR does little to empower workers in developing countries, neither has it reversed adverse labour market trends in industrialized countries, such as wage stagnation, rising inequality, and the erosion of health care and pensions. (Levy and Kaplan, 2009: 444)

Briefly summarised CSR programs are mostly defined by strong corporate influence. A top-down solution is always preferred as programs resulting from strong workplace organisation would also result in a loss of managerial control and stronger union representation which is not intended by most of the (large) corporations (cf. Anner, 2012: 614;618). It can create a positive market image, improve employee ethics and reduce the costs of liability, insurance and legal compliance (cf. Levy and Kaplan, 2009: 441). But in today's global economy a "code-overload" (Mayer and Pickles, 2014: 24) is predominant, leading to a general "monitoring fatigue" on the supplier side (Locke, 2013: 27). Codes of conduct with an often very limited approach to social upgrading focusing on measurable standards, monitoring labour and quick fixes to visible problems without taking into account broader dimensions of social upgrading that perceive workers as social actors with enabling rights do not help to sustainably make an impact (cf. Plank and Staritz, 2014: 20).

2.2.2.3. Joint (public-private-social)

Besides clearly separated public and private governance, also joint initiatives emerged as Mayer and Pickles state correctly: "[…] it is also the case that the effectiveness of each, in the end, depends on the nature of the other" (cf. Mayer and Pickles, 2014: 34). The power of consumption-based actors in the supply chain recently has been paid more attention to. Ethically motivated buying got very important. Furthermore, complaints are a meaningful instrument to attack the powerful position multinationals have in supply chains. Social movement groups have played and play a vital role in pushing multinationals to protect labour rights and improve their supply chains (cf. Reinecke and Donaghey, 2015a: 723).

Based on a wave of private governance regulations multi-stakeholder initiatives have become a central mechanism. The multi-actor governance approach underlying the conception of CSR is built on the idea that labour violations are neither caused nor solved by one single stakeholder. Governments, companies, trade unions and NGOs are included in the process of regulating labour by referring to the ILO Conventions as a central element (cf. Barrientos, 2007: 15). On the one hand, MSIs are recognised positively as providing an opportunity for a more democratic and inclusive approach to global governance. On the other hand, the legitimacy and efficacy of those initiatives are questioned as companies still are primarily economically acting characters who use their power to advance their own relatively narrow interest (cf. Huber and Schormair, 2019: 3). The most prominent social actors when it comes to MSIs and their monitoring in labour governance are the Fair Labour Association (FLA), Fair Wear Foundation (FWF), the Workers' Rights Consortium (WRC), the Ethical Trade Initiative (ETI) and the Clean Clothes Campaign (CCC) (cf. Weiss, 2013: 15). MSIs such as the ETI provides a platform for buyers as well as for NGOs and trade unions to address labour standards with a more dedicated approach than individual corporate codes can achieve (cf. Barrientos and Smith, 2007: 713).

International Framework Agreements (IFAs) are one form of multi-stakeholder initiatives to regulate labour issues by means of bilateral, collectively negotiated, agreements between individual corporations and Global Union Federations (GUFs)[4]. Such IFAs mostly focus on more procedural debates such as acceptance of national unions, who afterwards negotiate more detailed terms and conditions (cf. Reinecke and Donaghey, 2015b: 261-263). They are defined as an effective form of governance to establish union recognition and collective bargaining (cf. Posthuma and Rossi, 2016: 189) and mostly happen in industries that already have a tradition of cooperation with employee representatives and or are keen on avoiding negative publicity (cf. Koch-Baumgarten and Kryst, 2015: 159). IFAs are aiming to establish and on-going relationship between MNCs and GUFs to solve defects and provide a good basis, for

[4] GUFs are seen as the legitimate representatives of global labour and are very important in the current formation of global labour governance (cf. Donaghey and Reinecke (2018: 16). They act as a forum for unions to agree on interest, coordinate global strategies and share information (cf. Koch-Baumgarten and Kryst (2015: 156)

appropriate social dialogue with MNEs to work in the interest of all parties involved (cf. Barrientos, 2007: 16). They somehow can be seen as Codes of Conduct including an additional requirement: in case of any violations the multinational company needs to consult the global union. IFAs nevertheless have limitations as well: they do not involve the contractors into the negotiations and lack of dispute resolution and enforcement mechanisms (cf. Anner et al., 2014: 25–27).

MSI not only occur between social and private actors but also as hybrid forms of public and private actors. In the past, corporations were not seen as regulators, but as objects of regulation. Looking at a national context of governmental regulation this is still true, but on an international level, the role of MNCs changed. Especially when Kofi Annan proposed the Global Compact at the World Economic Forum in 1999, corporations were invited to become partners in the realisation and implementation of CSR (cf. Mena and Palazzo, 2012: 532).
MSIs are versatile and due to their very flexible nature several different initiatives developed, all having advantages as well as disadvantages. MSIs are successful in bringing diverse parties together, sharing learning and finding common approaches, but it is also argued, that the impact of intended changes, such as improved working conditions, seems marginal. Some scholars flag the fragile nature during rulemaking, e.g., because of power imbalances. Whereas others argue that such initiatives reflect relatively stable institutional spaces. Another advantage mentioned in the research field is their ability to create legitimate solutions to global (labour) governance problems, as the critique for a lack of inclusiveness and resulting in lower levels of legitimacy is addressed. Furthermore, flexibility and certain adaptiveness to local circumstances are presented as an advantage. On the other hand, the lack of comparability resulting from flexibility is criticised heavily as well as the fact that cited positive impacts of MSIs are most of the times "only" improvements in health and safety conditions and not in regaining collective bargaining power for marginalised groups. (cf. Rasche, 2012: 683)

Although MSIs are defined as an answer to current challenges in governance, shifting from a national to a global governing system, power relations between buyers and suppliers and between employers and employees have proved to be more resistant to changes, especially to changes missing legally binding characteristics. Therefore, the question of how to respond to governance challenges remains, at least partially, open.

2.3. Synopsis

As already mentioned above, the comparatively broad GPN approach has in contrast to chain approaches several advantages when analysing globalised production. It allows to consider non-commercial actors, such as the nation state and NGOs. Furthermore, power asymmetries in production networks can be highlighted, focusing on firms but also on broader actors, including workers. This is of importance for the case study as the integration of workers and working conditions is vital to understand possibilities of social upgrading and the analysis of the Accord.

The GPN approach here is linked to global labour governance by looking at labour initiatives at different levels. Within the public sector, the ILO and state governments are the most important actors. Regarding the field of private initiatives, several stakeholders are involved. Corporate codes of conduct and MSIs are the main instruments, forming hybrid forms between social, public and private actors. Multi-stakeholder governance has become an important pillar in global labour governance and enjoys a positive reputation among scholars while assuming that the involvement of more actors will in general lead to a higher quality of governance and gains in effectiveness (Interview 1 Scheper, Dr. Christian, 2019; Scheper, 2017; The World Bank, 2015). The following graph conceptualises the initiatives and actors involved again.

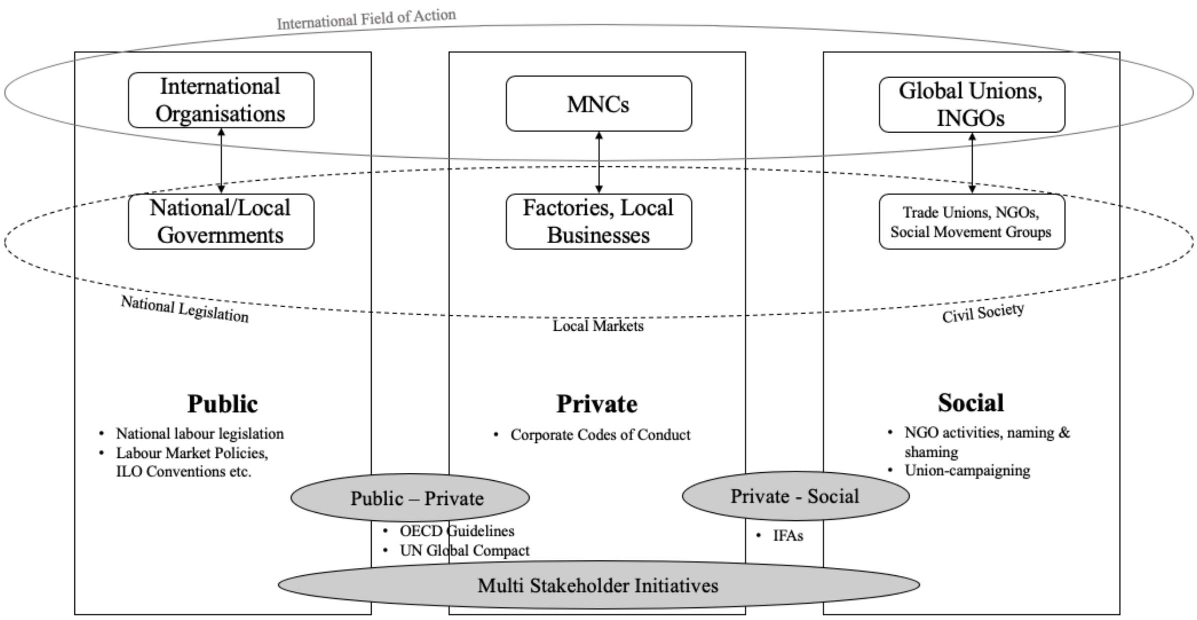

Figure 2 Overview initiatives in global labour governance (own figure modified from: Stroehle, 2017: 98)

As shown above, labour standards and labour rights are shaped and influenced by multiple agendas and different regulatory bodies. In this field of negotiation states retain the decisive power to shape the global system. It is therefore needed to re-include the state through new politics to govern the global economy again. It is not about a revival of states as actors but more about a complex reconfiguration of public and private authorities working together (cf. Mayer and Phillips, 2017: 136, 138). The complexity of the state as an agency owning power must be understood in a more complex way as it can be found in most of the current literature. Central is not the fact to abandon private governance or come back to a static model, but to "[...] reengage the state in the pursuit of more equitable and sustainable development" (Mayer and Phillips, 2017: 148).

All presented strands within global labour governance are relevant to master today's challenges. Despite conflicting interests of the negotiating parties, MSIs still seem to offer a response to global needs. Although MSIs represent a field of tension between different stakeholders, the included process of negotiation is vital to tackle current labour issues in the context of GPNs. In the context of global labour governance, GPNs are defined as an area of conflict in which power asymmetries persist. The Accord, being an MSI is analysed in this regard to evaluate its potential to further include a broader range of actors and offer the opportunity to social upgrading and decent work.

3. Methodology

The methodology includes document analysis and expert interviews. The collected data is complemented with trade data to get an overview of the apparel sector and the role of Bangladesh. In the following, the methods are described.

3.1. Research methods

For the purpose of answering the research question, a qualitative research approach was chosen. Quantitative data about the size of the apparel sector in Bangladesh and the apparel industry in general as well as a literature review served as a basis. Besides a document analysis, expert interviews are the other main pillar of qualitative research. The literature review was conducted in a systematic way to ensure to get a detailed overview of the topic. Different search terms regarding the Accord itself, labour governance and global governance as well as (Bangladesh) apparel industry were used. Within the literature review, two empirical studies in the Bangladesh apparel sector are of particular relevance for the impact-analysis of the Accord. First to mention is the "Garment Supply Chain Governance Project" at the *Freie Universität Berlin*. The project describes itself on the website as follows:

> This unique, three-year (2016-18) project combines a systematic, comparative analysis of developed country lead firm policies and practices with comprehensive, on-the-ground research among managers, workers, government and civil society organisations in Bangladesh.[5]

The study provides insights into the factors influencing workplace labour in Bangladesh and the impact the Accord has for policy implications and factory practices. Interviews and surveys were conducted with lead firms, suppliers, and workers to get a deeper explanation of organisational dynamics and insights into lead firm practices (cf. Schüßler et al., 2019: 10).

The second important field study was conducted by Alamgir and Banerjee (2018) from 2013 until 2017. The interviews focussed on current working conditions in factories in Bangladesh and whether there were any improvements following the Accord and Alliance. The leading question was: *how do key actors in the sector – workers, union leaders, owners, activists and government officials – describe the current situation in garment factories?* (Alamgir and Banerjee, 2018: 8). Both studies provided deeper insights into the working realities of Bangladesh workers in the apparel sector and helped to understand which implications the Accord had and still has.

Furthermore, key papers in the GPN research built the foundation for further steps. As it is a relatively present and ongoing debate most of the literature used are papers and online documents. To get a closer insight into the Accord the instrument of document analysis was chosen, to identify its potential as a game changing contract. The document analysis in social science was developed from the source analysis in historical science and is an interpretative technique. In general, a selection of sources is made according to the research question, which should include all sources relevant to the research question. These sources are evaluated in

[5] Garment Supply Chain Governance Project (2019), https://www.wiwiss.fu-berlin.de/forschung/Garments/About-the-Project/index.html, last access: 02.01.2020.

terms of their informative value before the actual linguistic and content analysis is carried out (cf. Reh, 1995: 203). According to Atteslander, it is a matter of "intensive, personal examination of the document, which in is its uniqueness is examined and interpreted as comprehensively as possible" (Atteslander 1971: 67, quoted after Mayring, 2002: 33). Through the literature review, different categories for the document analysis as well as for the interviews emerged. The Accord was analysed in its different thematic units: governance, credible inspections, remediation, training, complaints process, transparency and reporting, supplier incentives, financial support. Every section was examined regarding content, intended audience, measures and problem-solving competence always regarding the research question.

Looking at the expert-interviews, interviews are among the most important instruments within qualitative data collection and the focus of qualitative interviews lies within understanding. In addition, a qualitative approach is often useful for small and less standardised subjects. This, in turn, means that it is about the experiences of certain actors and analysing them. The approach is, therefore, more open and flexible in order to be able to adapt to the interview situation again and again and to respond as well as possible to the interviewee. A distinction can be made between open, biographical, guided and expert interviews. In the present case, a combination of guideline and expert interviews was chosen.

