

NORWEGIAN UNIVERSITY OF LIFE SCIENCES





CSR AND ETHICAL TRADING IN INDIA

A critique of socially responsible supply-chain management

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MSc Thesis in Development Studies



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Photo 1st page: Worker housing connected to a textile mill in Harayana.
(Photo Hans Petter Wiken)

*In memory of
Hans og Ingebjørg Bjugstad*

DECLARATION

I, Hans Petter Wiken, declare that this thesis is a result of my research investigations and findings. Sources of information other than my own have been acknowledged and a reference list has been appended. This work has not been previously submitted to any other university for award of any type of academic degree.

Signature.....

Date.....

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In the spirit of *maitrī*. May you all be well...

ABSTRACT

While globalised production offers development opportunities, it also involves challenges to the wellbeing of communities inserted in global commodity chains. Socially responsible supply chain management is a response. Drawing on devices from Global Production Network theory (GPN) and Labour geography, this thesis interrogates the question of wage arrangement at a bottom-rung producer in India supplying garments to Varner, an esteemed member of the Norwegian ETI. A key insight is that while wage arrangements in Noida complies with Varner's code of conduct, they do not provide for workers' wellbeing. As much GPN-literature suggests, ethical supply chain management will only make a real difference if it carefully considers conditions beyond the supply chain itself.

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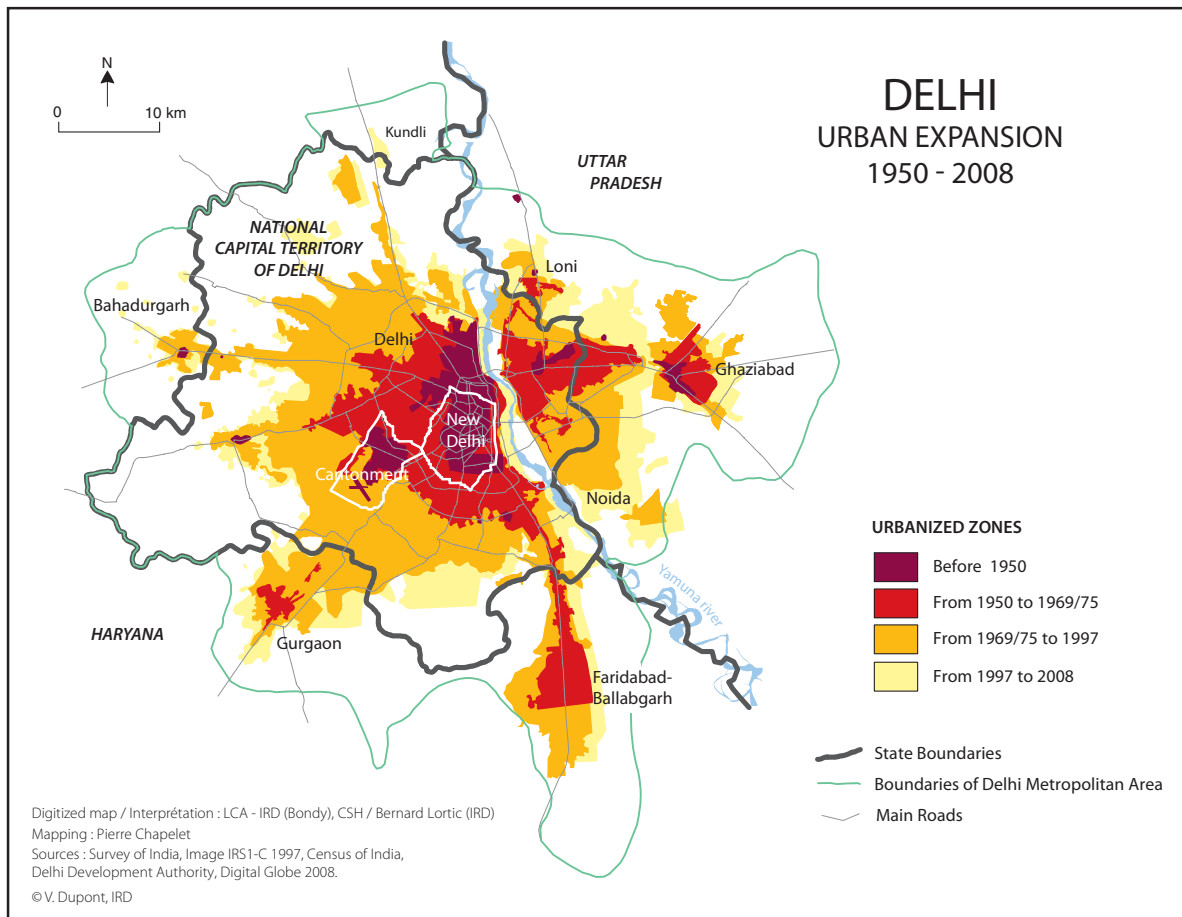
ACRONYMS

AFW	Asian Floor Wage
BLIHR	Business Leaders Initiative for Human Rights
CGU	Council of Global Unions
CoC	Codes of Conduct
CMT	Cut, make and trim
CSO	Civil Society Organisation
CSR	Corporate Social Responsibility
CTG	Capturing the Gains
DS	Development Studies
EADI	European Association of Development Research and Training Institutes
ETI	Ethical Trading Initiative
FIVH	Framtiden i Våre Hender
GATWU	Garment and Textile Workers Union
GCC	Global Commodity Chain
GPN	Global Production Network
GVC	Global Value Chain
IEH	Initiativ for Etisk Handel
ISID	Institute for Studies in Industrial Development (New Delhi)
IWAY	IKEA Way of Purchasing
JNU	Jawaharlal Nehru University
LRN	Local Resources Network
MNC	Multinational Corporation
MSI	Multi-stakeholder Initiative
MW	Minimum Wage
NCEUS	The National Commission for Enterprises in the Unorganised Sector
NCR	National Capital Region
NCTD	National Capital Territory of Delhi
NKR	Norwegian Kroner
NOIDA	New Okhla Industrial Development Authority
NSSO	National Sample Survey Office
NTUI	New Trade Union Initiative
PE	Political Economy
PSI	Private Standard Initiative
TNC	Transnational Corporation
UP	Uttar Pradesh



Map 1. Location of National Capital Region.

Source: Nationsonline. URL: http://www.nationsonline.org/oneworld/india_map.html [Accessed 15th May, 2012].



Map 2: National Capital Region with Harayana State to the west and Uttar Pradesh to the east. It also shows the urban expansion of Delhi from 1950-2008.
Source: Veronique Dupont, 2011, 'The Dream of Delhi as a Global City,' in: *International Journal of Urban and Regional Research*. Vol. 35 (3): 533-554. (Reprinted with permission).

INTRODUCTION

Sociologist Roland Robertson wrote, in the beginning of the nineties, that the noun ‘globalisation’ comprised ‘the compression of the world and the intensification of consciousness of the world as a whole’ (Lechner and Boli, 2012: 88).¹ ‘By now, even though the term is used very loosely and, indeed, in contradictory ways, it has *itself* become a part of “global consciousness,” an aspect of the remarkable proliferation of terms centred upon “global”.’

As I am writing this introduction, these changes are present as my fingers tap on the keyboard on an aluminium-cased MacBook, they are ingrained in the clothes that cover me and in the light bulb that provides me light. The objects and assembled parts that I casually put to use have a history of their own. Most notably: their biography cannot be separated from the range of human activities involved in their making.

The fragmentation of production poses great challenges for any conscientious consumer - and for the companies as well. A central trait of today’s production is that it is dispersed through a global network of anonymous suppliers in developing countries. The ways in which consumers can voice opinion, abandon, or be loyal to certain brands and stores have been greatly altered.² Relating to the processes involved in the things that surround us seem harder than ever. It is evident that consumers’ individual habits, tastes and opinions are locked in an awkward embrace with the procurement practices and sourcing strategies of companies.

Assurances and prescribed solutions are proposed, most notably through Corporate Social Responsibility (CSR) arrangements. Most TNCs and companies with outsourced production have now signed on to codes of conduct of labour practice, and voluntary codes of conduct (CoC) form a key part of TNCs’ CSR strategy. There has also been an emergence of multi-stakeholder initiatives (MSIs), essentially a host of companies and public organisations assembled to address problems pertaining to their supply chains. Although there is recent talk

¹ Robertson states that the term initially occurred in the academic sphere the first part of the 1980s, yet it grew significantly in popularity in the latter half. Recalling 1984, geographer Peter Dicken contends that ‘at that time “globalisation”, as either focus for geographical research or as a popular topic, barely existed’ (2004: 51, cited in Beaverstock, 2008: 120).

² I owe this line of reasoning to A. O. Hirschman’s concept of exit, voice and loyalty (1970).

of a 'watershed' in CSR responses to environmental and social challenges, there is a widespread suspicion that the measures devised under the broad umbrella of CSR do not live up to their promise.

KEY INSIGHTS

Globalised production is relentlessly transforming the face of the global economic ‘map,’ where suppliers in developing countries now produce the bulk of goods consumed in the North. Indeed, it appears that outsourcing of production has become *the* norm (Tsing, 2009; Beck, 2012).³ Two conceptual frameworks have proved particularly helpful as they promote a thinking that explores the manifestations of contemporary global production without being constrained to a national and regional conception:

1) *Global Value Chains* (GVCs) refer to the ‘linkages between producers, workers, and other economic actors, across geographical locations, involved in the full range of activities to bring goods and services through the various stages from design, to production and consumption’ (Posthuma and Nathan, 2010: 25). The GVC-approach has been widely adopted by a range of disciplines to explain globalised production and to inform how to tackle its challenges. However,

2) The *Global Production Network*-approach (GPN) is regarded as a broader framework that seeks to encapsulate more than the linkages stated above. I follow Posthuma and Nathan’s understanding of the GPN as an analytical framework that moves beyond ‘market-based relationships between global buyers, firms in their supply chain, and market intermediaries.’ It advances a perspective where ‘policies and institutions play a pivotal role in harnessing the potential of global production to contribute to broader and sustained economic and social development’ (2010: 4).

These ‘lenses’ are not mutually exclusive, but they differ in emphasis. Both shed light on key features of the contemporary global economy. I wish to make it clear from the outset that this study is not a GVC-analysis. As I rely on a case study of a supplier’s units in Noida, an industrial area near New Delhi - the case study’s character is, as I hope to show, *the* reason for the preference of the GPN framework. I refer to Noida as a *global production network* within the National Capital Region (NCR) of India. I believe that the GVC-approach helps illuminate what GPN is, as I attempt to explain in the theory-section of this thesis.

³ According to these authors, ‘outsourcing’ has extended beyond value chains as such, and arguably ‘permeate all domains’ as these practices are imitated by governments, for example where Northern countries outsource environmental responsibilities to the South (Beck, 2012: 2).

Moreover, this study has a particular emphasis on the current wage arrangements in Noida. Here I find the *Labour geography* perspective an appropriate vantage for this exploration. I argue further that there is a natural relationship between this perspective and GPN, where the GPN can be extended to involve workers' day-to day struggles in the workplace and in their community.

Finally, this study is inspired by the research done on the UK Ethical Trading Initiative.⁴ I explore the CSR practices of Varner Gruppen AS,⁵ a garment company that is an esteemed member of the Norwegian equivalent, ETI Norway. I hope to illustrate how the contemporary CSR paradigm and CSR-mechanisms at play relates to workers *wellbeing* on the ground.

⁴ Please see Stephanie Barrientos and Sally Smith's 2007 article 'Do Workers Benefit from Ethical Trade? Assessing codes of labour practice in global production systems,' in: *Third World Quarterly*, Vol. 28. No. 4: 713-729.

⁵ From here on referred to as Varner.

RESEARCH OBJECTIVES AND QUESTIONS

This thesis interrogates the question of wage arrangements at a bottom-rung producer in Noida that supplies garments to Varner. The entryway for examining the objectives stated below is through a single embedded case study of production units of a first-tier supplier within Noida as a GPN. The research objectives can be formulated as:

Objective 1: To examine what this particular case suggest about the ability of CSR to improve wage-conditions.

As stated, I approach this objective through a GPN framework as this is designed to capture more broadly the range of actors and institutions that are involved. However, I will also engage with contributions from GVC. Hence the second objective seeks to examine:

Objective 2: What the case says about the relevance of these theoretical approaches.

I find an exploration of the latter objective important, as there has been much discussion on what distinguish them, and how to apply them in developing country settings.

RESEARCHER'S POSITION

While the objectives stated are approached through a GPN and a Labour geography perspective, the thesis is written in the spirit of Development Studies School. My understanding of Development Studies is aligned with the European Association of Development Research and Training Institutes' (EADI) definition of Development Studies as a: 'multi- and inter-disciplinary field of study (i.e. not a discipline) that seeks to understand societal, political, technological and cultural aspects of societal change, particularly in developing countries [...] characterized by normative and policy concerns.' It has an outspoken aim to 'contribute to possible solutions to societal problems that development or its absence may produce.' DS is furthermore 'context sensitive,' where it 'examines societal change within a historical, comparative and global perspective' (EADI 2005:10). As Lyla Mehta contends, research on development is inherently normative and it seeks to make a difference (2008).

Julie Guthman argues that methodologies on commodity chains are 'both descriptive and normative. In other words they can be employed to describe (*to explain*), to create transparency (*to reveal*), and to capture value (*to redistribute*)' (Guthman, 2009: 191, my emphasis). Guthman's terms certainly resonates with much research conducted under the Development Studies banner. I take my role as a researcher to first and foremost be concerned with describing and creating transparency. Nevertheless, as the central inquiry of this thesis is wage-issues and how they connect to the wellbeing of workers, their dependants and communities - questions of *distribution* are naturally key concerns in this regard.

OUTLINE OF THESIS

This thesis consist of four chapters:

Chapter 1, *Considerations on Theory and Frameworks*, is divided in three parts, where Part 1 opens with a discussion on the contested term ‘globalisation’ and how to understand contemporary global production. It also includes a literature review and presentation of the GVC and the GPN approaches. Part 2 presents the Labour geography perspective, as well as proving a section on wellbeing in development. Part Three introduces perspectives on CSR standards and Codes of Conduct.

Chapter 2 is the *Methodology* chapter. Here I attempt to link the previous theory chapter with relevant methodological criteria. It provides an explanation on the methodological choices made, what strategies applied and so forth. It also discusses some important challenges in my fieldwork.

Chapter 3, *Presenting the Case*, is also divided into three parts. In the first section I present the Ethical Trading Initiatives, the ETI-N, and Varner as a member. In Part 2 I engage with key issues pertaining to Indian labour in particular. This is meant to act as a ledge for Part 3 – a presentation of the fieldwork itself.

In Chapter 4 I attempt to bring in the various elements gathered into a coherent *discussion* around the issue of wages.

Finally, this discussion will be followed by some concluding remarks and recommendations.

I: CONSIDERATIONS ON THEORY AND FRAMEWORKS

The central claim of this theory chapter is that it is necessary to acknowledge contributions of several disciplines, and the gains of a dynamic interdisciplinarity, if we are to maintain bearing in the contemporary global economy - and to manoeuvre in the unruly terrain of development issues. Hence, the following chapter aims to bring the ‘moorings’ and ‘bollards’ I rely on to the surface. It is a review of literature from schools of thought that I deem relevant to this thesis – where I aim to present their conceptual frameworks and trajectories. In order to address the problems approached in this thesis meaningfully, it is necessary to communicate perspectives, point of departures and contentions in a manner that resists, and confront, evasiveness. Consequently, my employment of terms, concepts and theory both compels and merit traceability and well founded justification. This introduction should be seen as an attempt to approach such an aspiration.

PART ONE: GLOBALISATION AND THE ASCENDANCY OF FIRMS

Let us conceive of something we shall call, for want of a better conventional term, “commodity chains.” What we mean by such chains is the following: take an ultimate consumable item and trace back the set of inputs that culminated in this item – the prior transformations, the raw materials, the transportation mechanisms, the labor input into each of the material processes, the food inputs into the labor. This linked set of processes we call a commodity chain. If the ultimate consumable were, say, clothing, the chain would include the manufacture of the cloth, the yarn, etc., the cultivation of the cotton, as well as the reproduction of labor forces involved in these productive activities.

*Terrence Hopkins and Immanuel Wallerstein, 1977*⁶

As its title suggests, the perspective of this book is global. It aims to describe and to explain the massive shifts which have been occurring in the world’s manufacturing industry and to examine the impact of such large-scale changes on countries and localities across the globe. ... Ultimately, the main thread which binds the various parts of the book together is that of the effects of global industrial change.

*Peter Dicken, 1986*⁷

As alluded to in the citations above, conceptions of globalisation bear great relevance to this thesis. Interpretations and vantages to globalisation and the global political economy greatly influence orientations and disciplines – let alone discourses on development. The last two decades in particular has spurred great developments in the chains- and networks-literature, which I will present more in depth shortly. First, however, I find it necessary to explain my position in the broader debate on globalisation, as this is closely intertwined with my choice of a preferred analytical lens: that of the GPN perspective.

