

The Impact of the Covid-19 Pandemic on Garment Workers & Three Labour Governance Mechanisms for Addressing Decent Work Deficits¹

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Abstract

The GVC literature has identified six governance mechanisms for addressing decent work deficits (Gereffi and Lee 2016). This article argues that the most effective governance mechanisms are those that mitigate GVC power asymmetries. Three such mechanisms are: 1. public governance, because it brings in the power of the state; 2. encompassing Collective Bargaining Agreements (CBAs); and 3. multi-actor Global Binding Agreements (GBAs). The labour governance mechanism that most effectively address decent work deficits will differ depending on variations in gaps in national labour relations regimes, and it will be shaped by patterns and strategies of worker resistance.

Keywords: Garments, Global Value Chains, Governance, Labour Control, Worker Resistance

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The 2016 International Labour Conference Committee on Decent Work in Global Supply Chains concluded that there were significant governance gaps and decent work deficits in GVCs (ILC 2016). Lead firm responses to the 2020 Covid-19 pandemic illustrate and exacerbated the severity of these gaps as buyers abruptly cancelled orders and millions of workers faced job losses and income insecurity (Anner 2020a). As a result, food insecurity increased, with an estimated 77% of workers reporting that they or a member of their household had gone hungry since the beginning of the pandemic (Kyritsis, LeBaron, and Nova 2020). Some garment suppliers who were forced to scale back their business operations chose to close their unionized facilities first, leaving thousands of unionized workers unemployed and destroying some of the few independent unions in the sector (BHRRC 2020).

What can be done to address these extreme decent work deficits, especially considering the exacerbation of these deficits during the Covid-19 pandemic? Gereffi and Lee (2016) suggest six possible mechanisms (or ‘paths’) to improve labour conditions and workers’ rights in GVCs: the market-driven path, the corporate social responsibility (CSR) path, the multi-stakeholder path, the labour-centred path, the cluster-driven path, and the public governance path. This article builds on their work and argues that apparel GVCs remain characterized by significant power asymmetries between buyers and suppliers, and between suppliers and workers. Thus, addressing decent work deficits requires mechanisms the best address these power imbalances. Of the six mechanisms outlined above, three are particularly relevant: public governance, the labour-centred path, and the multi-stakeholder path (which, it is suggested here, includes employer-labour co-governance and binding obligations). While each of these three mechanisms has the potential for addressing decent work deficits, mechanism effectiveness will vary depending on GVC governance, national labour relations regimes, and patterns of worker protests.

In this article, I hold the governance structure of the lead firm constant; all cases involve buyer-driven apparel GVCs. This allows for an exploration of mechanisms for addressing decent work governance gaps based on variation in national contexts. I explore Vietnam, Honduras, and Bangladesh. In the case of Vietnam, a strong state curtailed transnational activism and collective bargaining by independent unions, while a wildcat strike wave and transnational pressure via Free Trade Agreement (FTA) negotiations contributed to state reform (e.g., the public-governance path). In Bangladesh, an adverse labour market and a weak labour relations regime restricted a public governance and strong collective bargaining paths. Yet, worker mobilization and a transnational campaign that leverage the public outrage over Rana Plaza tragedy engendered a binding, multi-actor co-governance accord for building safety. Finally, in Honduras, a legacy of strong union organizing and a robust transnational advocacy network that mobilized public concern over worker rights violations contributed to encompassing collective bargaining across enterprises.

This article draws on extensive field research by the author in all three countries and secondary data analysis. The following sections of the article review the literature and develop the

argument, establish the research design, and present the findings from these three case studies before concluding.

Decent Work Deficits in GVCs

One of the most persistent and challenging questions explored by GVCs scholars has been identifying the causes for and finding solutions to the systemic violations of fundamental workers' rights (Barrientos, Gereffi, and Rossi 2011; ILO 2016; Posthuma and Nathan 2010). The causes for persistent violations in GVCs have been linked to weak national governments (Locke 2013), underfunded labour inspectorates (ILO 2006), ineffective corporate monitoring practices (Esbenshade 2004), international outsourcing and the fissuring of work (Weil 2014), financialization (Appelbaum and Batt 2014), buyer consolidation via retailer mergers and acquisitions (Abernathy et al. 1999), e-commerce firms' control over big data (Khan 2017), free trade agreements and the race-to-the bottom (Chan 2003), and lead firm leveraging of growing geographic spaces of production (Dicken 2015).