Froschauer and Lueger always regard the interviewees as experts regarding their living environments and experiences (cf. Froschauer and Lueger, 2003: 36). Dannecker and Vossemer define experts with their access to knowledge or the state of their knowledge, defined by the interviewee (cf. Dannecker and Vossemer, 2014: 161). Questions were prepared for each interview, structured in different topics, leading to a pre-structuring of the interview. Main topics identified in combination with the research question and the underlying literature are the apparel sector, understanding of global labour governance, the Accord and its impact for Bangladesh and in labour governance globally. The set of questions formed a guideline to structure and compare each interview. However, since it was still the aim to experience the interviewee's perspective and environment, the guideline was flexible, and the questions openly formulated and based on everyday language (cf. Dannecker and Vossemer, 2014: 165).

Bogner and Menz distinguished between three main forms of expert interviews: systematic, explorative and theory-generating. In the first case, the experts are those who give advice through their knowledge and therefore share practical knowledge and "special knowledge"[6]. Explorative interviews are conducted in the initial phase and serve as orientation in the research field. Here the interviewee is a supporter to sharpen the awareness of the researcher. In the third case, it is about the influence of knowledge on the respective decisions of the interviewee. Interviews were formed as systematic expert interviews in order to complement the findings from the literature review (cf. Bogner and Menz, 2002: 36–39).

In order to be able to analyse the content gained from the interviews, the method of content analysis is used. Merten defines content analysis as a method of ascertaining social realities in which characteristics of a manifest text are used to define characteristics of a non-manifest context (cf. Merten 1995: 15). Accordingly, content analyses can not only make content from verbal communication visible but can also analyse latent meanings (cf. Mayring, 2012: 469).
Mayring proposes the following approach for content analysis: at the beginning, there is the development and formulation of a research question, which forms the thread through the analysis. Based on this, the categories are defined which are deductively combined in a system. Categories do not simply result from the material but are theory-driven and developed in relation to a concrete question. Once the categories have been defined, the text files are examined and assigned to the categories and, if necessary, new categories are added. Finally, the interpretation of the results completes the analysis. In addition, Mayring distinguishes the deductive category application between formal, content-related, typifying and scaling structuring. Either formal structures can be worked out or they can be summarised by content. During the evaluation, obvious characteristics in the material are used as a basis for categorization. As the object of examination is to complement the findings from the literature review, the analysis based on Mayring is very suitable. The material is examined in its communication context, which results in a clear advantage for the choice of this analysis method as it represents the first validation of findings from the literature. Furthermore, the case of research, an individual case study, needs an open and rather interpretative methodology (cf. Mayring, 2015: 12–13).

Categories have been defined based on the literature analysed. The structuring dimensions, and hence the categories, must be clearly derivable from the research question and theoretical

[6] Knowledge achieved through individual experiences and studies

justification. In order to guarantee reproducibility of the connection between text parts and category, a definition of the categories must take place. Furthermore, examples for the categories must be shown and coding rules must be defined. In the first step of the actual analysis, the material is viewed based on the categories in order to test whether the categories are applicable at all. It is possible to structure the material in a formal, content-related, typifying and scaling way. The present paper deals with a content structuring of the material (cf. Mayring, 2015: 99). The following graphic summarises the individual steps once again.

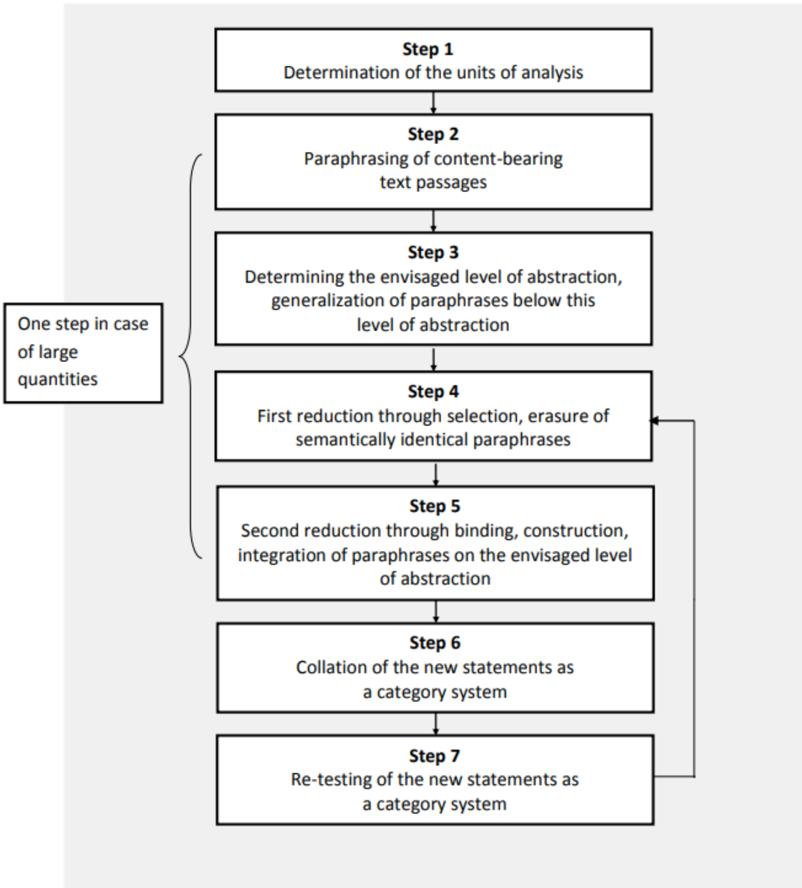

Figure 3 Process of content analysis (Mayring, 2014: 66)

In summary, the research process that has contributed to the results in this thesis includes three main steps: the literature analysis regarding the theory resulted in categories for the document analysis and a questionnaire for the expert interviews, which then were examined by means of a structuring content analysis. Figure six summarises this again graphically:

Figure 4 Overview of research design (own figure)

3.1.1. Selection of the interview partners

Qualitative studies are not concerned with statistical representation, but rather with content representation. Thus, it is also a matter of gaining insights that reach beyond the specific object of the study (cf. Merten, 1995: 15). The aim is to find people who have the widest possible range of information in the field of research so that they can be regarded as experts. Based on the literature review it was started to localize possible experts with a background in research. One of the three interviewees was Mr Christian Scheper a scholar from the field of research, who also published important papers about the topic and himself conducted empirical research in Bangladesh. The second interview was conducted with one of the Austrian representatives from IndustriALL, who also joined the ratification of the Accord, Mrs Monika Kemperle to gain more insight into the Accord and its genesis. The third interview was held with Mrs Nazma Akter, Executive Director of the Bangladesh NGO and Union Awaj Foundation helping workers to fight for their rights. The interviews were conducted between August and September 2019 and lasted around 30-50 minutes each. They were conducted both in English and German. Ahead of the interviews, each of the interviewees was informed about the whole research process of this thesis and for what the results will be used for. The research process was made as transparent as possible. For data analysis, it is crucial to record the interviews for later transcription. In advance of every interview, the interviewees were asked for their approval to record the interview and if they want to be anonymized. All interview partners agreed on recording and mentioning their names.

3.1.2. Forming the category system

All interviews were recorded with a tape recorder and then transcribed and analysed using the transcription and coding software MaxQDA. One interview was conducted in English, two in German. According to Mayring (2012, 2015), the rewriting of the data is a necessary condition for a detailed scientific analysis and interpretation. Since the focus within the interviews is on the thematic level, no consideration was given to linguistic peculiarities, such as dialect and pauses, and the transcript was written in grammatically correct German/English in one step so that no more paraphrase was necessary. The evaluation of the data material is based on the qualitative content analysis according to Mayring. The exact procedure was explained in chapter 3.2. Finally, four main categories were formed. The categories, whose coding guidelines can be found in appendix four, were both theory-based and inductively compiled based on interviews. While the literature search was still in progress, first category drafts for the analysis were identified based on a category-generating content analysis, based on Mayring. The resulting categories influenced the structure of the questionnaire and after the interviews, the final categories were adapted as well as complemented. Categories are: labour and global governance, the Accord as a labour governance initiative, problems of the Accord and labour governance in general as well as implementations of the Accord in Bangladesh.

3.2. Limitations

The chosen methods also have limitations. It needs to be said that a main limitation in the research process is the circumstance of missing actual field access. The researcher is aware of the problematic fact not having access to the field in Bangladesh and views from persons affected could only be considered to a limited extent through access to already conducted field research (cf. Schüßler et al (2019), Alamgir, Banerjee (2018)). The question who can speak and whose voices are heard is important for every empirical inquiry. Therefore, the concept of expert interviews needs to be examined critically. Interviewees selected had actual points of contact with the Accord and the Bangladesh apparel industry, which to the limited access of the researcher herself, was one main quality to claim them as experts. Looking at literature reviews, limitations of a literature review of this nature are the complete reliance on previously published research. The selection of articles for this thesis does not claim to be complete but tries to highlight the main finding within current research.

4. Overview of case study country and sector

The apparel industry is particularly suitable for analysing the structures and functioning of global production and value chains. It is highly globalised, characterised by network-like production contexts and is one of the largest workplaces in the world. At the same time, it is a sector that is to a considerable extent defined by the loss of regulatory methods sourcing practices are particularly competitive and market driven. The sector acts in a constantly changing environment and many workers remain outside social control mechanisms that would protect their interests. Private initiatives to improve working conditions are reaching their limits, which has raised the importance of government action, implying the need for new strategies by political decision-makers as well as workers' movements. This section will at first illustrate the general characteristics of the apparel sector and its history to then lead over to the Bangladesh apparel industry in more detail.

4.1. Characteristics of the global apparel industry

The apparel value chain includes five main segments which are visualized in figure 5: (1) raw material inputs; (2) textile production: providing components, such as the yarns and fabrics; (3) apparel production networks made up of garment factories, including their domestic and overseas subcontractors; (4) trade intermediaries and their export channels and (5) marketing and retail networks (cf. Fernandez-Stark et al., 2011: 11). Shifts in the location of both the most significant apparel exporting countries and regions, as well as their main end markets make the garment industry today one of the most globalised and therefore fragmented industries in the world. It is important to emphasise that the internationalisation of the garment industry is an ambivalent process. Its global spread has created many formal jobs in low-wage countries and reduced dependence on commodity and agricultural exports.

A large part of apparel production - which includes cutting, sewing and finishing activities - remains labour intensive but low in value-addition, has low start-up and fixed costs and requires simple technology (Frederick and Staritz, 2012: 43). These characteristics have encouraged the move to low-cost locations, mainly in countries of the Global South. Tens of millions of people, including women (most of the times young and poorly educated), migrants and marginalised groups found new employment opportunities in the apparel sector, thus creating new income opportunities (cf. Pickles and Godfrey, 2013: 2). Basically, this is a positive development and is used by advocates of globalisation and numerous companies as an argument in favour of the outsourcing of production facilities. The problem, however, lies in the conditions under which the "new" workers must work.

Looking at the GPN approach four dimensions are relevant when analysing a production network regarding its embeddedness, power relations and value creation: firms, institutions, networks and sectors (cf. Henderson et al., 2002a: 448). Firm actors are on the one hand lead firms such as brands and retailers and on the other suppliers. The apparel GPN is a lead firm-driven network as it typically refers to as buyer-driven. Here a strategic partner model is most common. The lead-firm still takes care of the design and the retail process, but the entire organisation of production (sourcing raw materials, organisation of the actual sewing, logistics) is taken care of by a strategic partner (cf. Nickel, 2017: 15). Lead firms are characterised by their ability to organise and control production processes in the network (cf. Fernandez-Stark et al., 2011: 11). Global lead firms (here the buyers) control most of the activities that add value to the actual products of the value chain (cf. Frederick and Staritz, 2012: 47). This exertion of control comes without having formal ownership of the production sites as global markets are consolidating and only a few multinational companies are operating (cf. Barrientos et al., 2011b: 309). This means that there are only few global lead firms, leading the market and getting bigger and bigger through mergers and acquisitions, consequently pushing smaller buyers out of the market and only work with a small number of large, very specialised first-tier suppliers which generally promote a subcontracting phenomenon, as those first-tier suppliers often function as strategic intermediates coordinating a production for the global buyers (cf. Joonkoo, 2016: 9).

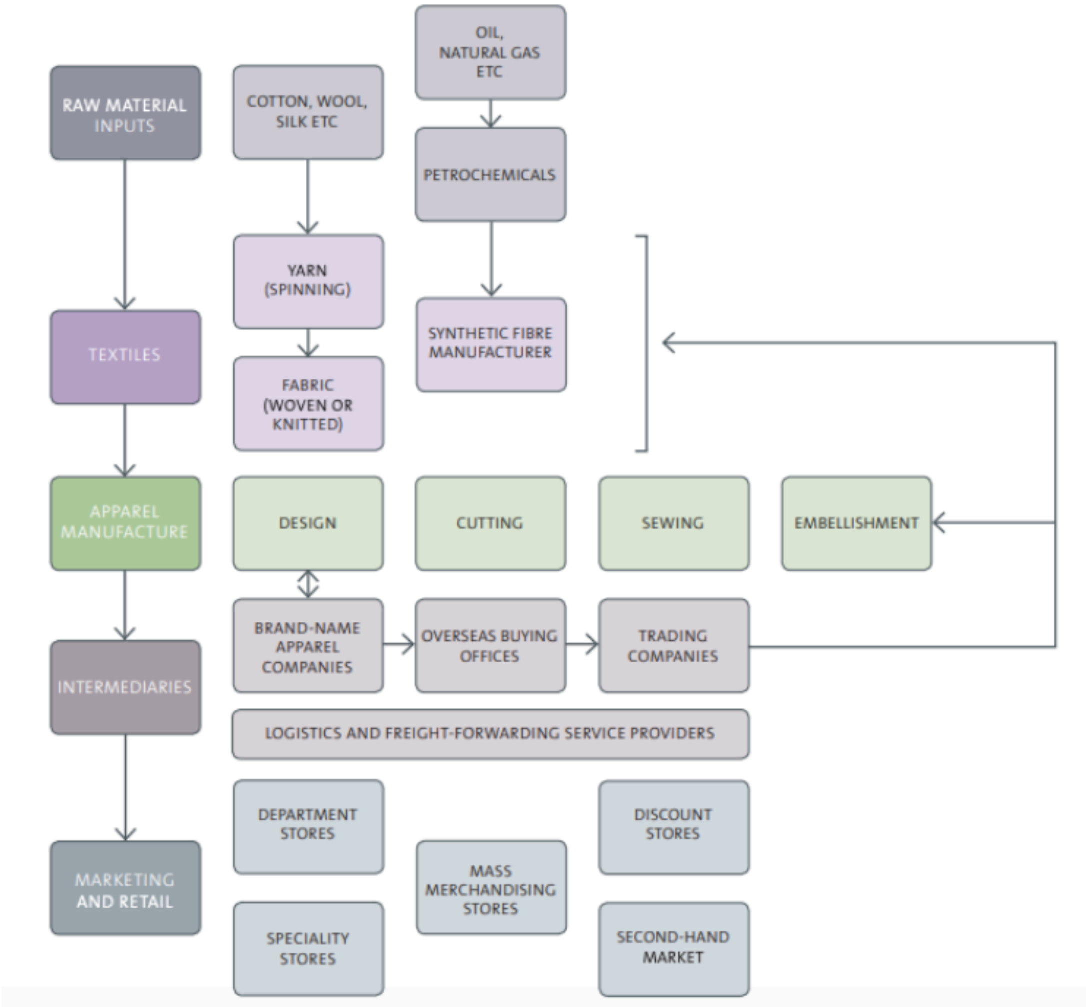

Figure 5 Global garment value chain (Pickles and Godfrey, 2013: 3)

The rising integration of markets through trade has paradoxically brought with it a disintegration of global buyers since companies are finding it beneficial to outsource an increasing share of their non-core activities (cf. Gereffi et al., 2005: 80). As the industry is characterized as buyer-driven, corporate power is significant. The lead-firms degree of material contribution is rather minor, but they capture the biggest share of value. The actual garment producers in the producing countries are creating the material component of value but only gain a minimal share (cf. Nickel, 2017).

