

# **After Rana Plaza: Complementary consumption and production based mobilization for global labour rights**

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# The Rana Plaza disaster

- 24<sup>th</sup> April 2013
  - Building collapse
    - Four illegally added floors
    - Building closed the previous day due to cracks
    - 1100+ dead, over 2000 injured
- Quickly, Western Brands associated with the factory
- Within weeks, the Accord for Fire and Building Safety in the Bangladesh Ready Made Garment Sector signed (“The Accord”)
- Currently 190+ signatory companies

# Integrating consumption and production relations in supply chains- a power-centred approach

- Limited to date
  - Riisgaard and Hammer (2011) leverage gained when lead firms are “highly driven” regardless of where they are in the supply chain
- Sources of labour power
  - Structural
  - Associational
    - Wright (2000)
- Sources of consumer power- Hirschman(1970) “Exit, voice loyalty”, based on pressurising “lead firms”
  - Purchasing power
    - From boycott to “buycott”
      - Exit or loyalty
  - Voice
    - Bartley (2007) highlights threat is often more apparent than real

# Research design

- Open ended inductive design
- Focus on buyer led supply chains
- Use of publicly available documents
- Three phase project
- Paper reports on Phase 1
  - 29 interviews



# What makes the Accord unique?

- Agreement between 180+ Brands, two Global Union Federations, Four Campaign group “Witness signatories”
- Commitment to maintain purchasing from Bangladesh for 5 years at inflation adjusted volume
- Firms pay annual contribution of up to \$500,000 p.a to improve factory safety in Bangladesh
- Governing body chaired by ILO
- And Legally enforceable in the home country of the signatory companies

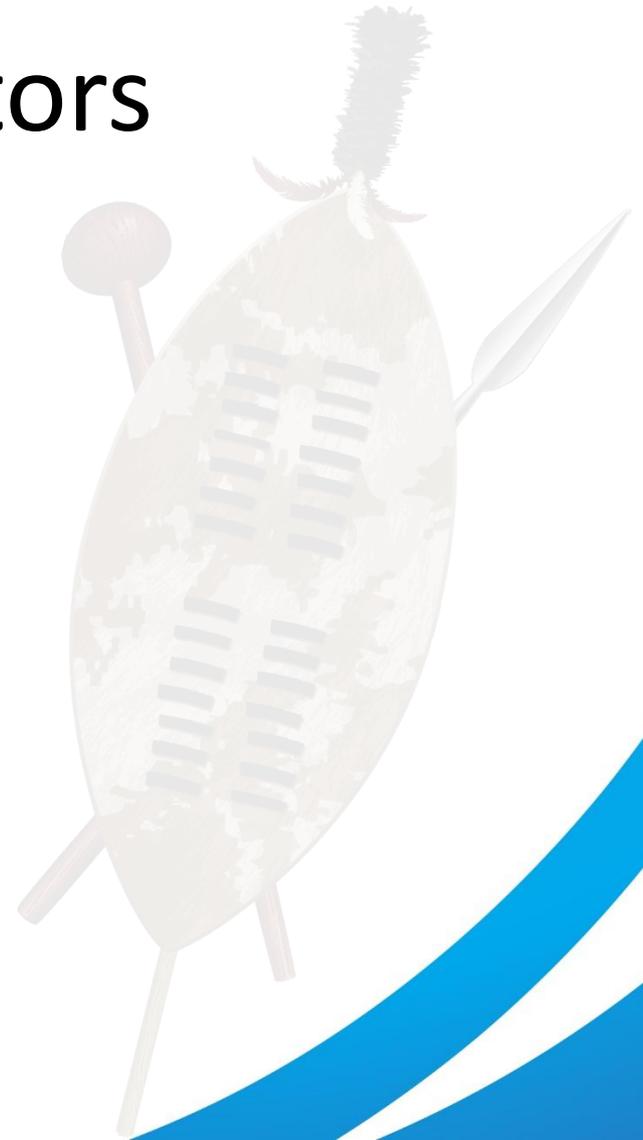
# Bringing together the “labour caucus”