The literature is equally abundant on potential solutions to these causes for decent work deficits. Seidman argues that the most effective and sustainable solution involves a strengthening of the national state (Seidman 2007). Piore and Schrank find that labour inspectorate reform that allows for flexible, holistic regulation is the best approach for safer work (Piore and Schrank 2018). Polaski argues that the power of the state exercised through labour clauses in trade agreements with carrots and sticks may provide the needed leverage to address labour issues (Polaski 2003). Several scholars indicate how worker mobilization and organizing can improve poor conditions of labour in global production regimes (Anner 2011; Bank Muñoz 2017; Silver 2003). Fung, O'Rourke and Sabel argue that it is possible to create competitive market pressures to improve work conditions driven by consumer tastes and public pressure (Fung et al. 2001). Kumar suggests that market competition can rebalance power asymmetries between buyers and suppliers as smaller suppliers are forced out of business and the remaining suppliers gain power (Kumar 2020).

Perhaps the most substantial amount of literature has been written analysing corporate social responsibility (CSR) and associated voluntary non-state governance programmes. Jenkins finds that multi-stakeholder codes are more effective than unilateral corporate codes (Jenkins 2002). Locke indicates that the most effective CSR programmes complement national state regulatory mechanisms (Locke 2013). Amengual and Distelhorst provide evidence that corporate compliance mechanisms are most effective when they are tied to sourcing practices, notably when such practices include punitive measures for violators (Amengual and Distelhorst 2020). Finally, Blasi and Bair emphasizes the importance of binding, multi-stakeholder agreements that entail employer-labour co-governance (Blasi and Bair 2019a).

These approaches can all be organized into categories established by Gereffi and Lee (2016), who group governance approaches by actors and by scope. 'Private governance' involves transactions among private economic actors, notably contractors, suppliers, and buyers. These transactions include

sub-national clusters of firms and exchange between multinational firms and national employers. Most often, governance in this group takes the form of private corporate codes of conduct. ‘Social governance’ involves local and global civil society organizations, including labour unions, environmental rights organizations, and gender-equity advocates. Governance here could take the form of multi-stakeholder programmes such as the Ethical Trading Initiative. Finally, ‘public governance’ involves state actors at the sub-national, national, and supra-national levels. It includes everything from labour laws to labour clauses in international trade agreements.

Building on these broad categories of private, social, and public governance, Gereffi and Lee (2016) then identify six potential trajectories of social upgrading (e.g., mechanisms for addressing decent work deficits). The first trajectory is a market-driven path where the consumer demand for goods produced with high social standards forces firms to improve labour standards. The second trajectory is the CSR-driven path in which global buyers adopt commitments to corporate social responsibility and monitor their compliance. The third trajectory is the cluster-driven path where national business clusters (or associations) take the initiative to improve labour conditions. The fourth trajectory, the multi-stakeholder path, involves cooperation among private and non-private actors who work together to ensure compliance monitoring and capability-building. The fifth trajectory is the labour-centric path where workers mobilize, organize, and monitor compliance. Finally, there is the public governance path, which include public regulations, such as strong labour laws and enforcement. These six trajectories can be grouped into the three categories of governance. The first three trajectories fit into the ‘private governance’ category. The fourth and fifth trajectories fit into the ‘social governance’ category. And the sixth encompasses the public governance category.

In the case of garment GVCs, I argue that private governance trajectories hold less potential for addressing persistent and profound decent work deficits because these decent work deficits are the product of significant power asymmetries among firms in GVCs. The market-driven path, rather than contribute to a market for standards, has undermined workers’ rights due to extreme market concentration in garment GVCs (Anner 2020b; Weil 2014). The limits of the CSR-driven path, as Donaghey and Reinecke observe, can be seen in Bangladesh where two of the factories in the Rana Plaza complex had been audited by brand CSR programmes shortly before the building collapsed and killed more than 1,100 workers (Donaghey and Reinecke 2018). CSR-programs, they argue, assume there is a shared interest among workers, brands, and suppliers, rather recognizing competing interests and political (power) struggles (Ibid.). At the same time, business associations (local clusters) --rather than work to address decent work deficits by helping to empower workers—often have sought to undermine worker empowerment for fear that improved labour standards would threaten their control over a large, cheap labour force. Such is the case of Bangladesh (Bair, Anner, and Blasi 2020). It is also the case in Honduras where local employers (clusters) had long played an aggressive role attacking efforts at independent union organizing (Anner 2011).

The limits of these voluntary, private initiatives are linked to the issue of power imbalances in GVCs. Gereffi (1994) developed the term ‘lead firm’ to designate who holds the most power in GVCs (e.g., which economic actor takes the ‘lead’ in shaping GVC dynamics). Lead firm power, Gereffi argues, allows these firms to appropriate the greatest share of value created along the chain (Gereffi 1994). Research on garment GVCs shows how buyers were able to increase their benefits not only through a continuous squeeze down on the prices they paid suppliers, but also by a shortening of production lead times and delaying their payments to suppliers (Anner 2020b). This buyer squeeze on suppliers in turn resulted in a supplier squeeze on workers, who experienced below living wages, excessive working hours, increased work intensity, and a denial of their rights to form unions and bargain collectively (Ibid.). These impacts disproportionately affect women, further undermining attempts to achieve decent work (Barrientos 2019).

