

SPECIAL ISSUE

Labour governance and the future of work in an era of disruptions and global value chains

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Introduction: Disruptions in global value chains – Continuity or change for labour governance?

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Global production and trade organized in global value chains (GVCs) have structured labour governance and the conditions of work for multiple decades. Since the early 2000s, a series of new economic, technological and political disruptions, along with the current COVID-19 global health pandemic, have accentuated critical concerns about the role of labour governance and the future of work in the global economy. The articles in this Special Issue address these themes through original industry and country case studies, using both longitudinal and comparative research designs and mixed methods to offer insights into a labour governance framework that will fit future GVCs.

Keywords: global value chains, decent work, labour governance, economic crisis, digital transformation, automation, Industry 4.0.

Section I. Transformative trends in buyer-driven global value chains

- 521 **Disruption in the apparel industry? Automation, employment and reshoring** Fernanda BÁRCIA DE MATTOS, Jeff EISENBRAUN, David KUCERA and Arianna ROSSI

Amid concern about the impact of automation on employment, there is consensus that jobs comprising repetitive codifiable tasks are at greatest risk. The apparel industry has been strategic in economic development as an entry point into global markets and as a creator of jobs. Although routine work characterizes the bulk of employment in apparel manufacturing, the penetration of automation technologies remains limited. Drawing on interviews with key personnel at leading apparel brands, this article offers new insights into the current and projected use of technology, identifying practical bottlenecks and discussing potential implications for the global distribution of production and employment.

Keywords: automation, global value chains, apparel, reshoring, nearshoring, employment.

- 537 **Beyond “Industry 4.0”: B2B factory networks as an alternative path towards the digital transformation of manufacturing and work** Florian BUTOLLO and Lea SCHNEIDEMESSER

This article uses theoretical and empirical evidence of variations in digitalized manufacturing to revisit Piore and Sabel’s 1984 work on flexible specialization and to criticize the inherent one-sidedness of the Industry 4.0 discourse. This is juxtaposed with empirical findings on platform-mediated business-to-business factory networks, in which flexibility is facilitated by the digital interconnection of a far-flung network of small-scale manufacturers rather than by sophisticated production technology. The effects on work are equivocal; they entail the potential for a craft-like and skill-intensive paradigm of small-scale manufacturing that can upgrade work, but also for a race to the bottom in price-sensitive industries.

Keywords: Industry 4.0, flexible specialization, digitalization, platform, global value chains, upgrading, Alibaba.

- 553 **South Korean first-tier suppliers in apparel global value chains: Upgrading and labour implications in the Asian context** Hyunji KWON, Sun Wook CHUNG and Joonkoo LEE

This article traces the historical development of apparel suppliers in the Republic of Korea, particularly the rise of first-tier suppliers (FTSs). Using the cases of two leading FTSs, the authors examine how they expanded their international presence, especially in Asia, to become large multinationals. Particular attention is paid to the development of these FTSs during the period following the global financial crisis of the late 2000s. This article investigates whether, having rapidly grown to become partners handling a complex business environment, they now occupy a strategic position in the reconfigured apparel global value chains. It also examines their responses to labour issues, considering what their upgrading implies for workers.

Keywords: apparel industry, first-tier suppliers, global value chains, labour, Republic of Korea, strategic suppliers, upgrading.

Section II. Chronicling labour conditions in global value chains

- 573 **Why is the business case for social compliance in global value chains unpersuasive? Rethinking costs, prices and profits** Ana ANTOLIN, Laura BABBITT and Drusilla BROWN

Stakeholders in global value chains (GVCs) commonly argue that factory managers will choose humane working conditions if they can be persuaded that social compliance improves firm performance. Yet, despite evidence that humane conditions increase

productivity, product quality and on-time delivery, inhumane conditions in GVCs persist. Evidence from a sample of factories in the Better Work programme in Indonesia, Jordan and Viet Nam indicates that achieving social compliance may be costly, offsetting productivity benefits. A positive impact on profits depends on international buyer sourcing practices, including higher output prices. The COVID-19 pandemic has confirmed the key role played by buyers in determining working conditions.

Keywords: social compliance, business case, Better Work Programme, human resource management, working conditions, COVID-19.

591 **From Rana Plaza to COVID-19: Deficiencies and opportunities for a new labour governance system in garment global supply chains**

Stephen J. FRENKEL and Elke S. SCHUESSLER

The 2013 Rana Plaza disaster highlighted the failure of labour regulation in global garment value chains. Eight years on, in the midst of the COVID-19 pandemic, what changes have occurred in labour regulation and with what consequences for workers? Using the concept of a labour governance system (LGS), the authors show that, despite improvements in building and worker safety regulation, the garment LGS remains weak and wages, working hours and the treatment of workers show little improvement. The pandemic appears to have exacerbated these deficiencies but it may also offer an opportunity to strengthen the LGS along lines proposed in this article.

Keywords: global value chains, global supply chains, labour regulation, labour governance system, garment industry, Bangladesh, Rana Plaza, COVID-19.

Section III. Labour agency and worker voices in global value chains

613 **Three labour governance mechanisms for addressing decent work deficits in global value chains**

Mark ANNER

The literature on global value chains (GVC) has identified six governance mechanisms for addressing decent work deficits (Gereffi and Lee 2016). Drawing on research in Bangladesh, Honduras and Viet Nam, this article argues that the most effective governance mechanisms are those that mitigate GVC power asymmetries. Three such mechanisms are: (1) public governance, because it harnesses the power of the State; (2) encompassing collective bargaining agreements; and (3) multi-actor global binding agreements. Variations in governance gaps in national labour relations regimes, and patterns and strategies of worker resistance will determine which mechanism most effectively addresses decent work deficits.

Keywords: global value chains, governance, garment industry, labour control, worker resistance, Bangladesh, Honduras, Viet Nam.

631 **Ripe to be heard: Worker voice in the Fair Food Program**

Fabiola MIERES and Siobhán MCGRATH

The Fair Food Program (FFP) provides a mechanism through which agricultural workers' collective voice is expressed, heard and responded to within global value chains. The FFP's model of worker-driven social responsibility presents an alternative to traditional corporate social responsibility. This article identifies the FFP's key components and demonstrates its resilience by identifying the ways in which the issues faced by a new group of migrant workers – recruited through a "guest worker" scheme – were incorporated and dealt with. This case study highlights the important potential presented by the programme to address labour abuses across transnationalized labour markets while considering early replication possibilities.

Keywords: worker voice, working conditions, workers' rights, Fair Food Program, value chains, governance, guest workers, agricultural workers.