Looking at institutional power, the apparel industry was for a long time one of the most controlled industries. Since the 1990s the power imbalances between buyers and suppliers increased in the global garment industry due to the competitive dynamics through globalisation (cf. Anner, 2017: 58). With competition pressure increased and an uneven landscape of labour with small subcontractors producing cheaper and faster than larger factories on the basis of overexploitation on a minimal wage rate developed (cf. Hurley, 2005: 96). Within the 1990s several changes affected the apparel sector. Starting with the relocation from Western production centres to CEE and Asian countries, the industry and network dynamics changed (cf. Lopez Acevedo and Robertson, 2012: 13). This change was enforced by further transformations of the institutional context locally as well as globally.

Between 1974 and 2005, international trade agreements in the garment sector were in place within the WTO (World Trade Organisation) and GATT (General Agreement on Tariffs and Trade). The Multi-Fibre Arrangement (1974-1995) and the Agreement on Textiles and Clothing (1995-2004), which created quotas and tariff facilities for developing countries, initially created opportunities for growth. At the same time, however, they prevented national development strategies, positive impulses for other sectors and the advancement of the value chain in the outsourced countries. Especially since they assigned the role of passive processing to non-Western companies and thus ultimately favoured production chains remained under the dominance of Western corporations (cf. Komlosy 2010: 83).

The MFA was implemented in 1974 outside the GATT to help industrial countries adjust to the rising production of developing countries. In 1995 it was replaced by the Agreement on Textile and Clothing (ATC) and brought the MFA under the rule of the WTO. Although MFA came along with restrictions, it also offered opportunities for countries to develop into the apparel sector, which otherwise probably would not have (cf. Frederick and Staritz, 2012: 10). The process of the phase-out provoked the fear that there would be a swamp of Chinese and Indian exports and therefore adverse consequences for countries heavily relying on the industry, such as Bangladesh (cf. Staritz, 2011: 9). In addition, bilateral agreements have been negotiated between major economic powers or regional blocs. Those agreements further granted some low-wage countries access to markets beyond the quotas. These agreements also contributed to the passive processing of wages in the respective countries and played a role in the development of the structures of the global production networks in the textile and apparel industry (cf. Pickles et al., 2015: 395). A market environment in which offshoring and outsourcing of labour-intensive processes were established (cf. Plank and Staritz, 2014: 131). This implicates that a certain labour-division was defined. Countries from the Global South were responsible for the labour-intensive part of assembly production whereas activities with higher value-addition were located within the Global North. On 31st of December 2004, the ACT expired. This change exposed industry increasingly to global competition and forced competition for foreign investment between the producing countries. The garment industry was much more directly affected than the textile industry, which was and is less susceptible to the rapid change of production locations due to its more capital-intensive production. Liberalization and therefore the global competition rose significantly. Global competition additionally increased the "informalization" of employment (cf. Barrientos et al., 2011b: 322). Moreover, it led to a global consolidation whereby leading apparel suppliers, as well as lead firms strengthened their positions within the networks and smaller suppliers could not survive (cf. Frederick and Staritz, 2012: 81). Trade liberalization and the end of the MFA and ATC with the inclusion into the WTO helped and still help buyers to outplay suppliers in different low-cost countries against each other and further fuel the "race to the bottom".

Today the apparel sector is symbolised through fast fashion. This business model is characterised by a new and growing variety of products, a high degree of flexibility and constantly decreasing product life cycles. New products must be brought to market faster and faster and must be produced in shorter time periods (cf. Bair et al., 2017: 42).

4.2. Labour issues in the apparel sector

The characteristics of fast fashion and the constant demand for shorter lead times and more styles and therefore strongly volatile orders are one main reason why excessive and inadequately compensated overtime are common labour violations in the global apparel industry. The downward price pressure is another contribution why labour rights are neglected, as suppliers are frequently pressured to produce garments more quickly but for a lower price (cf. Bair et al., 2017: 43). The industry is pressuring suppliers to violate workers' rights as labour is the most significant production cost (cf. Bair et al., 2017: 43).

Moreover, the workforce of the apparel sector is mainly female, although the composition is slowly changing with the wage development of the sector. Precisely for this reason in certain value chains with certain production steps women are often preferred workers to carry out specific tasks because of their perceived skills. Furthermore, in a socio-economic context with unequal pay, economic rents can be enhanced when functions are labelled as "feminine" and therefore have a lower value added. Where workers are largely represented by women, ethnic and migrant groups only have access to irregular work, they often face double discrimination (both through their social and employment status) (cf. Plank and Staritz, 2014: 7). Deep gender inequalities remain and shape the structures of production and reproduction that sustain and disrupt the dominant paradigms of economic growth in GPNs and labour governance. From a critical feminist perspective, which regards gender relations as socially and historically created, “gender" is also a social structure that organizes productive and reproductive work within and between governments and markets, and private institutions such as family households (cf. True, 2014: 329). Recruitment of women at lower labour costs and with higher productivity is thus possible and very common within in apparel production as analysed intersectional different power structures impact a women’s position in the system. The more “advanced” a production step gets the more likely is it to be framed as male work and has a higher value and recognition within the chain (cf. Barrientos, 2014: 4). By employing a female workforce, garment manufacturers are taking advantages of gender differences. According to Clean Clothes Campaign women best suit the needs for the garment industry as subcontracting increased the use of more unregulated workshops in which women are the predominant workforce, flexibilization calls for workers without proper contracts and the low status of women helps to provide a more “compliant workforce” especially in the presence of male supervisors (cf. Ascoly and Finney, 2005: 77).[7]

Child labour and forced labour are other issues the apparel industry is facing. Additionally, workers are often employed informally in order to avoid obligations to employees under labour or social security laws and regulations arising from regular employment relationships. Moreover, irregular and delayed wage payments and over hours due to the fast-fashion environment are ongoing problems. Workers’ fundamental rights of freedom of association and to form collective bargaining unions, the industry is often highly criticised. Workers often do not get the chance to form trade unions. Another main point of critique is the health and safety conditions garment workers need to work in. As the event of Rana Plaza showed, working conditions regarding safety are disastrous and this not only counts for Bangladesh. Factory buildings are often ill-constructed and overcrowded and are not built to bear such weight. (cf. Afrin, 2011: 72–74)

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[7] For further gender analysis within the garment sector also see Wright (2006)

Anner, Bair and Blasi summarise the main root cause for labour violations within the apparel industry are the buying practices of the multinational companies and global retailers. Buyers' purchasing practices have a clear impact on social upgrading. The business model of fast fashion poses enormous pressure on workers in supplier firms as it is relying on quick response to changes in fashion and customer demands, high flexibility of production as well as low costs and high quality (cf. Plank and Staritz, 2014: 8). The pressure on labour standards and workers' rights is created when a larger number of suppliers is fighting to get orders by means of manufacturing more goods cheaper and quicker to secure their factory utilization in negotiation with a much smaller and more powerful crowd of buyers without relying on an effective governance mechanism (cf. Anner et al., 2014: 40).

4.3. Bangladesh's apparel industry

The garment industry in Bangladesh has two main pillars – knitted garments (sweaters, T-shirts) and woven garments (shirts, trousers etc.) (cf. Interview 3 Akter, 2019). It is mostly active within Cut-Make-Trim-production and the RMG sector. The industry started with woven garments, but over time, knitwear became another important pillar. The finished yarn and fabric from textile production are processed further through washing, bleaching, dyeing and printing. Afterwards, the cutting and manufacturing of garments take place. Bangladesh has a comparatively long experience within the apparel sector and most firms are locally owned. The industry moreover is characterized through backward linkages and increasing capabilities (cf. Staritz, 2011: 133). Until the 2000s Bangladesh benefited a lot from the quota system of the MFA and furthermore benefited from preferential market access as "least developed country" in the EU, which made the EU its biggest export market (cf. Staritz, 2011: 134).

Khan and Witerich name the readymade garment industry the "backbone" of Bangladesh's economy. It is the second largest RMG industry after China. Due to the establishment of the MFA the growth of the Bangladesh apparel industry was enormous. Garments accounted for 4% of national exports in 1980 whereas in the early 2000's it already was 78%. There were predictions that after the phase-out Bangladesh would have no chance to compete due to poor infrastructure and relatively low productivity for example compared to China (cf. Hale and Burns, 2005: 219). But contrary to expectations and except from a decline in 2015/2016 due to the Rana Plaza disaster the garment sector still had and has an enormous share in overall exports (always over 50%, except 15/16).

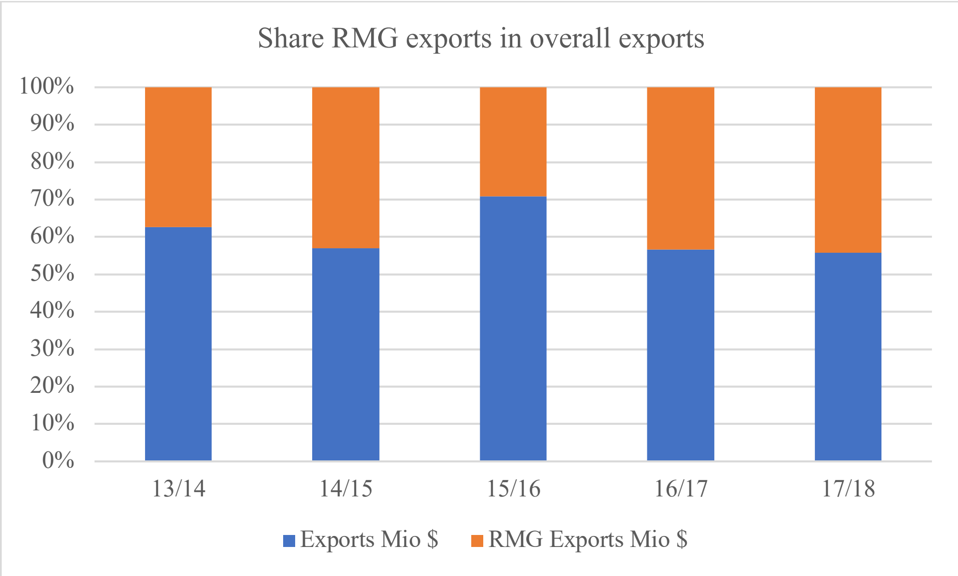

Figure 6 Share RMG/total exports (own figure, data: Bangladesh Bureau of Statistics, 2019)

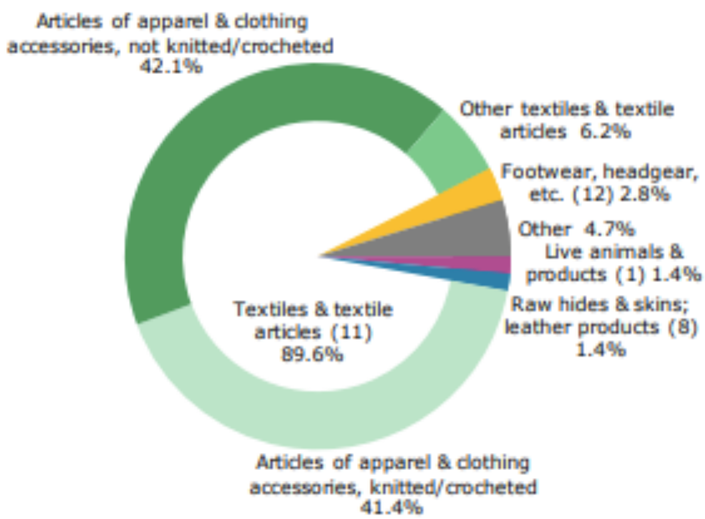

Figure 7 Composition of Bangladesh Exports 17/18 (World Trade Organisation - Trade Policy Review Body, 2019: 22)

The RMG sector, mostly located around Dhaka, mainly expanded horizontally in its cut-make-trim operations but not at all on a vertical perspective in quality and value of production. With the phase-out in 2005, a period of strong competition began. Strategies to systematically reduce production costs were the main reason the position in the market could be retained (cf. Khan and Wichterich, 2015: 4). Bangladesh apparel production is concentrated in high-volume and low-value-added products, such as cotton shirts or trousers (cf. Staritz, 2011: 143) [8]. The prices per unit declined in the last four years on an average of 1,61%, having the lowest price/unit in the period 17/18 with only 0,15$/ unit. This is mostly possible due to the composition of the workforce.

