

After Rana Plaza: Building coalitional power for labour rights in global apparel supply chains

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Abstract:

Using an exploratory case study of the response to Rana Plaza, this article examines how production and consumption-based capacities interact to create coalitional power and produce private labour governance in global supply chains. In the aftermath of one of the worst industrial accidents in recent history, the “Accord for Fire and Building Safety in Bangladesh” has emerged, which is unprecedented in its scope and binding nature. The research has implications for understanding how the interface between production-consumption actors may provide leverage to improve labour standards in global supply chains.

Introduction

On 24th April 2013, in the Savar suburb of Dhaka, a building complex collapsed leaving 1129 dead and a further 2500 injured. The building had seen four floors being added without planning permission and was originally built as a shopping complex and office block, not a number of factories housing over 3000 mainly female workers and their machines. While legally, brands sourcing from Rana Plaza had no duty of care to these workers, pressure grew on them to take responsibility for the incident. Within weeks of the disaster, a host of leading clothing brands had signed up to the “Accord for Fire and Building Safety in Bangladesh” (Hereon “The Accord”), an unprecedented legally binding agreement. This article uses the Accord, as an exploratory case study, to examine the emergence of labour governance in supply chains, particularly with respect to how production based power and consumption based power became complementary in establishing a collective agreement which is legally binding on over 180 brand name companies.

Global supply chains and the regulation of labour

An area of growing interest has been observing the shift from the regulation of labour on the national level to the global level (Meardi and Marginson, 2014) where production is distributed across global supply chains (Gereffi, et al, 2004). Global supply chains pose a particular challenge to traditional forms of regulating labour in that they are often used explicitly to avoid regulation. Amidst growing debate on new forms of private, transnational governance with and without the state, scholars have focused both on the shifting role of “traditional” actors within global labour governance as well as the role of “new” actors (e.g. Fransen, 2011). It has remained unclear what roles different actors play, how they can assert power on supply chain actors and how

they can meaningfully cooperate. In this paper, we explore how a coalition between those utilising consumption based and production based power worked together to create coalitional power that enabled a novel instrument of global labour governance.

Production actors in global labour governance

National unions and global union federations (GUFs) have played a key role in the articulation of demands and the development of international regulation, such as the ILO's tripartite regulatory activities, to which they are party (Jarman, 2012). As established actors, unions hold access to state and intergovernmental decision-making, such as observer or advisory capacity, and can articulate demands and influence global policy making, such as social clauses in trade agreements (Croucher and Cotton, 2009; Cotton and Gumbrell-McCormick, 2013). Their power resources have been expressed in terms of Wright's (2000) analysis of structural and associational power.

Structural power can be defined as "power that results simply from the location of workers within the economic system" (Wright, 2000: 962) and refers to the potential of labour to affect the production process. Within supply chains, the structural power of workers is high when workers are not easily substitutable; when they have effects on other parts of the economic system; and when knowledge of the structure of a supply chain enables workers to upset the flow of the chain. The associational power of labour can be defined as "the various forms of power that result from the formation of collective organizations of workers" (Wright, 2000: 962). Wright's framework has been supplemented by Gumbrell-McCormick and Hyman (2013), who have added institutional, that is participation in institutional arrangements like works councils, and organizational power, where the membership and democratic processes increase power.

In addition, they highlight three “complementary” power resources- moral, coalitional/collaborative and strategic/logistical- which can be utilised by unions. Scholars have focused on how unions have leveraged domestic industrial relations systems on a global level and employed methods akin to collective bargaining to negotiate international agreements (Anner et al, 2006) An example where production-based power has played a role to establish global labour governance are International Framework Agreements (hereon IFAs) (Hammer, 2005). IFAs are agreements between single MNCs and GUFs that set out frameworks for industrial relations throughout the MNC, and sometimes its supply chain. Among non-state actors, unions remain the representatives of organized labour. One weakness of the existing frameworks (e.g. Wright, 2000; Gumbrell-McCormick and Hyman, 2013) is that they have been developed in the context Western European, nation-state or local workplace level analysis. However, as will be developed later, in global supply chains with varying levels of union density and organization, the discussed power resources, especially structural and associational, are likely to be low. Thus, it is critical to rethink the ways in which unions can utilize their role in labour governance institutions across global supply chains.

