Why we need more State Regulation and Strong Unions in the Global South

Since the 1990s, as economies began to get integrated across the globe, transnational companies (TNCs) became more mobile and began to shift production to the countries of the global south where wages were much lower and the trade union movement weak or even insignificant. As countries in the global south began to liberalise their economies, national governments began to compete with each other for foreign investment by reducing and removing regulatory structures in every sphere of economic life to make it easy for the TNCs to make more profit. As sweatshops expanded, demand for global standards at workplace began to get articulated by campaign organisations in the global north that targeted consumers. These international campaign organisations, platforms have advanced the 1990s understanding of 'stateless' TNCs believing 'stateless regulation' could improve working conditions in the global south and this regulation could be done in collaboration with organisations in the global south. Thus in principle the TNCs and these campaign organisations, though pitched against each other, agreed on one basic principle – 'stateless regulation' was possible and it could improve working conditions. This includes acceptance of equality of opportunity over equality of outcomes with a state that will 'not row but steer'. However, they disagree on who should do this regulation and how it should be done.

This brings us to three critical questions:

1. Who will set the rules of how regulation must be done?
2. Who will monitor the compliance of these rules?
3. What should be the penalty for violation of these rules?

The Global Strategic Framework 2015-2020

The Global Strategic framework 2015-2020 of the Clean Clothes Campaign has proposed an Enforceable Brand Agreement (EBA) for a Living Wage. This document recognises "… (T)he failure of voluntary corporate social responsibility and traditional forms of government regulation" and therefore states that 'other strategies' are essential to address workers' rights in the global supply chain. According to this document "… (O)ne strategy of the global labour movement has been to explicitly seek to engage with garment and sportswear brands and retailers in enforceable agreements. These *agreements have the potential to build institutional mechanisms* that have a central role for workers to address workers' rights violations that reflect the scale of supply chain operations and the way in which the capitallabour relationship is constituted and negotiated in the twenty-first century." The Bangladesh Accord and the Indonesian FoA protocol being steps towards this. The CCC network commits itself to supporting EBAs that will develop a "global regulatory framework" meeting the following basic criteria:

1. The agreement is negotiated, implemented and signed by at least one brand or retailer and local trade unions, preferably involving global union federations (where trade unions are associated with GUFs).

2. The agreement has workplace level application in one or more workplace(s) within the existing supplier base of the signatory brand or retailer to address the root causes of workers' rights violations, relevant to the local context.

3. The agreement is transparent, enforceable and implementable with mechanisms to ensure the signatories take action.

4. The agreement empowers workers and their organisations.

5. The agreements are supported by a broad alliance of global trade unions and other workers' rights organisations across multiple countries, which prioritises and assigns capacity to negotiate, campaign, implement and enforce EBAs.

Along with these basic criteria it also qualifies these further with the following:

- EBAs are different from workplace CBAs between workers and their representatives and the management inasmuch as these are negotiated not with direct employers of the workers but with TNCs that source globally. Direct employers do not necessarily need to be party to these agreements.
- TU representation is essential but the level of the structure that will engage will vary according to national context.
- EBAs are a negotiated time bound agreement addressing the 'root cause'.
- The EBAs are binding and hence the enforcement mechanism will include "…monitoring and arbitration within the scope of the agreement or include a neutral third party, different types of dispute settlement can be outlined including binding arbitration or other forms legal redress (national or extra-territorial)."

Interestingly the document also notes that these agreements cannot be "…put in practice, unless there is very active, focused work by the workers' rights movement. If insufficient resources are invested to build up capacity, any power gained through the agreements could become meaningless and risk becoming co-opted by brands."

Structural Imbalances, Inequity and Power

Brand-centric strategies for campaigns to establish labour rights in the global south is based on some basic assumptions.

Assumption 1: In the global supply chain of transnational corporations (TNCs), in this case of garments, from the global north, the TNCs wield the maximum power and hence changes in the conditions of work along the supply chain can only be brought about by an unidirectional pressure on TNCs.

Assumption 2: It further assumes that capital may be benevolent and concerned about the conditions of work in its supply chain and if pressured by certain stakeholders will ensure better conditions of work along its supply chain. Thus through consumer campaigns or pressures, or even long term agreements on 'responsible' business practices, TNCs can be made to effect changes in their supply chain.