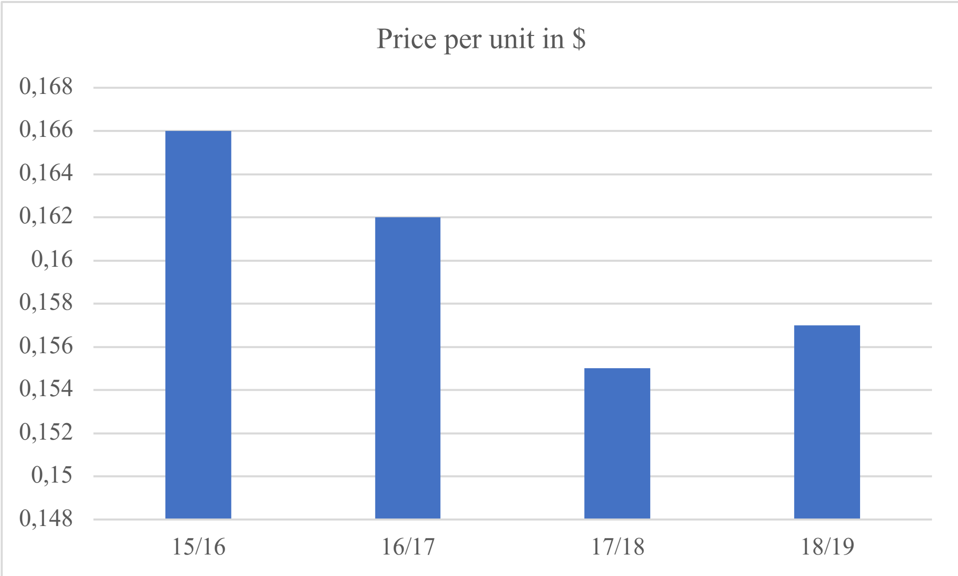

Figure 8 Price per unit in Bangladesh garment industry (own figure, data source: Alam, 2019)

Looking at Bangladesh economy 80% of all workers are part of the informal economy and the biggest formal sector is the RMG industry which counts around three-quarters of all Bangladesh exports. 90% of all workers in RMG are women, young, uneducated, unmarried and from rural areas (cf. Bell and Newitt, 2010: 4; Staritz, 2011: 148). Those women represent especially for the garment sector a new class of labour (cf. Alamgir and Banerjee, 2018: 276). Ashraf points out that the understanding of labour within the Global South and for garment workers was and still is connected to precarity, referring to precarity as a longstanding condition:

> […] precarity [is seen] as a longstanding condition originating in processes of proletarianization that create the need to sell one's labour in social and institutional environments of unequal power (Ashraf and Prentice, 2019: 96).

Indeed Bangladesh ratified the ILO Core Conventions in 1972, but there still are severe shortcomings in the country's labour laws (cf. Alamgir and Banerjee, 2018: 284). Employment

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[8] The Bangladesh garment sector is specialized in basic and casual wear products such as, knitwear, woven trousers, shirts, T-shirts, jersey and blouses. And the biggest comparative advantage Bangladesh has, is that it produces those products at low cost but in reasonable quality (cf. Khan and Wichterich (2015: 6).

in Bangladesh apparel is characterised by unstable work and a marginalised mostly female workforce (55-60%[9]) (cf. Interview 3 Akter, 2019). The industry itself is highly conscious of labour costs. Inequalities can be seen in various social dimensions: age, gender, ethnicity and immigration status.

The very high concentration of women workforce furthermore, is only visible in the lower hierarchal areas, whereas men are controlling the chains as the sector is full of stigma. Female workers predominantly employed as machine operators, male workers, however, are most of the times employed as supervisors or managers. Additionally, changes in the composition of the garment sector also come along with changes in skill requirement. Knit production is more mechanized and the gender profile tends towards men (cf. Staritz, 2011: 149). Patriarchal norms are therefore a daily routine and practice to control female workers and respect their rights as little as possible to guarantee low wages to maintain the key competitive advantage of cheap production costs (cf. Ashraf, 2017: 257). But on a positive note garment industry is one main reason why there could be seen a rapid growth in female employment which also resulted in empowering effects for women (cf. Barrientos, 2007: 19). Additionally, although the wage rate is low, for most female workers, the rate in the garment industry is higher than in other employments available (cf. Interview 3 Akter, 2019; Khan and Wichterich, 2015: 5).

However, underpayment is a common tool to undermine workers and wages are made complex, so workers cannot identify the process and calculate their wages in advance. Within the garment sector, seven wage "grades" are in place. The lowest monthly wage in 2013 was 68$ (cf. ILO, 2019a). The last Wage Board was formed in 2018, which revised the minimum wage from BDT 5,300 to BDT 8,000, a 51% increase. Yet, estimates from different sources of where a living wage in Bangladesh should start at, in all cases far exceed the current minimum wage. The Wage Indicator Forum (WIF) estimated that a living wage for an average-sized family of a Bangladesh garment worker should be between BDT 12,000 and BDT 18,000 (cf. Fair Wear Foundation, 2018).

Moreover, an increasing informal nature of labour contracts can be observed. Working hours are very variable and during peak times seven days of work, a week are normal whereas at low

[9] ILO ACTRAV Bureau for Workers' Activities (2017)

utilisation holidays are forced upon workers. If any trade unions are established, they are facing enormous pressure from the industry associations and companies. Moreover, subcontracting, informalisation and homeworking allow splitting up the factories, so workers do not know who their co-workers are and cannot form alliances that easy and may not even know that there are unions representing their interests. Another problem within trade unions is corruption, making it often very hard to operate in favour of workers' interests at all (cf. Hurley, 2005: 116–132).

In Bangladesh, three main groups are shaping the public discourse about labour. First the group of industry representatives: the BGMEA (Bangladesh Garment Manufacturers and Exporters Association), being the largest and most powerful organisation within the industry (cf. Zajak, 2017: 1011). The BKMEA is the other party representing the industry. The second groups to mention are trade unions and third GUFs (Global Union Federations), as local trade unions only have limited negotiation power. Local unions historically did not have significant power to mobilise workers to act against current grievances within Bangladesh. Hence the global union federations UNIglobal and IndustriALL played an important role in the process of creation. Collective action would not have been possible as union fragmentation, an immature system of industrial relations, low union density and political corruption was disrupting traditional labour resources in Bangladesh (cf. Reinecke and Donaghey, 2015a: 727). Because workers were suspicious of trade unions, campaign groups were the starting point to mobilize consumers and workers themselves to rise up against prevailing conditions (cf. Reinecke and Donaghey, 2015b: 725).

Making a link to research regarding different sources of power, so-called *old* sources such as structural power and *new* sources such as institutional and societal power can be identified. As already discussed, the GPN of apparel is characterized through strong corporate power, wherefore the fact that in Bangladesh labour power is still weak has an even greater negative impact on labour issues. This implies a lack of strategic capabilities, which makes it necessary for workers and their representatives to form alliances with (global) organisations to have access to knowledge and international as well as local elites. Looking at the situation in the apparel sector the main problem is that associational power (the stability of unionisation) gets separated from institutional power (influence in institutions). Associational power only functions when enough members are present to influence industrial relations. In the case of Bangladesh, unions lack members and the structures to organize them. A lot of workers find themselves within informal work where unions do not reach out to them. Furthermore, female workers, as the main workforce, experience an extreme lack of representation in unions. Some are organized through the Bangladesh Independent Garment Workers Union (BIGUF), but this union is not accepted as an official union and is exposed to constant harassment (cf. Khan and Wichterich, 2015: 6). During the Dhaka Apparel Summit in 2017, the President of BGMEA officially announced that informal labour groups, meaning all "non-registered" labour unions will be banned in industrial hubs. As the informal labour unions are seen as the "real" representatives of workers and their concerns this needs to be seen very critically (cf. Ashraf and Prentice, 2019: 96). Workers only can have influence over employers and therefore a bargaining and structural power, if they are able to withdraw from the labour market. But this exact structural power has been weakened through GPN dynamics, supply chain capitalism and globalization, where capital has the ability to relocate and exploit across countries. (cf. Ludwig and Webster, 2018: 116, 126)

As already mentioned briefly trade unions locally suffer from low social acceptance and different political orientations which makes it hard to find common goals. This can be explained through past historical events. Unions always have been involved with political parties which is why workers ever since have been very sceptical. Both before and after the independence in 1971 unions received support from political parties and did not have a strong presence at the workplace. Today the union membership of garment workers is around 5% to 10%. Here two main groups can be identified in the environment of Bangladesh labour movements. On the one hand, there are the national union federations, big enough to officially register as unions and more tied to political parties than to workers' interests. On the other hand, there are also smaller labour groups attempting to support workers in cases of resistance as for example threats of violence by factory owners. (cf. Ashraf and Prentice, 2019: 97)

Today a lot of members of parliament are factory owners. This means they can block parliamentary adoption of stricter regulations e.g. in building safety. Furthermore, most state agencies, which are supposed to regulate the industry, are influenced and bribed by factory owners. Moreover, BGMEA and BKMEA are very powerful lobby mostly representing the interests of factory owners (cf. Khan and Wichterich, 2015: 8). Again, looking at the power dynamics in the GPN, this shows that not only corporate power is strong but also institutional power is tending to work in favour of corporate power. Leaving collective power represented by non-firm and non-state actors alone to act in favour of labour rights (cf. Interview 1 Scheper, Dr. Christian, 2019; Interview 3 Akter, 2019).

Labour activism started to get oppressed when state and factory owners got intermixed. Legal restrictions against unionising and intimidation against workers were only some strategies to destroy the establishment of labour rights (cf. Ashraf and Prentice, 2019: 97). Nowadays it is still very complicated to form unions in Bangladesh. A requirement of 30% of workers threshold is one of the highest worldwide. Furthermore, unionization in EPZs[10] is still forbidden (cf. Bair et al., 2017: 48). Nevertheless, reforms led to an increase of unions from 138 in 2013 to 659 in 2018 (March, EU Commission). But without financial support from GUF it is still hard for leftist and more radical unions to establish themselves (cf. Ashraf and Prentice, 2019: 98).

To summarize the happenings in Bangladesh again, the incident of Rana Plaza was by no means unpredictable. Key labour rights issues always existed, but in Rana Plaza, they accumulated. Not only the massive decline in exports but also the international media coverage of the incident has shown the impact it had on the industry. With the Accord, as one of the most impactful responses, the importance of garment workers, (international) unions and NGOs in terms of their negotiation power got visible and key milestones were established to enable social upgrading, but success is still questionable (cf. Ahmed and Nathan, 2014: 16).

4.4. Stakeholders in Bangladesh's apparel industry

4.4.1. Governmental institutions

The *Ministry of Labour and Employment* has the aim to reduce poverty by creating employment opportunities, establishing Technical Training Centres, creating a friendly working environment, guaranteeing the welfare of workers, implementing labour laws and ensuring workplace justice through Labour Courts. The *Department of Inspection of Factories and Establishments (DIFE),* part of the Ministry of Labour, works to ensure legal rights and safe and hygienic workplaces for many workers. After the Rana Plaza incident, the government of

[10] Export-processing zones (EPZs) are "designated specialized industrial estates that produce mainly for the export industry. (…) the zones are governed by a separate governance framework that weakens protections for workers' rights." (Labowitz and Baumann-Pauly 2014: 42)

Bangladesh, with technical support from the ILO, reformed the DIFE with additional staff and organisational input. Furthermore, the Remediation Coordination Cell (RCC) as well as the RMG Sustainability Council (RSC), which will take over the tasks of the Accord, was set up at DIFE. The *Labour Appellate Tribunal* and labour courts deal with labour-related cases in accordance with the Bangladesh Labour Act 2006. The *Minimum Wages Board Bangladesh* aim is it to govern and fix minimum wages. Minimum wages must be increased at least every five years, but it can also decide to raise the minimum wages on an ad hoc basis. Since it was founded, the Board has increased the minimum wage for the garment sector three times: in 2010, 2013, and 2018.

4.4.2. International organisations

The ILO has been active in Bangladesh since 1973, working with the government, workers, and employers' organisations to promote decent and productive work for women and men in Bangladesh. *Better Work Bangladesh* is part of an ILO initiative - 'Improving Working Conditions in the Ready-Made Garment Sector' -, which supports the National Tripartite Plan. *3F* works to improve the working and living conditions of workers in the garment and textile industry. It raises awareness on labour rights through trainings and campaigns and supports the registration of new trade unions. *3F* works directly with brands such as H&M to ensure decent working conditions in factories. *The Solidarity Centre* works to ensure that workers around the world have access to safe and dignified livelihoods, access to fundamental labour rights, and a platform to voice their opinions on policies that affect them.

4.4.3. Employer organisations

The *Bangladesh Garment Manufacturers and Exporters Association* (BGMEA) BGMEA, one of the largest trade associations, was established in 1983 to promote the apparel industry. It aims to protect the interests of the industry and ensure sustained growth in foreign exchange earnings. BGMEA represents around 40% of knitwear and sweater manufacturers, The *Bangladesh Knitwear Manufacturers & Exporters Association* (BKMEA) is the second most important industry representation. It was established in 1996 as a trade association to facilitate and promote knitwear business. Currently, it has around 2,000 knitwear manufacturers and exporters as its members. *The Federation of Bangladesh Chamber of Commerce & Industry*

(FBCCI) aims to protect the interests of the private sector and promote the growth of trade and industry through information management and promotion of Foreign Direct Investment (FDI). *Bangladesh Employers' Federation (BEF)* is a national organisation of employers representing employers from all sectors. Objectives are to protect and promote the rights of employers.

4.4.4. Trade unions and NGOs

The *IndustriALL Bangladesh Council (IBC)* is part of the IndustriALL Global Union which represents 50 million workers in 140 countries in the mining, energy, and manufacturing sectors (cf. Interview 2 Kemperle, 2019). *The National Garment Workers Federation (NGWF)* is the largest trade union federation in the garment industry. It is affiliated with IndustriALL and the Accord.

The Karmojibi Nari NGO works with women and women workers to help them realise their human rights, dignity, and labour rights. The objectives include promoting women workers' organisations, developing leadership skills of women workers, strengthening women's participation in trade unions, supporting the implementation of national and international labour laws. *The Awaj Foundation* is an NGO working in the field of legal empowerment of workers, workplace safety, women's empowerment, women's rights and awareness, and health rights of women Its network include around 255,719 workers. *Phulki* works to protect the human rights of women and children. It has been operating the Alliance Worker Helpline for RMG workers The *Bangladesh Labour Welfare Foundation* works to promote human and labour rights in Bangladesh while prioritising the growth of trade unions for the welfare of working men, women, and their families.