While most scholars agree that commodities crossing frontiers has been a central feature in world trade for several centuries - the emergence of ‘globalisation’ as a concept explaining contemporary processes have been widely contested. As Peter Dicken argues: how to frame and approach globalisation ‘... raises issues of disciplinary identity, interdisciplinarity and postdisciplinarity’ (2004:7). Immanuel Wallerstein’s and the late Terrence Hopkins’ formulations on commodity chains instigated later developments in the chain literature.⁸ These authors are also well known for having instituted the World System paradigm, under which the original commodity chain approach developed.⁹

⁶ From ‘Patterns of development of the modern world-system,’ (1977: 128, cited in Bair, 2009:7).

⁷ From ‘Global Shift: Industrial Change in a Turbulent World,’ (1986: i, cited in Beaverstock, 2008:119).

⁸ See ‘Globalised Chains and Networks: A Clarification if Theoretical Frameworks’ later in this chapter).

Wallerstein, revisiting his writings some thirty years after first launching the concept of commodity chains, maintains that ‘the primary feature’ of commodity chains lies in their crossing of national boundaries (2009). However, Wallerstein’s emphasis on commodities crossing frontiers throughout the ‘entire history’ of the capitalist world-economy¹⁰ leaves him to conclude that ‘... what is called globalization is no way new, if by new one means something that is less than fifty years old’ (2009: 87).

Contrary to Wallerstein’s position, Eric Thun, lecturer in Chinese Business Studies at Oxford, argues that today’s economic structure is unprecedented in the range of opportunities firms now have in order to reorganise and relocate activities. New technology in transport and communications ‘allows firms to divide up a global value chain’ - creating new possibilities and challenges for companies and societies:

International production is not new, but its magnitude and the degree of fragmentation in global value chains is new. To an unprecedented degree, firms are able to break up their value chains and locate each discrete activity according to competitive advantage rather than geographical convenience. (2007: 348)

Peter Dicken has long argued in favour for an analytical approach that acknowledges a fairly recent paradigmatic shift in the contemporary world economy (recall the initial citation to this chapter).¹¹ Dicken challenge arguments made by globalisation ‘sceptics,’ like Hirst and Thomson,¹² yet, he warns of a simplistic either/or debate:

⁹ World Systems theory is known for its ‘long view’ perspective inspired by the french historian Braudel (Bair, 2005). Initially, the paradigm emerged as an upshot from, and a critique of, dependency theory – asserting structural inequality as a distinguishing premise for the development of capitalism (Smith and Mahutga, 2009). As William Robinson remarks, there is also great diversity within the World System paradigm: ‘... Wallerstein’s and the Fernand Braudel Center’s pioneering theoretical system has spawned a huge and constantly expanding literature within the world-system paradigm involving differences and many fruitful debates among leading senior scholars associated with the paradigm, such as the late Giovanni Arrighi, Terry Boswell and Andre Gunder Frank, as well as Christopher Chase-Dunn and Samir Amin’ (2011: 16)

¹⁰ A history spanning from the ‘long sixteenth century’ and continuing forward. The period 1450 -1640 constitute this ‘century,’ yet Wallerstein readily use the device of overlapping periods in his volumes (Wallerstein, 2011: xi).

¹¹ Clearly, he states, ‘globalisation’ is not causal and cannot, in itself, explain contemporary processes, rather it is closer to a ‘...*syndrome* of processes and outcomes [...] manifested unevenly in both time and space.’ It is ‘neither an inevitable, all-pervasive, homogenizing end-state nor is it unidirectional and irreversible’ (Dicken, 2004: 8, emphasis in original).

¹² As Held and Mc Grew writes, the ‘... sceptical position is much more cautious about the revolutionary character of globalization [...]. Whilst generally recognizing that recent decades have witnessed a considerable intensification of international interdependence, the sceptical interpretation disputes its novelty. By comparison with the belle époque of 1890-1914, the intensity of contemporary global interdependence is considerably exaggerated.’ From ‘Globalization’ (n.d.) URL: <http://www.polity.co.uk/global/globalization-oxford.asp> [read 27th April, 2012]. This position resembles the presiding paradigm within economic history. Leading European and American economic historians attest a truly global economic integration to the nineteenth century - demarcating the first ‘wave’ of globalisation (see for instance C. Knick Harley’s ‘Trade, 1870 -1939: from globalisation to fragmentation’ (2004). O’Rourke and Williamson, in their influential article ‘When did globalisation begin?’ (2002), centered the period of the 1820s as the key decennial constituting a definitive shift

Turning specifically to material questions, the first thing we need to do is to break out of the increasingly sterile argument over whether what we are experiencing is either totally new and unprecedented or simply more or less life as we have long known it. This is an argument that often takes on pantomimic dimensions of the ‘oh yes it is’/‘oh no it isn’t’ variety. (2008: 7-8)

At the core of Dicken’s reasoning lies a critique of paradigms that rely solely on quantitative and aggregative empirical evidence ‘based on national states as statistical units’ (2004: 8):

Such data undoubtedly reveal a pre-1914 world in which trade, investment and, especially, population migration flowed in increasingly large volumes between countries. Indeed, it is true that such levels of international trade and investment were not reached again (after the world depression of the 1930s and the Second World War) until the later decades of the twentieth century. [...] But such national level quantitative data do not tell us whether significant changes have been occurring in the world economy. They most certainly have. It is in a *qualitative* (as well as in a quantitative) sense that the material processes of globalization must be analysed.’ (ibid, emphasis in original)¹³

Revolutionary 19th century innovations, both in transport and communication, irrefutably caused tremendous effects of time-/space compression and a sense of ‘annihilation of space’ (Harvey, 1990).¹⁴ Dicken does not seek to refute the relevance of the innovations of this era, yet the significance of a contemporary global shift is accentuated by taking the role of firms as point of departure:

In our interpretation, the ‘internationalisation’ of a firm’s activities refers simply to their geographical dispersal across national boundaries. It is essentially a quantitative process *and one which has an extremely long history*. ‘Globalisation’, on the other hand, is much more than this (and is also much more recent); it is essentially a qualitative process, defined by the *functional integration* of a firm’s international operations and not merely by their geographical extent. (1999:124, my emphasis)

Drawing on Dicken, Robinson directs a similar critique to the World Systems-interpretation of globalisation, claiming it to go amiss in ‘nation-state centrism’ and ‘state structuralism.’ This impedes the theory’s ability to conceptualise the dynamics of globalisation, and the significance of having entered ‘a qualitative new epoch in the ongoing and open-ended evolution of world capitalism.’¹⁵ Sturgeon, in Bair’s volume, writes:

in terms of economic integration (by their parameters equalling globalisation). This integration was interrupted by the World Wars and interwar years. Findlay and O’Rourke recently employed the term ‘re-globalisation’ to the period after the post-WWII-reconstruction (2007).

¹³ Dicken has recently returned to this point: ‘Such national level quantitative data need to be taken seriously. But they are only part of the story. They do not tell us what kinds of *qualitative* changes have been occurring in the global economy. Most important have been the transformations in the *where* and *how* of the material production, distribution, consumption of goods and services (including, in particular, finance)’ (2011:6).

¹⁴ Harvey’s view on globalisation is closely connected to his writing of ‘spatial fix’ (see section three of this chapter), and so contends that: ‘Since there is a long history to these spatial fixes, there is a deep continuity (as I and many others have insisted) in the production of space under capitalist social relations and imperatives. There is, from this perspective, nothing particularly new or surprising about globalization since it has been going on since at least 1492 if not before’ (2001: 25).

Functional integration has come with tighter coordination within an expanding set of multinational firms (Zanfei 2000), but also with the rise of the firms in the West - retailers and branded merchandisers with little or no internal production (Gereffi 1994; Feenstra and Hamilton 2006) and de-verticalizing “manufacturers” that have shed internal capacity - that have come to rely on an emergent set of global and East Asian regional contract manufacturers for production (Borras, Ernst, and Haggard 2000; Sturgeon 2002). (2009: 111)

Anthropologist Anna Tsing argues that it is imperative to analyse supply chain capitalism in order to understand the *human condition* of today.¹⁶ By employing the concept of *figuration*, she argues that leading firms, like Wal-Mart in her example, drive other retailers to emulate (follow a similar model of ‘bigness’) in order not to lose market shares. She draws focus to General Motors as an important historical figure that inspired other companies to emulate:

General Motors inspired big thinking about capitalism in the middle of the twentieth century. Bigness was American manufacturers taking on the world. Bigness was Fordism on the factory floor and the efficiencies of economies of scale. Bigness was unions and management working together for emergent universal standards of capital and labor. Big thinking of this sort inspired political as well as economic visions. The so-called rationalizations of development and modernization in the Third World were all about learning to think big in just this way, to move from the small-scale petty commerce of imagined “tradition” to the large-scale manufacturing behemoths of U.S.-inspired “modernity.” The bigness of production facilities was itself a sign of progress. (2009: 154)

While Wal-Mart might stand as a similar figure today, McDonald’s enjoyed a similar position in the 1990s, setting the transnational standard with an elaborate franchising structure. Distinctive Wal-Mart practises, Tsing asserts, may be categorised as: ‘first, cutting labor costs; and, second, dictating conditions to the suppliers of its products.’¹⁷ Together these have allowed the low prices and high volumes that are the signatures of Wal-Mart sales’ (2009: 156). Korzeniewicz’s case study of Nike’s sourcing practices from the 1970s onwards (1994) could be read through a ‘figuration’-lens as Tsing proposes. Nike’s outsourcing arrangements developed in the 80s and 90s was one that greatly influenced what was later referred to as buyer-driven commodity chains: where ‘large retailers, brand-named marketers, and trading

¹⁵ ‘The biggest challenge facing world-system theory in this regard is accounting for transnational processes unfolding under globalization, particularly the construction of a new global production and financial system that is clearly transnational rather than international in nature. Internationalization is seen as involving the extension of economic activities across national boundaries and is essentially a *quantitative* process which leads to a more extensive geographical pattern of economic activity, whereas transnationalization is *qualitatively* different from internationalization processes, involving not merely the geographical extension of economic activity across national boundaries but also the transnational fragmentation of these activities and their *functional integration*’ (Dicken, 2003; Robinson, 2004a). (2011: 16-17, italics in original)

¹⁶ ‘Supply chain capitalism here refers to commodity chains based on subcontracting, outsourcing, and allied arrangements in which the autonomy of component enterprises is legally established even as the enterprises are disciplined within the chain as a whole’ (2009:148).

¹⁷ As Tsing explains: ‘The retail giant Wal-Mart was the world’s biggest company in 2002 and is possibly the highest-profile supply chain driver today. Wal-Mart’s “low-price, low-wage ascent” has been seen as a “triumph of post-industrial economy” (Belsie 2002, cited in Tsing: 2009: 154).

companies' exercise control through 'various combinations of branding, design, marketing, and sales expertise' relying on a 'decentralized network of supply firms often located in the developing world [...] As any supplier to a large retailer such as Wal-Mart or a brand such as Nike is painfully aware, these customers do not need ownership in order to exert control' (Thun, 2007: 356).

Globalised Chains and Networks: A Clarification of Theoretical Frameworks

In this section I will present the trajectory of two theoretical streams: Global Value Chains and Global Production Networks (GVC and GPN). One crude way to distinguish between them is by their disciplinary orientation. Economic sociologists and development studies scholars primarily developed the GVC-approach, and economic geographers advanced the GPN-framework (Hughes et. al., 2008). As we will see in this review, contributors to the two streams have for some time been engaged in an exchange of thoughts, as well as critique. As the schools has exerted a reciprocal influence on each other, it would be inaccurate to regard them as two completely separate frameworks. It is furthermore broadly acknowledged that they share much common ground (Coe et. al., 2008a; Bair 2009; Sturgeon, 2009; Barrientos et. al., 2011b; Coe, 2011). That is not to say that the two schools do not have distinctive traits, and I attempt to elucidate their particularities by giving both schools some attention in this review.

In 1994, Peter Dicken appraised several approaches that sought to grapple with commodity flows and production:

Although the idea itself is far from new, the notion of a *chain* or *filière* is central to several recent attempts to explain how production is organized. In the economic geography literature, for example, Walker (1988, 380) incorporates the concept of the *filière*—"the connecting filament among technologically related activities"—in his exploration of the geographic organization of production systems. Storper (1992) uses the concept of the *commodity chain* as the basis for his analysis of technology districts in a global context, and the basic notion of the chain (although the term is not used) forms part of Storper and Harrison's (1991) paper on flexibility, hierarchy, and regional development. Within the world systems literature, Hopkins and Wallerstein (1986) employ a specific interpretation of the *commodity chain* to exemplify the historical evolution of a capitalist world economy, while Gereffi and Korzeniewicz (1990) provide one of the very few attempts to apply the concept to a detailed empirical study (of the global footwear industry). The business literature is a third area in which the chain concept has been used. Porter (1985, 1986) uses the term *value chain*; others, such as Johnston and Lawrence (1988), use the more conventional term, *value-added chain*. Clearly, there is no universally agreed upon term for what is essentially the same concept. I prefer the term *production chain*. (1994:103)

Similarly, Smith and Mahutga notes: 'There are parallels between the idea of GCCs and the value chains of Michael Porter (1990) or the production chains of Peter Dicken (1992)'

(2009: 66). Peter Dicken's early writings on production chains laid the later foundation for the Global Production Network as forwarded by the 'Manchester School' in economic geography (Bathelt, 2006; Coe et. al., 2008b; Bair, 2009). In time, the metaphor of *the network* was preferred over *the chain* 'to capture the multi-stranded connections between producers, traders, retailers and consumers' - *production* 'rather than commodity, is adopted in order to prioritize social processes and interaction between agents comprising network dynamics' (Henderson et al., 2002; cited in Hughes et. al. 2008: 348). Jennifer Bair insists that the GPN evolved 'in dialogue with, and as a critique of, the GCC framework, and Gary Gereffi's work in particular (Bair, 2009: 4).

Bair has examined the evolution of the main schools that have relied on the chain metaphor (See appendix). She has divided the trajectories into *commodity chains* as initially developed within the World Systems paradigm, the *Global Commodity Chain*-framework (GCC) and the succeeding *Global Value Chains* (GVC) approach (2009). As readily acknowledged by Bair and others, Gary Gereffi and Miguel Korzeniewicz' volume, 'Commodity chains and global capitalism' (1994), constituted the GCC-approach, one that initially relied on Terrence Hopkins and Immanuel Wallerstein's designation of commodity chains:

A commodity chain has been defined by Hopkins and Wallerstein (1986:159) as "a network of labor and production processes whose end result is a finished commodity." A GCC consists of sets of interorganizational networks clustered around one commodity or product, linking households, enterprises, and states to one another within the world-economy. These networks are situationally specific, socially constructed, and locally integrated, underscoring the social embeddedness of economic organization. As indicated by Hopkins and Wallerstein (chapter 2 in this volume), "the greatest virtue of a commodity chain is its emphasis on process" (50). (Gereffi et. al. 1994:2)¹⁸

Bair writes that the GCC inevitably made a break with this tradition, much caused by a disagreement on temporal emphasis:

Research on commodity chains from a world-systems perspective has focused on the historical reconstruction of industries during the long sixteenth century, whereas scholars identifying with the GCC approach analyse how goods such as cars, clothing and computers are made in today's global economy. This difference in temporal orientation, between the historical approach of the world-systems camp on the one hand and the more contemporary flavor of GCC research on the other, reflects, in part, a disagreement between the two schools regarding the novelty and salience of 'globalization.' (2005: 156)

Gereffi and Korzeniewicz' emphasis on *governance* in the chain; the distinction between *buyer driven*- and *producer driven*-chains (Gereffi, 1994); and the case studies included - inspired many of the publications that followed in its wake. Nevertheless, approaching the

¹⁸ See also Gereffi and Korzeniewicz (1990).

turn of the millennium it became increasingly clear that the GCC-framework needed reappraisal in order to incorporate the significance of technological developments, changes in terms of governance in chain-relations, and to better adjust to complexity in chain analysis altogether (Gereffi et. al. 2001; Gereffi, 2005; Sturgeon et. al. 2008; Sturgeon, 2009).¹⁹

As a consequence, the framework of *Global Value Chains* arose from the efforts of a range of disciplines. One important event was the ‘Spreading the Gains from Globalisation’-workshop hosted by the Institute of Development Studies in Sussex in 1999,²⁰ which resulted in several contributions in the IDS Bulletin of July 2001 (Gereffi et. al. 2001; Sturgeon 2009). The aim was to establish the GVC as a broad multidisciplinary platform to address *contemporary* challenges in governing chains. Gereffi writes:

The emergence of new forms of value-chain governance is driven by the evolution of organisational capabilities by leading firms in the global economy. This organisational perspective is quite distinct from the neo-classical economics emphasis on pure markets as the key determinant of economic progress, and also the political science emphasis on the role of the state in shaping national competitive advantage. While competitive markets and effective states are clearly important institutional features of successful modern economies, the global value-chains perspective highlights a different dimension frequently ignored by these other approaches: namely, the shifting bases of power exercised by lead firms in global industries and the ways in which the governance structure of these industries shapes the creation of markets as well as national development outcomes. (2001:32)

In this process of renewal, the GVC has increasingly incorporated contributions from business literature, where the writings of Michael Porter have been influential for a strand of scholars. As commented by Coe et. al: ‘The GVC is a direct link with Porter’s (1986) value-added chain which, in turn, derived from an old-established concept in industrial economics’ (2008b: 272).