Assumption 3: The garment manufacturers in the global south is so squeezed financially that it cannot provide any higher wages or better conditions at work and therefore local union struggles do not have the power to effect changes. Thus unions or any other organisation in the global south must exist to provide information to campaign groups, and monitoring agencies in the global north on violations in the industry. These groups would then put pressure on the TNCs through different mechanisms including consumer campaigns etc.

These assumptions also form the basis of the EBA as laid out earlier. The framework accepts there is power imbalance but does not in any way try to change this imbalance of power in the world, between nations, between capital and labour, between even campaign groups and organisations in the global south. The framework pushes for a demand without aspiring to disturb the balance of power. Thus it aspires for changes that is pegged on the willingness of TNCs to engage with campaign platforms. It is a step forward from the CSR framework in which TNCs engage in charity voluntarily to increase its brand image and hence increase its profit in the long run. The proposed EBA framework too relies on tarnishing the ‘good’ image of TNCs through citizens’ campaigns for ‘boycott’ of certain products to force the TNCs to make amends. However, this does not address how profit is appropriated along the supply chain. This framework, just like the CSR one, thus provides legitimacy to the TNCs and their practices along the supply chain.

Further, this strategy promotes a ‘stateless’ regulation mechanism that relies on international monitors rather than on strengthening government regulation structures that are being dismantled increasingly in the countries of the global south under pressure from capital and countries of the global north. It almost assumes away the role of governments. Governments are incidental to the construction of this trans-national regulatory framework. The underlying assumption being governments in the global south are corrupt, ineffective and undemocratic. While all this may be entirely true, one must not discount the role of the countries in the global north as well as the TNCs in making them so. Thus this framework has a defeatist argument inasmuch as we must accept that change must happen within the limited neo-liberal frame and there is no possibility to change power relations. And finally this defeatist argument extends even to the understanding of what trade unions can do, what their role should be, and how they should act. It assumes that trade unions are weak in the global south and the strategy is developed based on the assumption that this will not change.

The grounds of our reservations about these assumptions and the framework based on the following.

On Assumption 1

i.

Trade relations between the global south and the north has always been foregrounded with the unequal relation between the countries of origin of the TNCs and where they produce. The fact that the EU, the USA, or Japan where most of the TNCs originate, can arm twist our countries to accepting certain conditions to allow trade to continue, is in violation of the sovereignty of the countries in the south.

India has, over the years along with other countries of the global south, fought at the WTO against the imposition of the social clause that included labour rights within trade agreements. Trade sanctions often lead to pushing an industry into further crisis. The rationale for this has been that trade, which has historically been the vehicle of unequal exchange, cannot be continued to be used against countries of the global south in the name of imposition of social parameters.

Protection of human rights and civil liberties is the domain of peoples’ movements, trade unions, democratic rights movements of the countries in the global south not that of countries of the global north, many of them being the colonisers of these countries, that use these sanctions against the countries of the global south, especially the small economies who have less power to negotiate with the most powerful economies of the world. When the economies are small such as Sri Lanka and Bangladesh, where the domestic market is not as large as in India, the negotiating power of the governments in international trade agreements is very limited. In such a situation, grant of preferential trade agreements or withdrawal or threat of withdrawal of it is used by the powerful economies to push the countries of the global south to agree to certain terms. Bangladesh was asked to improve its conditions in areas such as human and labour rights, environmental protection and good governance in order to obtain the GSP Plus status. EU in 2010 withdrew GSP plus from Sri Lanka when it found breach of human rights in the country. In 2017 it re-granted GSP plus status in exchange for the country's commitment to effectively implement 27 international conventions that it has ratified on human rights, labour conditions, protection of the environment and good governance. These pressure strategies have even been used by human rights movements in the global south to push their own governments to implement international standards. Though governments are forced to commit to certain terms to regain their trade relations on which they are dependent, the commitments are always on paper and rarely implemented. In many instances, such international pressures result in increasing state repression at the national level to suppress voices of people from reaching the world.

These agreements only succeed in reinforcing and accentuating the imbalance of power. The underlying assumption that governments of the global north are concerned about human rights and other social clauses in the global south comes again from the fact that we assume that TNCs are stateless. This is not true. TNCs operate out of the countries of the global north. Their profits are booked in the countries of the global north. They pay taxes in the countries of their origin in the global north. Thus the higher the profits they make, the higher the taxes they pay. Thus no government of the global north imposing trade sanctions actually care about ensuring labour and human rights or environmental norms or other social clauses. Finally, they only care about the transfer pricing and how best that can be negotiated through these agreements.

ii.

