

1 *Introduction*

Vignette 1: Large cracks started to appear in the Rana Plaza building complex in the Savar district of Dhaka, Bangladesh. The next day (23 April 2013), a bank, shops and offices, located in the lower floors of the building, closed due to safety concerns. However, several thousand garment workers, who lacked collective representation, were made to enter the building for fear of losing their jobs or worse. The building collapsed, killing over 1,100 workers.

Vignette 2: Having been sitting in heavy Dhaka rush-hour traffic for four hours en route to a meeting with the National Garment Workers Federation, a Bangladeshi union federation, we finally arrive at their small, ground floor office that is tucked away in one of the small side streets of Dhaka. A trade union meeting is taking place. Inside, about twenty-five mainly young women trade unionists from a factory squeeze around a large table in the main room. Hours earlier, a number of them had been dismissed by factory management for speaking out on safety grounds. A mass walk out had ensued. Responding to our question about what we can do to help, the immediate request is for us to write to the American brands for which the factory has been producing. They say it is only through the power of the brand over the employer that the workers will be reinstated.

Vignette 3: The UK Trades Union Congress (TUC) and Labour Behind the Label, the UK arm of the international Clean Clothes Campaign, had planned joint action outside a number of Edinburgh Woollen Mills stores across the United Kingdom to protest against its refusal to sign the Accord on Fire and Building Safety in Bangladesh and failure to pay into the victims' compensation fund. The UK high street retailer signed the Accord just a few days before the planned action. The TUC called off the day of action and commended Edinburgh Woollen Mills for signing the Accord. Labour Behind the Label, in contrast, was frustrated that the TUC had called off the protest since the retailer had not yet agreed to make compensation payments to victims of previous factory disasters.

In contrast, the trade unionists were frustrated that, right up to the last minute, campaigners were making what they saw as unreasonable demands, thereby jeopardising the progress made.

As these three vignettes demonstrate, globalisation has blurred the lines of responsibility, accountability and representation in global supply chains.¹ This is tragically highlighted by the Rana Plaza disaster, outlined in Vignette 1, which shunted labour issues in the garment industry into the global spotlight. In the simplest terms, the Rana Plaza disaster was an engineering failure: the building was unable to support the weight load necessary for the factories. At another level, this and other tragedies that have bedevilled garment production in Bangladesh and other developing economies also demonstrate the abject failure of corporate-driven labour governance and the consequences of a lack of workers' power to refuse unsafe work. The prevailing model of social auditing, where external assessors carry out checks against company or multistakeholder standards, had failed to protect its alleged beneficiaries: workers at the hard end of global supply chains. Part of the problem is that these private governance institutions show little concern with the democratic representation of those affected: workers and their representatives are not involved in social auditing in any meaningful way, nor have there been any substantive means developed by which such involvement can be leveraged.

Could more democratic involvement of workers have prevented tragedies such as Rana Plaza? The central premise of this book is that the democratic involvement of workers is central to effective and fair governance. Health and safety is one area where research has shown repeatedly that governance is indeed more effective when workers are involved (Gunningham, 2008). Notwithstanding debates about the relationship between democracy and effectiveness of governance, the argument about democratic representation and participation goes beyond instrumental effectiveness. Human dignity and the right to self-determination are integral elements of basic human rights, which extend into the workplace and the mechanisms governing it.

¹ There has been considerable academic debate about terminologies such as global commodity chains, global value chains, global production networks and global supply chains. The nuances of this debate are beyond this book, and we use the generic terminology of global supply chains, as used by the International Labour Organization.

Questions about democratic representation have become pertinent since global supply chains have emerged as the dominant form of value creation in the global economy. By their very nature, global supply chains cross national boundaries and thus are challenging for democracy: labour rights are no longer an issue solely between employers and workers but involve actors at different levels of the supply chain. As Vignette 2 demonstrates, workers and their representatives increasingly target action against Western brands rather than their actual employer to improve workplace conditions. As a result, Western brands have become implicated in the governance of labour and human rights, especially when public governments fail in their responsibilities (Scherer and Palazzo, 2011). Whether this democratises corporations by re-embedding them into democratic processes or instead privatises governance is subject to debate. It is clear, though, that global governance goes beyond representative politics by public actors. It certainly raises questions about who can legitimately represent workers at different points in the supply chain: trade unions in production countries, elected worker representatives in consumer economies in the West or unelected labour activists? While these can be complementary, they also give rise to competing claims to democratic representation. This is illustrated in Vignette 3, where non-government organisations (NGOs) seek to represent workers alongside trade unions. With private claims to participation in global governance processes on the rise, it is time to investigate the conditions for democratic private governance.