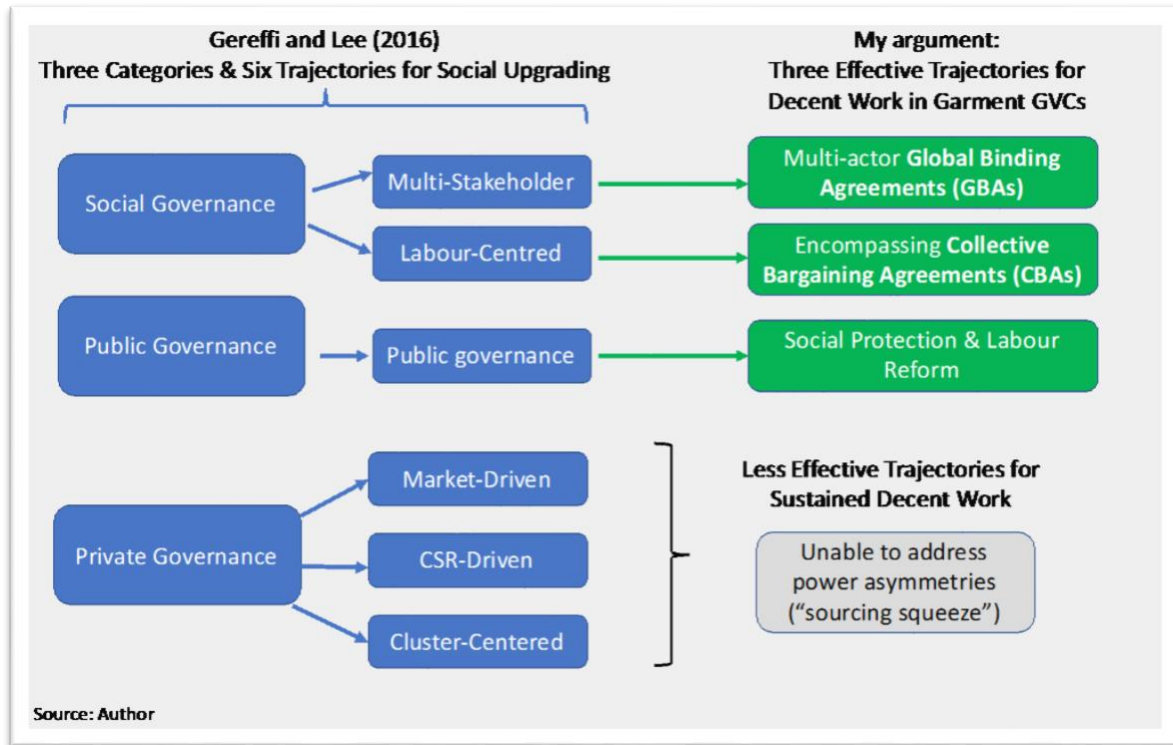
Power relations are seldom stagnate, and many suppliers have increased their size (Kumar 2020) and capabilities (Gereffi, Humphrey, and Sturgeon 2005). Yet, it is also true that the power and capabilities of the largest buyers are growing, often to a much greater extent than any perceived growth among suppliers. For example, buyers such as Amazon and Walmart have been consolidating and growing their power and wealth over time to unprecedented levels. The Covid-19 pandemic further facilitated the power consolidation of the largest retailers and e-commerce firms since they were allowed to continue their operations during the pandemic. What this suggests is that addressing decent work deficits entails addressing these power imbalances, and that requires the leverage provided by external actors.

This leaves the fourth, fifth and sixth paths. The multi-stakeholder (fourth) path holds potential. However, many multi-stakeholder initiatives have been captured by the firms they are meant to monitor (Anner 2012). A model of multi-stakeholder initiatives that have proven much more effective in addressing decent work deficits entails co-governance in which labour has an equal seat at the table as employer and binding provisions with real consequences for violators (Blasi and Bair 2019a). The labour-centric (fifth) path is the path used by labour historically to improve working conditions because it is highly effective in addressing power imbalances. Research has shown that the more coordinated or encompassing the bargaining process, the better the outcome for worker wellbeing (Hayter and Visser 2018). Finally, the public (sixth) path holds significant potential due to the state’s ability to sanction bad firm behaviour. Indeed, strong labour laws and enforcement are a fundamental part of ensuring respect for workers’ rights. State social protection programmes are also important in ensuring decent work, as was made readily apparent during the Covid-19 pandemic.