Consumption actors in global labour governance

Less, albeit increasing, attention in the area of industrial relations has been paid to social movement organizations (Hereon: SMOs) who enable consumer oriented forms of activism (Donaghey et al, 2014). Consumers can exercise power through “exiting” (or threat thereof) the consumption relationship or through “voicing” complaints and grievances to repair or improve the relationship. These actors have increasingly mobilized consumers, at the end point in the global supply chain, to put pressure on

MNCs (O'Rourke, 2011; Bartley, 2007). The mere threat of such activities may suffice to alert companies to avoid inflicting damage on their actual sales or reputation of their brands (Bartley, 2007). By leveraging consumer sentiment and reputational threats, SMOs have played a critical role in pushing companies to protect labour rights in their global supply chains, such as through unilateral Corporate Codes of Conduct (Locke, 2013) or by participating in multi-stakeholder initiatives and adopting private labour standards (e.g. Bartley, 2007; Vogel, 2008).

Despite their increasing role in global governance (Bartley, 2007; Vogel, 2008), consumption based, private labour standards are far from a panacea for developing labour rights : they lack meaningful enforcement, may often focus on “easy targets” rather than the worst offenders and lack a democratic mandate by those affected (Egels-Zanden and Hyllman, 2007). Nevertheless, where freedom of association is limited, as in many developing and emerging economies that have served as hosts for global value chain activities, SMOs are often the main vehicle for pressurising corporations to improve working conditions (Frenkel, 2001). It is thus important to understand how consumption-based actors can utilize their power over production processes in ways that can have a meaningful effect on labour governance.

Interaction between “traditional” and “new” actors in global labour governance

The interaction between production and consumption-based actors has been highlighted as an important area of investigation for global labour governance (Compa, 2008; Donaghey et al., 2014). This can be conceptualized as a form of coalitional power, which Gumbrell-McCormick and Hyman (2013) have identified as an important complementary power resource. How coalitional power is built and exercised remains

under-researched in global supply chains contexts, particularly from a consumption based approach. This is unsurprising as Compa (2004) highlights that those who mobilise threats of labour power have been viewed as uneasy bedfellows of those who mobilise consumer power. Private labour standards can also play a role in strengthening union rights, by incorporating freedom of association and the right to collective bargaining, and in some cases have assisted the formation of local unions (O'Rourke, 2006). Such coalitions highlight how production and consumption based power can be complementary in advancing workers' rights (Compa, 2004; 2008).

Initiatives which involve both consumption and production based capacities have attracted surprisingly little attention. As both Heery (1993) and Compa (2004; 2008) note the interactions between consumers and producers can potentially be complementary in supply chain labour governance. This article seeks to use an exploratory case study to investigate the question of how production and consumption-based capacities can interact to produce private labour governance in global supply chains. In particular, we focus on the origins of the Bangladesh Accord with a specific focus on the power resources that were deployed to create it, including the nature of the production-consumption based coalition. To do this, we use the idea of complementary capacities to explain the nature of coalitional power in global supply chains.

Research Context and Methods

After China, Bangladesh is the second largest textile producing economy, with over 5,000 factories employing approximately four million, mainly women, workers, producing primarily for the developed world. Since the textile sector evolved in 1976, it has dwarfed all others with \$21.5bn (approximately 80% of total) in annual exports

and 13% of GDP, according to 2012/13 figures. Over four million workers are estimated to be directly or indirectly employed. For Western corporations, the Bangladeshi sector provides cheap produce from primarily Bangladeshi owned factories, thus removing these brands from legal liability over labour abuses.

From the mid-2000s onwards, and following a series of deadly factory fires and building collapses, increasing attention focused on labour issues within the Bangladeshi garment sector. Building and fire safety was often lacking, with buildings having locked exits and extensions upwards being built on top of existing buildings. Following the Tazreen factory fire in 2012 which killed 112, a number of initiatives were started to improve safety in Bangladeshi factories. In particular, the WRC and the Clean Clothes Campaign (Hereon: CCC), were attempting to establish a “Memorandum of Understanding” (Heron: MoU), yet failed to gather the necessary support of at least four companies to sign a commitment to investing money to improve building safety in Bangladesh. Amidst this multitude of actors and proposed initiatives, the Rana Plaza disaster occurred and was widely described as a “game changer”. For the research, 29 semi-structured, open-ended interviews were conducted in late 2013- early 2014 with individuals involved in the creation of the Accord. Respondents included staff from trade unions (N=8), campaigning groups (N=8), brands (N=6), and other relevant actors, such as the Ethical Trading Initiative, Accord steering committee members, Bangladeshi civil society activists and external observers (N=7).