The purpose of this book is to explore the questions raised above about whether meaningful private transnational labour governance can emerge in a way that is underpinned by the democratic representation of those affected. This requires bringing to the forefront of the debate worker representation and who can legitimately represent workers. For proponents of industrial democracy, the answer is clear: it means governance of workers by workers for workers. At the transnational level, however, the issue arises of whether and how other forms of representation have some validity, such as that provided by labour rights NGOs, who may not be democratically elected but have the power to influence corporate actors. Thus, empirically, the question posed is: What kind of institutions might promote more deliberative, representative and inclusive decision-making processes within private governance arrangements? To respond to this, we draw

on seven years of extensive empirical research that we conducted into the global governance response to the Rana Plaza disaster. Ultimately, we will argue that what is needed is a new paradigm of global labour rights, rooted in transnational industrial democracy, as a prerequisite for a more just and sustainable globalisation.

1.1 The Supply Chain Model and National Democratic Regulation

At the turn of the millennium, there was much activity by those labelled by the popular press as ‘anti-globalisation’ activists. Most famously, this was brought into focus by the Battle of Seattle in 1999, when protests were held at the World Trade Organization (WTO) Ministerial Council meetings in the United States. Yet, while often labelled as ‘anti-globalisation’, the protests were focused on the highly pro-capital and socially unjust form that globalisation was taking (Wright, 2010). At the heart of such criticisms is the triumph of private corporations over national institutions of democracy. In the twenty or so years since the Battle of Seattle, while attention has been drawn to this shift through activism such as the Occupy movement during the Global Financial Crisis, globalisation has not slowed down. This has led to troubling times for democracy globally. This manifests itself in different ways at opposite ends of the supply chain.

Advanced economies, often at the consumption end of supply chains, have witnessed an increase in populism and nationalism to curb global trade and supply chains. This was exemplified by the US abandonment of international treaties under a populist right-wing President Trump but also the rise of both right- and left-wing anti-European Union (EU) groups in Italy, France and the United Kingdom, which have dented the vision of a democratically governed global polity. At the other end of the supply chain – typically to where production has been outsourced – the concerns about democracy are of a different nature but have attracted much less attention. Global supply chains have added hugely to global wealth in bringing economic growth and employment to developing countries. However, this is not without a price, with the development of democratic participation in the workplace in emerging economies often being the victim of such development alongside increasing income inequality. We seek to

address questions over democratic participation at the point of production. Globalisation is in need of democratisation to ensure wealth and prosperity are not created to the detriment of worker welfare. Thus, instead of curbing global supply chains, the question we seek to address is: How can more meaningful democratic participation and input into the governance of global supply chains be developed in order to advance a more just and equitable form of globalisation?

As a key part of globalisation, the global supply chain has become the dominant form of value creation in the world economy. Global supply chains made up 80 per cent of global trade and 60 per cent of global production in 2016 (UNCTAD, 2016). These supply chains are dominated by global corporations, which are becoming increasingly powerful. According to Global Justice Now (2016), 69 out of 100 of the world's biggest economic entities were corporations in 2015, based on turnover and gross domestic product (GDP). The first implication of this concentration of economic activity within supply chains is that how value is created, sustained and distributed among stakeholders can no longer be approached from the standpoint of the individual organisation but has to focus on the intertwining of social and economic relations within and across global supply chains (Reinecke et al., 2018). While existing theories of institutions are based on closed entities with clearly defined boundaries, such as organisations, nation-states, municipalities or corporations, we are no longer dealing with individual companies with clearly defined boundaries. Instead, boundaries have become fluid and overlapping and we are faced with complex and globally stretching networks, linkages and relationships (Gereffi et al., 2005). The second implication of this is that, by their very nature, global supply chains cross national boundaries, which almost immediately raises questions about transnational democracy. Production is distributed among global buyers and myriad suppliers across multiple countries. Hence, authority and control over the employment relationship and labour conditions are dispersed among various national and international regimes and actors in the supply chain. It is clear, however, that the persistent human, labour and environmental rights violations we are seeing are a result of the lack of democratic oversight – whether that is states that actively suppress rights (Anner, 2015) or those that are administratively weak (Dobbin and Sutton, 1998). In these circumstances, the ability to hold global corporations to account is diminished. While scholars have talked

about transnational governance as a possibility to re-embed the corporation into democratic relationships and become responsible corporate citizens of a world polity (Crane et al., 2008), a key dimension of this has yet to be fully addressed: the need to infuse the complex intertwining of global production and trade relationships with democratic representation.

By its very nature, the global supply chain model undermines democratic oversight and binding state regulation as well as workplace-level democratic participation. The political economist Dani Rodrik (2013) argues that globalisation, state governance and transnational democracy are part of an incompatible trilemma. First, at the workplace level, globalisation creates immense downwards pressures on labour standards in manufacturing due to the reduction in trade barriers. Globalisation has witnessed much outsourcing of labour-intensive production to particular geographic locations where direct labour costs such as wages are low or more indirect costs such as workforce flexibility offer advantages. In these sites, there is often an immature structure of industrial relations, typified by low levels of trade unionism and little factory-level worker participation, meaning workers are not in a strong position to resist downward pressures. In addition, for many, a manufacturing job with stable income may be preferable to working in primary industries.