All the above organisations shape the environment of labour governance in Bangladesh, which was shattered on the 24 April 2013. The collapse of Rana Plaza as a result of non-compliance with building safety regulations cost nearly 1,100 workers their lives and demanded actions from all actors involved, especially international buyers. As a response, in May 2013, the ILO, NGOs and GUFs collectively formed the Accord, a five-year legally binding agreement to maintain basic fire and building safety standards in the Bangladesh garment industry.

5. Accord on Fire and Building Safety

The main focus of this thesis is a key element of the labour debate in the RMG industry in Bangladesh and the global labour governance debate: the MSI called the *Accord on Fire and Building Safety in Bangladesh* established in 2013. It is the first legally binding agreement covering fire and safety precautions. Co-signatories are global union federations (GUFs) and 222 retailers and brands from countries in Europe, North America, Asia and Australia. All signatories agree that arbitration or the enforcement of fees are pursued in their national legal system. Companies also agree to a commitment to purchasing volumes for a period of five years to ensure certain benefits for workers and provide a reason for suppliers to invest in safety improvements. Furthermore, safety training and inspections by qualified and independent safety inspectors need to be carried out within the factories concerned. All inspection reports are furthermore available to the public, thereby transparency is guaranteed. Another distinct characteristic is its governance structure. It is governed by a steering committee, chosen by the trade union and company signatories. The Advisory Board involves all relevant stakeholders including companies, retailers, suppliers, government institutions, trade unions and NGOs. The ILO acts as an independent chair. Moreover, an own secretariat is run by the Accord to organise the process. (cf. Accord, 2013)

Before the Accord was enacted the "Memorandum of Understanding" was initiated by the Workers' Rights Consortium (WRC), Clean Clothes Campaign (CCC) and Ethical Trading Initiative (ETI) to target large buyers to sign up to commit their resources into developing greater safety in Bangladesh factories (cf. Interview 2 Kemperle, 2019). The disaster of Rana Plaza was an important incident as it demonstrated the current limits existing social auditing paradigms had and how they failed actual needs (cf. Interview 3 Akter, 2019). Therefore the focus shifted from a voluntary contribution to the aim of developing a legally binding agreement with the MoU as a foundation (cf. Clean Clothes Campaign, 2013: 3; Reinecke and Donaghey, 2015b: 269). In May 2013 only two companies had signed the previous Memorandum to invest in building safety in Bangladesh. Both unions and social movement groups used the incident to organize better and align on a joint position: a binding agreement, independent and transparent inspections, the financial responsibility of brands and an increasing role of unions (cf. Interview 2 Kemperle, 2019). Within the negotiation process, the main control was handed over to IndustriALL and UNI Global. The Accord developed into a very important topic, why both General Secretaries of the organisations became involved in the negotiations. All gathered bargaining power of the unions was supported by an enormous consumer pressure Western-based companies faced. Besides being a legally binding agreement, three other key changes were negotiated: a link to the Bangladesh National Action Plan (NAP), which was established in January 2013, the ILO was brought into the steering committee of the Accord and an alignment to the Better Work Programme was included (cf. Clean Clothes Campaign, 2013: 3; Reinecke and Donaghey, 2015a: 730).

Pre-existing relations between the involved GUFs helped to convince companies such as H&M or Inditex to agree to the terms of the Accord (cf. Interview 2 Kemperle, 2019). Those relations paved the way for important negotiations as common ground was already established and the GUFs could position themselves to the brands more as strategic partners than opponents (cf. Clean Clothes Campaign, 2013: 4). The different synergies built up between the various groups helped within the complex RMG sector to strengthen the unions (cf. Accord, 2018). Reinecke and Donaghey state that of particular relevance to exemplify the Accord is the idea of “coalitional power“, as unions strengthened their position by borrowing resources from civil organisations like NGOs (cf. Reinecke and Donaghey, 2015a: 722). Production-based capacities from GUFs helped to pave the way for institutional implementation, whereas consumption-based capacities helped to mobilise consumers and contributed with certain expertise such as the WRC, having Bangladesh-specific knowledge, to help to formulate realistic and credible demands during the negotiation process to both fulfil the needs of the workers as well as recognise the interests of the companies and their (limited) capabilities. (cf. Reinecke and Donaghey, 2015a: 729)

As the initial agreement of the Accord was set on a basis of five years, in 2017 a following agreement was initiated: the so called 2018 Transition Accord was signed in June and was endorsed by over 190 companies. As its name suggests, the 2018 Transition Accord will help to hand over the Accord functions to a national regulatory body, the Government of Bangladesh’ Remediation and Coordination Cell (RCC). It will provide support and Capacity Building for the RCC to become ready to take over the Accord functions. This transition plan includes a continuing handover of inspections and monitoring of remediation functions at RMG factories. (cf. Accord, 2018)

On the website of the Accord it is said that the goal is it to hand all functions the Accord is administrating now to bodies of the national government:

> Until the goal is achieved, the Accord will continue, in cooperation with the Bangladeshi authorities, its inspection, remediation, safety committee training programs, and complaints mechanism to achieve its goal of a safe and sustainable garment industry in Bangladesh in which no worker needs to fear fires, building collapses, or other accidents that could be prevented with reasonable health and safety measures. (Accord, 2017b)

However, before the Transition Accord was due to start in June 2018, the Bangladesh High Court put a restraining order on the Accord's inspection programme. This meant that the actions of the Accord would have to stop after 30th May 2018. The High Court, at the request of the Bangladesh government, postponed the date to 30 November and declared that the domestic inspection agency - the Remediation and Coordination Cell (RCC) - would need to be ready to take over all actions. The Accord office filed an appeal to lift the restraining order.

On the 19th May 2019, the Supreme Court finally agreed to a MoU, that the Accord Bangladesh office and operations could continue in Bangladesh for 281 working days. The MoU leads to the establishment of a national RMG safety entity to be called the RMG Sustainability Council (RSC). By the end of May 2021, the RSC together with the RCC will take over all Accord Bangladesh operations and will inherit the Accord infrastructure and staff meaning operations, infrastructure and functions of the Accord will continue. The RSC will be governed by representatives of the BGMEA, global brands, and global and national trade unions and will work closely with the Government of Bangladesh to ensure a close consultation with the RCC. (cf. Accord, 2019)

5.1. Members in the Accord

One of the peculiarities of the Accord is its negotiation and formation process. In the following I will describe the main actors shortly, in order to provide a basis for the analysis of the power relations (ref. chapter 6). The main actors in formulating the Accord as well as the MoU beforehand are (for the following cf. Accord, 2013; Reinecke and Donaghey, 2015a: 728):

Four international NGOs participated in the Accord: the *Maquila Solidarity Network*, whose main goals are to strengthen the capacities of organisations to fight the negative consequences of globalisation on workers within the global apparel industry. The *International Labour Rights Forum*, a non-profit advocacy organisation with the purpose to achieve just and humane treatment for workers worldwide. The *Clean Clothes Campaign*, an alliance of 16 different campaign organisations throughout Europe. The organisation educates and mobilises consumers, lobby companies and governments to help fight workers for their rights and demand better working conditions. And the *Workers' Rights Consortium*, a labour rights monitoring organisation consisting of 175 US American college and university affiliates. They focus on the labour practices of factories that manufacture university-licensed apparel. Both the Clean Clothes Campaign and Worker Rights Consortium were very important as they had a powerful role in mobilising consumers to threaten brands to stop purchasing their products. This helped to put labour rights violations from an ethical to a strategic issue for the companies involved (cf. Interview 2 Kemperle, 2019).

Various *Bangladeshi unions* are also part of the Accord: Bangladesh Textile and Garments Workers League, Bangladesh Independent Garments Workers Union Federation, Bangladesh Garments, Textile and Leather Workers Federation, Bangladesh Garment and Industrial Workers Federations, IndustriALL Bangladesh Council, Bangladesh Revolutionary Garments Workers Federation, National Garments Workers Federation, United Federation of Garments Workers. They provided the necessary knowledge of the industries and access to existing local networks.

Moreover, two global unions *UNI Global Union and IndustriALL Global Union* were other main participants and drivers of the Accord. UNI Global Union is a global-level representation of skills and service sector. Generally, 900 affiliate unions with around 20 million members are part of this network. For the Accord they especially represent retail and distribution workers in developed countries. IndustriALL Global Union represents the textile workers within Bangladesh and is a global-level union representing workers across supply chains in mining, energy and manufacturing. The Accord helped to form relations between the two GUFs and the lead firms, especially IndustriALL could strengthen their relationships and form a basis of trust in the industry (cf. Alexander et al., 2017: 8).

The *ILO* also has a strong role as an independent member of the board in ensuring that both the NAP and the Accord are implemented.

At last, the *buyers* and retailers are of course another main part of the agreement. 222 parties signed the agreement, H&M being one of the most important and biggest ones in Bangladesh.

The collective approach and united demand of all parties is one of the main reasons why global buyers started to sign and the Accord developed into such a strong and powerful document. One single demand formulated with the Accord helped to focus attention and coordinate actions. The combination of insiders, unions, leveraging their relationships and the social movement organisations from outside created enough pressure on global brands (cf. Reinecke and Donaghey, 2015a: 731).

5.2. Content and structure of the agreement

The initially fire and building safety program was set for five years and included independent fire, electrical and structural inspections and a worker participation program. In addition, a financial commitment of all signatories was included to contribute to necessary corrective actions within the factories (cf. Huber and Schormair, 2019: 9). The initial agreement contains the main following aspects (cf. Accord, 2013):

- Independent safety inspections by neutral and qualified experts
- Factory support to ensure compliance with building, fire and electrical safety standards
- Training regarding safety issues for workers
- Worker complaints mechanisms and the right to refuse unsafe work
- Transparent disclosure of all suppliers and subcontractors, inspection reports and quarterly progress reports to the public
- Remaining sourcing relationship for five years to make sure suppliers invest in safety improvements

Furthermore, possibilities for worker participation were established Worker Participation Committees (WPCs) and Health and Safety Committees (HSCs), which both also refer to the amendments in the Bangladesh Labour Act 2006. (cf. Ashraf and Prentice, 2019: 99)

The Accord as an object of analysis is of particular relevance in regard to its governance structure. The governance structure within the Accord is two-tired: first, the steering committee with representatives from trade unions and signatory companies (three each) as well as a neutral chairperson from the ILO, is forming the executive organ. The advisory board is represented through the government of Bangladesh, factory owners and representatives of the civil society organisations. In addition, the steering committee is meeting regularly to discuss and consult about current happenings. The governance structure shows that trade unions now have an actual leading role in the decision making which constitutes a change in the status quo. (cf. Huber and Schormair, 2019: 11)

Furthermore, the Steering Committee announces a Safety Inspector and a Training Coordinator and oversees the whole administration of the Accord as well as the supervision and approval of the budget. Financial support for all operations and implementations is guaranteed through contribute funding of all signatories in proportion to the annual volume of each signatory's production in Bangladesh with a maximum contribution of $500,000 per year. (cf. Accord, 2013). The following graph summarizes the mechanisms and functions in the Accord again:

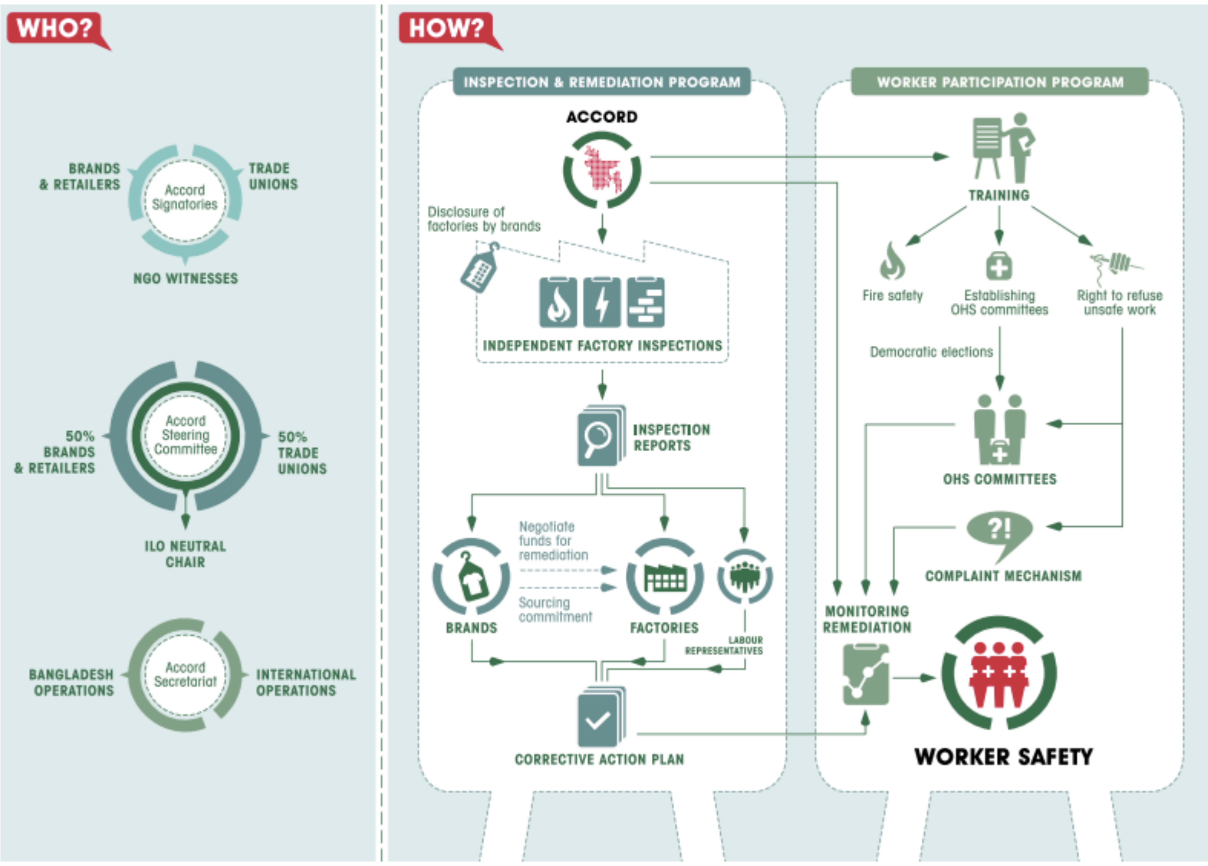

Figure 9 Accord mechanisms and functions (Accord, 2014)

Since this MSI was established, 1549 factories have been inspected from which 150 factories were discussed at a review panel. Out of those 150 factories, 39 factories were closed, 42 factories were partially closed, and 69 factories could operate with recommendations (cf. DIFE, 2018).