- Signatories
  - IndustriALL
    - Represents manufacturing workers in Bangladesh
  - UniGlobal
    - Represents retail workers in developed economies
- Four Witness signatories
  - Clean Clothes Campaign
  - Workers Rights Consortium
  - International Labour Rights Federation
  - Macquila Solidarity Network



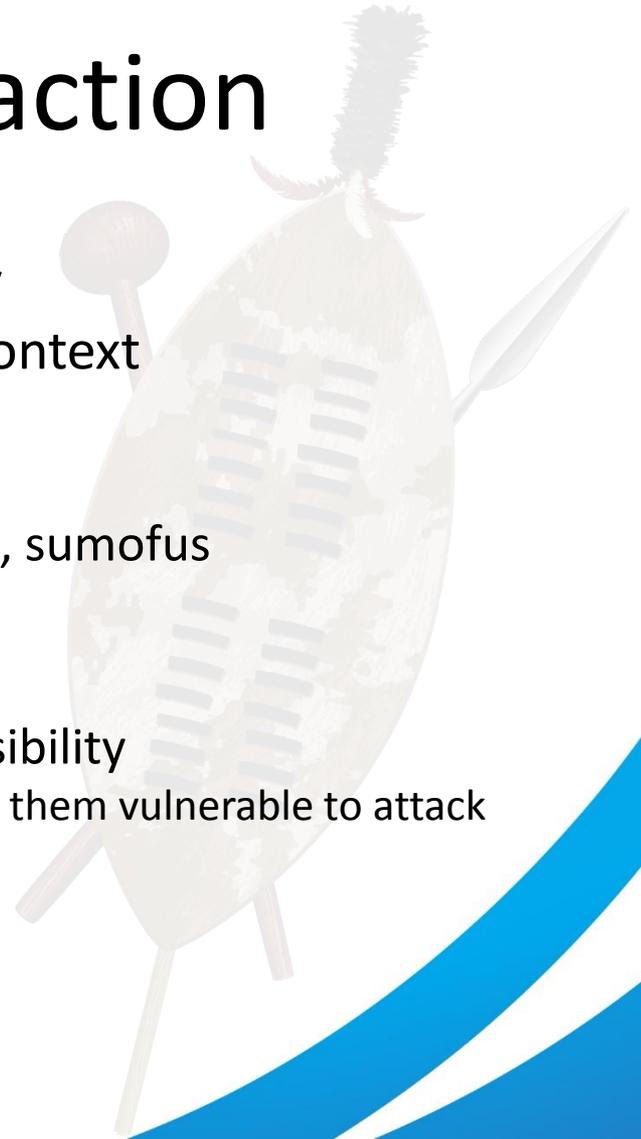
# Capacity of actors

- Unions
  - Representational
    - Both ends of supply chain
  - Institutional
    - Existing relationships
- Social Movements
  - Mobilising
    - Consumer based mobilisation
  - Expertise
    - “on the ground in BD”



# Complementary action

- Unions weak associationally and structurally
- Campaign groups had much knowledge of context
  - WRC- Research in Bangladesh
  - CCC- campaigns in developed economies
  - Also e-mail campaign groups- Change, Avaaz, sumofus
- Recognition of complementary action
- Different companies have different stimuli
  - H&M- union led- industrial action was a possibility
    - However Cambodia controversy year earlier left them vulnerable to attack
    - Unions highlighted first mover advantage
    - Trigger effect



# Divergence

- Campaign groups frustrated at unions appearing slow
  - Unions stressing democratic processes
- Edinburgh Woollen Mills
  - Campaign planned
    - TUC called off when EWM signed up to one of the two key demands
- Frustration of campaign groups
- Unions frustrated that campaign groups operated as outsiders as default
  - Union interviewees outlining the “brand” of the campaign group

# Implications of the Accord formation

- Potential of union-campaign groups to work in broad alliances
- Consumption power increases in importance in buyer led fragmented supply chains
- Important not to overstate- scale of Rana Plaza had shock effect
  - Also pre-existing relationships
  - Role of GUFs at both end of the chains