Figure 1 presents how I build on the Gereffi and Lee (2016). As noted, given the extreme power asymmetries in garment GVCs, I argue that the three private governance trajectories will be less effective in achieving more substantial and sustainable transformations in labour conditions, because there is no countervailing power to private sector economic actors. The two social governance trajectories and the public governance trajectory –with the modifications noted above--

hold much more potential because trade unions, other civil society organizations, and the state have the potential to mitigate power asymmetries in garment GVCs and thus address decent work deficits.

Figure 1



While all three trajectories outlined above have the potential to be effective in addressing decent work deficit, that does not mean they will be equally effective in all contexts at a given point of time. The most effective trajectory will vary depending on national contexts and patterns of worker resistance. In countries where independent unions are curtailed (such as Vietnam) or where unions are highly fragmented (such as Bangladesh), we would not expect unions and collective bargaining to be the initial path to decent work (although that could come later). At the same time, we would not expect the state to be the main mechanism of change in a country in which the state is weak or otherwise captured (such as Bangladesh and Honduras). Yet, governance mechanisms for addressing decent work deficits do not simply emerge out of necessity. Rather, they are the result of struggle and thus shaped by patterns of worker resistance. How workers protest and what they demand when the protest (strategies) have strong influences on outcomes.

Research Design

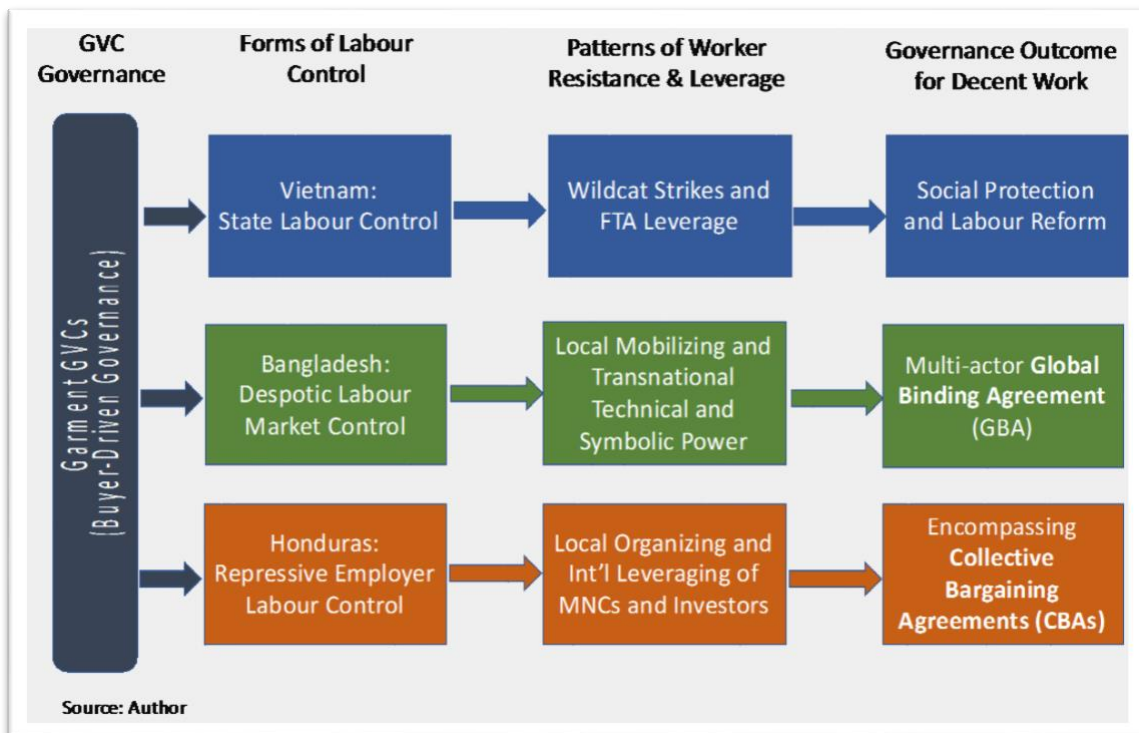
To explore the arguments presented above, I examine three developing countries for which garments constitute a main export: Honduras, Bangladesh, and Vietnam. These countries, like the vast majority of apparel exporting countries, have long histories of repressing workers' rights and political

freedoms. In fact, the vast majority of apparel exports increasingly come from countries that are characterized as partly free or not free. In 2005, 42.83% of exports to the US came from countries that were top violators of worker rights. By 2015, this share had risen to 70.84% (Anner 2020b).