5.2.1. Categorisation of suppliers

The agreement covers all suppliers which are producing for the signatory companies. Here three categories were set up, according to the different production volumes. *Tier-one suppliers* are defined as those suppliers spending 30% (or more) of their annual production on one of the signatory companies. *Second-degree suppliers* are all remaining (larger) companies, which usually have longer contractual relationships with signatory companies. *Third-degree suppliers* are producers who only occasionally work for one of the signatory companies or in which less than 10% of the annual order quantity of one of the signatories is manufactured. (cf. Accord, 2013)

The subdivision refers to the relationship between the supplier and the global buyer. The above classification has a major impact on the frequency of inspections for occupational safety in the supplying factories.

5.2.2. Inspections and corrective actions

The inspections to be carried out relate to safety problems regarding fire protection and electricity or other fundamental construction defects are managed through the Safety Inspector nominated by the Steering Committee. The frequency of the inspections depends on the classification of the suppliers in the three categories mentioned above, whereby each of the production sites must undergo an initial inspection within the first two years after signing. Suppliers of category three undergo only very limited inspections. Within two weeks of an inspection, a written report must be submitted to the factory management, the company health and safety committee, the employee representatives, the signatory companies and Steering Committee. If no committee for occupational safety and health exists in the factory or the one existing hasn't been approved by the Safety Inspector, the report is sent to the signatory unions to take further actions.

Management and signatory companies then subsequently create a "Corrective Action Plan" to resolve any defects identified. While the financing of the inspections and the entire administration of the Accord is guaranteed by the signatory companies as agreed through an annual fee, the wording regarding cost coverage for the remedy is rather vague. According to paragraph 22, the companies have only committed themselves to negotiate a corrective action plan with the supplier whose implementation is "financially feasible".

To finance the remediation, signatories need to ensure a guaranteed order volume for a longer period to increase the factory revenue and as well help to improve their cash flow by reducing payment terms. Furthermore, an endorsement of joint investments and loans for the supplying factories is negotiated. Both the buyer and the supplier company further agree on a finance plan and assess the factory's financial capacity (cf. Accord, n.d.). Whether the financing is provided jointly, through donations, government grants or loans, or the supplier remains open. Looking at the comparatively high-profit margin of the global buyers, this is a rather unsatisfactory arrangement. If temporary factory closures occur in the course of such measures, the employees may not be dismissed but are instead entitled to their regular income for a period of up to six months.

Not only the suppliers but also all inspection reports and the remediation plans can be found online. Safety and health complaints mechanisms and training programs. Employees are involved through the creation of committees for occupational health and safety at the company level. In the case of first-degree suppliers, trainings regarding building security and fire protection are mandatory for employees, management and security personnel. Here a Training Coordinator is nominated by the Steering Committee to control and manage the trainings. Those trainings must be carried out in participation of one of the signing trade unions (paragraph 16), which will thereby get the opportunity to get in touch with employees and show them that occupational safety is taken seriously and that they are open to their concerns.

The safety and health complaint mechanism provide individual workers, groups of workers and worker representatives with access to remedy for safety concerns which are not being effectively addressed at the factory level. Throughout the five years of the 2013 Accord, an increasing number of workers were informed of the Accord safety complaints mechanism through the distribution of booklets employee meetings at Accord covered factories, which resulted in a dramatic increase of safety complaints submitted to the Accord.

5.2.3. Governance

The central organ for the implementation of the Accord is the Steering Committee, consisting equally of representatives of the global buyers and the trade unions (paragraph 4), a representative of the ILO being a neutral chair. The steering committee also has a central role in the agreed dispute settlement mechanism. Further input and feedback come from an advisory committee, in which also NGOs have a seat.

It is remarkable that the Accord, unlike most of the international framework agreements agreed, contains concrete dispute resolution mechanisms. Employees have the possibility to anonymously report complaints to a hotline. Conflicts between the signatory parties must first be reported to the Steering Committee, which will discuss them within (max.) 21 days and decide through majority voting. If the conflict cannot be resolved at this level, the next step is to refer the dispute to an arbitral tribunal that operates under the UNCITRAL Rules of International Commercial Arbitration and is legally enforceable in the country of each signatory company. Nevertheless, is each signatory entitled to take legal action in the event of disputes concerning the implementation of the Accord, since arbitration is only the preferred way. Both paths are thus open to all parties. Regarding the arbitration panels, no agreements were made, who is part of the panel and why someone can join the panel. This offers quit high potential for conflict. However, it becomes clear that in contrast to earlier IFAs and MSIs, the signatory parties intended to create binding regulations to improve building and fire safety.

5.3. The 2018 Transition Accord

The Transition Accord contains the exact same governance structures and mechanisms as the “original” Accord. The main difference is the fact that this document also focusses on actual capacity building within the Bangladesh government and an organised transition period. Support for the NAP and the RCC is implemented in paragraph 21. Moreover, now signatories have the possibility to withdraw from the prolongation if special conditions apply: a factory has committed a “zero tolerance” violation of the policies, a signatory is not sourced from a factory for 18 months or the factory of a signatory is escalated out of the Accord and lastly the termination of the agreement is formalized, meaning signatories who stop sourcing from Bangladesh completely, have the opportunity to opt-out of the agreement (cf. Accord, 2017a). Another adjustment was made regarding the financial support signatories must pay. The maximum yearly contribution is lowered to $300,000, but how this financial support is calculated is still not described further.

Overall, the Accord and its transition-agreement are both solution-oriented; numerous provisions are intended to ensure improved building safety and fire protection. Due to the long-term commitment of the buyers, the common "cut-and-run" mechanism in the industry has been weakened. The widespread practice of unauthorised subcontracting still is challenging regarding the implementation of the Accord. However, the Accord has brought a new level of transparency: all reports on inspections and corrective action plans for all suppliers are publicly available on the Accord's website. Its legitimacy is reinforced through the participation of the ILO at various points: as the neutral chairmanship of the Steering Committee and the advisory body.

6. The Accord as a game changer?

The Accord and its implications are seen very controversially. On the one side, scholars say it is until now the most important institutional innovation and a model approach for global labour governance, as it is the first legally binding multi-stakeholder initiative between GUFs, apparel companies and Bangladeshi trade unions. Others see it again as a possibility for “white-washing” MNCs actions in global markets (cf. Zajak, 2017: 1011). After describing the content of the Accord, this chapter summarises the main findings of the research and answers the research questions. At first, a comparison between relevant labour governance actions is presented to then show the impacts the Accord had in Bangladesh. Furthermore, key issues of the Accord are outlined to then address the impact of the Accord on labour governance in general.

6.1. The Accord and other global initiatives in comparison

Again looking at chapter 2.2.2 and other global labour governance initiatives they, in comparison to the Accord, are missing regulations in the aspects of legal status, independent inspections and transparency of information. Previous initiatives only operate on a voluntary basis and most of the times no reporting mechanisms are in place. The Accord is furthermore based on the approach that it needs to be ensured that everybody has the right to refuse precarious work. Moreover, complaints mechanisms through which workers, trade unions or other stakeholders could jointly file complaints against factories are missing when looking at other initiatives.

It becomes clear that no other initiative tries to accomplish such a holistic approach regarding the participating parties as the Accord does. The Global Compact and the OECD Guidelines e.g. indeed pursue a global approach to fight labour violations but are also missing actual representation of workers and the scope of the agreements is too broad, missing explicit instructions and guidelines on how to act.

Summarised the Accord in comparison is globally the first legally binding agreement in which trade unions and their representing GUFs had a right to shape an agreement and not only attend as contributors. Moreover, the unionisation of workers was supported by the Accord, as the negotiating parties knew how important unions are to ensure representation and legitimation of workers (cf. Reinecke and Donaghey, 2015b: 5).

6.2. The Accord and other initiatives in Bangladesh in comparison

The national action plan (NAP), the Bangladesh Sustainability Compact as well as the Better Work Program Bangladesh supported by the ILO and the Accord as well as the Alliance are the most prominent instruments regarding the creation of a change in the work environment in Bangladesh after Rana Plaza.

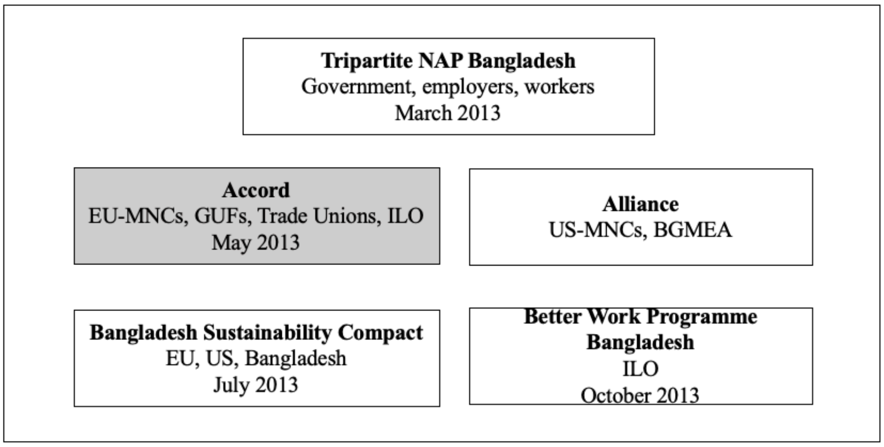

Figure 10 Overview of initiatives to improve working conditions in Bangladesh (own figure)

The NAP, which was established in January 2013, aims to create a coordination mechanism between buyers, international organisations and donors and includes the development of a national occupational health and safety policy (with input from ILO), a review of fire safety regulations and a setup of a fire safety task force as well as a fire safety hotline for workers. Moreover, further factory inspectors are recruited, factory licensing and certification processes are reviewed to eventually create a more transparent and accountable system as well as a tripartite protocol for compensating victims of industrial accidents should be established (cf. Labowitz and Baumann-Pauly, 2014: 35). Here the state and its government are the centres of attention.

The Sustainability Compact was launched in July 213 in cooperation with the EU, the US, Canada, the ILO and the Bangladesh government. The Compact as the other initiatives as well seeks to improve labour, health and safety conditions for workers, as well as to encourage responsible behaviour by businesses in the RMG industry. The compact is only addressing the Bangladesh government and does not count as a MSI as it only includes states as active members. (cf. ILO, 2019b)

The Better Work Bangladesh was launched in 2014 focussing to help build a competitive garment industry that provides decent jobs to workers, profitable business for factories and brands, and economic development within Bangladesh. Together with the government, the initial aim was to align certain elements of the Bangladesh labour code with international labour standards. Labour law amendments and improvements to union registration criteria were made, leading to the registration of approximately 150 new factory-level unions since 2014 (cf. Better

Work Bangladesh, 2019). Both mentioned initiatives represent a public approach to improve working conditions centring the state in collaboration with the ILO.

On the other hand, the Accord, as well as the Alliance for Bangladesh Worker Safety, also include a private approach. Both are competing factory inspection programs in the Bangladesh market environment focusing on the safety of garment production facilities, designed in the form of MSIs. On the website of the Accord, it is said, that the Accord is: “an independent, legally binding agreement between brands and trade unions designed to work towards a safe and healthy Bangladeshi Ready-Made Garment Industry” (Accord, 2013). This description highlights the two structural characteristics which distinguish it from other MSIs. The independent, legally binding agreement means its direct enforceability via arbitration clause. This is a major differentiation from all other private CSR alternatives and MSIs. This is also the main reason why several U.S. buyers have refused to join the Accord and instead created the Alliance. The second characteristic to distinguish the Accord from other initiatives so far is its governance structure, meaning the inclusion of not just lead firms (buyers) but also global and Bangladeshi trade unions having actual voting rights (cf. Salminen, 2018: 416). The Accord, therefore, represents a form of an independent body in the landscape of the Bangladesh labour law (cf. Interview 2 Kemperle, 2019).

The Alliance represents, although labelled as MSI, a multi-company Code of Conduct of 26 mainly US brands which refused to sign the Accord and formed their alternative standards by means of this coalition. It is neither legally binding nor includes any labour representatives and therefore cannot be classified as a multi-stakeholder approach (cf. Reinecke and Donaghey, 2015b: 268). Officially binding is in the case of the Alliance understood as a membership (committed to five years) where the board of directors has the possibility to seek binding arbitration against any member. Several workers' rights group accuse the Alliance of superficially claiming to be like the Accord but skipping the most important part: the legal commitment. No financial contributions are made, enforcement provisions are missing, as well as any workers' participation (cf. Salminen, 2018: 420).