The Accord for Fire and Building Safety in Bangladesh

The Accord is an innovative labour tripartite governance mechanism, chaired by the International Labour Organization (ILO), with several unprecedented characteristics in

substance and structure. In substantive terms, first, the Accord is a legally binding agreement between global union federations (GUFs), IndustriALL and UNI Global, (Hereon: UNI), Bangladeshi trade unions, and over 180 ready-made garment retailers and brands from 20 countries in Europe, North America, Asia and Australia, with four SMOs as “Witness Signatories” (CCC, WRC, International Labor Rights Forum, Maquila Solidarity Network). Secondly, there is a complaints procedure which has a binding arbitration system where all signatories agree awards and enforcement of fees may be pursued in their national legal system. Thirdly, to ensure a solid commitment to the Accord, companies agree to a long-term sourcing relationship with Bangladesh, maintaining purchasing volumes for five years, thus providing an incentive for suppliers to invest in safety improvement. Brands commit to ensure that factories have the financial capacity to maintain safe workplaces and comply with remediation requirements through joint investment, providing loans, accessing donor or government support or through offering other business incentives. Signatory firms agree to terminate contracts with factories that fail safety inspections. Companies assume responsibility for funding the activities of the Steering Committee, Safety Inspectors and Training Coordinators based on their annual volumes of garment purchases from Bangladesh on a sliding scale up to \$500,000 per year. The Accord specializes in three types of inspection – fire, electrical, structural – for which specialist engineers are contracted in contrast to social auditors who are ill-qualified to assess many of the crucial safety aspects.

Findings

Central to the emergence of the Accord was the coalition between unions and SMOs forming the “Labour Caucus” which united behind a shared objective. The Labour Caucus consisted of two GUFs, local Bangladeshi unions and four SMOs as witness

signatories. Once Rana Plaza occurred, the emphasis became creating a proper, legally binding collective agreement with IndustriALL and UNI being the GUFs involved. At the outset, the Labour Caucus was united in its growing frustration with the existing approach to labour conditions in global supply chains, which was focused on voluntary social auditing and certification initiatives but did not address the entrenched structural problems. Relationships between the parties within the Labour Caucus had built up over time since the 2005 Spectrum factory collapse but efforts to address health & safety in the Bangladeshi garment industry intensified following the Tazreen factory fire in 2012. The cooperation between IndustriALL (or more precisely, its predecessor ITGLWF), two Bangladeshi IndustriALL Affiliates, BIGUF and NGWF, the WRC and the CCC, began with the early negotiations that led to the MoU which became the Accord after Rana Plaza.

Complementary capacities of production and consumption-based actors

The coalition and associated division of labour between unions and SMOs was perceived as crucial in leveraging relationships to reach the Accord, and make companies sign up to it. Unions and SMOs stressed that they had been working “closely” with each other on a daily basis and were “closely aligned around the issues.” GUFs mainly contributed representational and institutional capacities, whereas SMOs contributed expertise and mobilisation capacities.

Production-based capacities

The Bangladesh apparel supply chain reflects the low associational and structural power of workers employed in low-skilled, labour-intensive industries of this type. Associational power of trade unions was low in terms of mobilizing the traditional tools

of the labour movement – collective industrial action or threat thereof. Throughout the Labour Caucus specific challenges in the Bangladeshi context were highlighted by interviewees. In particular, union fragmentation involving 37 union federations, 97% of workplaces being non-union according to ILO estimates, an immature system of industrial relations and political corruption all meant that traditional labour resources were curtailed. Moreover, GUFs' assessment of the situation in Bangladesh was that local unions were not in a position to mobilise workers to take collective action. Within consumer countries, GUFs had strong associational power through their affiliates. However, mobilising solidarity action in developed economies for workers in Bangladesh was limited due to the level of remoteness of retail and manufacturing. Facing domestic industrial relations in their home countries, unions often considered the domestic arena as the priority area for collective action. Similar to associational power, structural power of trade unions was low in terms of the threat of withdrawing labour from the production process. With a large percentage of the Bangladeshi garment workforce being young, women workers, with few alternative sources of income, workers are similarly in a weak structural bargaining position to resist such pressures.

Representational capacities

While associational and structural power of unions was low, they had high claim making capacity due to their representative structures. This both provided a source of legitimacy as well as a network of existing relationships with companies. IndustriALL was the representative body of workers in the Bangladesh ready-made garment sector. UNI was the representative body of retail sector workers in developed economies. In contrast to SMOs, the unions were insiders to the supply chain and accountable to their

members. However, formal representative structures were also a constraint. Existing relationships restricted unions in their capacity to mobilize against companies: Unions had to be careful not to do lasting damage to national labour relations, such as pay bargaining in national contexts, when pursuing issues for workers beyond their direct membership. When making demands on companies, unions had to make a judgement call of how far they could go when exerting pressure so that they would not jeopardize their relationship. Unions would engage in political bargaining and compromise to resolve issues with companies through the insider's route rather than attack companies publicly.