Second, at the national level, governments who may otherwise be inclined to legislate to prevent the effects of these pressures being pushed onto workers face the risk of being viewed as inhospitable to multinational corporations (MNCs), which could cost jobs and exports. Developing nations are incentivised to drive down standards and become what Philip Cerny (1997) labels ‘competition states’, competing to attract inward investments. At this level, national systems of tripartite industrial relations are under pressure, being transformed from distribution systems to those maintaining competitiveness in global markets (Regini, 2000): unions are incorporated into systems of national competitiveness, with wage shares being the price of the maintenance of employment.

Third, achieving meaningful transnational public governance to prevent a race to the bottom falls into the trap of opening up space for free-riding from countries that refuse to sign up to any global rules. For example, the ILO, whose structures were developed for the age of nation-state capitalism, has been challenged by globalisation as fewer

states ratify conventions and fewer conventions are agreed (Standing, 2008; Baccaro and Mele, 2012), though there has been a significant effort in recent years to adapt to the new world of supply chains (Ryder, 2015; Thomas and Turnbull, 2018). In terms of union actors, even though global union federations (GUFs) are present, they are a relatively weak actor with little power. Building solidarity across countries has generally proved to be an elusive goal.

The implications of this trilemma for workers are stark. Studies suggest that, rather than improvements in average labour rights performance, most regions appear to be deteriorating further (Levi et al., 2013). This has been the case particularly in the garments sector, where there has been severe downwards pressure on worker rights and labour standards. In addition, not only are outcomes worse, but democratic representation of workers is often sacrificed in the name of economic development.

1.2 *Transnational Democracy and Private Labour Governance*

Democratic representation is typically seen as the main legitimating principle of government (e.g., Cohen, 1989; Benhabib, 1996; Dryzek, 1999). At a broad level, democracy is defined as ‘self-determination, a system of decision-making in which those affected by decisions participate in decision-making instead of being ruled by others’ (Bryde, 2011: 214). Democracy also concerns questions about basic human rights such as autonomy, self-determination and self-development (Werhane, 1985). Traditionally, democracy is seen as being realised when citizens can choose freely by whom and how they are governed, a process that is circumscribed by geographical boundaries at the nation-state level or membership in associational structures. By this account, democratic representation should be proportional to the extent that people are affected by collective decisions. Democratic theorists have called this the ‘all affected interests principle’ (Goodin, 2007).

Can existing governance structures in the international system be democratised in line with this principle or do we need a different conception of democratic representation? In a globalised economy and world society, people are increasingly being affected by economic and social processes, as well as by decisions at the other side of the globe. The boundaries of who is impacted by decisions are redrawn by globalising economic and social relations. At the same time, supply

chains create new forms of social connectedness (Young, 2006), which have prompted consumers to start raising questions about how geographically distant workers are treated. As a result, working conditions in South and South-East Asian factories are often shaped more strongly by Western corporate policies and consumer sentiment than by state oversight or local union negotiations with local employers (Reinecke et al., 2018). This has led to private efforts to establish labour standards in global supply chains. Our focus in this book is on the question of representation beyond national geographical boundaries and the possibility of democratic input into these private governance processes.

The rise of private, transnational labour governance has been well documented (Bartley, 2007; Hassel, 2008; Locke, 2013). Under sustained pressure from labour activists, consumer groups and increasingly public bodies, global buyers have come to acknowledge a degree of moral responsibility for labour conditions in their supply chains. As a result, a substantial element of labour governance has shifted from public authorities to private bodies, who set labour standards and, at least in principle, enforce them through the potential sanction of terminating existing or future commercial contracts. Typically, scholars have seen this as a pragmatic, second-best response that developed in the absence of a system of global justice and the inadequacy of the ability of nation-states and international organisations to reach across the multiple countries in which production is located (Locke, 2013). A more optimistic approach suggests that private governance is illustrative of an alternative model of democratic politics that embeds corporate political activities in decentralised processes of democratic will-formation (Crane et al., 2008; Scherer and Palazzo, 2011). These processes involve an array of non-state actors, including global NGOs, activists, social movements, civil society actors, multi-stakeholder initiatives, brands and industry associations in decision-making processes. Increasingly, such mechanisms of private governance also intersect with, or are actively supported, enabled or even mandated by Western governments (Knudsen and Moon, 2017).