TNCs spread out their operations across multiple locations to suit their business needs, viz., Sourcing of raw materials available in a particular region; Reduced cost of production; Availability of skilled work force; Efficient delivery of products in customer location; IP protection laws etc. Their supply chain is designed to meet these needs. Profitability of a business depends on how the supply chain is structured to minimise trade and tax expenses. For this, TNCs use the differential tax rates available in different countries to structure the inter-company pricing within their supply chains to optimise their tax costs.

Transfer pricing is one of the key components of how TNCs manage and structure all intra-firm transactions and how the costs of resources and profits are allocated among different business units, different geographies and national boundaries. Classically, the transfer price is set by the headquarters and reflects a globally agreed upon standard cost of the specific activity related to the product at that step. The transfer price, based on the standard cost, can express either profits or losses in a particular node in the overall supply chain. Typically, if the transfer price is determined by the profit center, it includes profits but a cost-based supply chain analyses cannot capture transfer pricing and are unable to determine where firm profits are generated and/or allocated. Ultimately, the transfer price mechanism is dependent on a TNC’s strategy and structure.[1]

The industry is changing. Initially what a sourcing department or agent for a TNC had to ensure were the 3Gs: Good FoB price, Good quality and Good delivery but now what they need to also ensure is how to magically transform taxable profit into taxfree profit. So the focus of the TNCs is to extract this tax free profit from the countries of the global south through the imposition of a variety of non-trade barriers including the social clause using their power over these economies and the dependence of the latter on their export earnings.

iii.

However trade unions and other rights groups in the global south have often demanded trade sanctions on their own countries to put pressure on their own governments to ensure labour rights or other human rights. This is because these organisations have limited options of pushing even their own governments. Countries of the global south may due to such trade sanctions be forced to accept the conditionalities imposed on them, but the changes they are forced to make are under duress hence are not sustainable and much of it depends again on the strength of organisations at the local level to ensure these are implemented. Thus the Bangladesh Accord or the Indonesian FoA protocol while did achieve its limited goal, it is quite clear that it is difficult to sustain without continuing pressure and threats of trade sanctions on respective governments.

Thus any strategy rooted in boycott, sanction by the global north is a strategy that accentuates the imbalance between nations and peoples and reinforces the power that the global north has over the south and does not make any attempt to remove this imbalance.

Campaigns in support of workers in the supply chain of TNCs in the global south must not reflect and perpetuate this imbalance and hence cannot be based on strategies where TNCs of the global north are given a free hand to put pressure on countries of the global south. Regulating TNCs is possible through making them accountable in their own countries of origin for their production practices. In 2016, UK adopted the Transparency in Supply Chain clause of the Modern Slavery Act and in 2017 France adopted the Duty of Care of Parent Companies and Ordering Companies, for imposing accountability on TNCs originating in their country for violations in their supply chain. The role of campaign organisations in the global north must be to make these mechanisms work, make these more effective and binding, and use these to build north-south alliances of trade unions and other mass organisations to tilt the balance of power towards the working class both in the global south and the north. There must also be simultaneous efforts to implement corporate accountability laws in the countries of the global south.

An enforceable brand agreement imposed through a framework of trade sanctions, whether imposed by the countries of origin of the TNCs or by the TNCs themselves, will continue to maintain the imbalance of power and actually accentuate it. Assuming that a clause for freedom of association within this framework will solve the problem of democratic aspiration of the workers in the global south, will only pave the way for creation of yellow unions within workplaces to avoid trade sanctions and not create real unions that can bargain and change the balance of power.

iv.

The floor wage calculated by the Asia Floor Wage Campaign was research based and was much higher than the existing minimum wage at each of the garment producing countries. A well-researched living or floor wage calculation is important for trade unions to understand the gap between the existing minimum wage and what they need to achieve for a decent life at a given point of time. The living wage calculation provides an aspirational wage for unions to attempt to win but unfortunately minimum wage is determined within a national frame through an established collective bargaining framework which institutionalises the power imbalance between labour and capital and is largely determined by the employers' ability to hold out. Further, the fixation of minimum wage in a sector is also dependent on the wages in other sectors in the region and many other external factors. Thus an attempt to fix a wage in a particular sector in isolation also may end up in dividing the working class.