Eric Thun argues that it is ‘... useful to consider global value chains along two dimensions: *governance* (how to co-ordinate activities); and *location* (where to locate each activity).

¹⁹ See for instance Gereffi’s assessment on the influence of Internet on buyer- and producer-driven chains (2001). Timothy Sturgeon concludes that ‘... the buyer- and producer-driven GCC typology was based on a static, empirically situated view of technology and barriers to entry, but both are dynamic because of technological change and firm- and industry-level learning...’ (2009: 117). Nevertheless, the categorisation may still be appropriate in terms of general drivers of GVCs (Gibbon et. al., 2008; Coe, 2012a).

²⁰ An important text in this regard is Raphael Kaplinsky’s ‘Spreading the Gains from Globalisation: What Can Be Learned From Value Chain Analysis,’ (2000). Development Studies scholars working on value chains have also been concerned to move beyond single case chain study to a comparative analysis. As Talbot notes in his review of comparative case examples: ‘The conclusions may be idiosyncratic, based on the peculiarity of one case, with little general applicability. That is why we need to move to comparative analyses of commodity chains’ (2009: 105).

Although the two dimensions are closely linked, there are distinct scholarly literatures focused on each' (2007: 354, my emphasis). Anne Tallontire have in her examination of Private Standards Initiatives in the agri-food sector argued for two dimensions of governance: *vertical governance*, that concerns the relations along the value chain, and; *horizontal governance*, which includes the stakeholders in the supplier country.

GPN is an unmistakable geographical approach that offers a more comprehensive *horizontal* analytical device (as compared to the GVCs *vertical* accentuation). It emphasises the institutions and communities that are related (though not necessarily a part of the chain itself) through the concept of the network. Hence, GPNs presents an explicitly *geographical*, and *relational* approach that insists on the significance of spatial interrelations:²¹

While influenced by notions of global commodity chains (GCCs) and global value chains (GVCs) developed by economic sociologists and development studies scholars [...] these geographical approaches explicitly address the spatiality and *embeddedness* of transnational trading connections. (Hughes et. al., 2008: 347, my emphasis)²²

Coe, Dicken and Hess write that the 'The GPN approach is a broad relational framework, which attempts to go beyond the very valuable but, in practice, more restricted, global commodity chain (GCC) and global value chain (GVC) formulations.' Furthermore, GPN distinguish itself by two main practices: First, GCCs/GVCs are essentially linear structures,

²¹ See appendix for a helpful 'heuristic framework-illustration' of GPN-approach. A range of contributions to the GPN and globalisation theory emphasise a core understanding of *relational* aspects in order to grasp the processes that manifest in space: 'The critical point about networks is that they involve relational thinking. What links people together across time and space? How are things and people connected and embedded economically, politically, and culturally? In what ways do goods and information and capital flow and why are they channeled down particular vertices and nodes? Thinking in terms of networks forces us to theorize socioeconomic processes as inter-twined and mutually constitutive' (Mitchell 2000: 392, cited in Dicken 2004:11).

Held insists that globalisation entails 'the stretching and deepening of social relations and institutions across space and time' (Held, 1995: 20; cited in Amin, 2002: 385). Furthermore: 'Globalisation is a "process which embodies a transformation in the spatial organization of social relations and transactions – assessed in terms of their extensity, intensity, velocity, and impact – generating transcontinental or interregional flows and networks of activity, interaction, and the exercise of power"' (Held et. al., 1999: 16, cited in Amin, 2002: 385).

Ash Amin encourages a relational understanding of space and place, one that is anchored to earlier contributions of prominent geographers: 'For some time now in human geography, notably through the writings of Doreen Massey, David Harvey, and Nigel Thrift, space, place, and time have come to be seen in relational terms, as: co-constituted, folded together, produced through practices, situated, multiple, and mobile. I take this to imply a reading of spatiality in nonlinear, nonscalar terms, a readiness to accept geographies and temporalities as they are produced through practices and relations of different spatial stretch and duration' (2002: 389).

²² These writers also draw attention to positions within cultural geography: 'While studies in anthropology, cultural studies and cultural geography have prioritized the sphere of consumption by focusing on globalizing consumer knowledge and transnational commodity cultures [...] prevailing analytical frameworks for understanding the governance of transnational trading networks in terms of political-economic power and authority in supply chains have tended to marginalize its influence' (2008: 346).

whereas GPNs strive to go beyond such linearity to incorporate all kinds of network configuration. Second, GCCs/GVCs focus narrowly on the governance of inter-firm transactions while GPNs attempt to encompass all relevant sets of actors and relationships' (Coe et. al., 2008b: 272). However, Bair comments that

Specifically, the proponents of the GPN approach argue that the research carried out under the GCC banner has tended to ignore the spatial dimension of such chains. In contrast, the GPN approach seeks to reconcile an appreciation of the multiscale dynamics of globalization with close analysis of specific networks in situ, and specifically the extent to which global networks are also local in the sense that they are embedded in different kinds of social and institutional contexts. [...] Despite the different emphases of the GPN framework and the efforts of its proponents to distinguish their approach from the GCC framework, most research carried out under the banner of the former consists of detailed and empirically rich case studies, and thus does not differ greatly from the analyses of global commodity chains in terms of methodological approach. (Bair, 2009: 4)

Sturgeon, Van Biesebroeck and Gereffi wrote in 2008: 'A value chain can usefully be conceptualized as a subset of more complex and amorphous structures in the spatial economy, such as networks, webs and grids (2008: 302). Gibbon et. al. touched on a related theme the same year, where

The unevenness and theoretical eclecticism of the GVC literature to date, particularly but not only with regard to the understanding of governance, poses the question of whether it is possible to reconcile the different approaches within a unified paradigm. If not, then GVC analysis is better understood as a methodological approach that can be mobilized within various theoretical perspectives. (2008: 315)

Indeed, a recent turn in much scholarly literature, has been to connect the streams of GVCs and GPNs. In a 2011 appraisal of the GPN framework, Coe points to a series of distinctive features shared by the GPN and the GCC/GVC approaches. For instance: the emphasis on *embeddedness*;²³ *power* and *value* dimensions. Nevertheless, geographers are concerned of (mis-)appropriations of geographical concepts when applied by other disciplines, and a lack of acknowledgement of their origins (Dicken, 2004).²⁴

²³ Bair writes: 'The research agenda proceeding from Granovetter's intervention has since been pursued by many authors seeking to demonstrate how socio-structural contexts shape economic activity [...]. Thus, although one could read Granovetter as suggesting that *all* economic activity and *every* form of economic organization is embedded in a social context – in which case, embeddedness is a process that bears on hierarchies and markets as much as on hybrid forms – sociological work proceeding from Granovetter's challenge to economics has focused primarily on the inter-firm network as uniquely "social" organizational form.' (2009: 23)

²⁴ The GCC/GVC/GPN has altogether been criticized from a Marxist position for being 'inherently empiricist and overly concerned with meso- and micro levels of inquiry' (Coe, 2012a: 394). A critique from a more institutionalist stance of economic geography has targeted '...the network ontology underpinning GPN' as poor in explaining causality: 'this view of networks means that it often includes just about everything and lacks analytical boundaries and clarity' (Sunley, 2008: 8; cited in Coe, 2012a: 390). Coe continues: 'More generally, [Sunley] asserts that relational economic geography is weak on causal explanation and that it is hard to validate empirical findings.' Sunley suggests a turn to institutional and evolutionary approaches to remedy this (ibid).

Brief Summary

While the GVC and GPN are not mutually exclusive approaches, it is important to recognise that they differ in emphasis. The GPN stresses the ‘more fluid networks of power that exist between different actors, the geographical embeddedness of GPNs and the ‘strategic coupling’ that occurs between firms and regions’ (Cumbers et. al., 2008: 371). Seen in this light, I assess the GPN-framework as being more comprehensive. Aligned with Posthuma and Nathan’s assessment of the GPN framework, I argue that GPN has an advantage to capture the ‘*distinct institutional, political and social settings* of the different locations in which these productive relationships are embedded. [...] This framework has the advantage of enlarging the scope of analysis beyond the production chain itself’ (2010: 4, my emphasis).

PART TWO: LABOUR AND WELLBEING

A Labour Geography Perspective

Coe and Hess have earlier argued that both the chain and GPN literatures has had an overly fixation with ‘firm strategies and upgrading potential,’ where the role of the workers were ‘barely mentioned.’ Labour were ‘largely written out of the script (cited in Cumbers et. al., 2008: 370). A similar critique can be directed to the DS school as well - of a negligence of the centrality of labour pertaining to the issues this school is engaged with.²⁵ However, a growing body of work by labour geography scholars now draws attention to the importance of labour agency in GPNs. Drawing on Herod, Padmanbhan explains that labour geography ‘focuses principally on the activities of working class people and an attempt to understand the geography of capitalism from their perspective’ (2011: 974). He furthermore underlines that within such a perspective, workers are

not just historical agents but are also geographical ones; their lives are spatially embedded in the landscapes in which they live, that this spatial embeddedness may be enabling and/or constraining their social praxis and that thus workers will try to shape in particular ways the geographical structures and relationships within which they live. (ibid)

Labour geography reinforces an emphasis of the local in global processes (Padmanbhan, 2011) and the interconnectedness of labour and community (ibid; Wills, 2009; Lier, 2012; Coe, 2012b). Labour geographers are furthermore ‘increasingly concerned with the relationship between trade unions and other actors in civil society’ (Lier, 2012: 2). This rising stream of labour-centred literature come as a response to the fragmentation of value chains, the prevalence of outsourcing-mechanisms, and subcontracted work:

Fragmentation refers to all barriers that keep workers from constructing solidarity and shared identity. In some instances, fragmentation occurs across space, i.e. through the atomisation of workplaces (Rhee and Zabin 2009), or through outsourcing parts of a workforce. Simultaneously, fragmentation occurs in time, through shift work, irregular working hours and fixed-term contracts. Moreover, workers in the same workplace are fragmented in a contractual sense and exist across a continuum from formal, full-time employment to acute precariousness. In sum, the social spaces in which workers interact, forge ties of solidarity and recruit new union members are circumscribed and dispersed. (Lier, 2012: 3)

A key concept pertaining to the concerns of labour geographers, and one that usefully explain the shift of production to low-wage countries, is David Harvey’s ‘spatial fix.’ Essentially, the concept of ‘spatial fix’ entails ‘a matchmaking exercise in space and in time – investments,

²⁵ As Pahle contends: ‘Development studies as a field is, in my view, strangely deficient in research pertaining to global governance and labour. The ‘missing link’ with labour is particularly striking. That the plight and position of labour has become something of a non-subject in a field so utterly devoted to the wellbeing and rights of people, suggests a measure of forgetfulness about the roots of social sciences’ (2011:5).

inputs, labour and markets' (Pahle, 2011: 11). Capitalism has to 'fix' space in 'immovable structures of transport, communication nets, and in built environments like 'factories, roads, houses, water supply and other physical infrastructure' – to 'overcome space in terms of enhanced mobility through low transport and communication costs' (Harvey, 2001: 25). This is one of the core contradictions of capital, as capital has to build a: 'fixed space [...] for its own functioning [...] only to have to destroy that space [...] in order to make way for a new "spatial fix" (openings for fresh accumulation in new spaces and territories) at a later point in its history.' Hence, Harvey continues, capitalism cannot survive 'without being geographically expansionary' (ibid). It is ever in search of new opportunities in uneven geographical space to allow accumulation to proceed (Harvey, 1982; 2001; Herod, 1997). As Pahle notes

this bringing together is fraught with contradictions: While capital would want to be as mobile as possible (for instance to escape places where trade unions are unduly assertive), it may have considerable sunk cost in that very location of production; or it may need to remain in that location if it is to retain access to adjacent domestic consumer markets. Spatial fixes are about the way in which capital attempts to resolve such contradictions. (ibid)

Cumbers et. al. write that the control over labour is at the crux of capital's restructuring logic:

Whether through the imposition of a new technical or spatial fix (Harvey, 1982), capital is viewed as responding to the problem of labour control. In concrete terms, the changing geographies of production and refashioning of spatial divisions of labour by MNCs reflect this reality. Through increasingly dense and complex webs of subcontracting, multinational companies can play off workers in one place against those in another, but ultimately always come up against problems of labour agency and resistance within the production process in the process of extracting value. (2008: 372)

Herod has criticized Harvey and other Marxist-inspired geographers for tending to underemphasize the role of labour in their analysis of capital. In the 'matchmaking' between labour and capital, workers will strive for a geography 'appropriate to their own condition and needs at particular times in particular locations.' Thus, 'In addition to theorizing how capital attempts to create its spatial fix in its own image, we should also think of how workers attempt to create in their own image what we might call "labour's spatial fix"' (1997: 17). As he points out further:

The production of space in particular ways is not only important for capital's ability to survive by enabling accumulation and the reproduction of capitalism itself, but it is also crucial for workers' abilities to survive and reproduce themselves. Just as capital does not exist in an *aspatial* world, neither does labor. The process of labor's self-reproduction (both biological and social) [...] must take place in particular geographical locations. Given this fact, it becomes clear that workers are likely to want to shape the economic landscape in ways that facilitate this self-reproduction. (Herod, 2001: 6, cited in Castree, 2007: 855, my emphasis)

Hence, Herod calls for a *Labour Geography* (rather than a *Geography of Labour*)²⁶ - a framework and theory building that captures the diversity of workers and the disregarded dimensions of their indispensable role in global production.

Social Upgrading and Wellbeing

Scholars connected to the ‘Capturing the Gains’-initiative have attempted a combination of GCC/GVC and GPN.²⁷ These scholars observed that the *relationship* between social and economic upgrading has been insufficiently explored. They question assumptions of a causal link where social upgrading automatically follows economic upgrading: ‘The empirical evidence suggests that *economic upgrading can, but does not automatically or inevitably, lead to social upgrading*’ (Barrientos et. al. 2011a: 301, emphasis in original).²⁸

These insights are indubitably notable, particularly from a GVC perspective. Though the term social upgrading is arguably only meaningful in relation to its object of comparison: economic upgrading. It is for instance hard to establish from my fieldwork whether the case supplier involved were experiencing economic up- or downgrading (where I was looking at only one buyer and not the most influential one at that). I do not explore economic upgrading (or downgrading) in my case geography and cannot establish such a comparative foundation (nor do I attempt to analyse the governance of the value chain i.e. how ‘value-added’ spreads throughout the value chain). As stated: I am more concerned with the horizontal aspects of the GPN in question. Hence, rather than applying the term social upgrading, I resort to focus on workers’ ‘wellbeing.’

²⁶ Herod has argued for ‘a move from the writing of geographical studies which incorporate working class people in descriptive, capital-oriented taxonomic terms of their wage rates and the like (what I have termed a *Geography of Labor*) and towards a more serious consideration of how they *actively produce economic spaces and scales* in particular ways (both directly and indirectly, consciously and unconsciously) as part of their own spatial fixes and thus of how working class people’s spatial practices shape the location of economic activity and the economic geography of capitalism (what I have termed a *Labor Geography*)’ (1997: 24-25).

²⁷ Capturing the Gains. URL: <http://www.capturingthegains.org> [Accessed 23rd November, 2012].

²⁸ In GVC terminology, economic upgrading pertains to the ‘the process whereby firms improve their position in terms of value added and productive capacities within value chains’ (Barrientos et. al., 2011a: 301). The concept of social upgrading focuses on processes ‘which enhance the quality of employment for workers, such as improved working conditions, skills acquisition, or higher earnings.’ It entails an enhancement of workers’ rights - ‘particularly for more vulnerable categories of workers’ (Posthuma and Nathan 2010: 5). It is *social* in the sense that such improvements are likely to have positive effects on the wellbeing of workers’ dependants, their community and their entitlements as social actors in general (ibid; Barrientos et. al. 2011b). Social upgrading furthermore entails improvements in living standards, which includes ‘improvements in the wages, conditions, rights, gender equality and economic security of workers in GPNs (Millberg and Winkler, 2011: 342). The term includes ‘improvement in the terms, conditions and remuneration of employment and respect for workers’ rights, as embodied in the concept of decent work’ (Barrientos et. al. 2011a: 301). Hence, the concept of social upgrading has much in common with the ILO definition of decent work (Posthuman and Nathan, 2010; Barrientos, Mayer, Pickles and Posthuma, 2011a).

