



Thomas, H. (2019). Breaking free: Workers and their (value) chains. *Futures of Work*. <https://futuresofwork.co.uk/2019/05/24/breaking-free-workers-and-their-value-chains/>

Peer reviewed version

[Link to publication record in Explore Bristol Research](#)
PDF-document

This is the author accepted manuscript (AAM). The final published version (version of record) is available online via University of Bristol Press at <https://futuresofwork.co.uk/2019/05/24/breaking-free-workers-and-their-value-chains/>. Please refer to any applicable terms of use of the publisher.

University of Bristol - Explore Bristol Research

General rights

This document is made available in accordance with publisher policies. Please cite only the published version using the reference above. Full terms of use are available: <http://www.bristol.ac.uk/red/research-policy/pure/user-guides/ebr-terms/>

Breaking free: Workers and their (value) chains

On 23 April 2013, workers labouring in a garment factory on the upper floors of the Rana Plaza building in Dhaka alerted management to numerous large and threatening cracks running down the walls. Immediately, the building was evacuated. Following a superficial inspection, the owner of Rana Plaza said that the building was safe, and workers should return tomorrow. ~~On the morning of the following day~~[The following morning](#), an argument ensued on the forecourt. The managers threatened to withhold wages if workers did not go inside. Many had no choice but to re-enter. A few hours later the building collapsed [killing 1,134 and injuring more than 2,500](#).

It was the worst industrial accident in the two-hundred-year history of mass apparel manufacture, described by the global unions as [“industrial suicide.”](#) This was a tragedy waiting to happen, not least because of the poor health and safety standards in Bangladesh, where regulation is trumped by profit and competition, but Rana Plaza is also emblematic of the corruption and endemic exploitation of the approximately [450 million workers](#) that toil in global value chains (GVCs) across the world.

A win-win situation?

For much of the last three decades participation in GVCs was predicated on a ‘win-win’ situation where everyone would benefit from increased competitiveness, profitability and growth. GVCs were good for transnational corporations as a way to reduce costs; good for countries as a way to attract foreign investment; and good for supplier firms and their workers as a way to create jobs.

Meanwhile, notable economists praised GVC participation as a way to alleviate poverty where even [“bad jobs at bad wages are better than no jobs at all”](#). And, in discussions on supply chains and decent work, the Employers’ Group at the International Labour Organization (ILO) argued that GVCs offer ~~up~~ a [“ladder of opportunity” to raise standards of living](#).

Even in [contemporary accounts of the future of work](#) it is assumed that if firms (primarily suppliers) can successfully move to higher value-added activities in GVCs then workers ‘automatically’ benefit through improvements in wages and hours of work. There is, however, by now a sufficient consensus, [at least academically](#), that this is not the case. Economic upgrading - whereby enterprises move from low-efficiency to relatively high-efficiency activities - does not lead to social upgrading - equity and voice for workers - in all cases.

The significant problem with the ‘win-win’ assumption is that it ignores precisely how integration into GVCs is premised on the exploitation of labour. [Children are found to be stitching our clothes](#), the [shrimp sold by supermarkets is peeled by forced labourers](#), [modern day slavery is associated with our favourite sporting events](#), and [numerous tragedies have occurred](#), causing appalling loss of life. Workers in these chains are [being paid less than poverty wages](#) and have to [endure long hours](#) in order to survive.

It seems that somewhere along the value chain, from the top to the bottom, the responsibilities of the employers towards their workers has somehow dissipated if not vanished into thin air. Given what is happening in the world of work it is not surprising that [many have concluded](#) that the traditional horizontal system of national labour regulation, comprising labour law and collective bargaining for example, is under strain in the globalised economy.

Reports of labour abuses in firms embedded in GVCs have galvanised support for a rethinking of the ‘win-win’ assumption. In the words of Kari Tapiola, former Deputy Director-General of the ILO, [“It took us some years to realize that the new universal market did not by itself deliver growth and happiness for all.”](#)

However, these contemporary and fatalistic accounts follow a similar fate to those who espouse the lofty ideas of the inevitable beneficial participation in GVCs. Whilst one side has argued that GVCs are ‘win-win’ and the other has stressed ‘win for capital -lose for labour’, this binary debate (good vs. bad; decent vs. indecent) ignores the agency of labour and ultimately fails to recognise that the future of work is not set in stone.

The power of the market

Much of the focus to date on the ‘re-regulation’ of GVCs has been on the emergence of civil society organisations that exercise and mobilise ‘consumer power’ and ‘consumption relations’ to ensure that products made overseas and sold in their domestic markets were produced under conditions of decent work.