Institutional capacities

Being part of the established tripartite system of industrial relations, GUFs contributed access to other global governance institutions, a position which SMOs mostly lacked. The unions leveraged their formal role in the institutionalized governance landscape, particularly as constituents of the tripartite structure of the ILO. This institutional embeddedness helped gain the official endorsement of the ILO for the Accord. At a meeting in early May 2013 when the governance structure of the Accord was being negotiated, the ILO's Director General, Guy Ryder, publicly announced the ILO's readiness to be chair of the Accord. Having the ILO as chair both lent the institutional legitimacy of a credible international agency and enabled unions to link to a broad network of global level institutions as well as local level agencies.

The other institutional dimension was that unions were viewed by many of the brands as being legitimate "insiders" to the employment relationship and regarded as more appropriate negotiation partners because they shared a mutual interest in the well-being

of the company and responsibility for the success of collective agreements. Unions could leverage existing collective bargaining institutions through which employers and unions typically build up expectations about each other. Having such ongoing relationships enabled more cooperative bargaining and a willingness on both sides to compromise to retain existing relations. This enabled global and national union federations to write directly to CSR staff at corporate headquarters and leverage national relations at the global level. In addition, their institutional position enabled GUFs to mobilize bottom-up voices through their network of affiliate members. For companies with union recognition, the relevant unions, such as GMB, USDAW and UNITE in the UK or Handels in Sweden, could then use the threat of mobilising their members to make internal demands and exert pressure on companies.

SMOs were generally viewed as being “institutional outsiders” who were more content working outside the formal institutions. Some interviewees from outside the Labour Caucus differentiated between unions who “understood the way negotiations are done” and the SMOs who were viewed as not being part of the system. To gain the trust and cooperation of more established institutional actors, SMOs had to demonstrate they understood and respected this difference. Yet, despite these frustrations, the commitment of these groups to the “Bangladesh problem” gained them credibility with broader actors.

Consumption-based capacities

In the context of low associational and structural power of unions to disrupt production processes, the role of consumption actors became important in shaping governance for the production end of the supply chain. Placed at the end point of the global supply

chain, and within a highly competitive consumers market, consumption actors were powerful in their ability to threaten to withdraw purchasing power from retailers.

Mobilising capacities

Consumers had considerable voice power that was mobilized by SMOs and campaigning groups, and which played a critical role in lifting labour rights violations from mere ethical to strategic concerns for companies. The key leverage point of campaigning groups was creating a reputational risk to companies by damaging, or threatened to damage, their brand image through repeated negative press. The threat of negative campaigns was a powerful factor in pushing companies to sign up to the Accord initially as well as increasing the number of corporate signatories. Exit also posed a particular threat to specific brands in specific markets, which were at risk of “short term strategic kind of boycotting.”

Across the Labour Caucus, respondents agreed that the continuing work of campaigning and awareness-raising that advocacy groups such as CCC had done over the last decade on the conditions of garment workers in Bangladesh, Cambodia and other places, helped pave the way for the Accord. While weak local unions were regarded as not having made much progress for legislative and political reasons, it was the SMOs that had built up public demand for holding Western companies accountable over exploitative labour practices in their supply chains. SMOs stood outside the tripartite policy system. Yet, this political non-accountability meant, in principle, greater freedom to agitate and engage in contentious politics to raise awareness and pressurise companies. Their specialization in campaigning methods allowed them to be highly effective in raising awareness, building a movement around the issue and mobilizing support.

Capacity of expertise

SMOs were crucial in contributing expertise and in-depth knowledge of the industry to both the negotiation and mobilization process. Their role as “international watchdogs” was particularly important in the context of the Bangladeshi textile sectors, where union membership was low. SMOs had a stronger role in feeding local information into the process. The WRC had staff in Bangladesh and also worked closely with a number of labour rights organisations and unions on the ground. In addition, actors who may otherwise have questioned the representational legitimacy of the SMOs rationalised their participation in terms of their knowledge and commitment of work in the Bangladesh garment sector.

Having expertise on the ground was important in formulating realistic and credible demands that both fulfilled the needs of people on the ground as well as recognizing limited capabilities. For example, the Accord makes provisions for the direct involvement of unions in the monitoring of the Accord. Yet, a majority of workers in the garment industry are young women from rural areas who had little knowledge about their rights and lacked skills to exercise them. This required a very different approach to engaging workers compared to the approach used with relatively empowered and more knowledgeable retail workers in Western companies. Both UNI and IndustriALL recognized that they did not have the same expertise in the Bangladesh garment sector as the SMOs. Collective bargaining and union recognition in the Bangladesh garment sector were basically non-existent and thus what normally would be considered necessary for effective bargaining was lacking. In addition, UNI, coming from the service sector in developed economies had few dealings with the types of issues at hand.