According to this account, firms become embedded in processes of democratic deliberation and fill the regulatory vacuum in global governance, perhaps even assuming a state-like role to fulfil governance roles where state systems fail (Scherer and Palazzo, 2011). As corporate citizens, firms pledge to protect, enable and implement citizenship

rights (Crane et al., 2008). In their codes of conduct, they promise to ensure that workers can exercise their democratic human and labour rights. Based on the ILO's Core Labour Standards, codes of conduct typically have provisions for guaranteeing freedom of association or collective bargaining. In principle, there is a commitment to respect and even enable citizenship rights: however, studies of code enforcement have shown consistently that outcome rights that may lead to reputational risks, such as health and safety violations, are more rigorously enforced than process rights that may conflict with managerial control (Barrientos and Smith, 2007; Anner, 2012; Bartley and Egels-Zanden, 2016). Similarly, Locke et al. (2013) highlight that private standards are a poor substitute for public regulation in highly contentious areas such as freedom of association.

Private regulatory initiatives are thus highly ambiguous in terms of democratic legitimacy. Private actors have no democratic mandate for engaging in labour governance, are not subjected to democratic control and cannot be held properly accountable except by the court of public opinion. Arguably, corporations have positioned themselves purposefully within a legal grey area, if not a vacuum, where they escape legal liability for workplace conditions in supplier factories. While corporations participate in and increasingly develop governance standards aimed at protecting labour rights, exposure to competitive market pressures undermines not only their ability, but also their motivation, to enforce these standards. This leads to the problem of weak enforcement due to voluntary contributions and absence of effective sanctioning systems. Studying various private initiatives to improve labour standards in the global footwear and electronics industry, Richard Locke (2013) and Locke and colleagues (2013) argue that while private governance may lead to an initial improvement in labour standards in supply chains, ultimately this levels off when these standards threaten the competitive nature of the supply chain model itself. Rather than a form of democratic embedding, critics therefore view private governance initiatives as protecting brand reputations and limiting the legal liability of global corporations (O'Rourke, 2006).

Amidst these debates about the process of democratic representation and participation, trade unions have largely been overlooked as a structural mechanism for worker representation. Instead of acknowledging claims to greater representation, there is a tendency towards

paternalistic benevolence. Workers are often treated as passive recipients of global buyers' corporate social responsibility (CSR) programmes, which points to a core weakness of such approaches (Donaghey and Reinecke, 2018). If democracy demands that all those who are affected by economic and social processes are included in deliberative processes, then it is surprising that workers – the core beneficiaries – have been excluded from the debate about global governance. This raises the important question of how democratic representation of transnational interests is constituted. A political unit of all affected interests has typically been defined by territorial boundaries, such as the nation-state. But if nation-states are no longer the sovereign authority in the international legal system, then we need to ask whether and how this principle can be extended to global supply chains. Who legitimately constitutes the transnational demos? Who is included and who is excluded? Whose interests are legitimately represented and through what mechanisms?

1.3 Two Approaches to Associational Democracy

In this book, we bring together two distinct approaches to democratic representation: representation as claim and representation as structure as the theoretical underpinning of the approach adopted. While often highly contrasting in their approach, the argument presented is that these two conceptual lenses can be brought together to aid the understanding of the dynamics of an emerging approach to transnational labour governance.

1.3.1 A Discursive Model of Transnational Democracy: Representation as Claim

Significant questions exist around the democratic credentials of private labour governance. How can governance through private bodies be democratised when there is a lack of representative structures? Some political theorists have argued that representation can be reconceptualised as 'discursive representation' (Dryzek, 1999; Dryzek and Niemayer, 2008; Mansbridge, 2011). This has focused on the role of discourse, deliberation and communication. Saward (2010), for instance, suggests that representation is about making a 'representative claim'. This means that a wide range of actors can

become ‘representatives’ through claim-making activities. These include NGOs, transnational labour rights and environmental activist groups that work with, within, across and often against states and brands through what is often called global civil society (Kaldor, 2003; Risse, 2004).

For instance, labour rights activists can make claims on behalf of migrant workers in largely unregulated global supply chains who lack a collective voice, or environmental activists can make claims on behalf of future generations who are likely to be most affected by the decisions taken today on climate change. The advantage of these ‘self-appointed’ claim-makers (Montanaro, 2012; Severs, 2012) is that they are not bound by the fear of upsetting actual and potential allies or rivals. Nor are they bound by ‘the realm of necessity occupied by the state’ (Dryzek, 1999: 44) – for instance, to attract foreign direct investment (FDI) or appease financial markets. As self-appointed representatives of the interests of workers, labour rights campaigners have produced powerful discourses to activate the sensibilities of consumers and other corporate stakeholders who are in a position to exert pressure on brands to behave in more socially responsible ways.