However, by directing attention to wellbeing, Amartya Sen's influential writings warrant some consideration. In Sen's work, wellbeing is closely connected to his capability approach.²⁹ As he wrote in 1993:

The functionings relevant for well-being varies from such elementary ones as escaping morbidity and mortality, being adequately nourished, having mobility, etc., to complex ones such as being happy, achieving self-respect, taking part in the life of the community, appearing in public without shame [...]. The claim is that the functionings make up a person's being, and the evaluation of a person's well-being has to take the form of an assessment of these constitutive elements. (36-37)

Sen's writings have been widely debated within the Development Studies School and elsewhere. Moreover, as acknowledged within the DS-school in particular, the very term *development* has a tendency to defy definitions (Cowen and Shenton, 1996; Shanmugaratnam, 2001). However, Sen goes a long way in providing one - most notably in his book *Development as Freedom* (2000).²⁹ While his focus in earlier texts has urged the expansion of *capabilities*, he has later furthered the concepts of functionings and capabilities into the idea of freedoms:

It is mainly an attempt to see development as a process of expanding the real freedoms that people enjoy. In this approach, expansion of freedom is viewed as both (1) the *primary end* and (2) the *principal means* of development. They can be called respectively the "constitutive role" and the "instrumental role" of freedom in development. (2000: 36)

Freedoms, as Sen explains, go beyond the traditional perception of being an end-goal. It is the very path of development as such – providing both the *means* and *ends* towards a wholesome development. His conceptual framework divides freedom into two core subgroups – where you have *constitutive freedom*,

The constitutive role of freedom relates to the importance of substantive freedom in enriching human life. The substantive freedoms include elementary capabilities like being able to avoid such deprivations as starvation, under-nourishment, escapable morbidity and premature mortality, as well as freedoms that are associated with being literate and numerate, enjoying political participation and uncensored speech and so on. (ibid)

²⁹ Another reason for exploring Sen's concepts of development connects to his position as a leading voice in these matters – where his influence as a scholar extends well beyond the academic realm. A speaking example of this was when he addressed the Symposium on Poverty and Development in Oslo, 4th of March, 2002, arranged by the Royal Norwegian Ministry of Foreign Affairs. Sen was invited by the then Minister of International Development, Hilde Frafjord Johnson, in the event of the launch of the *Action Plan 2015 for Poverty Eradication*. Here, Sen used this opportunity to present his conceptual framework, suggesting how this could be used more practically in reducing poverty (Sen, 2002). Sen claims that this way of seeing development has several advantages to a conventional, narrow understanding on development with an over-emphasis on economic growth (expressed, by some, through a "fierce" attitude that Sen finds problematic (2000: 35)). Martha Nussbaum adds that Sen's writings has been important to challenge purely econometric measures of development, where 'the most prevalent approach to measuring quality of life in a nation used to be simply to ask about GNP per capita' (2000: 223).

and *instrumental freedom*:

The instrumental role of freedom concerns the way different kinds of rights, opportunities and entitlements contribute to the expansion of human freedom in general, and thus to promoting development. (37)

For Sen, a freedom-centred approach to development opens up for a generative nature of development, as he expressed in his address in Oslo:

First, poverty cannot be judged adequately in terms of low incomes only, and has to be seen as unfreedoms of various kinds, which require removal. Second, the world in which we live is thoroughly interdependent, and unfreedoms of different kinds feed each other. *Third, the positive side of the interdependencies is that the different freedoms also feed each other, so that enhancement of one type of freedom tends typically to contribute to other types of freedoms* (2002: 5, my emphasis)

In Sen's address, he emphasised sustainable development, human rights, poverty issues, the importance of education (especially for women) and the problems of market entry (2002).

However, while Sen recognises the interdependency between the political arena and freedom, there have been raised concerns whether Sen's framework provides a legitimizing effect on neoliberal policy (Shanmugaratnam, 2001). Sen's acknowledgement of the poor's constraints to enter markets is interesting in this regard: 'Entry is hard to achieve when the persons have no assets other than their own labour power, no access to credit, and no capital which can serve as collateral for borrowing' (Sen, 2002: 5).³⁰

Peet and Hartwick commend Sen's inclusion of individuals having control of their own lives to create their own livelihood-opportunities, participation and so forth. However, they are sceptical toward how these can be implemented. Sen's framework, as they see it, do not follow up the good intentions with 'a political economics of societal transformation' (2009: 3). Shanmugaratnam points out that within a Marxist understanding of development, *intentional* development (as explained by Cowen and Shenton, 1996) is subordinated to the *immanent* nature of development 'i.e. to the inherent (internal) dynamic that drives the expansion of capital through class conflict and competitive profit-seeking' (2001: 272). As such, Sen's approach inadequately deals with the constraints of capability expansions within a neoliberal paradigm (2001).

³⁰ Although this is close to a Marxist discourse, Sen has a strong leaning to a Smithian liberal belief in an essential benign market economy – given proper political institutions and a strong civil society.

Marta Nussbaum, who has worked closely with Sen, argues that ‘The basic intuition from which the capability approach begins’ is ‘in the political arena [...] human abilities exert a moral claim that they should be developed’ (2000: 233). She does, however, make an interesting remark that I think is key to approach any meaningful notion of wellbeing:

Notice that the [capability] approach makes each person a bearer of value, and an end. Marx, like his bourgeois forebears, holds that it is profoundly wrong to subordinate the ends of some individuals to those of others. *That is at the core of what exploitation is, to treat a person as a mere object for the use of others.* What this approach is after is a society in which individuals are treated as each worthy of regard, and in which each has been put in a position to live really humanly (2000: 231, my emphasis).³¹

By signing up to Nussbaum’s line of reasoning here, I will add (following Herod, 1997) that in connection to workers wellbeing in Global Production Networks, it is essential to see that workers in Global Production Networks consist of a diverse category of active agents - indeed *social sentient beings* - and not a mere end subjected to others’ interests.

³¹ On another note I argue that the capability approach stresses important aspects worthy of consideration for an expanded view on labour relations: For instance the relationship between labour, secularisation and religious tolerance. As Nussbaum states: ‘people have a right to religious freedom just in virtue of being human, even if the state they live in has not guaranteed them this freedom’ (2000: 238). The obvious culprits that spring to mind here are socialist inspired nations’ (like contemporary China and the former USSR) grave intolerance for contemplative traditions. There’s a common secular assumption that labour agency and religious beliefs are in an antagonistic relation and furthermore that there is a need for a secular workforce (in this regard Marx have to take some of the blame. Karl Polanyi recognized the role of faith, broadly defined, in the rise of social movements in the UK in the nineteenth century). Certainly, the role of religion and labour in India remain an immensely complex and controversial issue, where religion plays an important, albeit problematic, role in defining caste-hierarchies (Narayana, R., 2012). B. R. Ambedkar’s conversion to Buddhism in 1956 perhaps best personified the dalit opposition in this regard (Chatterjee, 2005; Ilaiah, 2005). Personally, I find Ashis Nandy’s concepts of ‘religion-as-ideology’ and ‘religion-as-faith’ (Nandy, 1998) a useful device to distinguish between desirable and undesirable aspects of religion and social action. See also Bose’s application of these terms (1998) with reference to the nationalist Hindutva movement.

PART THREE: THE POLITICAL ECONOMY OF CSR

CSR is no longer the individual company's domain; increasingly, it encompasses the entire supply chain. In other words, multinational companies are not only expected to behave socially responsibly within their own juridical walls. They are also held responsible for environmental and labour practices of their global trading partners such as suppliers, third party logistics providers, and intermediaries over which they have no ownership. (Andersen and Skjøtt-Larsen, 2009: 77)

In the previous section, I tried to lay the foundation for approaching the rationale of the contemporary CSR-paradigm. It is evident that this cannot be seen in seclusion of the globalisation processes discussed, nor is it by any means omitted from the GVC or GPN literature. A forthright definition of Political economy (PE) is that it can be understood as: 'The study of the relationship between economic and political processes' (Gregory et. al., 2009: 547). An even more specific definition includes that PE are engaged with issues of wealth and power. A political economy view on CSR, therefore, seeks to scrutinize the role of CSR in relation to these aspects.

Academic Perspectives on Codes

When the *Washington Post* published an article in 1992 on the production of Levi's jeans by Chinese prison labor in Saipan, Levi Strauss responded by adopting a code of conduct for all its overseas suppliers (Shaw and Hale, 2002, 103). (Hensman, 2011: 292)

Increased focus on CSR has emerged in tandem with economic liberalisation and increased integration in global production. It is also a paradigm that has been influenced by the calls of the 1992 Earth Summit in Rio de Janeiro. The summit underlined the importance of engaging non-state, like 'business and civil society organisations, to engage with the challenges of sustainable development' (Bendell et. al., 2012: 264).³² Nevertheless, TNCs have the last two decades met with accusations of failing to respond to sustainability concerns. Furthermore, the disclosure of unacceptable working conditions in companies' value chains infused a number of campaigns after the Rio summit. Largely as a response to this criticism, a substantial share of the TNCs and companies with outsourced production have now employed CSR officers as a part of their managing team, seeking to strengthen their environmental and labour practice.

The founding rationality of the contemporary CSR paradigm can be traced to early managerial literature, where a thinking and governance through *standards* has been extrapolated to a wide array of areas in society. Standards are generally created and negotiated as a way to provide a common language and secure efficient means of communication (Ponte et. al., 2011).³³ CSR has operated with a host of different names over the last decades: 'sustainable development,' 'corporate citizenship,' 'sustainable entrepreneurship,' 'the triple bottom line,' and 'business ethics' have been used more or less synonymously with CSR in various forms of literature (Marrewijk, cited in Andersen and Skjøtt-Larsen, 2009: 77).

Social responsibility in business has a long history. Andrew Carnegie and John D. Rockefeller propagated corporate philanthropy in the 19th century (Richey and Ponte, 2011). The focus on business as a social actor expanded in the last half century, and particularly so in latter decades: 'In the 1980s, philanthropic and social-responsibility activities started to be placed

³² As the Brundtland report (World Commission on Environment and Development) in 1987 famously exerted: 'Sustainable development is development that meets the needs of the present without comprising the ability of future generations to meet their own needs' (Cited in Bendell et. al., 2012: 264).

³³ I follow Ponte et. al., where *governance* is taken to mean '...the shaping of the conduct of others through network forms of organization involving a wide range of non-state actors but also government, mainly through exchange and negotiation rather than through traditional state-led regulation' (2011: 1).

within companies' overall strategic plans' (ibid: 126).³⁴ The CSR paradigm with its multiple facets (including everything from charitable efforts, cause-related marketing as well as codes of conducts) compels a careful analysis of what the different modes of CSR-strategies are addressing. Business Leaders Initiative for Human Rights' (BLIHR) schema distinguish clearly between three important facets:

The behaviour of companies must be assessed along three categories: The *essential*, the *expected* and the *desirable* [...]. It is meaningless for a company to engage in desirable deliveries, if the essential deliveries are not in place [...] (Pahle, 2007: 14)

Charitable efforts fall under the category 'desirable deliveries': 'They are nice in isolation, but they may also obscure responsible core business practices' (2007: 14).³⁵ It is the essential deliveries that CoCs are devised to address, and, needless to say, it is the essential deliveries that are of interest in this thesis.

Civil Regulation

Codes of conduct emerged in the 1990s as a response to intensified confrontation by NGO campaigns. NGOs started to expand their focal point to business practices overseas, often with an effective focus on 'high profile issues' like child labour (Richey and Ponte, 2011, Hensman, 2011). CoCs were created to provide a baseline of human rights, labour standards, and environmental protection 'below which companies could not fall' (Richey and Ponte, 2011: 126).

'NGOs' are of course a broad category, and they may vary greatly in terms of ideology and strategies applied to change the behaviour of corporations (Bendell, 2000).³⁶ Bendell argues, however, that one can derive two types of NGO strategies: 'On the one hand there are confrontational approaches to corporations – the 'stick' approach – and on the other hand, there are collaborative approaches – the 'carrot' approach' (2000: 242). Confrontational

³⁴ Corporate philanthropy is by no means a thing of the past, and evidence suggest that it is on a revival as it may promote company image, even though issues in their supply chain remains unaddressed. Moreover, Ponte et. al. (2011:1) argues that the boundaries between CSR, corporate philanthropy and cause-related marketing has become so blurred, that they propose that CSR should be seen as the overarching category in which to discuss corporate ethical responses. Here, 'CSR' stands as an 'umbrella-category' for the range of social business practices, like codes of conducts, cause-related marketing, corporate philanthropy and so on.'

³⁵ 'The social responsibility of companies is, first and foremost, to ensure that their *own corporate machineries* do not exploit the poor and the oppressed; harm local communities and environment; or cripple the political or social fabric of society. Once such concerns have been placed firmly on the company's own agenda, it may proceed to engage in desirable deliveries such as funding of humanitarian interventions (Pahle, 2007: 14, emphasis in original).

³⁶ As Bendell also points out, it is a significant issue how NGOs attain founding i.e. in which way they are related to the economic market.

strategies can be corporate boycotts and direct action protests, and stands in contrast to *producer* politics of lockouts and strikes. The ‘carrot’ approach is more incremental in nature, and involves a dialogue with corporations.

Jem Bendell has argued for what he coins *civil regulation*. It is described as ‘pressures exerted by processes in civil society to persuade, or even compel, organizations to act differently in relation to social and environmental concerns’ (2000: 241). Legal regulation (as we have known it: traditional governmental regulation) has declined. Simultaneously, we have seen a growth of various types of self-regulation measures flawed with contradictions. As both of these forms of regulations have failed to respond to the problems that economic globalisation impose on civil society - civil regulation comprise ‘a valid depiction of modern business-NGO relations’ (2000: 248). Essentially, it draws its potential efficacy through consumer politics. In a more recent publication he elucidates the role of civil society among the other forms of regulations:

The term “civil” refers to civil society, and the importance of civil society being part of a regulatory process, rather than businesses simply regulating themselves, as “self-regulation” suggests, or by governments through state regulations (Bendell, 2001). Civil regulation is a form of “private regulation”, a term that covers all forms of rule making by non-state actors. Private regulation describes how private actors play a key role – at stages before implementation or compliance – in a “regulatory process” (Abbot and Snidal, 2009) or “governance sequence” (Büthe, 2010), involving agenda setting, rule making, implementation, monitoring, adjudication, and enforcement. (Bendell et. al., 2012: 268)

Civil regulation has evolved through both confrontational consumer politics (where NGOs have played a key part) as well as cooperative tools of consumer politics, like business-NGO partnerships. The prevailing mode of Multi-Stakeholder Initiatives (MSIs) is to ground legitimacy on ‘their capacity to ensure the balanced representation and participation of “all categories of stakeholders” within participatory and inclusive processes by means of dialogue and a desire for consensus’ (Cheyns, 2011: 210). For instance, the Ethical Trading Initiatives attempt to build ‘a lasting and professionalized collaboration so as to ensure that all imports of the business members are produced in accordance with a base code comprising core social and environmental standards’ (Pahle, 2008: 29).

Non-statutory standards and CSR

As Anne Tallontire states, the emergence of standards must be seen in connection to a retraction of state intervention:

Partly as a response to the retreat of the state from direct supervision in many supplying countries, retailers and manufacturers increasingly adopt global sourcing strategies in which standards are an important tool for co-ordinating flows of goods from suppliers scattered around the world, and also for managing risk. (2007: 776)

Tallontire draws attention to the issues of *voluntary* and *mandatory* approaches to regulation on the relationship between companies and societies, where she prefers the use of *private standards* ‘to cover all standards set outside the public sector’ (not ‘mandatory standards [...] those set by government in the form of regulation’) (ibid: 777). Business scholars have often emphasised the ‘voluntary’ aspects of CSR. Andersen and Skjøtt-Larsen write that, broadly speaking, there are two main characteristics of the CSR construct: ‘Firstly, it describes the relationship between *business and the larger society*. Secondly, it refers to a company's *voluntary activities* in the area of environmental and social issues’ (2009: 77, emphasis in original).³⁷

Tallontire furthermore distinguishes between two types of what she calls private standards: Private *company* standards that is ‘set and monitored by an individual firm,’ and Private *collective* standards, which ‘tend to be developed through a process of consensus.’ Ethical Trading Initiatives as a collective endeavour can be categorised under the ‘broad rubric of *private* standards initiatives to distinguish them clearly from mandatory standards’ (2007: 776-777). However, as Bendell et. al. comment, the term ‘private regulation’ can be challenged as the role of International Government Organisations (IGOs) are involved in setting standards adopted in ‘private regulatory systems’ (as well as state institutions may have certain enforcement roles under these systems). Therefore, ‘an accurate way of describing the full universe of these standards is that they are “non-statutory” as they are not required by law, and in this paper we refer to them simply as “CSR standards”’ (ibid: 268). As is further explained:

Whereas national regulations provide a baseline below which performance should not fall, CSR standards are less static, aspirational, evolving, and point towards the types of enterprise needed for a more just and sustainable world (Bendell, 2004). CSR standards also present ways for citizens and organizations to act on their concerns about practices in other countries, without falling foul of international trade law. (2011: 268; 270)

CSR standards, then, has not evolved as a process required by law (hence the use of the term ‘non-statutory’), but they have nevertheless ‘spread across industries and countries, addressing social and environmental issues.’ Under the recent regime of CSR-standards and

³⁷ However, as Bendell et. al. point out: ‘The term “voluntary standards” is often used in both academic and practitioner literature to describe CSR standards. The accuracy of the term “voluntary” has been questioned as for many enterprises the standards are mandatory, as they are required in contracts and thus enforceable by courts’ (2011: 268).

collaborative governance certain strands of literature has tended to neglect issues of power differentials and accountability, and a ‘vague hope that conflicts can be overcome by collaboration frames the research questions and analysis’:

This also suggests that as public policies for mainstreaming CSR standards grows, a critical discourse analysis of the evolution of the paradigm of policy making will be helpful, to reflect on how the agenda is defined, in whose interest, what is included or excluded, and how we can learn from that. (ibid: 284)

In this study I follow Bendell et. al.’s reasoning where CSR-standards do not have to be strictly private, where public-private collaborations can be involved in formulation processes of CSR. A common denominator is that they are non-statutory. Simultaneously, I find Tallontire’s use of private *company* standards and private *collective* standards helpful as it clearly distinguishes between a single company’s CSR endeavour and a collaborative category (which the ETIs clearly falls under). The ETI-N, as such, can be seen as a private *collective* standards initiative. Yet, private in this sense does not exclude the involvement of governmental bodies. Several of ETI-N’s members are in fact public bodies who, just as companies, are concerned with CSR in their supply chains.