The CCC, with their knowledge of the garment sector, and the WRC, with their Bangladesh specific knowledge, brought the sort of expertise that unions would normally bring to the table.

Summary of capacities

One of the key features which different parts of the caucus brought to the coalition were complementary capacities. The GUFs, with their membership structure and established networks amongst international institutions, carried significant institutional legitimacy and provided “insider” access to actors such as companies and intergovernmental institutions. IndustriALL and UNI’s representational capacities were complementary. IndustriALL had the official mandate to represent factory workers, yet membership amongst the factory workers was low. UNI had significant membership in some areas of retailing, and could leverage industrial relationships with lead firms. The SMOs brought with them a significant level of expertise and knowledge and the ability to mobilize consumer pressure against brands, which both GUFs lacked.

How were complementary capacities utilised in creating the Accord?

Establishing the Accord

In negotiating the Accord, the representational legitimacy and institutional weight of GUFs enabled the development of a collective agreement. The public pressure mobilized by SMOs with the unions strengthened their bargaining position. Their ability to mobilize public pressure also provided the necessary urgency and unity within the Labour Caucus to trump an industry-driven solution in favour of a labour-caucus driven solution. Moreover, while GUFs could leverage their relationships with brands,

SMOs added important expertise and knowledge necessary for drafting the text of the agreement.

Negotiation and collective bargaining being the core activity of unions, the GUFs were crucial in contributing their leadership to the negotiations. Subsequent to Rana Plaza, the Accord became “a very high priority” for GUFs to the extent that the General Secretaries of IndustriALL, and later UNI became involved and negotiated directly with the brands over the Accord. While the scale of the Rana Plaza disaster provided the urgency for a solution, it was the pressure from the united Labour Caucus that the MoU/Accord became the adopted solution. By mid-April 2013 when Rana Plaza collapsed, only two companies, Tschibo (Germany) and PVH (USA), had signed the MoU. Under the lead of IndustriALL and the CCC, the Labour Caucus united behind the MoU. This was critical at the meeting in Eschborn, where IndustriALL and the WRC and CCC aligned their positions to insist on broad line: a binding agreement, financial responsibility of brands, the role of unions and independent and transparent inspections. Using the pressure of the disaster, this created a “pressure cooker”. Companies in contrast lacked a unified position. The meeting ended without a clear outcome but with the labour caucus demanding companies sign the MoU by a deadline of 15th May 2013.

Both IndustriALL and CCC went beyond their normal ‘roles’ which had previously divided them – To the anger of CCC which insisted on the MoU, IndustriALL had previously invited the GIZ, brands and NGOs to a meeting to Geneva to negotiate a compromise, as unions do. But given Rana Plaza and frustration with brands, IndustriALL was now ready to insist; while the CCC and WRC were ready to leave

negotiations to IndustriALL rather than going for full campaigning. Between 29th April and 15th May 2013 numerous bilateral and multi-lateral conversations were led by IndustriALL, with brands as well as the ETI, to negotiate the content of what became the “Accord.”

But rather than negotiate a compromise, IndustriALL, the focal point of these conversations, played off lead brands against each other to sign the MoU. As more parties joined the negotiation, acting as a “hub” “making sure that everybody knew what everybody else was doing and were in contact with each other” was crucial to keep a united front within the Labour Caucus. While some corporate actors were pushing for watering down the MoU to a more principle-based agreement, IndustriALL insisted on a substantive agreement. The Labour Caucus recognised the unique opportunity that they had to reach an unprecedented binding agreement. If such a demand could not be formulated in a situation in which the bargaining power of the Labour Caucus was backed by the enormous public pressure that Western companies faced, then they would never be able to do it.

The SMOs involved recognized the representational role of both GUFs. Rather than immediate campaigning against brands to sign the Accord, SMOs contributed both critical expertise and mobilizing capacities to the negotiations while leaving negotiations to the unions. Crucially, the WRC’s “fact finding” directly after Rana Plaza provided key evidence about the buyers present at the factory as it prevented them denying that they were sourcing from Rana Plaza, as some had attempted. Those brands for whom evidence was found at the factory and which admitted responsibility, such as Primark, were among the most responsive and early signatories to the Accord. In terms

of crafting the text of the Accord, the GUFs recognised that they lacked expertise on issues of garment workers in Bangladesh. GUF respondents stressed they often relied on SMOs in terms of the content of the agreement, such as the technical details relating to commitments about maintaining volume in factories, and what implications that may have. In particular, UNI with its concentration on developed economies had never dealt with these issues before and relied on CCC and WRC for expertise and input. Here, the SMOs' expertise was recognized as "a reality check" that was crucial in making the Accord work.