However, even proponents of the deliberative approach concede that the creation of a transnational public sphere is complicated by a lack of transparency of policy-making, unequal representation of stakeholder concerns in deliberative processes and unequal opportunity to participate in decision-making processes. While attempting to fill global governance gaps, the risk is that over-reliance on discursive and communicative processes creates a ‘massive “democratic deficit”’ (Nanz and Steffek, 2004) or ‘accountability gaps’ (Keohane, 2003) as private rule-makers are not elected or otherwise authorised representatives of the people in whose name they claim to act. Rather than being controlled by those who are most affected, NGOs, interest and activist groups act as ‘solidaristic proxies’ (Koenig-Archibugi and MacDonald, 2013), providing ‘surrogate representation’ (Mansbridge, 2011). Yet the accountability of self-appointed representatives to their intended beneficiaries in the Global South is increasingly questioned. Often, agendas are driven by the interests and necessities of Western NGOs, companies or the emerging industry of sustainability consultants and accountants (Bendell, 2005; Khan et al., 2007; LeBaron and Lister, 2015; LeBaron et al., 2017). Scholars have therefore argued that the increasing capacity of self-appointed representatives to generate

standards and regulations conflicts with democratic legitimacy. The position taken in this book is that private institutions largely fail to enable the democratic representation of those who are most affected.

1.3.2 Industrial Democracy and Industrial Citizenship: Representation as Structure

As outlined above, a key feature of democracy is the idea that those affected by rules and regulations have meaningful participation in their development. Industrial democracy as put forward by British social reformers Beatrice and Sidney Webb (1897) applies this principle to the workplace. The Webbs argued that industrial democracy was about developing governance of workplaces by workers for workers. The central feature of the system is the representation of workers by self-governing trade unions. In contrast to representation as claim, we will refer to this position as ‘representation as structure’. Trade unions provide a structural mechanism through which workers elect and authorise their representatives, provide mandates and hold them accountable.

Closely related to industrial democracy is the idea of industrial citizenship (Marshall, 1950) where individuals are bestowed with rights to participate in systems to develop their well-being in the sphere of employment. Within continental Europe, industrial citizenship came to be associated with legally mandatory forms of worker representation at the firm and sector level (Müller-Jentsch, 1976). Industrial citizenship therefore saw the development of complementary structures at the national, sectoral and firm levels to include workers in the governance arrangements of their work (Streeck, 1997a). Such structures were not only viewed as a key feature of increasing worker rights but were also attributed with a key role in developing high-quality, sustainable national production systems through the presence of ‘beneficial constraints’ (Streeck, 1997b). Beneficial constraints placed on employers a duty to encourage innovative practices to improve both productivity and the quality of industrial life.

Within the realm of supply chains, the main manifestation of this approach to date has been the creation of international framework agreements (IFAs). These agreements initially emerged as a mechanism through which brands and GUFs secured rights for workers in directly owned subsidiaries (Wills, 2002; Hammer, 2005). Like corporate codes of conduct, these agreements are not legally binding.

Significantly, though, they are structurally based representation agreements that generally focus on process rights such as representation, freedom of association, the right to collective bargaining and the right to strike. As such, the key strength of IFAs is that they emphasise democratic representation. Yet, while IFAs are generally good at codifying existing democratic rights, their implementation has been poor. Fichter and McCallum (2015) attribute this to the fact that they have been negotiated by GUFs at the transnational peak level, while the local unions at the upstream end of global supply chains, where IFAs are most needed, have mostly not been involved in their negotiation. In this way, their ability to strengthen the representative structures for workers within supply chains has been limited.

Some of these shortcomings stem from the fact that the model of industrial democracy and citizenship is based upon a number of assumptions that are difficult to reconcile with the nature of global supply chains. First, groups such as unions are viewed as being the rightful representatives of workers based on a logic of membership (Webb and Webb, 1897). While there is no doubt that the emergence of unions was highly contested and resisted in many Western economies, their position in developing economies is much more precarious, with state actions designed to suppress the development of well-functioning unions. For example, in the Bangladesh ready-made garment sector, the International Trade Union Confederation (ITUC) (2016) highlighted the establishment of the industrial police force to prevent worker agitation and the creation of ‘export processing zones’ (EPZs) in which trade unions are prohibited as key impediments to union development. Second, the notion of industrial citizenship is clearly bound to the idea of a defined national space where local, sectoral and even national institutions complement each other. Where production fragments and becomes dispersed across multiple jurisdictions, achieving such complementarity becomes difficult if not impossible. Third, supply chains may have increased social connectedness but building solidarity across globally disparate workers is difficult – particularly when they occupy different positions in the supply chain, such as a retail worker in a UK Tesco store and a seamstress in a Bangladeshi garment factory.

While much has been written about the weaknesses of private governance, finding meaningful alternative mechanisms has proven challenging. As highlighted above, two significantly different

approaches to representation have been adopted in the literature to date. While they deal with significantly different domains, they are not necessarily mutually exclusive. In Chapter 3, we return to these approaches and set out a conceptual approach that views the potential for developing a complementary understanding of representation as both claim-making and structure. The following chapters will then empirically investigate this by analysing a series of governance experiments and institutional innovations that have emerged in response to the Rana Plaza tragedy.