II: METHODOLOGY

Pierre Bourdieu, who was skilled in both ethnographic methods and statistical analysis, insisted: ‘I have never accepted the separation between the theoretical construction of the object of research and the set of practical procedures without which there can be no real knowledge (cited in Mehta, 2008: 239).³⁸ Hence, a complete separation between theory and methodology is bound to be artificial. I approach the stated research objectives by relying on Labour geography and the GPN framework as these are designed to capture more broadly the range of actors and institutions that are involved. My approach dovetails Padmanabhan’s application of Labour geography as a lens suited to ‘appreciate the emergent forms of control, conflict, and response’ with an analytical, rather than statistical goal’ (2011: 976). In this chapter, I will elaborate on my methodological choices as they evolved through the fieldwork process: an inductive qualitative strategy with the application of a grounded case study, yet with quantitative techniques to supplement it.

³⁸ Mehta comments further that for Bourdieu ‘... even the most minute empirical observation involved theoretical choices and the most abstract theoretical puzzle could not be clarified without an engagement with empirical realities’ (2008: 239).

Research Criteria and Considerations

‘Importantly’, write Brockinton and Sullivan, ‘we need to choose the types of methods that are appropriate for collecting data on the research question we might be interested in and to know how to combine different types of data into powerful and relevant analyses (2003: 72). There are a number of approaches that seek to enforce criteria that are more in harmony with a qualitative strategy than the traditionally quantitative terminology of ‘validity,’ ‘reliability,’ and ‘replicability.’ Perhaps the most well known qualitative alternative is that of Guba and Lincoln’s *trustworthiness* (credibility; transferability; dependability and confirmability) (Bryman, 2012: 391), although a range of other contributions have been offered to promote rigorous qualitative research.³⁹

In my research, however, I find Yardley’s four criteria the most compelling. The first criterion, *sensitivity to context*, pertains not only to the social setting as such ‘but also to potentially relevant theoretical positions and ethical issues’ (Bryman, 2012: 393). It concerns ‘the depth to which the researcher has delved into the theoretical, conceptual, empirical, and ethical dimensions of his or her case’ (Cavanagh, 2012: 97). This criterion entails the ‘grounding’ of the researcher’s application of theory, in other words how well the researcher know and demonstrate his theoretical choices and leanings throughout the study (Yardley, 2000). Second, *commitment and rigour* are criteria that interrogate the researcher’s engagement with the subject matter, if the researcher have the necessary skills required, and to what degree the researcher have made a ‘thorough data collection and analysis’ (Bryman, 2012: 393). Yardley writes that it entails

the completeness of the interpretation, which should ideally address all the variation and complexity observed, and may need to be undertaken at several levels of analysis [...] commitment and rigour might be demonstrated by the effective use of prolonged contemplative and empathic exploration of the topic together with sophisticated theorising, in order to transcend superficial, ‘commonsense’ understandings. (2000: 222; cited in Cavanagh, 2012: 97)

Third, *transparency coherence*: This criterion seeks to ensure that the researcher clearly states and specifies his/hers research methods. Moreover, that the researcher fosters a ‘clearly articulated argument’ and has a reflexive stance (Bryman, 2012: 393). To this latter point I will add that a key concern in qualitative approaches is to gain trust from respondents. Indeed, it is important to have a clear and honest intention to not misuse this trust (avoid harm to

³⁹ See Deborah Cohen and Benjamin Crabtree’s ‘Qualitative Research Guidelines Project’ (July 2006) for a keynote overview of several relevant approaches. URL: <http://www.qualres.org/HomeEval-3664.html> [Accessed 29th November, 2012].

participants, invasion of privacy and deception). This requires discretion and foresight in how the respondents are entangled in social connections (for instance employment), and how these may be compromised by the presence of the researcher – hence the researcher must be reflexive of his/her motivations and conduct (Tracy, 2010; Bryman, 2012). In the case of development studies research, this means to be conscious of issues of dominance, power, gender, class, age and race, as they interact in the often messy and confusing reality of the field (Metha, 2008).

The last criteria proposed by Yardley are *Impact and Importance*. These criteria compel the researcher to ask: To who is this research important? Does it have an impact on theory? Does it have an impact for ‘the community on which the research has been conducted and for practitioners’ (Bryman, 2012: 393)? With these criteria serving as a backdrop, I will in the following sections explain the methodological choices made in more detail. I will also discuss methodological challenges, dilemmas and limitations.

Selecting the Approach

The initial steps of this thesis began with a desire to conduct fieldwork in India, where I was enrolled on a two-month course, *State and Civil Society in Development of India*, at the Institute of Development Studies in Jaipur (IDSJ). I wanted to explore how development issues are connected to and influence my own hemisphere.⁴⁰

The research process has been difficult to plan in advance. When I first came to India I did not have firmly scheduled meetings with the companies chosen. My initial contact with potential companies, Varner and IKEA, was done by email and phone in early July 2011. However, this communication did not result in concrete appointments. Arriving India in August, I landed without much more than knowledge of whom to contact further. As I first went to IDSJ in Jaipur, I used that time to read up and browsing their library, as well as making further appointments.⁴¹

⁴⁰ I discussed these concerns with dr. Simon Pahle, who agreed to act as my supervisor and who suggested that I could take the vantage of member-companies of the Norwegian Ethical Trading Initiative. Varner (garments), and IKEA (home furniture) were selected because 1) they are both long time members, and; 2) both are of significant size, and could be perceived as lead-firms within the frame of the Norwegian ETI.

⁴¹ I also had the great fortune to converse with Professor Kanchan Mathur at IDSJ, who had previously collaborated on the UK ETI assessment with Stephanie Barrientos and Atul Sood (whom I later met at Jawaharlal Nehru University in New Delhi).

Preliminary interviews with representatives of Varner and IKEA were conducted in mid-September. Both IKEA and Varner had received a copy of my research proposal well in advance. I met Varner's Head of CSR in Okhla and the Purchasing Manager of IKEA in Gurgaon. These interviews, together with interviews with research scholars, resulted in a report that was presented at IDSJ as a part of their field-course program. The interviews with the managers were equally a negotiation of disclosure and granting access to suppliers. Varner's Head of CSR offered to initiate contact with some selected suppliers that I could explore. IKEA, after some negotiation, insisted I joined an auditing firm on one of their inspections.⁴²

By approaching research institutions in New Delhi, I was fortunate to come in contact with scholars that could guide me on literature and that gave me practical advice to the preparation of my fieldwork. I was also fortunate to establish contacts at Jawaharlal Nehru University, where I got in touch with a well-qualified interpreter.

Interviews, both at 'corporate' level and with supplier management were conducted in English. In the case of Varner's supplier, I had one initial interview with the management alone, and used an interpreter at a successive interview. The role of the interpreter was invaluable in all other settings, also off-factory-site. At the Institute for Studies in Industrial Development (ISID) I got in contact with Professor Sunanda Sen and Dr. Jesim Pais. I am grateful for their advice, however two particular matters stressed by Dr. Pais proved to be key to my fieldwork strategy: first, his emphasis on conducting interviews outside factory premises, meaning to approach workers where they live. The second gratitude was his advice on what person would best function as my interpreter. He suggested that it was perhaps better with a female interpreter, where such an arrangement would be more disarming and would easier spur a conducive interview dynamic.

By a great deal of fortune I found an interpreter, a student at Jawaharlal Nehru University, who did not only displayed a great sense of intelligence in conducting interviews. She also

⁴² Varner's suppliers were granted anonymity. IKEA's purchase manager promised to organise further interviews with their CSR manager, whom I later met. Unlike Varner, I was not given any information on suppliers to contact further, but I was directed to a representative of KPMG, an international auditing firm hired by IKEA to conduct third party audits of IKEA's suppliers in India. I was offered to join as a member of the audit team, but I was not allowed to bring my own interpreter. The emphasis in this study is therefore on Varner's supplier, as I got more substantial empirical data through their participation.

had a favourable social background for my study as her family were originally of cobbler-cast. She naturally displayed great sensitivity to cast and gender issues. Finally, she had great understanding of a range of languages spoken in the nearby states of Harayana, Uttar Pradesh, and Bihar. In short, any mistakes, lack of understanding of the issue at hand cannot be blamed on my interpreter, who proved invaluable in my interviews as well as being extremely brave in sometimes very male-dominated settings.

Case Study Design

Those focusing upon labour geography (Herod 1997) tend towards a more active incorporation of labour, look for causality rather than pattern in explanation, more frequently use case studies of particular situations, and use qualitative research methodologies. (Padmanabhan, 2011: 975)

As pointed out in the introduction and elsewhere, this study revolves around a supplier in Noida who produce for Varner. The case seeks to illuminate not only this supplier as a node in a value chain, but to explore how it is embedded in a particular GPN, which includes the communities that are inserted in it. As Bryman notes, the ‘basic case study design entails the detailed and intensive analysis of a single case. As Stake (1995) observes, case study research is concerned with the complexity and particular nature of the case in question’ (Bryman, 2012: 66). Furthermore, I want to include Padmanabhan’s remark that I find fitting for my study as well. The scrutiny of the case is not meant to be a ‘sample’ ‘to be generalised’ but rather an application of labour geography to appreciate the emergent forms of control, conflict, and response among labour [...] The goal here is analytical and not statistical generalisation’ (2011: 976). While the level of generalisations from this case study is admittedly limited, I think Lincoln and Guba have a fair point when they state that it is also up to the readers to ‘transfer this understanding to other contexts and assess the similarity’ (Given, 2008: 118).

The Interviews and an Application of a Questionnaire

Crudely speaking, the research process as it evolved led me to rely on semi-structured interviews when interviewing managers and the application of a questionnaire when interviewing workers. However, this description is not entirely accurate: my interviews with workers at factory premises relied on a questionnaire, yet responses were pursued in a less rigid fashion when deemed appropriate and necessary. Furthermore, informal interviews with workers, both in groups and one-on-one, were conducted outside factory premises, at tea-stalls and parks, and in worker colonies.

Qualitative methods can embrace quantitative techniques and use them for ‘different, and perhaps more nuanced purposes’ (Brockington and Sullivan, 2003: 70). Moreover: ‘Qualitative methods can incorporate quantitative data and quantification. But they go beyond numbers to consider the meanings of quantitatively derived findings to the people they affect, and to problematise, rather than accept uncritically, the production of such data’ (ibid: 59).

This insight I find particularly important in connection to looking at supply chain management and standards. Following Barrientos and Smith’s (2007) work on ETI-UK, one of their key discoveries concerning standards was that different methodological strategies must be applied to assess different aspects of standards, indicating that both quantitative and qualitative approaches are of value: (1) *Measurable standards* (or outcome standards) ‘which involve quantifiable aspects such as the category of employment (whether regular or informal), wage level, contract type, some aspects of social protection, and working hours...’ (2) *Enabling rights* (or process rights) ‘involve less quantifiable aspects such as freedom of association and the right to collective bargaining, non-discrimination, voice and empowerment’ (Posthuma and Nathan, 2010: xx). I have tried to take this point to heart throughout the stages of my fieldwork, especially as I found it useful to rely on a standard questionnaire when interviewing workers at factory premises.

Advantages of semi-structured interviews (Ayres, 2008: 810) may be that the researcher exercises ‘more control over the topics than in unstructured interviews.’ It is not limited to a range of responses to each question, as one would in a fully structured questionnaire. It is also flexible in the sense that the researcher may choose to follow up on responses, where s/he do not have to follow the guide to the letter, and is free to ‘move back and forth through the topic list based on the informant’s responses (ibid). I used this approach when conducting interviews with corporate management and to some extent interviews with managers at the supplier level.

Questions for an interview-guide was first made for the research proposal in July 2011, and has been updated and honed throughout the research process. Semi-structured interviews have been used in follow-up interviews, and in interviews conducted in Norway after data gathering in India. Essentially, it is a guide of topics with corresponding questions. For instance, Andersen and Skjøtt-Larsen used this approach in interviewing IKEA managers, relying on broadly formed questions ‘to allow each interviewee to tell what they had

observed' (2009: 76). It also allowed for discussing issues not covered by the interview guide, but nevertheless could be of relevance. My application of semi-structured interviews followed a similar approach, with the addition that some of my interviews took the role as negotiations to get access to suppliers.

I found the use of a questionnaire the most appropriate option when conducting interviews at the factory sites. I decided to draw on my prior consultations with Sunanda Sen and Jesim Pais at the Institute for Studies in Industrial Development (ISID) in the process of designing my survey.⁴³ I found Sunanda Sen's questionnaire design helpful as a point of departure (see Sen and Dasgupta, 2009: 94-96). I adopted several questions that struck me as useful, where most were modified to fit my design. The questionnaire was also inspired by Jesim Pais's research of leather manufacture in Mumbai (2004). I also relied on Barrientos, Mathur and Sood's impact-assessment of the UK ETI in India (2010).

The final questionnaire took shape on the basis of a pilot my interpreter and I conducted with two workers at Varner's suppliers' production unit in Noida. The pilot revealed some flaws in the questionnaire, and I removed questions that struck me as redundant for my research, and I altered the sequence of questions. A particularly useful experience from the pilot was that it stimulated a reflection on how to approach the question on caste.⁴⁴ It also made us reflect on how to pick out workers for interview in a most representative way. It was obvious that a rigid sampling procedure, like for instance to pick out every fifth worker from a point of reference, would be difficult in a hectic factory environment.⁴⁵

As the interview ventured forward, we would tick out the boxes in the questionnaire - yet, we encouraged conversation of informal nature, both to establish trust and to obtain somewhat thicker descriptions by the respondents.⁴⁶ Our selection of workers was generally conducted

⁴³ See appendix for the questionnaire.

⁴⁴ This is often included in surveys in the form of the categories Scheduled Caste (SC); Scheduled Tribe (ST); Other Backward Castes; Minority and General Caste. We included this categorisation in our questionnaire, yet my interpreter – who was from cobbler cast – had reservations to addressing this question. She felt it insensitive and counterproductive in our effort to create a relaxed interview setting. We decided to abandon this question altogether in the main interview round.

⁴⁵ We opted for a pragmatic sampling strategy where we sectioned the room, like 'front right side', 'middle left side' and so forth, to sample from the different parts of the factory floor.

⁴⁶ See Geertz (1973). With the case-study orientation of this project, the emphasis was to strive towards to more fully understanding (thicker description) of this particular case. Additionally, the natural conversation opened up for us being invited to continue the interview in their breaks, or being invited to come to their home.

in the following manner: we would walk together with a supervisor, asking him to speak to the individual that either my interpreter or myself would select. The supervisor would then approach the worker and gesture that he or she should follow us to the office. Admittedly, it would be difficult for the worker to reject our request, and it was not a setting where we could explain in detail our intention. In that sense, the compliance of the workers was not completely voluntary based on informed consent. Once inside the office, the informants were thoroughly briefed on our intention by my interpreter. They were offered to state full name, first name, or to be anonymous.

The questionnaire proved several times to be an opener for more informal conversation. For instance, one of the workers we interviewed in our pilot agreed to spend his 5:30 break with us, and we continued a casual conversation in the park outside. This made other workers curious about our presence. When a larger group gathered around we could continue asking questions as a spontaneous group discussion.

Fieldwork Challenges

What became evident from this study, as the research process evolved, was the initial access to suppliers proved to be time-consuming. On my request, Varner's Head of CSR made contact with two supplier companies in late September, out of which only one proved sincere in arranging a meeting.⁴⁷ For the supplier I did meet, several emails and reminder phone-calls proved necessary in order to get a firmly scheduled date, where I was granted to conduct a preliminary interview with this supplier the 4th of November 2011. Varner's Head of CSR cannot be blamed for this waiting period. The supplier's Head of Department, although with several reminders, was forthcoming to my requests and provided for interviews to be conducted. Nevertheless, the whole process took over a month after the first contacts being made.

Another important aspect on time considerations became evident when conducting fieldwork with workers, as they have very little time off. Working long days, six days a week – practically the only day to conduct interviews off-factory-premises was on Sundays. This leads to yet another concern for the researcher: well aware that Sundays and the few hours they have during the weekdays tending to other needs, and possibly time off for rest and

⁴⁷ A meeting with the other supplier did not materialise beyond a long exchange of mails and phone-calls.

recreation, is most precious. For instance, Dr. Pais also told me that when he conducted research outside of the capital region, he would travel on a Friday, prepare on a Saturday, and go to the workers' colonies on Sunday. Moreover, he stressed sensitivity when approaching workers. Often he would approach the workers only to converse with them and get a sense of the appropriateness of his visit. A strategy here was patience and affirmation, where he would rather come back another time, and conduct longer interviews when being 'a familiar face.' At the extreme, he told me, workers could be so exhausted that they unintentionally misinformed the researcher on questions, like on how many children they have back home.