While GUFs had negotiated agreements in the past with brands, such as IFAs with H&M or Inditex, negotiation on a global supply chain level was fundamentally different to more traditional unionism where one union was negotiating with one employer, a model which was seen as ineffective to address the deep-seated, structural safety issues in a global supply chain that was as mobile and fragmented as the Bangladeshi garment industry. The involvement of UNI and its national affiliates was significant in GUFs leveraging pre-existing relationships with Western brands, which enabled engaging the entire supply chain from production to retail.

Facing the latent pressure from SMOs, companies were made to recognise that there was an urgent need to demonstrate they took responsibility publicly and were prepared to contribute to radically improved safety in the Bangladeshi ready-made garment sector. Through this coordinated approach to negotiating on multiple levels, the Accord evolved "behind the scenes," and retained the key feature of being binding while integrating two key changes: linking to the Bangladeshi National Action Plan and bringing in the ILO as the chair of the Accord steering committee.

Getting companies to sign the agreement

In mobilizing support, the Labour Caucus united behind a single demand of Western retail companies – sign the Accord. Summarizing the complexity of factory safety in Bangladesh into one single demand helped focus attention and coordination of actions. This mobilization demonstrates the division of labour between the different types of organisations within the Labour Caucus and the roles they played in this, which was overall described as a very “collective approach.” Mobilization was enabled by the combination of “outsider” SMOs creating pressure on global brands as well as “insider” unions leveraging institutional relationships and using threats of collective action.

Leveraging institutional position and threat of collective action

GUFs took on the primary role of negotiating directly with companies to sign the Accord. In getting companies to sign the Accord, unions leveraged their institutional “insider” position, their access to pre-existing relationships with companies. The campaign to get H&M, the largest buyer from Bangladesh, to become the first signatory to the Accord illustrates the complementariness of SMOs mobilizing brand pressure and unions mobilizing relationships and threats of collective action. Due to the existence of IFAs, respondents emphasized that IndustriALL and UNI had very constructive relationships with Inditex and H&M respectively, both on the manufacturing side as well as on the retail side. To exert pressure on the Swedish fashion retailer, UNI leveraged both its existing IFA with the company as well as the high level of density in union membership. There was close co-operation between GUFs with UNI targeting H&M directly and IndustriALL targeting other parts of the supply chain through a mix of tactics including online campaigns and also the more

direct threat of putting pressure on H&M through industrial means. Invited by UNI, the Swedish union organizing retail workers, Handels, used its relationship with H&M to have a dialogue at the company's Swedish headquarters. In addition, the GUFs together with Swedish unions published an advertisement in one of Sweden's biggest newspapers to urge garment retailers to sign the Accord. While they did not have to resort to worker mobilization, the potential and threat of doing so was perceived as a powerful lever in motivating companies to sign the Accord. Union negotiation was further strengthened by reputational risk stemming from past public pressure from SMOs and the threat of renewed negative publicity. On 15th May 2013, H&M became the first signatory to the Accord. Pre-existing relationships were seen to have greatly contributed to convincing these companies to take the bold step and become the Accord's first signatories with UNI using their direct contacts in Human Resource departments. Simultaneously, IndustriALL were talking to their contacts in supply chain management departments.

Mobilizing brand pressure

SMOs in developed economies doing public outreach were not only more equipped with the skills and experience of campaigning but also benefitted from the freedom as "outsiders" to agitate and "name and shame" individual companies who refused to sign. The division of labour is illustrated by this quote from the CCC, which argued that "it's not their [the unions'] role to do campaigning". However, there was a fine line to decide when the possibility of negotiation was exhausted and a public campaign should start that, on occasion, created a more conflictual relationship with a company. SMOs agreed that this line "where we'd have to break ranks and do a campaign" (CCC) would have to be negotiated with the unions. At times, therefore, while SMOs were credited with

creating public pressure on brands, “the maturity of IndustriALL and unions knowing about negotiation, not just campaigning, was the important counter point” (ETI). Unions thus stressed that they were in direct contact with them on an almost daily basis. In some cases, trade union organizations led campaigns and thereby shaped the emerging storyline in the media. In the UK, the TUC identified eight critical brands that had not signed the Accord by September 2013 and collaborated with SMOs, including the Clean Clothes Campaign and SumofUs, to create a coordinated campaign and channel pressure on target companies.