1.4 In Search of a New Paradigm

These questions render the Rana Plaza disaster and the various governance interventions it catalysed so significant not only from an ethical but also from a theoretical perspective. Without doubt, the sheer scale of the Rana Plaza disaster sent shock waves across the world. Yet over 1,100 people being killed in one site, on one day, was not an isolated event but an implication of Bangladesh being a paradigmatic case of the failure of democratic governance. As Chapter 2 will discuss in greater detail, it typifies many of the challenges of low-cost sourcing destinations that have led to both a governance gap and democratic deficit. Rana Plaza laid bare the tragic consequences of the failure to promote workplace democracy, as Vignette 1 illustrated. Lacking a collective voice, thousands of garment workers were unable to refuse unsafe work conditions as they feared losing their jobs had they not entered the Rana Plaza building. This is despite obvious safety concerns and large cracks appearing the day before the collapse, which led to the evacuation of shops and banks located in the same building. It is clear that the corporate-focused paradigm has failed and a new paradigm to ensure worker safety in low wage supply chains is urgently needed. At the same time, it is clear that this paradigm has to emerge from within the supply chains and involve actors from across those supply chains. Hard regulation is unlikely to be provided by a state in which the garment sector delivers over 80 per cent of total exports and that fears the appetite of neighbouring countries to capture a share of the global garment production market. Hence, a new paradigm has to square the circle. On the one hand, it has to mobilise the market forces that gave rise to the outsourcing model and turn them against its most egregious consequences. On

the other hand, it has to make workers and their representatives part of the solution without putting their jobs in danger.

Bangladesh is not only illustrative of the problems that exist but provides important insights into how the principles of industrial democracy can inform labour governance. With unprecedented international attention focused on the ready-made garment (RMG – the term used in Bangladesh to describe the apparel industry) supply chain in the aftermath of Rana Plaza, Bangladesh has become an experimental ground for a range of governance innovations. Brands that had come under immense scrutiny and were confronted with the failure of their social auditing mechanisms were now willing to make considerable investments and trial a range of new approaches. In addition, international actors including the ILO, GUFs and donor countries have focused attention on the importance of strengthening freedom of association, supporting trade unions and worker representation to strengthen worker voices on the ground. Together, this has led to a wide range of both distinct and overlapping private, public or public–private initiatives and programmes aimed at improving factory safety, improving productivity, strengthening industrial relations and trade unions, supporting workplace social dialogue or combinations of all of these. Moreover, Rana Plaza has had significant ramifications for supply chain practices in a range of sectors worldwide. This renders the evolving landscape of governance initiatives that emerged from the Rana Plaza disaster so significant for investigating the possibility and limitations of building institutions for transnational industrial democracy in global supply chains.

In this book, we focus in particular on how actors from across the global supply chain, including brands, GUFs and labour rights NGOs, contribute to private governance interventions on three levels: the sector level, the host country level and in the workplace. It is important to note that these are experiments in transnational governance, which are far from perfect models of transnational industrial democracy. Nevertheless, they provide valuable insights into the process of institution-building.

1.5 A Note on the Fieldwork

This book is based on seven years of empirical research that involved six field trips to the RMG cluster around Dhaka, Bangladesh and over

140 interviews with actors involved in the Accord, the Joint Ethical Trading Initiatives (JETI) Social Dialogue Project and/or the Bangladesh RMG supply chain. The research included interviews and meetings with workers, Bangladesh trade unionists, international trade unionists, NGO activists, brand representatives, factory owners, ILO workers and other subjects in Bangladesh, Europe and North America. A summary of our data sources can be found in Appendix 1. Qualitative data sources used in the text are anonymised and cited by respondent category (e.g., GUF), with a capital letter used to distinguish different organisations per category (e.g., GUF A) and numbers used to distinguish whether more than one respondent per organisation is cited (e.g., GUF A.1).

The research journey started in a comfortable restaurant in the small English Midlands village of Kenilworth and brought us to the buzzing and dynamic capital city of Dhaka, home to sixteen million residents and thousands of garment factories in its spreading outskirts. Many of the insights presented in this book would not have been possible without experiencing the Bangladeshi RMG world first hand and, most importantly, without all the generous input we received from all the field actors who live the challenges on a day-to-day basis. Many of the ideas in this book emerged during extended discussions when we were stuck for hours in Dhaka's endless traffic jams on our way to or from visits to factories, trade union offices or brand offices. By the end, we missed the loud honking noises of the traffic, the calls to Islamic prayer and the general hustle and bustle of this vibrant city. We reflect on the challenges of the research in our Appendices.