The interview setting at the Varner supplier's factory premises proved to be challenging as well. A pronounced shift in the research setting was when the management started insisting on selecting respondents for us to interview: We had just finished the sixth interview when the production manager interrupted and told us that they were expecting prospective buyers and that we had to finish up our interviews.⁴⁸ From here on, the management started picking respondents for us. As I noted in my fieldwork diary:

Throughout that day, we managed to interview eight workers. At the latter stages, management started intervening, and insisted that we interviewed people that they would pick out, who turned out to be either supervisors or clerks. In total, we interviewed 11 people that day.⁴⁹

Section/department:	Floor	Workers	Supervisor/controller	Male	Female
Cutting/ Storage	Lower ground floor	1	1*	2	
Production	Ground floor	3		3	
Finishing	1 st floor	4	1 +1*	4	2

* Selected by management.

Table 1: Workers interviewed at Unit 1.

⁴⁸ At this point, the production manager seemed increasingly impatient with our presence and seemed reluctant to us conducting interviews with more workers - particularly from the production section. I think the main reason for this interruption was that our interviews interfered with the assembly arrangement in production, and that the absence of even one worker here would cause delays for the group of workers that worked on the same piece of clothing. After the final interview, we conducted a follow-up interview with the Production Manager, with an attempt to negotiate for more interviews at a latter stage. My proposal was to come back over more days so that we could get a sample of 30 workers in total. While this request was not rejected, we were told to address the Head of Department. However, it was clear that the Production Manager found our interviews with workers inconvenient for the production process.

⁴⁹ Out of the 11 persons interviewed, 4 workers were selected from the finishing department on the 1st floor and 3 workers from production on the ground floor. 1 worker was selected from the cutting department. We chose to interview a quality controller who held a higher position and higher wage than regular workers. We agreed to interview two respondents that were selected by the management.

However, an even more problematic occurrence was when a group of two supervisors sent by management traced down a meeting I had arranged with workers on a Sunday in their village. I have described this event in chapter three (page 74-75) but I will pre-view it here as it touches on core methodological issues:

During our conversation, a motorcycle with two persons stopped outside the house. They were politely invited in, and they found a seat together with the workers. The two had been sent by the management to look after our meeting with the workers. It must have been fairly easy to trace the location of our interview, myself being of Caucasian appearance. Nevertheless, we continued the conversation in their presence, and included them in the discussion. There was no drama connected to their attendance, and they were acquainted with the workers and the householder. They were both in the mid twenties. One worked as a supervisor at Unit 2, while the other said he worked as a 'field officer,' where he would fetch equipment and necessary parts to machines between the units, and collect them at various stores in the NCR. After some time, we concluded the interview and exited the village.

This event was a clear indication of how the social control of the workers expands outside the factory gate. It furthermore raises the issue of whether it is possible to approach migrant workers at GPNs in the NCR without them risking any types of sanctions. I have given this event a great deal of thought as it was uncomfortable (to say the least) to be in a situation where respondents could be subject to penalty, and the event compels due evaluation on my part as a researcher in the field: was this a breach of the trust given to me by the respondents? Although I have had communication with the workers involved after this event and they ensured me that no harm had been made, I have asked myself if I was sufficiently reflexive in the planning stages of the fieldwork as to avoid this from happening. Would it have been more appropriate to let local researchers conduct this part of the fieldwork? In retrospect it is clear that a white male in working colonies and villages hardly visited by outsiders drew a lot of attention. Simultaneously, as Metha argues above – development research fieldwork is often messy and confusing. Hopefully, my experiences can contribute to make them less so as others and myself can contemplate these issues for a more reflexive fieldwork practice in the future.

A note on gender dimensions

As explained above, I decided to employ a female interpreter out of sensitivity for the context of my fieldwork. As stressed in my conversations with Professor Kanchan Mathur at IDSJ, it is crucial to be aware of gender dimensions when exploring global production networks in developing countries, perhaps especially so in India where women routinely are found in the lowest categories of work, with the lowest pay and few advancement opportunities. As Barrientos et. al. note, women 'tend to perform the insecure and low paid work, often in

temporary or seasonable employment arrangements' (2011b: 332). As such, women employed in many GPNs in developing countries engage as subsidiary workers 'in part-time work and with considerable domestic duties, and yet is available for additional work.' (NCEUS, 2007: 76). In India, 48 per cent of the women in the unorganised sectors are in manufacturing (ibid: 22). Indeed, a gender perspective is essential 'to a full understanding of global value chains' (Barrientos, 2001: 84). As Padmanabhan underlines:

In most cases a preference for women exists, as it brings with it reduced costs of production, reduced probabilities of the threat of organization or unionisation, possibilities of avoiding the provision of the minimal standards of decency and safety at work required by labour laws, possibilities of ignoring pay levels stipulated in minimum wages laws and prevention of access to social security (White 2010). (2011: 976-977)

However, there are differences of socio-cultural norms across India, and these are significant when approaching the apparel production in the NCR. Unlike the South, for instance in Bangalore in Karnataka (Barrientos, 2010), Tamil Nadu (Oonk et. al., 2012) or Kerala (Padmanabhan, 2011), garment workers in the NCR are predominantly male. Satyaki Roy estimates that there are no more than 10-15 per cent of female workers in the GPN I conducted fieldwork, and that this is linked with a 'cultural taboo against females going to work in factories along with men' (2009: 33). The NCR furthermore diverts from other countries in this regards as well: Dhaka, Bangladesh, for instance, has a majority of female workers in the garment industry (Swedwatch, 2012).

At the supplier I conducted interviews there were few female workers, counting 20 in total, where we managed to interviewed two. Again, a female interpreter proved very valuable where the access to these women could easily have been compromised otherwise.

III: PRESENTING THE CASE

In this chapter, I will present key actors of this study's examination. The *first part* will include a presentation of ETI-N and Varner, who is a long time member. In the *second part* I discuss contemporary Indian labour issues that I find relevant based on my own fieldwork experiences. Finally, in the *third part*, I will contextualise the case geography for this thesis: Noida, which is under the administration of Uttar Pradesh, but also a significant industrial area within the National Capital Region. Finally I will present the study of a supplier in Noida producing for Varner's Cubus, as well as other well-known international brands.

PART ONE: EXAMPLES OF CSR PRESENTATION AND PRACTICE

The Ethical Trading Initiatives

The ETI-UK was established in 1998, largely as a consequence of the UK Christian Aid's engagement with British supermarkets (Pahle, 2008). Initially resorting to a confrontation strategy, the Christian Aid addressed the supermarkets' sourcing and trading practices and campaigned for broad consumer engagement. The ETI-UK came as a result of this confrontation and mobilisation: 'This provoked the institutionalization of the Ethical Trading Initiative (ETI); ETI now operates in a distinctly collaborative spirit' (ibid: 27). In ETI UK's fifteenth year of operation, Barrientos and Smith, with an international team, conducted research on 25 supplier sites (in Costa Rica, India, South Africa, UK and Vietnam), interviewing 418 workers in total. They found improvements on 'visual issues,' with the biggest impact on health and safety (Barrientos et. al. 2010). The main improvements were on issues in line with a technical, corporate approach (Barrientos and Smith, 2007). Their research found little evidence, however, on 'civil society' concerns, like 'less visible' issues of process or enabling rights. An important discovery was that positive effects of CoCs were most likely attributed to regular and permanent workers. Casual and contract workers, often hired through third-party labour contractors, had '... no security, can face illicit wage deductions, and can be subject to harassment and abuse by contractors' (Barrientos et. al., 2010: 132). These workers normally did not receive protection from the employer or the state. In the event of 'illness, injury, lack of mobility, old age, childbirth, and carer responsibilities' they are most vulnerable (ibid).

ETI-Norway

Inaugurated in 2000, the *Ethical Trading Initiative Norway* (ETI-N) was initiated by the Norwegian Church Aid, the Federation of Norwegian Service and Commercial Enterprises (*Virke* – the main employers' organisation), the Confederation of Trade Unions (*LO* - the umbrella organisation for labour unions in Norway) and Coop Norway.⁵⁰ At the time of writing, ETI-N consists of 124 member companies that operate within a wide range of

⁵⁰ The information for this section on ETI Norway is gathered from their website: URL: <http://www.etiskhandel.no/English/index.html>. For an overview and brief presentation of the members, see URL: <http://www.etiskhandel.no/Medlem/Medlemoversikt/index.html> [Accessed 31st October, 2012].

sectors, product lines and services.⁵¹ There are also 18 NGO-members and 13 public body/sector members.⁵²

As with ETI-UK, ETI-N can be seen as an institutionalised dialogue roundtable where NGOs, companies and trade unions commit themselves to ensure ethical supply side management. According to ETI-N's Manager (personal interview), the role of ETI-N is twofold: 1) to gather support for the initiative, i.e. to expand the membership base; 2) to put social responsibility on the agenda. Rather than taking the role as a mediator, the manager described the ETI-N as a meeting ground or an arena for a systematic exchange of experience and knowledge between the members.⁵³ The members pay a membership fee and commit to report annually. An outspoken aim is to spread knowledge on core ILO conventions, which also forms a central role in the initiative's Declaration of Principles (ETI-N, 2012).⁵⁴

ETI-N help develop members' Codes of Conduct, like their collaboration with Varner (see, for instance, Varner, 2009; 2012a). These codes, as well as ETI-N's own Declaration of Principles (ETI-N, 2012) are by and large founded on ILO and UN conventions. However, the guidelines are revised regularly as ETI-N seek to align these with updates on responsible business practices made by international organisations like the OECD, the UN Global Compact and the EU.⁵⁵ ETI-N have cancelled companies' membership, either for failing to pay the fee, not handing in annual reports, or failed to fulfill obligations over time.

⁵¹ For instance: garment and textile (casual, leisurewear, sportswear, underwear, uniforms, babywear, workwear); shoes; pharmacy-, medicine-, and beauty products; hotels; food retail, dairy products and grocery-stores (including conglomerates like Norgesgruppen and Orkla Brands, cooperatives like Coop Norge Handel AS and Tine SA); gift and toy-items; handbags; tea and coffee retailers; real-estate; books; jewellery; flowers and plants; engineering and construction firms; metals and plastics; cleaning products; fruit and vegetables; school and kindergarten products; arts and crafts; a zoo; sport equipment; energy and electricity; cleaning and laundry services; sweets and chocolate; distribution, packaging and delivery services; home furniture, interior and office-equipment; design; building materials; health food items; and companies specialising in fair trade products.

⁵² Unions, interest-group organisations as well as foundations representing various economic sectors like electronics, sport equipment, and health related services. There are also 8 municipalities, 2 counties, the Norway Regional Health Authority (who run the public hospitals in Norway), their purchasing company, and one university.

⁵³ ETI-N's manager described their role as a balancing act between 'greenwashing' companies and ensuring that the bar is not put too high. He stressed the great diversity of the members, ranging from municipalities to large MNCs (like IKEA). He also predicted that there will be more emphasis on social responsibility in the future, as public sector bodies as well as the EU work towards stronger demands.

⁵⁴ ETI-N is also involved in developing the Local Resources Network-project together with ETI-UK and the Danish Ethical Trading Initiative (DIEH). URL: <http://localresourcesnetwork.net> [Accessed 31st October, 2012].

⁵⁵ ETI-N, [4th June], 2012, 'Ny prinsippetklæring i IEH.' URL: <http://etiskhandel.no/Artikler/8828.html> [Accessed 31st October, 2012]

The Norwegian NGO *Framtiden i Våre Hender* (FIVH) have long been campaigning for decent business practices amongst Norwegian and Nordic firms, and they have published several reports where ETI-N member companies have been investigated. FIVH underline that there's a definite need for the initiative, and that their critique do not challenge the existence of ETI-N, where FIVH regularly refer companies to ETI-N if approached. Nevertheless, they state that ETI-N has gone through several phases and FIVH are concerned of a mixing of roles as ETI-N may appear as an NGO while being in a business-relation to its members, who are ETI-N's economical base. It would be best if ETI-N cultivated a firmer role as a counselling-organ, where NGOs like FIVH directs critique to companies. They also call for a 'broader invitation,' with a more pronounced presence of labour unions, as well as a firm involvement with the 'big' challenges, like the prevalence of extreme overtime and the issue of living wage. 'So far, CSR have only made minor adjustments' (FIVH, personal communication).

ETI-N's stance on living wages is that they have a role to raise awareness on the issue. They stress that the ILO's conventions on minimum wages share normative ground with campaigns for a living wage. While they acknowledge that the issues of living wages are important and difficult ones, they do not employ the term 'living wages' in their principles or in member's CoC. FIVH argues that a new set of calculations has to be established, and they question the qualms that regard such calculations to be unattainable. They argue that as companies are controlling minimum wages, it would not be more difficult to control for living wages.

Varner and the Norwegian Garment Market

Recent data from Statistics Norway shows that the Norwegian garment retail business is booming.⁵⁶ According to the Textile and Garment-journal, *Tekstilforum*, there was considerable growth in a range of garments in 2011.⁵⁷ 2010 held the record in imported garments registered - 119 per cent higher than in 1990. Simultaneously, *Statistics Norway* asserts that the clothes in Norwegian stores are half the price compared to 20 years ago. A total of 82,020 tons of clothes were imported in 2011.⁵⁸ A comparison between the 2010 and

⁵⁶ Detailed data on country specific imports can be found at:

http://statbank.ssb.no/statistikkbanken/Default_FR.asp?PXSid=0&nvl=true&PLanguage=0&tilside=selecttable/hovedtabellHjem.asp&KortnavnWeb=muh [Accessed 21st March, 2012].

⁵⁷ Hansrud, O., [2nd of February], 2012, 'Økt klesimport og høyere priser,' in: *Tekstilforum*. URL: <http://tekstilforum.no/id/52472>, [read 3rd February, 2012].

⁵⁸ Dagsavisen [13th of February], 2012, 'Klesprisene halvert på 20 år.' URL: <http://www.dagsavisen.no/samfunn/klesprisene-er-halvert-pa-20-ar> [Read 13th February, 2012].

2011-numbers shows that the import of clothes and accessories grew 7,1 per cent to 16, 2 billion NKR in 2011 (€ 2, 1 billion) (Hansrud, 2012).⁵⁹ Tekstilforum writes that the Norwegian garment market experienced a decrease in imported Chinese garments, but there has been a significant increase from South and South East Asian countries (Bangladesh in particular).⁶⁰ Imports of garments from India, Vietnam, Pakistan, Indonesia, Sri Lanka and Kampuchea also increased. Two thirds of the total garment imports were produced in Asia in 2011(ibid).

Kvarud Analyse, that conducted the report 'Kleshandelen 2010,' states that the Varner Group is the biggest retailer in Norway, with one fifth of the total market share. Varner's 10 biggest chains had sales for a total of NOK 5646 million (€742. 4 million). With a total of 603 stores, the Varner Group controlled 18.7 per cent of the Norwegian retail industry in 2010 (Kvarud, 2011). Varner, however, reports to have 9346 employees and 1244 stores in 2011.⁶¹ One fourth of the Norwegian market goes to Swedish companies (Mainly H&M, which towers as the single biggest retail store in Norway, but also KappAlh, Lindex and Gina Tricot AB are of significant size (Kvarud, 2011)).⁶² However, Varner owns three out of the biggest ten companies on Kvarud's 2010 list.

Among non-ETI-N members, Varner's biggest competitor by far is the Swedish retailer H&M (With operating revenue of NOK4082 million/€ 536.7 million in 2010), approximately double the size of Varner Group's flagship, Cubus. Several other garment retailers are members of the ETI-N. Varner's biggest competitors in the casual/leisurewear segment that are also ETI-N members are Voice (another group of apparel companies) and KappAlh - Pierre Robert Group in the underwear segment, and the Stormberg Group and Helly Hansen on sportswear. The latter two companies were recently credited by FIVH for their disclosure of suppliers (2011:3). Cubus was awarded 'Handelsprisen 2011,' a prestigious prize that honours companies' economic performance. The jury emphasized the impressive growth in both

⁵⁹ Most of the clothes were imported in the third quarter (NOK 5, 3 billion).

⁶⁰ Nearly doubled from NOK 397 million in 2007, to NOK 780 million in 2011.

⁶¹ URL: <http://www.varner.no/no/Nokkeltall/> [Accessed 14th December, 2012].

⁶² Kvarud Analyse also included estimates of several of the international actors that operates in Norway (e.g. Benetton NOK 330 million (€43.4 million; Zara NOK 190 million (€ 25.0 million)).

Norway and abroad – despite what is being described as a difficult business climate with financial uncertainty.⁶³

Varner in India

The Varner Group runs a total of 12 clothing companies, and is one of the larger companies that have committed to the Norwegian ETI. Varner's Head of CSR is also a member of ETI-N's board.⁶⁴ Varner's Codes of Conduct has been developed in collaboration with ETI-N, and is aligned with ETI-N's guiding principles (Varner, 2012a; ETI-N, 2012). Varner, like all ETI-N members, is required to report annually on progress to ETI-N, a document that can be downloaded upon request. In the last annual report it is stated that Varner has 301 first-tier suppliers (Varner, 2012), with a little less than 50 first-tier suppliers in India (Head of CSR, Personal Communication).⁶⁵

Varner relies on suppliers from a range of different countries (mainly China, Turkey, India, Bangladesh, Pakistan, Vietnam, but also some European countries).⁶⁶ Varner became a member of ETI-N in 2003, and has continued to develop their CSR departments over the last 8 years. Varner was subject to criticism for a lack of openness in a 2004 report by FIVH (2004). According to a more recent report by FIVH, Varner has started the work to improve their buyer-practices (for instance: efforts to plan together with the producers to avoid a mounting of orders on suppliers at peak seasons) and they are commended for their involvement in ETI-N.