The negotiation for an aspirational wage calculated has no connect with the bargaining power of the trade unions at the national or industry level. It is delinked from the struggles of the unions for a minimum wage in each country and therefore does not strengthen the unions and their struggles at the country level. Moreover, it can have a deunionising effect since the framework assumes the higher wage can be negotiated and implemented without a strong union on the ground. It effectively signals to the workers that higher wages and better conditions at work can be achieved without struggling for a union rights. This is convenient for workers as the attack against workers for demanding union rights in most countries in the global south is met with severe repression. Workers lose jobs. They are abducted, physically tortured, arrested and even killed in some cases. This also satisfies employers’ interest as they can effect as much change as they wish to satisfy the auditors of the TNCs without the involvement of a strong union which is able to challenge the employers' control over the work place. This also opens up the question of the role of private forms of regulation including auditors of the TNCs who monitor implementation of the conditions imposed by the TNCs. More often than not, workers have stated that they are tutored what to say by their managers before the auditors under the threat of losing their jobs. Further, floors are cleaned up, safety equipment is provided, ventilation is ensured, dresses are provided and so on are all common before a visit of an auditor. The auditor, hired by the TNCs, paid by them, more often than not files a report that does not seek to unravel the truth at a factory, rather ensure that their hiring TNC is able to continue producing at the given facility. Auditors are also used by the TNCs to arm twist the manufacturers when they need to.

An externally negotiated wage with little or no strength of unions on the ground more often than not results in increased productivity through work intensification at the shopfloor which in the short run results in increase of workplace accidents and in the long run results in a burn out of the worker. This intensification of work also comes with an increased harassment on the shopfloor including sexual harassment to control the workers and ensure higher productivity. Additionally, in some cases, this may also translate to mechanisation for much higher productivity thereby leading to job loss. Thus a wage demand without being pegged to work intensity translates to a complex impact on the shopfloor. Therefore wage increase accompanied by grass root union power is the only way to ensure that this increase is not translated into higher work intensity to ensure profit margins remain undisturbed. A wage increase is meant to increase the wage share in the total pie which implies a decline in the profit share. If the wage share does not rise, a wage rise comes with simultaneous increase in work intensity that then erodes the capacity of a worker to continue working for a normal work life. Thus even if the wage increases, the capacity of the worker to work declines and hence her capacity to earn declines.

On Assumption 2

v.

A long standing demand of all of us has been that TNCs must increase their sourcing price (FoB) to ensure that wages increase. This has also been the basis of the consumer campaigns that we have all been part of. We have also been able to convince many consumers in the global north to buy more ‘ethically’, which essentially translates to paying more, to ensure wages rise in the global south. However, this follows the trickle down paradigm of development. The problem with this paradigm is that even if the TNCs agree to raise their sourcing price, there is no evidence to indicate that this increase will get transferred to the workers in the global south automatically. The probability of this increase in price being shifted to the worker is higher where there is a strong union which can ensure that this gets implemented.

But on a different note, despite the continued effort of all campaign groups, multistakeholder initiatives, and other civil society efforts the TNCs have refused to disclose their sourcing price as being part of their trade secret. Thus, assuming they would be willing to increase their sourcing price without affecting the price of the commodity, i.e. shifting the burden of the increase in cost to the consumer, would mean that the brand is willing to take a cut on its profit margin.

The negotiation on the willingness to cut profit margin cannot be based on a consumer campaign as there is an inherent conflict of interest in this. When price rises for consumers, if wages in the global north do not rise, consumers will buy less. This translates into a punitive action against the manufacturers in the global south, which then affects their workers. With no attempt made to change the profit share, the TNCs maintain their share, the manufacturers in the producer countries maintain theirs, and this they do by squeezing the worker more by increasing work intensity and effectively paying less. Thus a price based strategy does not have a positive trickle down impact, in fact it leads to a further squeeze on the workers in the global south. Thus our strategy must be rooted in increasing the wage share at the expense of the profit share, irrespective of prices.