While these three country cases are similar in terms of their status as developing countries in which apparel dominates exports, they differ in important ways in their labour relations regimes, by which I include the laws, practices and labour-market dynamics related to the employment relationship. Vietnam represents a case of a one-party state in which trade unions are controlled by the governing Communist Party. Bangladesh is a case of a weak state with a highly fragmented union movement. And Honduras is a case with a history of violence against unionists, yet it maintains a relatively strong trade movement that has built on decades of organizing in the banana export sector.

The basic premise of this analysis is that there is no one ideal form of governance that will adequately address decent work deficits in each country case. Rather, which governance structure predominates at a particular point in time partly be shaped by the national context. Moreover, these processes are dynamic. One governance trajectory –for example, labour reform—might subsequently contribute to another trajectory of governance, such as encompassing collective bargaining. For example, in the case of Vietnam, it is first necessary for the state to allow independent unions before we can expect the growth of meaningful collective bargaining by independent unions.

Figure 2



Governance structures are also shaped by patterns of worker protests, which in turn are influenced by forms of labour control (Anner 2015). In Vietnam, the wildcat strike wave contributed to greater social protection and, through trade agreement leverage, resulted in significant labour law reforms. Thus, the outcome in Vietnam constituted a ‘public governance’ outcome. In Honduras, domestic organizing and transnational pressure resulted in the most important, private sector coordinated collective bargaining agreements in the country. Here we see a social governance ‘encompassing collective bargaining’ outcome. Finally, in Bangladesh, labour-civil society alliances mobilized around the Rana Plaza tragedy and leveraged more than 200 buyers to sign onto a transnational labour-buyer co-governance agreement with binding clauses in a different form of social governance. These three governance outcomes and their causal paths are outlined below. [See Figure 2.]

This study draws on over two decades of research in Honduras, and close to a decade of research in Vietnam and Bangladesh. This includes extensive interviews with workers, union leaders, employers, government representatives, and experts. And it involves insights from original surveys and primary data analysis by the author.

Vietnam: State Labour Control, Wildcat Strikes and FTA leverage, and Labour Reform

Garment GVCs have been a crucial part of Vietnam’s development model for two decades. By 2011, the sector employed two million workers, making it the largest source of formal sector employment in the country (Better Work Vietnam 2012). At this writing, it is the second largest exporter of garments to the US after China, and the third largest garment exporter to the world. Vietnam represents a case of extreme state control over labour. The governing Communist Party’s dominance over trade unions is firmly established in law and practice (Chan 2011). The law allows for only one national labour centre, the Vietnamese General Confederation of Labour (VGCL), to which the Communist Party appoints national leaders (Anner and Liu 2016). And enterprise unions, which are required to affiliate to the VGCL and follow the dictates of the Communist Party and its desire for social control and labour peace, do not organize strikes.

In the context of poor working conditions and wages that failed to keep up with inflation, Vietnamese garment workers organized one of the largest wildcat strike waves not only in the country’s history, but also in the region. From fewer than 100 strikes per year in the 1990s, by 2011 the country experienced 978 strikes (Anner 2018). Most strikes focused on wage demands (Ibid.) In the years that followed, the government became more pro-active in adjusting minimum wages to keep ahead of worker demands. Thus, the strike wave contributed to a modification in public governance. By 2015, workers also began to strike over government policies, notably the government’s attempt to curtail workers’ ability to access pension funds prior to retirement (Do 2017). This issue was particularly sensitive to migrant workers who wanted to access the funds before returning to their villages (Ibid.). As a result of these strikes, which involved 90,000 workers, the government was

forced to revisit this policy decision (Ibid.). Thus, the strikes over pension reform, just like strikes over wage levels, resulted in changes in public governance.

The strike wave of the early 2000s combined with pressure for labour reform tied to trade negotiations. In the case of FTAs with the US, such clauses are the result of considerable lobbying efforts by American trade unions. The Trans-Pacific Partnership (TPP) that was signed in 2016 by the Obama administration and 11 other countries was considered at the time to have included “the most ambitious set of labor provisions of all recent FTAs” (Cimino-Isaacs 2016: 41). Most notably, the US and Vietnam signed the Plan for the Enhancement of Trade and Labour Relations that called for the formation of independent unions and allowed for the increase of union activity that would be autonomous from the Communist Party of Vietnam and the State. It specifically referred to workers having the right to form ‘grassroots labour unions’ that did not need to register with the official national trade union centre, the Vietnam General Confederation of Labour (VGCL).²

When Donald Trump became US president in 2017, he withdrew from the TPP. However, the foundations for substantial labour law reform had been established and reinforced by the EU-Vietnam FTA, which was ratified by the European Parliament in 2019. That same year, under EU pressure, Vietnam ratified ILO Convention 98, the Right to Organise and Collective Bargaining Convention. Article 2.2 of the Convention indicates that workers’ organization must be free of employer influence. The EU agreement stipulates that Vietnam allow for Worker Representative Organizations (WROs), which may be independent of the VGCL (Do 2020). Also, as a result of the agreement, mechanisms for resolving labour disputes have been streamlined. If mediation fails to resolve a dispute, workers’ organizations can choose whether to go to lawful strike or arbitration.