Qualitative field research is costly and time consuming, yet we believe the insights presented in this book would not have been possible without immersing ourselves in the setting. It made real what we call 'the global supply chain'. It introduced us to the multiplicity of actors, their interests and perspectives that make up the global supply chain. It allowed us to gain a glimpse of their different life-worlds, of the everyday challenges they faced and of the immense work they did to recreate the global supply chain anew every day. While field researchers often aim at 'making the familiar strange rather than the strange familiar' (Van Maanen, 1995: 20), for us much of the challenge was to make sense of a social and cultural setting that was entirely strange to us. This puzzled and surprised and exhausted us, but it mainly enriched our perspective. What seemed contradictory often

made perfect sense when seen from each actor's perspective. Yet in this book, we had to put all this complexity back together into some more or less coherent account. On a personal level, seeing where the clothes that we wear were made and meeting some of the workers who made them has also added a human factor to the global supply chain. It provided a sense of global connectivity. Seeing 'Made in Bangladesh' on a garment label catapults us back to the factory floor, to seeing the workers in their colourful dresses bending over the sewing machines, to the cramped spaces of the trade union offices and to the streets of Dhaka.

1.6 Summary of the Argument: Why Industrial Democracy Is Needed in an Era of Globalisation

The core argument we develop is that transnational labour regulation is in urgent need of a new paradigm of democratic participation and that such a paradigm needs to find ways to place the most affected – typically the workers – at its centre. This may be achieved when principles of industrial democracy and transnational democracy come together to inform governance institutions within global supply chains. Notwithstanding significant limitations manifest in the institutional arrangements we analysed, we document traces of such a new paradigm of transnational industrial democracy that are evident in some of the emerging strategies and experiments. The argument is not that private governance is preferable to public governance, supported by an effective structure of industrial relations, but that the reality of modern-day capitalism is such that optimal institutional frameworks may not be a reality. Dealing with the institutional landscape in the emerging economies where many global supply chains originate may require what Rodrik (2008) calls a 'second-best mindset'. When cut-throat competition undermines state oversight and suppresses trade unionism, yet the livelihoods of millions of workers depend on global supply chains, investing in first-class legal institutions may fail to produce the intended effects or may even backfire. Alternative avenues and institutional innovations become important strategies to deal with the constraints in highly competitive environments. As such, our aim is to understand better how an approach informed by principles of industrial democracy can enhance emerging forms of private transnational governance.

Another caveat is that our argument does not seek to provide an ultimate assessment of the effectiveness of these initiatives. What we observe is an evolving landscape of governance initiatives that show effects in some but not in other areas and overall is in constant flux. Moreover, effectiveness begs the question of from whose perspective it is assessed and what the baseline is against which effects are compared. In Bangladesh, for instance, the baseline of avoiding death at the workplace is a very low bar but unfortunately one that has to be considered when asking questions about whether recent interventions have, on the whole, been successful. Thus, compared with the baseline of deadly incidents in garment factories, the Accord on Fire and Building Safety in Bangladesh – one of the institutional innovations that will be analysed – has effectively used an approach inspired by industrial democracy in achieving quite dramatic improvements in factories in a remarkably short period of time. Yet, when judged against the yardstick of enabling workers to enforce safety themselves in the workplace, only relatively small steps have been made. Each of the chapters analyses both the potential as well as the limitations of the different programmes and initiatives, with the overall aim of drawing more general lessons for understanding how, why and when certain coalitions of supply chain actors can contribute to building more democratic governance institutions.

Chapter 2 centres on role of democratic participation in supply chain labour governance. First, the supply chain model challenges the established concept of democracy upon which liberal capitalist societies have relied, namely that economic activity is subject to democratic control and oversight. This raises the fundamental question of whether and how existing governance structures can be democratised or whether and how new democratic institutions can be created that extend democratic underpinnings to globally expanding supply chains. We then analyse the types of actors represented in different forms and strategies of voluntary regulation aimed at promoting labour standards. Drawing on this, we highlight that two distinct approaches to supply chain labour governance have emerged: one based on focusing on production relations and collective bargaining and the other based on consumption relations and a CSR approach by brands. These approaches raise important questions, such as what constitutes the relationship between the representation of worker interests and consumer interests, who has the ‘right’ to raise concerns about labour

conditions in global supply chains and whether these contrasting approaches can prove complementary. Answering these questions requires a more fundamental understanding of the concept of democratic representation.