Moreover, very different structural approaches and models of value chain governance are applied: the Accord, on the one hand, is based on an effective governance contract, whereas the Alliance is only based on a “promise” of a group of buyers, coordinating “aid” without agreements of representatives of workers (cf. Salminen, 2018: 416). The Accord is an agreement to coordinate factory safety whereas the Alliances is only a commitment between buyers to coordinate safety efforts (cf. Salminen, 2018: 419–420). Donaghey and Reinecke state the Accord represents "transnational co-determination" and the Alliance represents "industry self-regulation" (cf. Donaghey and Reinecke, 2018: 22). To again give a comparison and summary of both instruments the following table should help:

	Accord	Alliance
Participants	Over 180 retailers (mostly EU) 2 GUFs and 4 Bangladeshi unions	27 retailers (all North American) BGMEA President
Decision-making	Steering committee out of 7 representatives (3 selected by trade unions, 3 selected by retailer parties, ILO selects 1 neutral chair)	Board of directors includes 4 brand representatives, 4 experts from outside and 1 elected chair The advisory board is taken by 12 multi-stakeholder industry experts
Programme commitment	Initially 5 years (2013-2018) Extension in 2018 - 2021 Commitment to maintain volume for two years, 5 years participation in programme	5 years (2013-2018) No extension Minimum initiative commitment is 2 years
Core elements	Safety inspections, fire and building safety (trainings), factory improvement funding	Safety inspections, safety and empowerment training, voluntary loans for improvements
Transparency	Updated factory list, inspection reports are published, stakeholders involved are informed immediately (at least within 2 weeks)	Factory list released every month, inspection report is published after remediation is agreed
Participant fees	Companies make a max. contribution of $500,000/year (to cover inspections, trainings, operations)	Max. contribution of $1000,000/year to Worker Safety Fund
Additional costs	None, Factory owner must pay for structural repairs; brands agreed to “find funding” if owners cannot afford	Individual member make financing available; terms are set by individual member company
Support for displaced workers during repairs	Factories must pay workers up to 6 months, signatory companies shall “make reasonable efforts to ensure workers can find employment”	10% fees from Worker Safety Fund are reserved to support displaced workers

Table 2 Comparison Accord / Alliance (own table adapted from: Labowitz and Baumann-Pauly, 2014: 53–56)

As indicated in the synopsis states retain the decisive power to shape the global system. It is therefore needed to reinclude the state through new politics to govern the global economy again. And as especially MSIs seem to offer a solution, the main argument for the Accord and its game changing perspective, is its legally binding character, providing an actual tool for GUFs and other actors to hold MNCs accountable and its multi-stakeholder approach involving all relevant actors (institutions, states, public and private actors). Regarding other initiatives launched in Bangladesh, none of them is including all relevant actors. To lead over to the detailed analysis of the Accord and its impact on the situation in the Bangladesh apparel industry and in global labour governance a classification of the Accord as a labour governance instrument is illustrated in the following figure. Within the Accord besides multiple stakeholders, the union inclusion comparing to IFAs and other MSIs such as the BFC or FWF is remarkable. In comparison to the Alliance, one of the main advantages of the Accord is its legally binding nature. Looking at codes of conduct they only refer to one single firm and its operating standards and are missing union inclusion as well as any legally binding character, representing one of the weakest initiatives regarding labour rights and their enforcement.

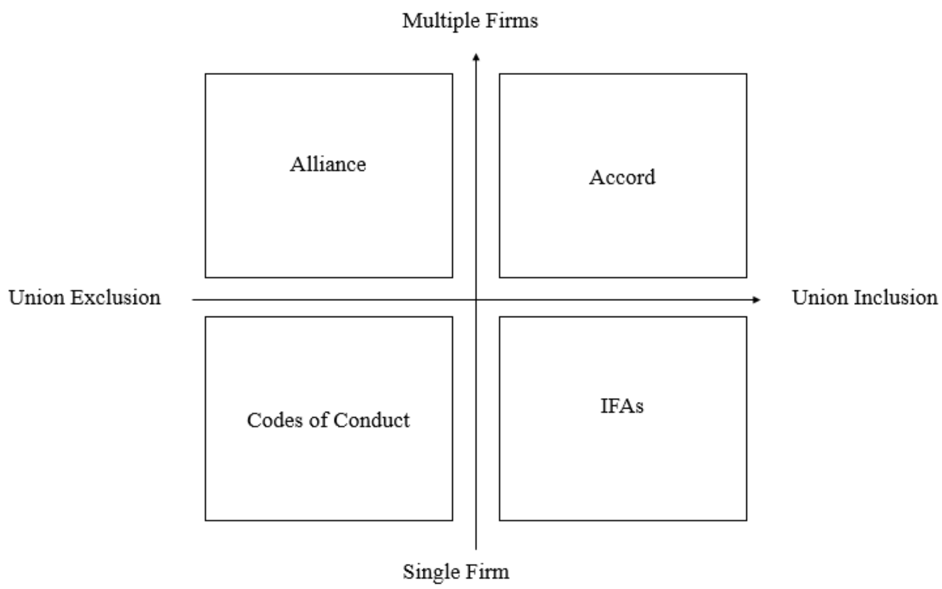

Figure 11 Classification of the Accord (own figure adapted from: Alexander et al., 2017: 6)

To sum up within the current debate weaknesses in labour are not seen as what they are: the structural consequences of the system. Rather they are framed as a discrepancy or mistaken behaviour. As an example, both the Accord and the Alliance condemn current labour conditions, not because of the system but frame it within local specifics and factors causing the issues. The problem at Rana Plaza has been specifically framed to be a topic in Bangladesh, but not a problem of the global production network which shapes the industry standards across the globe (cf. Siddiqi, 2017: 279).

6.3. The impact in Bangladesh

Looking at the environment in Bangladesh, workers in affiliated factories to the Accord overall report better working conditions, awareness about their rights and representation (cf. Schüßler et al., 2019: 34). More than 1,600 factories were inspected after only two years and the Garment Supply Chain Project study showed that nearly all workers from the Bangladeshi suppliers participating in the study felt safe in their factory buildings (96%) and 90% responded that they could refuse to go to work if the building was perceived to be unsafe. Additionally, 90% received health and safety training. Generally, factories which are part of the Accord today perform better in terms of safety regulations. Larger factories further report better wages, working conditions, health and safety (cf. Schüßler et al., 2018: 7). The Accord has made a noticeable difference for the workers. It has provided more security, it has caused fewer deaths, it has also brought a change in the way companies think, but not exactly the way intended to. MNCs are now "more careful" how to do things, but still, this also implies that opportunities for negotiation occur (cf. Interview 2 Kemperle, 2019).

Seeing the case of Bangladesh where a weak state and low organisation of workers led to a vicious cycle in safety terms, the capacity to develop collective bargaining was highly limited. The unique cooperation of as well union and social movement parties helped to strengthen workers position (cf. Reinecke and Donaghey, 2015a: 736–737). This also meant that local as well as global unions are now included and own negotiation power in international standard-setting. In supporting local unions, the attempt always was to organise it in such a way that they become financially independent and create their own financial structures. Bangladeshi unions should not become recipients, but they should learn to maintain themselves and not slide into new dependency relationships (cf. Interview 2 Kemperle, 2019). Hence, the Accord represents an important action for local union organisation in Bangladesh. Besides the unions, also reporting agencies benefitted from the Accord. For example, the agency for the review of fire safety (DIFE) was strengthened enormously, which would never have been possible without the assistance of the Accord (cf. Interview 1 Scheper, Dr. Christian, 2019). Furthermore, again referring to Selwyn workers nevertheless do have the ability to transform their environment and make use of the relationship between economic and social upgrading. The structural power they own needs to be used to change it into associational power in order to extract concessions from the capital. The negotiated agreements of the Accord, as well as won salary adjustments in the apparel sector are only one sign of this power and chance for social upgrading.

Comparing the Accord to the current state of private governance models, it went one step further and presented a new model of corporate accountability where the brands and retailers are responsible for their subcontracting factories. Loans, joint investments or other agreements made in a finance plan for corrective actions are in place to help suppliers pay for necessary safety improvements and other than in adopting an existing standard the signatories need to agree to binding and contractually enforceable duties (cf. Anner et al., 2014: 2). The Accord helped to establish long-term relationships between buyer and suppliers and set a basis for mutual understanding and trust, while furthermore improving workers outcome standards regarding fire and building safety significantly and process rights partially through establishing Workers Participating Committees (cf. Schüßler et al., 2019: 4).

But to assume the Bangladesh garment sector would be safe is a false assumption as the agreement is only based on a technocratic view of safety and neglects the structural conditions producing social grievances for workers (cf. Ashraf and Prentice, 2019: 95). The Accord was and still is facing a complex governance challenge. Low associational power also resulting in low structural power of workers, as well as fragmented supply chains complicate further actions (cf. Interview 3 Akter, 2019). And the market is still a very buyer-centric market, since price drop frequently, suppliers need to rely on the volumes. This means through the Accord supplier are now facing new challenges: compliance with social standards while facing difficulties to gain sufficient revenue due to pressure on prices and lead times (cf. Schüßler et al., 2019: 16,18).

Living conditions, as well as the physical and mental health issues caused by the prevailing labour regimes as well as the constant pressure affecting workers of the garment industry, have not been taken into account neither by the Accord nor by any other initiatives (cf. Ashraf, 2017: 255; Interview 3 Akter, 2019). Due to the focus of making factories safe regarding fire and building collapse, the issue of establishing fundamental labour rights is put into a sole technical matter afar from labour politics and workers in Bangladesh are still missing access to claim their rights (cf. Ashraf and Prentice, 2019: 99). Furthermore, a report of Khan and Witerich from 2015 concludes that the empirical research indicated that this improvement only applies on those factories directly linked to foreign buyers and not having sustainable effects on subcontractors (cf. Khan and Wichterich, 2015: 36).

The Garment Supply Chain Governance project also found out that suppliers are faced with a lack of shared responsibility from global buyers. The inspection process often included multiple auditors and miscommunications which caused a lot of unnecessary and disproportional costs, especially for smaller factories and buyers did not feel responsible. Furthermore, buyers reacted negatively on corrective action plans for smaller firms, whereas buyers were more cooperative with corrective actions for larger suppliers. Moreover, none of the suppliers in the study received any financial assistance from global buyers to realize the corrective action plans. Buyers replied that they on their side did invest through providing inspectors and the membership fees they pay to the Accord and/or the Alliance. (cf. Schüßler et al., 2018: 5–7)

The Accord legally binds brands to ensure that workers are paid during factory closures. However, according to a spokesperson for IndustriALL, the detail on who would make payments had been left open in order to ensure that all those factory owners who could afford to pay for repairs and compensation for workers made the necessary contribution (cf. Siddiqi, 2015: 165). While such details were negotiated, workers in factories declared: “Starvation through unemployment or the danger of death, this is not a choice” (Siddiqi, 2015: 170).

In short thanks to the Accord health and safety issues improved and from the beginning on the aim was set to frame a legally binding agreement (cf. Interview 2 Kemperle, 2019). Still, quite a lot was left out in the field. Auditing cannot address violations against rights to organise (cf. Egels-Zandén and Merk, 2014: 470). Wages stayed almost untouched, power relations are not addressed, and it may have helped to increase the pressure on the workforce itself (Zajak 2017, Khan and Witerich 2015). The anti-union sentiment in Bangladesh is still very present and trade unions are still in a difficult position. The Accord, on the one hand, increased the level of self-confidence of unions but on the other hand, unions still are dependent on the international community as industry representatives such as BGMEA keep following a very strong anti-union position (cf. Zajak, 2017: 1024–1025). Due to very few members who can pay membership fees, Bangladeshi unions are dependent on financing from abroad. This means that without external support a trade union movement, for now, would not be possible, meaning the accountability to trade union members is somehow replaced by a liability towards international donors (cf. Zajak, 2017: 1019). Besides, the increasing participation of labour unions in safety initiatives contributes to a widening gap between formal labour unions and workers' everyday resistance and coping. This gap is one reason why workers are more and more exposed to a continuing demolition of labour rights (cf. Ashraf and Prentice, 2019: 95) and since Rana Plaza, the division between politically connected and "radical" unions, advocating workers' rights more promising, has deepened (cf. Ashraf and Prentice, 2019: 105).

Looking at the ownership of the country's regulatory systems, an important step to sustainably maintain the achieved transformations and to enhance the established principles in safety regulations needs to be made. Local departments such as the DIFE and the RCC as well as local knowledge and capacity for labour inspectors should be extended and strengthened, as until now the Accord only built up parallel structures instead of sustainably enhance capacity building and learning on the government level. At the moment regulatory functions are outsourced to trade associations and other market actors but should be handed over to the government of Bangladesh to shift long-term responsibilities to local actors (cf. Labowitz and Baumann-Pauly, 2014: 7). For the government of Bangladesh, this also implies some challenges. Improvements need to be made to uphold labour laws, recognize independent trade unions, approve the prolongation of independent governance initiatives and further strengthen and support labour inspectorates at DIFE (cf. Schüßler et al., 2019: 5).

6.4. Key issues in the Accord

> "[…] a technocratic approach does not give enough attention to the day to day survival of the workers and instead, looks at the issue of workplace security from a narrow technical perspective, leaving out all other spaces where the workers are vulnerable and marginalized." (Sumon, 2016)

As a response to a crisis, the agreement is only focusing on structural improvements regarding building safety and fire prevention (cf. Salminen, 2018: 418). Hence a lack of broader understanding of safety issues and workers' rights as well as their overall living conditions is still missing (cf. Interview 3 Akter, 2019). Safety issues are reduced to problems that can be addressed through audits, inspections and resources to realize building repairs. Ashraf argues that a narrow approach to building safety ignores the actual risks workers face in the garment industry. Health and safety are in his words depoliticized "[…] by removing it from the global dynamics of outsourcing and capitalist labour regimes, which comprise highly uneven relations of power and leverage" (Ashraf, 2017: 251). Furthermore, wages and "a living wage" are no part of neither the Accord nor the Alliance. Which makes adequate salary a local and internal matter of the factory owners. Beyond that neither of any recent initiatives is addressing discrimination against women, although they represent the vast majority of the workforce, a gender dimension is completely left out (cf. Alamgir and Banerjee, 2018: 287). Consequently, a technocratic approach seems to be the solution when looking at the Accord, but this "solution" only narrows the actual political labour issues and gives top-down solutions imposed for Bangladesh. The initiative still lacks direct involvement of affected actors, workers, and local institutions as key players. Actors involved never really had a choice other than accept the conditions set by the Accord. The problems and dangers of the garment industry have been framed as specific for Bangladesh and do not focus on the fact that Bangladesh is part of a global production network shaping shop floor practices around the globe (cf. Ashraf, 2017: 251–252).