On January 1, 2021, the new labour law allowing for independent WROs went in effect. This outcome represents a substantial change in the country’s labour relation regime. It remains unclear how much power these new organizations will have (Do 2020). In part, this is because the government, at this writing, had not yet issued a decree on the registration of WROs and another decree on collective bargaining that would allow workers to fully enjoy their rights under the new law. But given pressure from striking workers and FTA leverage, it seems these decrees for improve public governance will need to be enacted soon so as to avoid additional domestic and international pressure.

In sum, the Vietnamese context helps to illustrate why a public governance mechanism has been so relevant and why other labour mechanisms discussed in this article were not established. Without independent labour organizations, it is not possible to pursue effective encompassing collective bargaining. And this limitation also curtails the possibility of multi-actor Global Binding Agreements.

² See: <https://ustr.gov/sites/default/files/TPP-Final-Text-Labour-US-VN-Plan-for-Enhancement-of-Trade-and-Labor-Relations.pdf>

Honduras: Employer Repression, Local Organizing and International Pressure, and Encompassing Bargaining

Like Vietnam, apparel exports are a crucial component of the Honduran economy. In 2018, they accounted for approximately 45% of exports. And since 2007, Honduras annually has exported more apparel to United States than any other country in Latin America, including Mexico. An estimated 146,000 workers are employed in the sector, which is a high percentage of formal sector jobs given the relatively small size of the country. Honduras also has had a long history of violence and a climate of violence to control labour and curtail efforts to unionize workers (U.S. Department of State 2009). According to the United Nations Office on Drugs and Crime (UNOC), in 2018 Honduras had the fifth highest rate of intentional homicides in the world. In such a climate of generalized killings, threats against workers take on greater significance.

In major campaigns to organize workers in the apparel sector, union leaders often faced death threats. Many more are fired and then blacklisted (U.S. Department of State 2009). The state created a permissive environment through its inaction, as a result of either a lack of capacity or a lack of willingness to punish the perpetrators of the violence. To respond to this repression, Honduran workers developed a practice of combining sustained local organizing with transnational pressure on brands through cross-border organizing campaigns (Anner 2011). As in Vietnam, workers organize strikes, but strikes are used selectively when necessary to complement an organizing drive. They are not the main form of worker mobilizations.

One of the best illustrations of this worker strategy of resistance is the campaign in Honduras to unionize factories belonging to Fruit of the Loom (FoL). FoL is a global family of brands wholly owned by the investment firm Berkshire Hathaway, which is controlled by billionaire investor Warren Buffett. In this case, while maintaining their workplace organizing drive in Honduras, local unionists reached out to US labour and student activists. The worker–student alliance made sense because Fruit of the Loom (through its Russell brand) has been one of the largest producers of American collegiate apparel. This gave the students a source of economic leverage that they could exploit by demanding universities cut their contracts with FoL until such time that FoL respected internationally recognized workers' rights.

In November 2009, after years of union organizing efforts and an intense transnational campaign, the FoL, union activists and international worker rights advocates reached an agreement under which FoLO would re-open the factory and re-hire 1,200 workers. FoL also agreed to recognize the union and begin collective bargaining. The collective bargaining agreement (CBA) at the first facility was signed in May 2011, which provided for an immediate wage increase of 19.5% (Anner 2013). In addition, relative to their terms and conditions of employment prior to the CBA, workers received higher production bonuses, a free meal at lunchtime, and additional vacation days (WRC 2014). Moreover, the agreement with the FoL includes a commitment to respect freedom of

association rights at all the company's facilities in Honduras, and it provides for a training programme for employees and managers on the right to unionize and develop a plan for providing unionists with access to all of the company's production facilities to facilitate communication with workers (Blasi and Bair 2019b). Finally, the agreement created an oversight committee with two management representatives (one local and one from the brand's headquarters in the US), two union representatives, including one associated with US unions (Blasi and Bair 2019b).