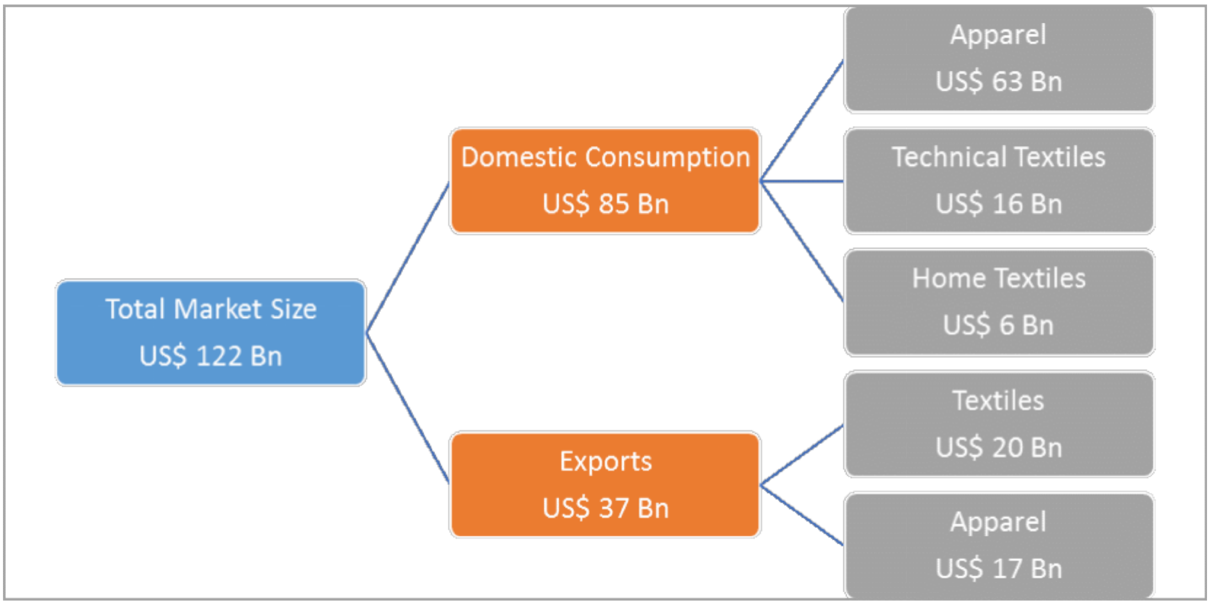
This strategy is also critical to build a north south working class alliance. The 2008 Global Financial Crisis pushed many countries in the global north into protracted economic slumps. Relative poverty measures typically used in the EU seemed to suggest that poverty did not increase much. This is because in the EU, people at riskof- poverty is measured as the share of people with a median income below 60%. This share only increased marginally from 23.7% in 2008 to 24.7% in 2012. But this is because median incomes declined, quite dramatically in some EU countries. If poverty was measured relative to median incomes at pre-2008 levels, poverty increased substantially, especially in Southern Europe, with it being doubled in Greece. The austerity measures forced on these governments worsened the condition of the working class. Many workers are forced to work in multiple jobs to survive. Many workers are not able to afford decent housing, medical care, child care, old age care. To increase prices of clothing, which is a necessary commodity, without affecting the profit share, would mean passing on the burden of 'ethical' business practice on to working people who are also being squeezed by their employers in their countries. To view consumers in the global north as being privileged is assuming a homogeneity that is not reflective of reality.

vi.

Further, it is an over simplified understanding of capital to assume that all global garment TNCs will respond to a demand for a higher aspirational wage in the same manner. This assumes that capital is homogenous and there is no stratification and no competition between different companies. The business model of cut-price TNCs like Target, Walmart, JC Penny is based on low prices and hence by squeezing the manufacturers in the global south and by keeping out competition in a certain band of prices. To achieve this the TNCs need to avoid strict regulation and this is what kept them out of the Accord in Bangladesh even after Rana Plaza. The agreement to pay the aspirational wage will cut a substantial portion of their profit margin which is much slimmer than other global garment companies in higher margin slabs. Thus in the case of TNCs such as this pushing them to agree to an aspirational wage would be a difficult and uphill road. Also, attacking these TNCs and getting them to raise their retail price would be an attack on the lowest end of the working people in the global north which then creates xenophobic sentiments in the north against the south and feed in to the rise of the right and thereby creates more difficulties for building working class unity.

vii.

In theory, even if a brand agrees to the aspirational wage through pressure from campaign groups, creating a mechanism to ensure its implementation is not fool proof. Specifically in the case of India with a high proportion of production for domestic consumption than for export, this strategy creates divisions between garment workers producing for domestic consumption and for export. The fact that we even assume that there is sharp line between manufacturers who produce only for export and those who do not is not true. In India, the domestic consumption of textiles and apparel constitutes nearly 70% of the total market size while exports constitute only 30% (2016).