Whilst some may pin their hopes on consumers to address the ‘gaps’ left by ineffective regulation, after many years of sincere effort, the futility of these voluntary, private and self-regulatory standards [has been laid bare](#). For example, Nick Clegg, then UK Deputy PM said following the fall of Rana Plaza that: [“...consumers have more power than they think when it comes to making choices about where they shop.”](#); irrespective of [Primark’s 20 per cent jump in sales in the three months following the disaster](#) (and his own [admission-admission](#) that he [shops without a moral compass](#)).

Take also the multitude of ‘eco’ and ‘social’ labels available to choose from on supermarket shelves. The survival of these programmes - for example, that of the Rainforest Alliance - rest on their ability to attract and retain investment by large transnational corporations such as Unilever. Instead of relying on organised labour, national governments or international organisations such as the ILO, they put their faith in [“the power of the market to drive positive social, environmental, and economic change.”](#) When the “power of the market” fails to reward compliance, the certification programmes are the first to admit that [“standards alone cannot address most labour issues.”](#)

It is clear that any reliance on market-orientated initiatives places the destiny of decent work for workers in the purchasing purse of a relatively small and fickle group of consumers. In other words, these arguments paint a picture of a future of work rooted in soft norms, encouraging ‘self-regulation’ rather than hard law that demands compliance, where workers are ‘passive victims’ to the inter-firm relationships of transnational capital and where decent work in GVCs is irreconcilable with corporate self-interest.

Passive victims or active participants?

The early academic research on GVCs, like many of the consultancy reports on GVC participation, had very little to say about labour as an ‘active participant’ of the global economy. With relationships between firms at centre stage, [“labour \[was\] largely written out of the script”](#). If labour did appear in the script, it was more often as a commodity (a cost to be controlled and flexibly deployed) rather than human beings with rights and entitlements.

Indeed, theoretical approaches to industrial relations and GVCs have often viewed workers as a [“static” category](#) with private [governance relationships as the key determinant](#). This however presupposes an inevitability of governance relationships based on commercial dynamics, with the focus on the lead firm (primarily global north brands) as the ultimate source of value creation.

This overlooks a whole host of other (non-commercial) strategic actors that can create and distribute value. In particular, relationships in GVCs are dynamic and emergent and the assumed certainty of

Formatted: Default Paragraph Font

Commented [PS1]: admission?

Commented [HT2R1]: Agreed!

future employment relations outcomes as a [result of top-down dynamics](#) obscures how workers might 'break free' of their chains.

Placing labour action in the forefront of our discussion on the future of work and not secondary to institutional arrangements between capital-capital and capital-state enables an uncovering of alternatives. These alternatives can potentially 'rebalance' the asymmetry of power inherent in all GVCs in favour of workers.

There is little doubt that many workers in GVCs are weakly organised, replaceable and left unprotected by any sort of local, national or international legislation. However, GVCs offer opportunities for workers to advance their position through their strategic location in the value chain, their ability to organise collectively into trade unions and political parties, and through the leveraging of laws, regulations, procedures, practices, and the other formal and informal 'rules of the game', established as a result of past and ongoing struggle.

For example, [Ben Selwyn](#) illustrates how just-in-time production used by TNCs is vulnerable to workers disrupting the value chain by targeting specific 'choke points'. [Others](#) have shown how workers have organised into global union federations (GUFs) to tackle transnational capital. Indeed, an understanding of GVCs [has been recognised](#) as an important tool for labour organisers to stabilise employment and raise wages.

Another alternative template for labour agency is the Bangladesh Accord which, [for all its critique](#), is a prime example of "[transnational co-determination](#)" along the value chain between representatives of labour and capital. Labour agency has also been exercised at the international level at the ILO during the contentious 2016 discussion on [decent work in global supply chains](#). These initiatives, amongst others, indicate the prospects for enhancing voice in the context of the future of work.

As the very first *Futures of Work* editorial [noted](#), what is dangerous about presupposing one future of work is that it assumes one destination already set; one where either beneficial participation in GVCs is a given or where workers in GVCs are no more than 'passive victims' to the activities of transnational capital.

However, this inevitability deprives people of the agency to shape and resist the exploitative impact of GVCs through organisation and regulation. Ultimately, if we consider multiple futures for workers in [these chains](#) rather than a final destination that may or may not come it allows us to imagine a future that is not already concluded and one which activists, unions, academics, policymakers and others can identify and understand what they do and what they need to do to support the millions of workers engaged in GVCs.

Huw Thomas is Lecturer in Management and Industrial Relations at the University of Bristol

Keywords: global value chains, labour governance, regulation, labour agency, corporate social responsibility, consumers, garment,

Photo ideas:

<https://www.flickr.com/photos/rijans/8731789941>

<https://www.flickr.com/photos/66992769@N08/10025807176>

<https://commons.wikimedia.org/wiki/File:Garment-factory.jpg>

https://commons.wikimedia.org/wiki/File:Bangladeshi_women_sewing_clothes.jpg