At this writing, five FoL factories are unionized and three have collective bargaining agreements (ILRF 2019). Given that FoL is the largest private sector employer in the country, the significance of these bargaining agreements cannot be overstated. Moreover, the success of the FoL example provided the impetus for organizing and bargaining at two other major brands in Honduras, Hanes and Gildan. By 2019, eighteen garment export factories had unions and collective bargaining agreements, whereas in 2008, only two factories were unionized and none had collective bargaining agreements (ILRF 2019). The broad reach of these collective bargaining agreements, which cover 50,000 workers, constitutes encompassing Collective Bargaining Agreements (CBAs), because they are coordinated across firm and because they cover a significant of workers in the sector. The result was a social governance has significantly improved the terms and conditions of employment for thousands of workers.

Bangladesh: Market Despotism, Local Mobilizing and Transnational Shaming, and Binding Co-Governance

Perhaps no country has more epitomized a garment exporting country than Bangladesh. With garment exports of approximately USD 34 billion in 2019, it is the second largest garment exporter in the world after China. However, unlike China where only a fraction of its exports is in apparel, garments constitute more than 80% of Bangladesh's export value. With an estimated 4.1 million workers in the sector, it is by far the most important source of manufacturing employment. What this indicates is that working conditions in Bangladesh are highly influenced by the country's deep incorporation into garment GVCs.

Bangladesh does not have an all-powerful ruling party controlling workers' organizations, such as in Vietnam. Nor does it have the same extreme history of employer repression as faced by unions in Central America. What Bangladesh does have is what some scholars refer to as 'market despotism' (Burawoy 1985), in which a very high level of unemployment and underemployment, and the lack of strong state social protection weaken workers ability to organize and demand higher wages. Under such circumstances, worker control (or discipline) is exercised through the fear of being fired and unemployed (Burawoy 1985; Webster, Lambert, and Bezuidenhout 2008).

Labour market vulnerability has also contributed to a fragmented labour movement. This has greatly curtailed labour's ability to organize and demand greater social protection from the state. Labour mobilizations have contributed to increases in the minimum wage (ILO 2013), but this wage

remains low, and minimum wage adjustments are often only made once every five years. Moreover, the hyper competitiveness of the global apparel industry engenders a factory system that historically has sought to save on costs not only through low wages, but also through low fixed costs, notably building expenses. This was brutally illustrated on 24 April 2013, when an eight-story building with five garment factories, Rana Plaza, collapsed and killed 1,134 workers. While Rana Plaza was the most extreme example, death due to building collapse (and fires) were common and increasing prior to Rana Plaza. From 1990 to 2005, 451 workers lost their lives in garment factory disasters, and from 2006 to 2012, 620 workers lost their lives (Ross 2016).

In the aftermath, workers protested to demand better state protections, and the international labour movement and labour NGOs immediately began pressuring lead firms to accept greater responsibility for the safety conditions under which their clothing was produced through an international accord. Given the scale of the tragedy, Rana Plaza became a ‘focusing event’ that provided activists with considerable leverage over buyers (Schuessler, Frenkel, and Wright 2019). Organizing and publicly shaming thus allowed activists to demand significant changes.

The Worker Rights Consortium had been working for years to develop a comprehensive co-governance programme for building safety and had already begun refining it through discussions with brands. When the Rana Plaza building collapse happened, worker rights advocates were thus technically prepared to present a viable proposal. And the mobilizing and moral outrage at what happened at Rana Plaza gave the movement the leverage it needed to eventually get more than 200 brands and retailers to sign the agreement.

Crucial factors of the Accord include co-governance, transparency, worker participation through safety committees, and a complaint mechanism. In Article 22 of the Accord, brands and retailers committed to negotiating commercial terms with suppliers that would allow contractors to produce in safe buildings. Unlike private-governance CSR programmes that have no binding obligations on brands and do not include labour unions in their governance, the Accord is a binding agreement with a governance structure that entails a Steering Committee (SC) comprised of three representatives chosen by the trade union signatories, three representatives chosen by the company signatories, and an ILO representative serving as a neutral chair. The SC oversees the operations of the Accord, including selecting and reviewing the performance of the Safety Inspector and Training Coordinator. The SC seeks decision by consensus, and in the absence of consensus, decisions are made by majority vote.

One of the core pillars of the Accord—an element that makes it stand out from voluntary private governance mechanisms—is its binding nature. Article 5 of the Accord allows parties to make use of binding arbitration following protocols of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards and the UNCITRAL Model Law on International Commercial Arbitration. The labour signatories to the Accord used Article 5 in the case of two companies. In December 2017, the unions reached a settlement with the first brand that resulted in considerable

support for remediation provided to its 200 supplier factories in Bangladesh. Then, on 22 January 2018, the unions reached a USD2.3 million settlement with the second multinational brand that had been accused of delays in remediating building safety hazards at its 150 supplier factories.