In addition, another point of criticisms against the Accord is that factories anticipated not to be safe need to be closed immediately. This regulation was meant to safe workers but instead puts them into even worse situations as they could lose their employment from one moment to the next (cf. Ashraf and Prentice, 2019: 100). Sudden closures intensify already existing fears and anxiety and do not help workers in improving their situation. The Accord promises that workers of closed factories are reemployed on a priority basis, but in reality, this is not happening (cf. Ashraf, 2017: 266). Besides, all factories not inspected and listed within the Accord and or the NAP completely disappear in regards of policies and intervention processes. The image of buyers was restored thanks to the Accord and its effective work of identifying hazards, but the suffering of workers goes beyond restoring building safety. Violations of labour standards are detected more frequently but the reason is not that rights of association are not violated, but the monitoring process of health and safety issues are focused and easier to detect (cf. Anner, 2012: 620). Although the Accord helps to improve safety and health standards, it still leaves the fundamental problems of the industry untouched: long hours, low wages and punishing conditions with very little possibilities for workers to change their situations (cf. Ashraf and Prentice, 2019: 105).

Another core topic is how (im)balances of power between actors are created or embedded within instrument settings and the anti-sweatshop-movement in general (cf. Esbenshade, 2012: 547). It is questionable how transparent the legal education of workers is carried out. Do I as a worker know all about my rights about my workplace? If so, who does inform the workers? Employer organisation still play a major role within the implementation of trainings and the appointment of factory inspectors. If there is no knowledge of rights, there is no knowledge of injustice. Kemperle pointed out that a discrepancy in means among MNCs and trade unions was the basis on which the Accord was built on (cf. Interview 2 Kemperle, 2019). Such models as the Accord can intensify the power imbalance between buyers and suppliers by concentrating the power of buyers. Therefore, a serious commitment to shared responsibility across supply chains and a focus on workers voices is vital. Here Scheper adds in his article that the achievement of the Accord to bring buyers to a co-responsibility still relies on an unequal relationship between buyers and suppliers, which results in suppliers shouldering them to the workers' suffering (cf. Interview 1 Scheper, Dr. Christian, 2019; Scheper, 2017: 1082). Workers and trade unions foremost need power to impact any regulations made in the field, but if MNCs own most of it and a structural lack of state power is present, this means both parties need to overcome several obstacles to receive powerful positions (cf. Zajak, 2017: 1012).

Jaakko Salminen finds very clear words in describing the current power structures and how the Accord finds its place in it. He calls the Accord a "herald of a new CSR paradigm that allows buyers new methods for controlling liability […]" including a new "whitewashing effect towards consumers and regulators" (Salminen, 2018: 412). Power asymmetries between the large corporate buyers and suppliers are furthermore reflected in the fact that especially codes only have had a noticeable impact on outcome standards but not on process rights. This dominance of a technical perspective is still very present in the private sector (cf. Barrientos and Smith, 2007: 725). Hence the critique that the Accord represents a western non-Bangladeshi privately enforced control regime to avoid government action all in the name of protecting workers and their rights when other actors fail (predominantly the state itself) has validity (cf. Sumon, 2016). Nonetheless the Accord helped to regain the chance to renew institutional power within the labour movement. It was the basis for stabilising trade union power by sharing information, by forming a platform for complaint and helping the domestic unions to express their demands in the frame of the Accord. Furthermore management levels started to listen to complaints after the establishment of the Accord, therefore an increased responsiveness of brands towards workers' complaints can be seen and is helping unions to push their claims (cf. Zajak, 2017: 1020–1021).

6.5. The broader impact on labour governance

As illustrated above, different positions can be analysed within the discussion about the Accord. In favour of the argument as a "game changer" for labour governance, achievements such as being a legally binding international and at the same time national agreement, strengthening of workers' voice, government support and a strong partnership between GUFs and international companies as well as the ILO are named (cf. Rahman, 2014: 71). Anner, Bair and Blasi (2014) argue that it represents a new paradigm in the enforcement of global labour and human rights. They furthermore state that the Accord reflects "core elements of what is, to our knowledge, the most successful effort to systematically eradicate sweatshop conditions" (cf. Anner et al., 2014: 3). Furthermore, Kemperle also argued that the agreement itself represents a milestone for further developments and is unique in its structural characteristics (cf. Interview 2 Kemperle, 2019). While trying to answer the question why working conditions within the apparel sector still face challenges and are essentially unchanged despite several different codes and standards set to improve, one root cause identified can be found within the international sourcing practices. Labour violations are not only a factory-level issue but more a business model problem. Lead firms built their success on outsourcing into a highly flexible, cost-sensitive and multi-layered network of subcontractors, which makes them manufacturers without factories. This means that in conclusion if buyers sourcing strategies are the root cause for poor labour conditions, only the questioning of practices within GPNs and effective regulation of buyer practices can help to overcome the problems. The Accord is the first step into this direction, but its scope only interferes on the surface of the whole supplier network (Anner et al., 2014: 3).

Brands transferred part of their control of the supply chain to a body having the right to initiate legal actions against them if neglect the agreed commitments. Furthermore, the Accord concentrates on three very specific topics - electrical, building and fire safety. Looking at MSIs and codes in general, those often cover a wider range of issues and therefore often offer fewer possibilities for monitoring and regulation. The unique cooperation of as well union and social movement parties helped to strengthen workers' position and lead the debate (cf. Reinecke and

Donaghey, 2015a: 736–737). This also meant that local as well as global unions are now (for the first time ever) included and own negotiation power in international standard-setting. Furthermore lead firms more and more see GUFs as important partners in managing governance and labour challenges within GPNs (cf. Alexander et al., 2017: 1). The scope of a soft law approach was expanded by adapting the legally binding clause and the Garment Supply Chain Governance Project showed that the Accord improved working conditions sustainably since Rana Plaza happened, although those improvements only are significant when factories are directly associated to buyers. Subcontractors are still more likely to fall out of reach (cf. Schüßler et al., 2018: 2). Ultimately, transparency and publication of inspections result, are very important achievements to make information available to unions, labour rights activists and the media to help promote a public discourse in favour of workers' rights. The Accord acknowledges this and represents an initial step towards the right direction as without workers' empowerment there is little possibility of improvement and empowerment (cf. Rahman, 2014: 69–71). Furthermore is the Accord one of the first examples to demonstrate the benefits of close cooperation especially regarding unions (cf. Schüßler et al., 2018: 4). From here it is, in any case, a starting point for further initiatives to regulate labour standards including a focus on the growth of cooperation, the promotion of collective bargaining and initiating programs to support capacity building in factories as well for workers as for managers not only on a local but a global level.

The agreement of the 2018 Transition Accord also makes it clear once again that the problem of parallel structures has not been resolved. Although the existing government structures are active, even after five years they still lack fundamental knowledge and capacity to act independently. Employee representatives also criticise the fact that factory owners could be given more power again after a takeover of the government. Since the functioning of the RCC gives the BGMEA more negotiating power again. This is because the inclusion of the BGMEA in the decision-making structures of the newly established RSC raises the question of whether the employee representatives will continue to have half the votes in the management structure, or whether it may soon be outvoted by global buyers and the employers' associations. It is also unclear what the exclusion of NGOs from the new body will mean for the transparency of this institution and how this is to be interpreted in a country where freedom of association is under extreme pressure. Furthermore, a visible employer presence within the Accord office could have a negative impact on the willingness of employees to rely on their grievance mechanism, one of the most important features of the Accords. (cf. Clean Clothes Campaign, 2019)

7. Conclusion

The Accord was concluded when, due to the Rana Plaza catastrophe in Bangladesh, the attention of the world was focused on the sourcing policy of multinational brand companies. By using a theoretical framework consisting of the GPN approach and a global labour governance perspective, this thesis assessed the evolution and the impact of the Accord on initiatives in global labour governance and its impact in Bangladesh.

The Accord as an important reaction to a tragedy symbolises a step into the direction of a paradigm shift in which global buyers need to take responsibility for their sourcing strategies (cf. Salminen, 2018: 449–451, Schüßler et al., 2019: 24). It set a milestone in international governance debates as it represents the first MSI to successfully include a broader range of actors, while also establishing a legally binding framework. Furthermore, the auditing process is unique and represents an important model for future labour governance negotiation processes.

Nevertheless, it cannot be seen as a game changer as it operates in existing power structures, also visible within the agreement itself. State actors are not involved sufficiently, parallel structures instead of sustainable local capacity building emerged and Rana Plaza is portrayed as a local issue in Bangladesh and not seen as one example of the main problem: the buyer sourcing system and the export-oriented development model which is promoted.

Beyond that, a gender dimension is completely missing in the agreement and the discussion in GPNs in general, although the main group affected are women (cf. Interview 3 Akter, 2019). An intersectional view would help to further identify multidimensional struggles and to critically examine who speaks in initiatives, for whom initiatives speak for and who speaks about initiatives. To give an outlook to further research it, therefore, would be important to involve local workers and scholars and set a focus on intersectionality based on who is affected by the Accord and who can talk within and through it (and who not).

Looking at Bangladesh the missing gender dimension can be seen in the structures of trade unions. They are dominated by men even though the large majority of workers are women. In general the bargaining power of workers and trade unions was not sufficiently enhanced as it still is difficult to form new trade unions and maintain actual worker representatives. Industry representatives such as the BGMEA are still in a very powerful position. Moreover, the power of buyers over suppliers in Bangladesh tended to increase, as suppliers now need to ensure compliance, low prices and short lead times, while facing a decrease in profit margins (cf. Schüßler et al., 2019: 37). Another point of criticism is the scope of the agreement itself. It only focuses on fire and building safety, neglecting other major labour rights violations.

However, the limited scope at the same time assured the important achievements which were made. Working conditions in Bangladesh's garment industry have improved since the Accord. Trade unions gained power and a climate for compliance as well as a certain safety culture were established. Moreover global buyers needed to assure certain commitments to suppliers, wherefore uncertainty regarding production capacities could be reduced at least to certain levels. A large group of workers today know about their rights and have the possibility to fight for them. Control mechanisms such as the safety inspectors and a safety hotline were established to help workers raise their concerns. Overall garment workers today feel safer and fewer building collapses are reported (cf. Schüßler et al., 2018: 9).

Several studies up to now determine that initiatives, in general, do not put an emphasis on the complexity of labour rights and workers health issues, but focus on technical and infrastructural issues (cf. Ashraf, 2017: 256). Therefore, initiatives in labour governance need to be critically reviewed to really display the complexity labour governance comprises. Anner, Bair and Blasi (2014) point out no approach can be truly useful if it is not targeting the structural characteristics of the apparel industry on a global level as the fundamental business model within the garment sector is not going to change any time soon. Brands and retailers are still going to shift productions from higher to low-wage countries to improve their profit margin.

Summarised, the Accord, therefore, provides medical care but it is not a cure for the system. It rather can be seen as a small reform step, which was a reaction to criticism and thus prevents more fundamental structural criticism of collective labour weakness (cf. Interview 1 Scheper, Dr. Christian, 2019). Looking at future debates, it is questionable whether the working conditions regarding fire and building safety have been sustainably enhanced by the Accord. All MSIs which were in place are slowly withdrawing and it is doubtful that regulatory steps will follow (cf. Interview 1 Scheper, Dr. Christian, 2019; Schüßler et al., 2019, 2019: 9). The Alliance terminated in 2018 and was not replaced, the Better Work Programme was already closed in 2017. Only the NAP, the Sustainability Compact supporting the NAP and the Accord are still in place, but their duration as well is questionable.

For the case of Bangladesh it is critical that the state re-establishes its accountability for workers' rights and protection to build a broader "culture of rights" within the country and beyond in the global apparel sector (cf. Kabeer et al., 2019: 38), as for now the Accord is mostly dependent on transnational collective sourcing power. Although global lead firms now tend to include minimal labour standards into their governance portfolios, they still try to opt for minimal action. Here the only solutions are further public regulation, not only on a local but on a global level, also including lead firms (cf. Schüßler et al., 2019: 37). To summarise, through current happenings and initiatives such as the Accord an environment for compliance developed, being the starting point for new governance models. The Accord, therefore, triggered a very much needed positive response to human disasters happening, but it does not yet describe a systematic change towards a sustainable and humane garment industry (cf. Schüßler et al., 2019: 38).

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Appendix 1 – Questionnaire German / English

Global Labour Governance

Was bedeutet für Sie Labour Governance, Global Governance?

Wie ordnen Sie CSR, GLG ein und wo sehen Sie Verbindungen?

In welche Richtung wird es Ihrer Meinung nach in der Global Governance Debatte gehen?

Wo entwickelt sich die Debatte hin?

Wie könnte ein System aus privaten Regulierungen funktionieren?

Wie könnte ein bestehendes Macht-Ungleichgewichte direkt angesprochen werden?

Accord

Wie sehen Sie den Accord im Vergleich zu bisherigen Praxen und Instrumenten?

In wie fern kann der Accord als neues Instrument gesehen werden?

Wo liegen die Vor- und Nachteile für die Manifestierung von (Arbeitsbedingungen)-Standards im Accord?

Wie sieht die Zusammenarbeit zwischen GUFs und lokalen Gewerkschaften aus?

Gibt es engen Austausch?

Wie werden Kapazitäten aufgebaut?

Wo sehen Sie Probleme im Accord?

Bedeutet der Accord nur mehr Druck für Produzenten?

Könnte Accord auch ein Hindernis für Reformschritte sein?

Wie sieht die Zukunft des Accord aus?

Wird es eine wirksame institutionelle Einbettung geben?

Welche Auswirkungen hat Accord auf globaler Ebene – ist er ein „game changer “?

Was halten Sie von der Verlängerung? Kann der Zeitfaktor etwas bewirken?

Bangladesh & Accord

How would you describe the Bangladesh economy?

What is special for Bangladesh?

How about the apparel sector?

What is the problem the apparel industry in Bangladesh has?

How do you see the Accord?

Do you see it as a new instrument?

Can you identify any changes it might have caused regarding labour issues locally and globally?

Do you see an improvement?

Looking at unions, is there an improvement, could they gain more power for workers?

Do you see any chances regarding the power of industry owners, factory owners and politicians?

How do you see the situation, what in your opinion would improve workers' rights and their position in the economy?

What do you expect for the future?

Appendix 2 – Interview partner

Name	Institution	Position	Date of Interview
Monika Kemperle	ÖGB / IndustriALL Global Union	Bundespensionist*innenvorsitzende / former Assistant General Secretary	04.09.2019
Dr. Christian Scheper	Universität Duisburg – Institut für Entwicklung und Frieden	Researcher in the field of Global Production Networks and Global Governance	26.08.2019
Nazma Akter	Awaj Foundation	Founder and Executive Director	05.09.2019