3. Reconciling negotiation and mobilisation: Role division and conflict

Respondents stressed the importance of maintaining a clear division of roles that was maintained throughout the process. It was important to respect the different mandates of unions and SMOs and hence respect the differences of each party’s appropriate role. Unions were especially careful to maintain the distinction between the representative role of unions and the advocacy role of SMOs. The establishment of role division is manifested in the governance structure of the Accord. While unions were represented on the steering committee, SMOs remained observers, or witness signatories to the Accord with no voting power. Both unions and brands felt strongly that it was important that the Accord was an agreement exclusively between labour and management. SMOs reported that they would have liked to be signatories but respected the position of the unions, as the body that represented workers. Remaining witness signatories was seen as an important acknowledgement of what the role of an SMO was vis-à-vis the role of a trade union.

As with any labour movement, a tension exists between when to negotiate and settle, on the one hand, and when to mobilise and campaign, on the other. While trade union negotiations and campaigning were both seen as valid approaches that could both achieve progress, this led to some tensions and divergence on tactical issues. Simultaneously, campaigners were both useful and distracting in the process of negotiating the Accord. This was illustrated by the joint campaign between the TUC in the UK and the CCC against Edinburgh Woollen Mills. The UK high street retailer was targeted for its refusal to sign the Accord, pay into the victims' compensation fund for Rana Plaza and other disasters like Tazreen, or even negotiate with the unions. The TUC and SMOs, mainly the UK's CCC, planned joint action outside a number of Edinburgh Woollen Mills stores across the UK on 24th November 2013 to mark the one year anniversary of the Tazreen factory fire. However, just a few days before the action was planned, Edinburgh Woollen Mills, aware of the reputational damage it risked, signed the Accord. Not all demands had been met, such as the one for contributing to compensation payments for Rana Plaza victims. But for the TUC the company's decision was seen as a victory. They called off the day of action, making a press release commending Edinburgh Woollen Mills for signing the Accord. Keen to continue the campaign for victim compensation, SMOs, were frustrated that the TUC had called off the campaign and had, instead, commended Edinburgh Woollen Mill on signing the Accord.

The challenge for SMOs was seen as making the step from being a campaigning organisation which had no formal responsibility to their members to being a responsible negotiator. Trade unionists were thus frustrated that campaigners were up to the last minute making "unreasonable" demands, thereby jeopardising the progress made and

the “success in their hands.” SMO interviewees, in contrast, demonstrated a frustration with the practices of working through formal institutions. With the main purpose of campaign organisations being to attract publicity through campaigns, it was harder for them to accept that they had to try to negotiate privately before going after companies publicly.

GUFs had often long-term relationships with companies through their affiliated unions, they – unlike social movement activists – had to be more careful to maintain such relationships. Negotiators within unions were seen to be able to make “the more mature reflection” to leverage the energy of SMOs but be prepared to negotiate with industry as partners, often culminating in compromise. Unions understood that companies were ultimately going to be the partner that delivered on the Accord, and thus partnership was vital. They recognized that “beating people around the head and saying you’re evil and you must sign this or else you’ll burn in hell is never a great negotiating stance for a partnership” (ETI). Unions therefore regarded the Accord “not as a chance to bash companies but as a chance to engage them” (ETI). Collective action, also in the form of campaigning against target companies, was seen as the last resort rather than the starting point.

Discussion: The role of consumption relations in governing production relations

The Accord versus previous consumption and production-based governance

Scholars have lamented the failure of the voluntary, private regime of social auditing (Locke, 2013), as also demonstrated by the series of collapses and fires in factories despite social auditing. Without doubt, the jury on the efficacy of the Accord is out: the

mechanism is new and the arrangement is complex. Ultimately, the Accord will have to be judged in terms of what it delivers for ready-made garment workers as it progresses over its initial five-year life span. However, the Accord stands out as a unique and novel governance mechanism compared to existing governance mechanisms on a number of dimensions.

First, the Accord allows brands to take a collective approach to the problem of worker safety in their Bangladeshi supply chains: unlike IFAs, which are generally agreed between one MNC and a GUF, the Accord covers multiple brands and brings brands together to share costs, information, responsibility and risk, providing a cost-effective way for also smaller brands to ensure safety standards in their Bangladeshi suppliers. The Accord stands out for being able to reach a large number of both buyers (in excess of over 180) and suppliers (in excess of 1500 factories employing more than two million workers) within a sector, backed by legal enforceability, thus avoiding the problem associated with IFAs which often work best where they are needed least, i.e. in those sites where workers are organised and/or have strong legal support (Niforou, 2014). Also, private labour standards have proliferated in the textile sectors, but they lack the Accord's ability to coordinate multiple approaches, leading to competition and lack of coordination (Fransen, 2011). The collective brand approach of the Accord thus also brings benefits to supplier firms in Bangladesh, who often supply multiple buyer firms, by having a unified set of standards, rather than suppliers attempting to satisfy a multiplicity of brand led codes of conduct.