Following these cases, compliance rates throughout the programme increased considerably. When the Accord became fully operational, it covered 1,645 factories. As of July 1, 2020, 144,212 fire, electrical and structural issues were detected and 92 percent of the original issue detections were remediated (RMG Sustainability Council 2020). On June 1, 2020, the functions of the Accord office in Bangladesh transitioned to a labour-brands-industry organization, the RMG Sustainability Council (RSC), which took over all Accord Bangladesh operations and inherited its infrastructure and staff (Bair, Anner, and Blasi 2020). The RSC in Bangladesh is a not-for-profit company governed by a board which consists of 3 parties: employer associations (BGMEA/BKMEA), trade unions (international and national), and brands.

While the initial Accord model in Bangladesh has been significantly altered, the original model of the Accord continues to inform social governance approaches. This emerging model constitutes what I am calling multi-actor ‘Global Binding Agreements’ (GBAs). GBAs build on the model of Global Framework Agreements (GFAs), which are negotiated agreements among trade unions and multinational enterprises in which corporations commit to respect workers' rights and to promote decent work within their subsidiaries and along their global supply chains (Hadwiger 2015). However, GBAs go beyond GFAs in two important ways: First, (as the name implies) they are binding. Worker representatives can take allegations of violations to a binding arbitration panel with potential real economic consequences for MNCs whose purchasing practices contributed to human rights harm. Currently, only 10 percent of GFAs refer to any form of arbitration or mediation; the vast majority of GFAs rely on enforcement via ‘reputational sanction.’ (Hadwiger 2017). Second, while GFAs are signed by a single MNC and a single Global Union Federation, GBAs are signed by multiple MNCs and by multiple labour unions and advocacy organizations.³

To summarize, labour market despotism and the national and international campaign that emerge following the Rana Plaza building collapse were conducive to a particular form of social governance, a multi-actor Global Binding Agreement (GBA). Targeting the state to address decent work deficits (as in Vietnam) was not seen as the primary goal of activists because the state has been weak and is seen as captured by business interests. At the same time, an encompassing collective bargaining was not feasible because unions have been highly fragmented and collective bargaining is

³ Other examples of GBAs include the 2019 agreements among labour unions, local women’s organizations, worker rights NGOs, global unions, and Levi Strauss & Co., The Children’s Place, and Kontoor Brands to address gender-based violence and freedom of association violations in Lesotho garment factories. More recently, in response to the Covid pandemic, more than 200 organizations put out a call for a GBA on wage assurances and severance guarantee fund.

underdeveloped. Hence, at this point in time, the GBA was envisioned to be the best option. State reform and encompassing collective bargaining could come later.

Conclusions

Due to the extreme power imbalances in garment GVCs, mechanisms to address decent work deficits must have the ability to mitigate the GVC power asymmetries that contribute to the deficits. This power imbalance was made readily apparent when buyers responded to the Covid pandemic by using their lead firm status to pass much of the dramatic costs of the pandemic onto suppliers and their workers. This article has argued that the trajectories that hold the greatest potential for addressing systemic decent work deficits are public governance, encompassing collective bargaining (the labour-centred path) and a binding transnational co-governance agreement (the multi-stakeholder path). This is because organize workers and the state have the leverage to mitigate power imbalances.

Which trajectory has the potential to become a dominate trajectory in a given country is shaped by patterns of worker resistance, which in turn are influenced by national labour relations regimes. In Vietnam, a strong state curtailed transnational activism and collective bargaining by independent unions, while a wildcat strike wave and transnational pressure via FTA negotiations contributed to state reform, which is the public-governance path. In Honduras, a legacy of strong union organizing and robust transnational advocacy networks contributed to encompassing collective bargaining agreements (CBAs) at the enterprise level, the first social governance path. Finally, in Bangladesh, a weak labour market and a weak labour relations regime restricted a public governance option and strong collective bargaining, but worker mobilization, the public outrage in response to the tragedy of Rana Plaza, and transnational workers' rights mobilization contributed to a multi-actor Global Binding Agreement (GBA), the second social governance path.

These three labour governance mechanisms remain very dynamic. As the analysis presented above suggests, they will shift depending on shifts in GVC structures, national contexts, and changing actor ideas and strategies. Nor are they the only mechanisms for addressing decent work deficits in GVCs. The focus here is on the meso level. Broad reforms are also needed at the macro or global level. For example, there is a need reform international trade regimes that facilitated certain adverse patterns of GVC growth. The structures of GVCs are also shaped by financial actors and mega corporations (e.g. Amazon and Walmart), and thus state and inter-state forms of regulation are needed to curtail their power and influence when they are found to undermine respect for workers' rights.

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