Chapter 3 focuses on the challenges and opportunities of transnational worker representation and their consequences for the development of more democratic governance institutions. We examine these from a number of theoretical perspectives. Starting from the notion of associational democracy, we differentiate between two logics of legitimacy: representation as claim versus representation as structure. The first approach is associated with a discursive or communicative model of transnational democracy, as put forward by political theorists John Dryzek (1999), Jane Mansbridge (2012) and Michael Saward (2010). Rather than thinking of representation in terms of representative structures, representation becomes the dynamic and ongoing process of making 'representative claims' that reflect certain discourses, categories, concepts, judgments, dispositions and capabilities. In contrast, structural ideas of representation are grounded in industrial democracy and the related 'private-interest government' approach (Streeck and Schmitter, 1985). Here, constituents of an organic political unit defined by voluntary membership, such as a trade union, authorise their representatives to deliberate, negotiate or bargain on behalf of members. In practical terms, these logics of legitimacy of associational democracy are exemplified by labour activists making representative claims and trade unions having representative structures. We investigate their theoretical grounding in structuralist and post-structuralist thinking and question the extent to which these approaches may be reconciled with each other to advance prospects for transnational worker representation. Together, these two chapters lay the theoretical foundation for examining democratic representation and participation in global supply chains.

The next five chapters document two novel institutional innovations that have emerged in response to the Rana Plaza disaster, which will be presented as experiments in transnational industrial democracy. These are analysed with a view to understanding how private institutions may enhance the democratic representation of those affected. Chapter 4 is primarily a contextual chapter, which provides an overview of the empirical context of the Bangladeshi RMG supply chain, the labour representation gap and the failure of private codes of

conducts to protect workers' rights. It ends by presenting introductions to the Accord on Fire and Building Safety in Bangladesh (the Accord) and the Joint Ethical Training Initiatives' Social Dialogue Project as initiatives aimed at developing more robust forms for the representation of workers' interests in global supply chain governance.

Chapter 5 analyses how and when representation as claim and representation as structure can become complementary in global supply chains: labour rights NGOs can use their power to agitate and mobilise in ways that empower trade unions to negotiate with global brands. As a result, the Accord emerged as a negotiated and legally binding agreement between GUFs and over 200 brands, providing an unprecedented mechanism of transnational co-determination at the supply chain level between representatives of labour and capital.

Chapter 6 explores in greater detail the reasons why transnational industrial democracy yields a different approach to labour governance by presenting a structured comparison between the Accord and the Alliance for Bangladesh Worker Safety (the Alliance). The latter was a parallel initiative set by twenty-nine mainly North American retailers and operated as an alternative to the Accord but is more firmly rooted in a CSR approach. Private governance as a whole has been characterised by competition between overlapping initiatives, which often claim to have the same objectives but differ in their institutional design. The same is true for the Accord and the Alliance. By considering differences and similarities in the design and implementation of these two competing initiatives, we are able to demonstrate how differences in governance design translate into distinct emphases in implementation. In particular, we find that the inclusion of worker representatives in the design of transnational governance structures led to the recognition of divergent interests and hence to a more rigorous model of transnational labour governance.

The next two chapters focus on the relationship of transnational initiatives with national and local level institutions respectively. Chapter 7 examines the relationship between transnational industrial democracy and national institutions in Bangladesh. Empirically, we focus on the contentious relationship between the Bangladesh Accord and local actors from the industry association and government of Bangladesh, for whom the imposition of private labour governance through the Accord undermined local democratic institutions. While collective action from over 200 signatory companies has been vital in

driving factory owners to remediate urgent safety issues, it also created quasi-authority to regulate and close sites of production by withdrawing orders from unsafe or non-cooperative factories. Overall, Chapter 7 raises difficult questions about democratic governance at the intersection of transnational and national spheres.

Chapter 8 explores mechanisms of developing transnational industrial democracy at the workplace level. It looks at efforts to promote worker representation, such as the creation of democratically elected occupational safety and health committees under the Accord. We focus in particular on the workplace social dialogue programme by the Joint Ethical Trading Initiatives (JETI). Workplace social dialogue provides a potentially promising mechanism for enabling worker voice in a context of toxic industrial relations. We examine the enabling roles played by brands in developing dialogue at their supplier factories but also unveil the resultant tensions their involvement exposed in their relationship to factories and workers.

We conclude in Chapter 9 by summarising the core argument of the book: that principles of industrial democracy can play a key role in shaping the evolution of transnational labour governance. We consider the extent to which lessons drawn from the garment industry can be instructive for wider supply chains and conclude that, under the right conditions, transnational industrial democracy can help to democratise labour governance in global supply chains. However, rather than being a restraint against market forces, it is dependent on them in order to succeed.

Finally, Appendix 1 offers a reflection on the practical and political questions of doing research on the Bangladesh global supply chain, while Appendix 2 offers a reflection on doing interdisciplinary research. We explore how we – an organisation theory scholar and an industrial relations scholar – brought together our different perspectives and backgrounds.

In summary, this book seeks to stimulate debate about both the need for and potential promise of the incorporation of principles of participatory and industrial democracy regarding debates around transnational private governance. We argue that important lessons can be drawn from the responses to the Rana Plaza tragedy for wider questions of supply chain labour governance.