Source: Directorate General of Commercial Intelligence and Statistics (DGCI&S), Kolkata, GoI

There are manufacturers who simultaneously produce for export and domestic brands. Presently all garment workers are paid the same wage within a state in India irrespective of who they produce for. To assume homogeneity of the garment industry in all countries and thereby devising a strategy that is pegged to TNCs will in a country like India act against working class unity.

On Assumption 3

viii.

To assume manufacturers in the global south to be weak, to be isolated, to even be footloose is not grounded in reality. Despite continuing claims of garment manufacturers in the global south that they have little negotiating power with the TNC buyers, the nature of restructuring that has happened in the global south indicates otherwise. Manufacturers in the global south have consolidated over the years and now can hedge profit, and decide where to park it to serve their interest.

In recent years the industry has changed considerably in Asia. China is the largest producer of garments in the world but also has the highest labour cost. China's sophisticated supply chain structure allows it to retain its competitiveness. Similarly, in the ASEAN region, there has been a concerted effort towards an integrated regional production network through strategic partnerships creating one ASEAN supply chain in the garment manufacturing. This was developed to minimise competition between countries in the region. In South Asia, there has been a shift towards consolidation. The largest manufacturers in Bangladesh today own several factories spread across the country and similarly in India and Sri Lanka. In Sri Lanka the number of garment factories declined from around 1000 to 500, the workforce declined and at the same time, total production increased. So-called one stop shops and clusters play a big role in the industry and potentially increase the value capture of the manufacturer. At the same time companies such as CK directly invest in manufacturing capacities. These developments are based on strategic long-term relationships between TNCs and garment manufacturers that cannot be easily dislodged.

Additionally, over the last few years, garment manufacturers have invested in production facilities, moving away from rented facilities. Rents in cities such as Dhaka, Colombo, Bangalore are soaring and post-Rana Plaza, safety standards are forcing manufacturers to shift to rural areas both for ensuring certain workplace standards, for expansion to scale up and to new areas with new workers who are less likely to get unionised. New management techniques, new technologies are being employed to increase productivity. Standardisation is being pushed for. Bangladesh, which employed a large number of helpers even five years ago, today barely have any and yet productivity is increasing. Raymond, a big manufacturer in India, will let go of 10,000 workers across its 16 manufacturing facilities and replace them by robots in the next three years, according to news reports. Automation is happening in most garment factories in the Global South, even if the scale varies. For TNCs and retailers, fragmentation can under certain circumstances reduce costs but dealing with multiple suppliers has its own problems along with intensive monitoring and management costs. Vertical integration in less geographically dispersed areas is reshaping the supply chains and networks.

This continuous restructuring of the manufacturing base and its supply chain is rooted in the basic understanding that the garment industry is stable and not footloose. With automation, standardisation and consolidation, learnings from technology transfer, increasing south-south trade, manufacturers of the global south are today better able to negotiate with their northern buyers.

ix.

The framework that we accept in which TNCs will yield to pressure to keep their image ‘good’ discounts how corporations create their brand image and maintain it. Much of CSR that is done by these corporations is to create a ‘clean’ image along with a co-opting strategy that is able to act as a safety valve to dispel opposition. A large portion of the CSR funds of TNCs are routed through NGOs that then get integrated into the strategy of promoting the ‘clean’ and ‘conscious’ image of the TNCs. Charged with using prison labour in China, sourcing from garment factories and textile mills using forced labour in South Asia, C&A deployed their private foundation, the C&A Foundation, to fund “initiatives that have the potential to create long term change” that reached out to several NGOs indifferent regions to silence their voices of dissent.

A ‘name and shame’ strategy assumes that a TNC’s revenues take a considerable hit with such a campaign. Recently the advertising campaign of Nike featuring Colin Kaepernick divided American shoe buyers with many calling for boycott and some others committing to buy more. From Nordstrom to L.L. Bean have faced controversies that prompted a segment of consumers to boycott or support their products. But research suggests the activism fades quickly, and when it does shoppers tend to revert to their previous behaviour. Nike shares, which fell about 3% the day after the advertisement was launched, recovered all their losses and hit an all-time intraday high three days later. Boycotts generate buzz and can sometimes cause companies to make concessions if the negative attention poses a reputational risk, but there is little evidence to suggest that they have a meaningful impact on sales, according to a research by management school Prof. Brayden King, who studied the impact of more than 140 boycotts from 1990 to 2005.[2]

The TNCs are continually expanding across the world and moving to new markets, even in the global south. The reach of these campaigns is limited and hence the cooption strategy along with an aggressive marketing strategy more than offsets the impact these campaigns make.