Secondly, in terms of implementation, the Accord has created an enforceable contractual relationship in the home country of the buyer brands. IFAs depend on using the structural and associational power of labour, which thus depends of high levels of

collective worker organisation. For private labour standards, the only sanction available is the threat to brands depending on consumption power. The point about the establishment of a legally enforceable contract is a very significant new departure, even if it remains to be seen how the Accord will enforce sanctions on a company defaulting on their payments. Through the Accord, brands have transferred oversight of their supply chains to a body which has a right to initiate legal action against the brands where they do not meet their financial commitments. This sort of initiative has been mooted unsuccessfully in the past (Brofenbrenner, 2000) but was achieved in this instance due to the pressure placed on brands by the harnessing of the complementary capacities of labour and consumption actors.

Thirdly, while the Accord is focused on three highly specific and highly defined issues – electrical, fire and building safety – IFAs and private labour standards often cover a wider variety of industrial relations issues, but may be less able to deliver in terms of expertise required and monitoring involved. The Accord also focuses on an area of the employment relationship which has traditionally lent itself to regulation, that of worker safety.

Insights from negotiating the Accord: Building coalitional power through complementary capacities

While the Accord is a unique governance mechanism, understanding the conditions that enabled it holds important lessons for the development of meaningful global governance institutions in other contexts. First, we highlighted the role of “complementary capacities” in developing private governance frameworks, which provides a useful concept explaining how and why the coming together of multiple actors may generate governance solutions which might not have been available with

single-actor contributions. While scholars have emphasized the multiplicity of actors involved in global governance arenas, it has not been quite clear *how* different actors contribute and create new opportunities for “collaborative governance” (Rasche, 2010). “Complementary capacities” which contribute to coalitional power may be developed in other areas. Future studies need to understand under what conditions capacities developed between actors are complementary and under what conditions they may become conflictual. Areas of governance beyond that of global labour governance which may be of interest to analyse include environmental and financial governance where coalitions of interests combine to develop governance initiatives.

A second insight is that the interaction between SMO driven and organized labour driven global governance has the potential to create a conversation between scholars focusing on consumer-driven CSR approaches and scholars focusing on the role of organized labour in global governance. Production which has moved to the developing world has often done so to avoid higher regulatory standards, as in the Bangladeshi case where a weak state and low worker organisation led to a downward spiral in safety terms. Thus, the capacity in the short term to develop meaningful collective bargaining is highly limited. Similarly, consumer based activity can often be short term and lacking a meaningful alternative other than brand damage. This paper highlights that the governance of labour relations within supply chains must be viewed through the prism of both production and consumption relations. Scholars need to extend their analysis of power to the actors at the very beginning and at the very end of supply chains. Supply chains are exposed to increasingly coordinated networked relations between production and consumption-based actors bringing together complementary leverage points.

However, our case also suggests, as demonstrated in the Edinburgh Woollen Mills case, that the creation of coalitional power was not unproblematic as issues around democratic mandate, speed of response and related issues created tensions, which may, under different circumstances, hinder the forming of effective coalitions. It is thus important not to underestimate the role of context in uniting the actors given the uniqueness of the Rana Plaza case, the worst industrial accident in history. The fact that relationships between actors, such as the CCC, WRC and IndustriALL, had been built over a number of years led to mutual recognition of their complementary capacities and division of roles that may not be replicable in other contexts. Moreover, parties were ideologically committed to complementing each other rather than competing with or substituting each other, which may not be the case in other circumstances.

Conclusion

The Accord and in particular its Labour Caucus does carry important lessons for future research and in particular to focus on how different governance actors can combine their complementary capacities to develop new governance mechanisms. First, developed nation retailers can be persuaded through appropriate tactics into developing credible commitments around worker rights. For future research, it would be thus worth examining how the impact and legacy of the Accord may enable negotiating collective agreements in other contexts. Second, narrowly focusing on unions and member based organisations is likely to limit the scope of industrial relations scholars to conceptualise the nature of global supply chains. The geographic and economic differences within global supply chains may necessitate actors working together around complementary capacities rather than taking a unilateral approach. The formation of coalitional power

through the utilization of complementary capacities could prove an important part of extending regulation of employment into other less regulated supply chain contexts.

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