Varner's India office is located amongst a range of international firms in Okhla, New Delhi.⁶⁷ The Head of CSR stated she experienced that the production in the North of India differed somewhat from the production in the South. In the North they ordered mainly 'fashion' and more embellished and carefully made products with embroideries, pearls and so forth.

⁶³ Dagens Næringsliv [23rd November], 2011. URL: <http://www.dn.no/forsiden/naringsliv/article2275991.ece> [read 3rd of February, 2012]

⁶⁴ Bik Bok, Carlings, Cubus, Dressmann, Dressmann XL, Solo, Urban, Vivikes, Volt, Warehouse and Wow. As well as running Levi's stores.

⁶⁵ It is furthermore stated that Varner employs 20 agents/importers as part of the supply chain. 75 % of the first-tier suppliers are made through direct contact (as opposed to 43% the previous year). 57 % of the first-tier suppliers have been 'object to inspections' by third-party auditors.

⁶⁶ Here, for instance, Varner reports an increase of garments produced in China from 50 % in 2010 to 65, 5 % in 2011. There has also been a significant decrease in Turkey. However, these figures themselves are not being subject to external control by the ETI-N (ETI-N Manager, personal communication).

⁶⁷ Varner established the office in May 2011. At the time of my interview in September the office held the staff of two: the Head of CSR and a Quality Officer. They were also planning to hire additional, local, staff.

According to the Head of CSR they ordered little men's clothing from the North, which was largely produced in the South (for instance for their men's wear company *Dressmann*). They would also procure larger volumes and more basic articles from the south.

The Head of CSR stated that they would be a small buyer compared to other buyers at most of the suppliers in India. Nevertheless, she insisted that while having less influence compared to larger companies in terms of production volumes, she felt that many of the buyers shared Varner's CSR perspective, and that they got decent responses on their CSR demands from their suppliers.

Varner's CSR arrangements

According to Varner's Head of CSR, the CSR requirements are now an ingrained part of Varner's purchasing practice. The CSR department approves and registers all new suppliers, and the order between the purchasers and suppliers happens after the supplier has been CSR-approved. The initial contact between Varner as a buyer and suppliers may vary: sometimes the contact is first made between the supplier and the CSR-department or other regional offices. At other times, the supplier will be the one who initiates contact, or the dialogue with prospective suppliers will come through Varner's own sourcing work. As the Head of CSR explains:

If a purchaser has gotten in contact with a new supplier they wish to work with, the purchaser will send a request to CSR and ask us to do a CSR-assessment of the supplier. This means that independently of what way the first contact is initiated – it is the CSR-department that has to approve the supplier before they can become a part of our portfolio. The supplier has to accept our guidelines and give us an account of their production units. Based on this information-check, the suppliers will be approved or not by the CSR-department. Only after they have been approved and registered the purchasers can place orders with them. (Personal communication)

Moreover, they operated with 'red', 'yellow' and 'green' tags to evaluate the suppliers' CSR compliance and attitude towards the CoCs. Green signalled that the supplier was 'decent' and 'trustworthy.' Red would signal to stay away or to pull out. Yellow was 'in between.' In the latest ETI-N annual report Varner explains how these evaluations are communicated to the company purchasers:

Based on our CSR-follow-up, suppliers are registered as low, medium or high risk suppliers. This score is communicated to the buying departments who are advised to use "low risk" suppliers and to avoid the one classified as "high risk". This score is also communicated to the supplier. If a supplier fails to implement improvements over a long time frame the supplier is informed that we will consider ending our collaboration with them. (Varner, 2012b: 18)

The colour-codes are used as a device internally as signals for Varner's purchasers. The Head of CSR stated that their biggest share of factories are rated 'medium risk' or yellow. There are fewer suppliers rated 'green' than 'yellow,' but she stressed that 'the green mass' constituted a fair share of Varner's portfolio, and that the 'red mass' was significantly smaller than the green (approximately a third of the 'green mass'). The determination of the rating would depend of a range of issues and factors (like the level of openness; the will to cooperate; how many improvement-measures they achieve over time and so forth). Some aspects would be easier to address and evaluate, like health and safety challenges, or different sorts of documentations. She stated that a supplier is downgraded if the CSR department experienced that conditions did not improve over time, or if the supplier consistently failed to work for improvements. She stated that detection of 'double-bookkeeping,' consistent failures in wage payments and use of extreme overtime would downgrade the score. 'If we experience that a supplier is not transparent and give us faulty information they will automatically be downgraded as 'high risk/red'' (Personal communication).

Referrals to relevant conventions in Varner's Codes of Conduct

Varner's CoC includes a range of UN and ILO Conventions.⁶⁸ Varner's CoC emphasises that: 'Compliance with human rights, labour rights, environmental legislation, and demonstrated will to work towards a sustainable supply chain, is considered as a competitive advantage and will be taken into consideration when choosing business partners [...] If non-compliance to the Code of Conduct should occur the Varner Group shall find and implement effective solutions together with its suppliers and manufacturers' (2012a: 2).⁶⁹ Varner's CoC lists several important conventions pertaining to social, health and safety and environmental conditions. I will here focus on the points that I deem significant to my fieldwork:

Varner's Codes of Conduct refers to the ILO Convention No. 131, which states that:

Point 7.1. Wages and benefits paid for a standard working week shall at minimum meet national legal standards. Wages should always be enough to meet basic needs, including some discretionary income. If this requirement is not yet met, the factory shall work towards its fulfilment. (Varner, 2012a: 4)⁷⁰

Importantly, Varner's CoC refers to the ILO conventions Freedom of Association and the Right to Collective Bargaining (No. 87; 98; 135 and 154):

6.1 Without exception, workers shall have the right to join or establish unions of their own choosing, and to bargain collectively. The employer shall not interfere with, or obstruct, the formation of unions or collective bargaining.

6.2 Workers representatives shall not be discriminated or threatened and shall have access to carry out their representative functions in the workplace.

6.3 Where the right to freedom of association and collective bargaining is restricted under law, the employer shall facilitate, and not hinder, the development of independent and free workers representation and negotiations. (2012a)

By comparing the two latest versions of Varner's CoC (2009 and 2012a) there are some interesting modifications. For instance, concerning *overtime*, point 8.3. has been extended:

Overtime shall be limited *and voluntary* ['2009: Overtime shall be limited']. Recommended maximum overtime is 12 hours per week i.e. that the total working week including overtime shall not exceed 60 hours. Exceptions to this are accepted when regulated by a collective bargaining agreement. (2012b: 5, my emphasis)

⁶⁸ For instance the UN Conventions 'Discrimination against Women' and the 'Rights of the Child,' and the ILO Conventions No. 100 and 111 on 'No discrimination'; No. 29 and 105 on 'Freely chosen employment'; No. 138, 182 and 79 on 'Child labour'; the core standards of 'Freedom of Association' and 'the Right to Collective Bargaining' (No. 87, 98, 135 and 154); 'Adequate Wages' (131); 'Working hours' (No. 1 and 14); 'Safe and Hygienic Working Conditions (Convention No. 155 and Recommendation No. 164.

⁶⁹ In the recently updated version (2012a) a new section on 'Bribery and Corruption' (in line with ETI-N's updated principles), a section on safe handling of chemicals, as well as a ban on sandblasting is included.

⁷⁰ In the last CoC, the wording was somewhat different: 'a wage shall cover *basic necessities* and should allow for some savings. If this requirement is not met, the factory should work towards its fulfilment' (Varner, 2009: 6, my emphasis).

There has been added a new point (8.4.):

Workers shall always receive overtime pay for all hours worked over and above the normal working hours (see. 8.1 above). As a minimum, overtime shall be compensated in accordance with relevant legislation. (ibid)

However one point concerning ‘Adequate Wages’ has been omitted in the 2012 version:

(Point 7.7.) The worker shall have the same time of notice from the employer as the employer has for the worker. *The manufacturer shall work towards long-term engagements for the workers.* (2009: 6, my emphasis)

While similar concerns are included in section 10 (on Regular and Employment & Working conditions), they are not as clearly stated as the sentence emphasised above:

(Point 10.1.) Obligations to employees under international conventions, national law and regulations concerning regular employment and social security laws shall not be avoided through the use of short term contracting (such as contract labour, casual labour or day labour) sub-contractors or other labour relationships. (2012a: 5)

Finally, a completely new – and important - sentence appear under the heading ‘Support and Monitoring’:

Suppliers are not allowed to subcontract any part of the order /production without prior notification to the CSR department. A breach of these requirements may lead to cancellation of orders and termination of the business cooperation. (2012a: 7)

PART TWO: KEY ISSUES IN INDIAN LABOUR⁷¹

In the following section I have focused on three aspects of contemporary Indian labour that I find incircumventable to the issues I intend to explore: 1) the retraction of regulatory mechanisms; 2) precarious work and minimum wages, and 3) new inventions in labour agency responding to contemporary challenges. However, labour issues are contended and disputed matters everywhere, and most definitely so within the broader debate on Indian economic and social development.⁷²

Labour Laws and the Retraction of Regulation

Labour laws in India fall under the concurrent list, meaning that both the Central State and the states of India legislate and administer labour laws. Several key labour acts are set by the Central Government, yet states are relatively autonomous in their administration of their own labour laws, where regulatory and deregulatory policies varies between them.

The multitude of laws and the range of administrative layers have repeatedly been subject to scholarly debate, where a sound labour administration and reforms for more effective labour laws and jurisdictions have been requested. As Papola et. al. write:

A repeated comment on the labour regulations in India is that there are too many labour laws. According to one observation there are about 45 central acts and 16 associated rules that are directly related to labour (Debroy 2005). Anant *et. al.*, (2006) list 47 central laws and 200 state laws. According to Labour Bureau there are 236 important labour acts on March 2003 (Labour Bureau 2004). Of these 76 are in the central sphere and 160 in the state sphere. (2008: 123)

⁷¹ India is a democratic nation with a progressive constitution. It is a regional power and an international player of influence abroad. Many of India's states have been growing in terms of GDP under the liberal regime. Nevertheless, the issues of inequality are ever present. India show dismal statistics of many parameters on inclusive development, and she is the home of more poor people than Sub Saharan Africa, counting 455 million in 2005 (Wankede, 2012). As Ramachandra Guha points out, there are also regional differences where economic growth show very different rates: 'Throughout the 1990s Bihar registered an annual growth rate of 2.69 per cent. Uttar Pradesh 3.58 per cent and Orissa 3.25 per cent. On the other side, Gujarat had a growth rate of 9.57 per cent, Maharashtra 8.01 per cent and Tamil Nadu 6.22 per cent. Broadly speaking, the states that did well were located in the south and west of the country while the states that faced indifferently were in the north and east. At the very bottom were the massively populous states of Bihar and Uttar Pradesh. In 1993, these two states accounted for 41.7 per cent of India's poor, in 2000, for 42.5 per cent.' (2007: 710).

⁷² As I am not an expert on Indian labour relations, a brief note of my perspective and presentation is warranted: This presentation does not by any means intend to provide a complete depiction of issues on Indian labour (as issues of labour and regulation, issues of formal and informal categories of workers, and the applications and efficacy of labour laws are very complex topics). Neither my limited knowledge, nor the space provided can do these topics full justice. There is furthermore no one-agreed-upon version of these matters and they are very much contested. However, my angle and sources can be traced to scholars that work closely on these issues. As such, my presentation below is largely based on literature and personal communication with scholars connected to the Institute for Studies in Industrial Development (ISID) in New Delhi. These fine scholars are of course not responsible for my interpretation of their work.

The social protection of workers has undergone some essential changes under a liberal regime: there has been a ‘weakening of enforcement mechanisms, increased use of contract labour, changing nature of workforce with increased casualisation and feminization, a general weakening of the trade unions and juridical interventions that have been distinctly pro-employer’ (Papola et. al. 2008: 109).⁷³ Liberal policies have repeatedly been advanced in connection to attract investments. However, little empirical evidence shows that the most deregulated states have generated most appeal:

Several investment surveys showed that investors were quite concerned with factors relating to labour regulation and enforcement. Various state governments thus sent out clear signals to investors about their willingness to relax regulations and offer greater flexibility and freedom of operation to them. As a result, inspections and prosecutions under several laws declined. Further, introduction of Self-Certification system, increased use of contract labour, limited role of trade unions and so on are clear indications of making labour market more flexible and dynamic. But despite these deregulatory exercises, investments did not flow into the region, jobs were not created, growth were slackened in many laggard states such as Uttar Pradesh and West Bengal. (Papola et. al. 2008:102-103)

As observed by Papola et. al. many of the Indian states responded to the pressures of global competition by retracting regulatory measures. The competition turned into a state-on–state race to offer deregulatory procedures, like the introduction of self-certification-mechanisms:

States compete with one another in offering incentives like reduction in labour inspection, self-certification, simplification of labour bureaucratic procedures like combination of annual returns under several laws, exemption from select labour law provisions, liberal labour market policy, and so on. (96)

In a ranking set up by Shyam Sundar comparing 10 Indian states on several aspects of state labour relations, Uttar Pradesh performs poorly on regulatory measures. Especially so on the number of registered trade unions per 1000 employees in the organised sector. It also performs poorly in terms of average minimum wage compared to other states (as on December 2004) (Papola et. al. 2008: 93-95). More recently, in March 2006, the authorities in Uttar Pradesh introduced a shift towards self-certification and regulation of labour laws in factories, shops and commercial establishments. The emphasis would be on compliance, and not on prosecution:

This system puts the onus of compliance to various labour laws on the industry itself with certain minimum non-negotiables. There will be only 20 per cent inspections every year and only one unit will be required to be inspected after every 5 years. (Papola et. al., 2008: 98-99)

No further routine inspections would be carried out. However, inspections could be initiated due to complaints from workers, trade unions or the civil society.

⁷³ According to Sen and Dasgupta, a telling shift in the government’s official position towards a more outspoken liberal attitude came with the endorsement of the National Commission on Labour’s recommendations use of contract labour in 2002 ‘in view of the uncertain demand from global markets’ (2009: xiv).

Precarious Work

In any discussion on the impact of labour regulation, we cannot ignore the existence of dualism in labour market. The dualism is between labour in the organised sector and in the unorganised or informal sector. About 91 per cent of employment in the country is in the form of informal work, while the formal employment is only a miniscule proportion and the conditions of work in the organised sector differ from that of the informal sector. But to extend this dualism of labour market to say labour laws [the entire structure] of labour regulation is designed to protect the small minority of workforce in organised sector and that the organised sector workers are overprotected, often to the detriment of the under protected vast majority of workers in the informal sector is yet another exaggerated twist. (Papola et. al., 2008: 101)

‘Informal’ work as a category is an extremely broad container of diverse income-producing activities.⁷⁴ However, it is increasingly acknowledged that the so-called informal sector has huge influence on the Indian economy. This is confirmed in a recent report by the Committee on Unorganised Sector Statistics who writes that ‘More than 90 per cent of workforce and about 50 per cent of the national product are accounted for by the informal economy. A high proportion of socially and economically underprivileged sections of society are concentrated in the informal economic activities’ (2012: 1). Likewise, Papola et. al. state that formal employment is in miniscule proportions of the workforce; the National Commission for Enterprises in the Unorganised Sector wrote: ‘This universe of informal workers now constitutes 92 percent of the total workforce’ (NCEUS 2007: i); Barbara Harris-White (2003) speaks of the India of 88 per cent – men, women and children who work largely unprotected in India’s agricultural, industrial and service economies.

The formal/informal dualism is useful as it captures contemporary issues in Indian production. However the NCEUS operated with four categories to distinguish between the different ‘modes’ of formal/informal labour:

employment in India can be meaningfully grouped into four categories to reflect quality and its sectoral association. These are (a) formal employment in the formal or organised sector, (b) informal employment in the formal sector, (c) formal employment in the informal sector, and (d) informal employment in the informal sector. We find that the Indian economy is dominated by (d) constantly around 86 percent of employment as of 2004-05. (Cited in NCSGoI, 2012: 11)

Jonathan Parry at LSE has conducted extensive fieldwork in the Indian steel town of Bhilai (in the Chhattisgarh region of Madhya Pradesh). He comments that

Most of India’s industrial legislation applies only to fairly large-scale, bureaucratically organized, capital-intensive factories – to the so-called “organized” sector. Workers in it are (at

⁷⁴ A seminal contribution that brought attention to the relevance of the ‘informal’ sector was anthropologist Keith Hart’s observations on urban employment in Ghana (1973; Pais, 2003). Jan Breman writes that ‘The informal sector included a rag-bag of activities for which no statistics were available and to which customary measuring and counting techniques were inapplicable. The landscape of the informal sector employment has been chartered mostly by anthropologists doing qualitative rather than quantitative research’ (1999: 409).

least theoretically) the beneficiaries of employment laws governing enforceable minimum wages, hours, and conditions of work, job security, safety procedures, union recognition, and the like. They account for less than 10 per cent of the total labour force. Fewer than half of them are unionized (Harriss-White and Gooptu 2000); more than half are employed in state enterprises (Saini 1999). Relative to those who work in the unorganized sector, they are privileged – and this has been especially true of those who work in government factories. (2009: 180)

Privately owned first-tier suppliers to international buyers is part of the organised sector and are subject to a range of central and state government legislation. The buyers' suppliers can (by following NCEUS' categorisation above) be regarded as either a) or b) depending on their employment policies. However, how the employees are employed is a more intricate matter, as I believe my case geography will illustrate, where there may well be a mix between the two categories on the same factory floor.