Organisational Issues

x.

Urgent appeal campaigns of the CCC or the immediate responses of organisations like WRC have for years successfully addressed various workplace condition complaints filed by workers or their unions at the factory level across countries in the global south. This has had its impact on addressing these issues at workplace but also, wherever possible, on strengthening unions where the unions were able to translate this victory to mobilising workers in these factories. But unfortunately, these victories have not added up and neither have they had a multiplier effect as the rectification of violation is localised and so was the gain in union power if any. The next violation had to be addressed again from the start and fought through all over again. No precedence is ever established as the agreement is not made legally binding. It does not even apply to all factories under the same manufacturer. Thus a problem fixed at a certain facility is restricted to that facility alone and has not spread effect. Thus to also assume that a binding wage agreement with some TNCs implemented by some manufacturers will have a domino effect is difficulty to agree with. Further, even if it is indeed possible, agreeing with it politically is a problem as it is rooted in the exercise of unfair power of countries in the global north using trade sanctions and unfortunately also of the campaign organisations of the global north given their ability to influence organisations of the global south by their financial and other support.

In this situation, the role of the trade union is no different from any other organisation which can provide information and hence can be very well replaced by NGOs. And thus in the campaign platforms, the unions and the NGOs are also accorded the same voice though the nature of the two kinds of organisations is very different. Given the fact that a large number of NGOs have got co-opted into the different multistakeholder initiatives that are often financed by global garment companies and their CSR funding, there is often a clear conflict of interest in NGOs funded through CSR funds representing workers' interests.

xi.

And finally, these issues have been raised by our unions with the CCC and the AFW campaign in the past in different meetings at different points of time and the concerns not addressed. The new living wage campaign by the CCC, the AFW, and the WRC, together is another such initiative that is being floated without consultation with the unions in the region. We, the National Garment Workers Federation (Bangladesh), the Free Trade Zone and General Services Employees Union (Sri Lanka), Garment and Textile Workers Union and Garment and Fashion Workers' Union (India) are responsible for the decisions we endorse to our membership. The greatest weapon in the hand of a union is our right to strike and we have used it at different points of time to push our wages higher. However, we are faced with reality in which workers strike when they know they can win. The aspirational wage is too high for the workers to even imagine that it can be won. That is unfortunately the reality and we agree with you that we must aspire but we must build union power to achieve the aspiration.

Way Forward

At a Conference on Progressive Governance for the 21st Century in Italy in November 1999, Bill Clinton, the then US President had said:

"We think ideas matter. We think it's a great challenge to marry our conceptions of social justice and equal opportunity with our commitment to globalization. We think we will have to find what has often been called a Third Way, a way that requires governments to empower people with tools and conditions necessary for individuals, families, communities, and nations to make the most of their human potential."

This is the ideology that calls for minimum government. This is the ideology that calls for 'stateless' regulation. This is the ideology that has ripped apart social security structures. This is the ideology that has created an uncaring world that talks of ‘human potential’ promoting the individual and not of historical injustices that led to the existing inequalities that is only growing. This is an ideology that has promoted defeatism. This is an ideology that promotes the idea that There Is NO Alternative.

The negotiation strategy developed by our unions have revived our unions at the factory level, at the industry level and even in building critical relations of solidarity with workers in the global north. To change the balance of power in the global supply chain, we need strong unions, stringent laws and regulation and for this we shall continue our fight against our own government and our employers and against the inequalities and divisions between nations and peoples.

2 October 2018

National Garment Workers Federation
Free Trade Zone and General Services Employees Union
Garment and Textile Workers’ Union
Garment and Fashion Workers’ Union
And TIE

Notes

1 Global supply chains and transfer pricing: Insights from a case study; Seppälä, Kenney, Ali-Yrkkö

2 https://www.wsj.com/articles/nikeboycott-is-over-why-retail-activism-rarely-changes-sales-1537099200?tesla=y