Concerns pertaining to the organised and unorganised sector and the dualism in the labour market are by no means new. Ornati wrote on the issue of organised versus unorganised labour already in 1955. A majority of industrial workers were not covered by the Factory Act's regulations, where most workers were involved in 'the myriad of small manufacturing enterprises which produce a large variety of products for local consumption' (Breman, 1999: 409). As Ornati states: 'Little is known about the precise number of people employed or about the conditions under which they work' (ibid). Much of the production was done in enterprises that were too small to be covered by this Act, and this continues to be a concern in a range of industries (Pais, 2003; Papola et. al., 2008).

Ornati's observations in 1955 were made in an early phase of a period that Sen and Dasgubta describe as 'one close to social democratic regime or a developmental state' (2009: xiv).⁷⁵ They describe this period as it evolved as one where workers who had jobs in the formal sector had a range of securities and benefits from the employer (paid leave, medical benefits, accident insurance, superannuation benefits, secured pensions and provident funds). Furthermore, they claim that 'even these [unorganised workers] were in a position to avail of some of these basic social benefits, which the state was in a position to provide' (2009: xiv).

⁷⁵ D. Rajiv Sibal writes that 'India's economic history is commonly divided into four periods: roughly independence to 1965, 1966 to 1980, 1981 to 1991, and post 1991. The periods are defined as such because they mark clear breaks in economic policies in India and can be identified with shifts in economic growth rates' (2012: 19).

These core benefits increasingly fell under pressure as a shift towards liberal policies in the 1970s, with a ‘definite turn in the 1980s.’ The final shift corresponded with the launch of a newly elected government in 1991 (ibid). Veronique Dupont has observed a similar liberal turn: ‘A first series of reforms, dismantling most protectionist measures applicable to foreign firms, was introduced gradually from 1985 onwards and confirmed in 1991 by an unambiguous policy of economic liberalization’ (2011: 536).

There is ample evidence of a rise in the informal sector since the 1980s, where the proportion of informal employment in the manufacturing sector, or what is often referred to as the non-agricultural sector, have risen concomitantly with the liberal shift of policies (See table 2 below). For instance, Jesim Pais has assembled a review of the literature on the growth of informal labour since the 1980s, and explains:

By any estimate, employment in the urban informal sector in India is substantially larger than in the urban formal sector. The informal sector is an avenue for employment for a large mass of the labour force – migrant and non-migrant, skilled and unskilled, male and female, young and old – that is unable to find employment elsewhere. There is also evidence to suggest that the number of workers in the urban informal sector as a proportion of all workers in India has increased in the 1980s and 1990s. (2003: 1)

Moreover, informalisation processes have been augmented through the prevalence of subcontracted work. Casual arrangements ‘without any contract or loosely defined contracts’ can be encouraged to proliferate (Papola et. al, 2008: 15). The involvement of third party intermediaries and contractors help fragment the responsibility employers have for their workers.

Year	Share of informal sector in non-agricultural employment
1983	76.1
1987-88	78.7
1993-94	80.9
1999-2000	83.5

Table 2: Share of the informal sector in non-agricultural employment, India, 1983 to 1999-2000 (in per cent)⁷⁶

⁷⁶ Estimate based on the residual method, indicating the share of informal-sector employment in the non-agricultural sector increase from about 76 per cent in 1983 to 83 per cent in 1999-2000. *Source:* Unni (2002) in Pais, 2003: 14).

As Jonathan Parry writes, ‘The rights of contract workers are much weaker, and their labor is consequently more flexible, susceptible to discipline, and cheaper’ (2009: 183). Moreover, formally employed workers may find their ‘assured’ employment increasingly fragile with the introduction of such mechanisms, especially so under a regime of self-regulation. There might also be great variations of job security and the pace of turnover, depending on the nature of the industry involved.

The emergence of export-zones

A final point I will address here pertains to informalisation processes related to the emergence of Special Economic Zones (or Export Processing Zones). Labour activists and scholars have tended to flag these ‘geographical inventions’ as islands that enjoy *exceptional* juridical status that promote the casualization of labour, where deregulatory measures and exceptions from the prevailing rules and regulations are circumvented in order to attract investments.

However, Meenu Tewari writes that the incentives for these geographical sites may not primarily revolve around lax labour laws as commonly assumed:

The Indian government is responding to the growing demand for labour market reforms (and the dismantling of labour protections) by launching a number of industrial ‘clusters’ and special economic zones (SEZs or apparel parks) with serviced land and public infrastructure where labour laws may be relaxed. But based on the authors’ discussions with representatives of some firms, for firms this seems to be more about getting access to subsidized land and clustered layouts where input suppliers, designers, key intermediaries such as processing firms, export assistance agencies, testing labs, and in some cases government subsidized environmental infrastructure (such as centrally designed common treatment plants) can be co-located, than it is about carving out zones with relaxed labour laws. (2010: 152)

Moreover, anthropologist Jamie Cross challenges the whole notion to exceptionality of these geographical sites:

The economic zones being built across India continue to be imagined and conceptualized as unique territorial, juridical and disciplinary spaces by planners, politicians, activists and social scientists. But, in their everyday operation, the continuities and interconnections of these spaces with the wider economy make them decidedly unexceptional. (2010: 369)

Today, Cross claims, what is exceptional is rather where state-provision of welfare, state systems of social protection and state-sanctioned contracts between labour and capital are provided. The current norm in Indian industry is an overall precarious one, regardless of geographical status.

Minimum Wages in India

India's Minimum Wages Act of 1948 is regarded as one of the most important labour legislations in the country (Rani and Belser, 2012).⁷⁷ The minimum wage system in India is simultaneously renowned for its complexity (ILO 2010; Rani and Belser, 2012). It is comprised of multiple MW rates determined at multiple administrative and sectoral levels (National, Regional, Occupational, Sectorial and Skill-level) (Varkkey and Korde, 2012). As Varkkey and Korde writes:

Some countries have only one national minimum wage rate, whereas others have multiple minimum wage rates depending on regions, occupations, qualifications, etc. An extreme example is India where more than 1200 minimum wage rates exist. The Indian system is even more complicated as - in addition to national minimum wage rates – states can set regional minimum wages following a recommendation from a tripartite body in the regions where wage bargaining has a very low coverage (2012: 4).

The ILO describes the current Indian system as one of the most complex minimum wage arrangements:

The 1948 legislation determines that the “appropriate government” should fix minimum wage rates payable to employees in a number of listed (or “scheduled”) employments. This has at least three important implications. First, minimum wages are set by either Central or State-level authorities, depending on the type of company. Second, the minimum wage is set only “in certain employments or occupations” and therefore not all wage earners are covered. And, third, there now exist a large number of rates which sometimes differ widely across States, even for the same occupation. This system has resulted in innumerable minimum wage rates, which are difficult to monitor and enforce and are not applicable to all workers. (2010: 72)⁷⁸

The complexity of India's wage rates has spurred many debates, and some have proposed a national minimum wage ‘irrespective of sectors, regions or states, below which no employment would be permitted’ (ibid). Perhaps the most ardent critique has come from Ghose: ‘[...] in the case of India, having “a plethora of statutory minimum wages, all arbitrarily set, which vary across jobs within a state and across states in the same job” is simply “indefensible” (1997: 697, cited in Rani and Belser, 2012: 49). Although, the Indian

⁷⁷ According to these authors (following John, 1997), the 1948 Act was a result of internal and external factors: ‘Internal factors included the increase in the number of factories and wage earners during the first half of the twentieth century, as well as the growing number of industrial unrests and strikes of workers who rebelled against their “starvation wages”. External factors included the adoption by the International Labour Organization (ILO) in 1928 of Convention No. 26 on minimum wage fixing in trades in which no effective collective bargaining takes place or where wages are exceptionally low’ (2012: 46).

⁷⁸ Section 4 of Minimum Wages act describes the yardstick for its calculations, based on basic wages and cost of living index. ‘The yardsticks on which minimum wage is revised are: (a) Three consumption units per earner, (b) Minimum food requirement of 2700 calories per average Indian adult, (c) Cloth requirement of 72 yards per annum per family, (d) Rent corresponding to the minimum area provided under the Government's Industrial Housing Scheme (e) Fuel, lighting and other miscellaneous items of expenditure to constitute 20 % of the total Minimum Wages (f) Children education, medical requirement, minimum recreation including festivals/ceremonies and provision for old age, marriage etc. should further constitute 25% of the total Minimum Wage.’ Paycheck India, 2012. URL: <http://www.paycheck.in/main/officialminimumwages/minfaqfolder> [Accessed 5th November, 2012].

Minimum Wage System has grown very complex, recent tools has been developed that make it easier to follow and compare the developments of minimum wage rates between different states.⁷⁹

The minimum wage at state levels are fixed, meaning that they are settled for a determined period, and regularly revised.⁸⁰ At the time of my fieldwork, there was an indicative wage floor set centrally by the government counting 115 rupees a day. Papola et. al. explain how the enforcement of Minimum Wages are divided between central and state labour administration:

The enforcement of the provisions of the Minimum Wages Act are at two levels, the centre and the state. In the Central Sphere [...] the enforcement of the provisions of the Minimum Wages Act is through the officers of the Central Industrial Relations Machinery (CIRM). At the State level compliance to the Act is ensured through the implementation machinery in the labour department. Both at the Central and the State levels, officers are appointed as inspectors under the Act. The inspectors conduct regular inspections and in the event of detection of any non-payment minimum wages, employers are first advised to make payment of the difference. In case of the non compliance of the advice of the inspectors prosecution is launched against erring employers. The inspectors also undertake special inspection drives for effective implementation of the Act. (2008: 64-65)

However, they further remark that

Various studies and reports clearly bring out that the implementation of Minimum Wages Act is not satisfactory both in terms of fixation and enforcement of minimum wages and lack of well defined criteria leaves scope for arbitrariness and variations in determination of the level of minimum wages. (13)

As stipulated in both the Minimum Wages Act 1948 and in the Factories Act 1948, double rates should be paid for overtime. Contributions to insurance and the Provident Fund are also retracted from workers' wages in accordance with the State Insurance Act and the Provident Fund: the employer pay 4.75 per cent of the wage bill, and the workers 1.75 per cent of what they receive. For the Provident Fund, the employer pays 10 or 12 per cent of 'the total wages received by the worker' and the worker pays a similar amount, or more if s/he desires (Papola

⁷⁹ For a useful tool for exploring issues of minimum wages in India see Paycheck India's website. It is a project that 'aims to bring in labour market transparency by studying the salary structure in India across industries and occupations.' URL: <http://www.paycheck.in/main/about-us> [Accessed 5th November, 2012].

⁸⁰ There seems to be no correlation, however, between state wealth and an increase of the minimum wage rate. While Uttar Pradesh is one of the poorer states in India, Karnataka in the South, home of the IT-hub of Bangalore, is one of the costliest cities in India and have minimum wages fixed for garment workers even lower than Uttar Pradesh. The Hindu, 5th of April, 2012, 'Costliest city's garment workers paid less than those in other cities.' URL: <http://www.thehindu.com/news/states/karnataka/article3281168.ece> [Read 6th of August, 2012].

et. al. 2008: 34). These Acts, including The Workmen's Compensation Act of 1936, are mandatory for organised industry. There is also a mandatory bonus scheme for employees.⁸¹

According to the most recent ILO Global Wage report (2012: 23), major Indian research institutions express inconsistent conclusions in their analysis of wage trend data. While there are no disagreement that India indeed is experiencing substantial economic growth, there are contradictory findings on whether current real wages ensues this growth. According to the National Sample Survey Office (NSSO) salaried and casual workers experienced a 150 per cent increase in their earnings between 2004/05 and 2009/10, compared to a 52 per cent increase in the consumer price index. However, the annual surveys by the Central Statistics Office and the Labour Bureau's real wage index 'indicate that real wages declined in a majority of recent years, shrinking the purchasing power of wage earners.' Furthermore, that this would explain workers' concerns of 'rapidly increasing prices, particularly food prices.' Bhattacharjee and Roy write that food constitute a significant share of garment workers expenditures, frequently a half of their income is used on food items (2012).

Innovations in Indian labour agency

A broader and more inclusive type of union federation emerged in the nineties (Tewari, 2010; Hensman, 2011). Disillusioned with established union federations many worker associations recognised the urgency for an unaffiliated democratic federation that worked for the workers and not for the political parties (ibid).⁸² New Trade Union Initiative represents new arrangements and alliances among long-standing actors in the labour market: 'more and more unions throughout India becoming dissatisfied with the central trade union federations and looking for an alternative, a national federation of independent unions had become feasible. [...] At a meeting held at the CWM in Delhi in April 2000, a decision was taken to launch the NTUI.' (Hensman, 2011: 157). NTUI⁸³ has evolved as an alternative to the traditional

⁸¹ Paycheck India. URL: <http://www.paycheck.in/main/labour-law-india/work-hours-in-india> [Accessed 5th of August, 2012].

⁸² The mistrust to political party affiliation is also evident in Padmanabhan's account from garment workers in Kerala, although one party official had an important role as a mediator during a nine-day strike (2011). See also Parry's detailed work (2009) from a State-owned steel plant on issues of union representation and the lack of solidarity between privileged formal workers and those that are causally employed.

⁸³ As stated in the 'For a New Initiative'-document circulated in 2001, NTUI aimed to be a 'national platform of non-partisan left-democratic unions created with the objective of forming a trade union federation.' (Hensman, 2011: 158). It furthermore aims for a democratic, and pragmatic, organisation: 'If there was consensus on any issue, there would not be any problem, but when there were controversial issues, problems could arise. If the principle of democracy was to be preserved in such circumstances, the secretariat of the NTUI (formed in order to coordinate its activities) should not have the power to enforce decisions on individual unions' (ibid).

federations that were closely affiliated with political parties (even parties turning hostile to union activity)

Unlike many national unions that have faced stagnation or atrophy in membership in recent years, NTUI has had some striking successes, organizing workers in a variety of sectors, including apparel, services, and agriculture. With over 200 constituent independent unions under its umbrella, NTUI has a membership base of 500,000 workers in the formal sector and another 300,000 in the unorganized sector (NTUI Interview with local representative). (Tewari, 2010: 155)

Contrary to established federations the NTUI is described as an ‘experimental organization’ that develop new tools and strategies responding to the challenges of globalisation:

When supply chains are proliferating across the globe how do you enforce labour rights on the basis of the nation state? To organize effectively there has to be a fundamental realignment [of labour] to the global supply chain, and not the nation state’ (NTUI interview, 2006). (ibid)

Tewari further writes that the NTUI operates on two levels: the workplace, and the communities where the workers live: ‘Its organizational strategy, therefore, extends beyond the workplace to the community, and it is one of only a few Indian unions to embrace area – and ‘place’-based organizing strategies. The community, and not just the factory floor are its organizing locus’ (2010: 156). They furthermore acknowledge the prevalence of the outsourcing of production and has a response chosen to target first-tier suppliers as this is regarded as a key level to operate on:

If, as NTUI’s analysis revealed, the key linkage is between tier 1 suppliers and global buyers, the top suppliers must be the union’s organizing focus. This has two advantages: First, tier 1 suppliers are closest the buyer; targeting them will enable the organizers to get closest to the global supply chain. Second, this focus on the largest suppliers is more pragmatic: ‘We need to monitor only 50-60 companies, not 200 companies. It is an organizing strategy’ (Interview, 2006). (2010: 158)

NTUI is recognizing the importance of bringing ‘women into the leadership and on training its organizers, and ‘taking into account the fact that knowledge had become much more necessary for union activists’ (Hensman, 2011: 160). Moreover ‘... employees’ unions now understood the importance of organizing informal workers, either bringing them into existing employees’ unions if they worked in the same workspaces or helping them to form their own unions if they did not.’

Union responses to trade, and linkage to WTO

During the nineties a proposal from northern unions to ‘link’ ILO conventions to the statutory, and enforceable, WTO-system, a social clause protecting workers’ rights in WTO agreements, were rampantly rejected by a confusing mix of actors in India.

It is clear that unions and labor-rights activists in India were very far from having a unified position on a workers’ rights clause. In general, the central trade unions were against it, informal workers and activists working with them were in favour of it, and employees’ unions

were somewhere in the middle, with some in favour and some against. The position of those who supported it was relatively consistent: workers' rights are being undermined due to globalization, domestic employers and the government are party to this attack, and therefore we need an enforceable international agreement to help us protect those rights. Many were opposed to globalization and the WTO but recognised them as a reality that had to be dealt with. Some suspected protectionist intentions on the part of First World unionists but were prepared to negotiate with them on the issue. (Hensman, 2011:308)

A curious 'consensus' (albeit based on very different vantage points) between key labour union federations, politicians and neo-liberal protagonists characterised the dispute: 'Opposition to the clause [...] came from a variety of standpoints, some incompatible with each other' (ibid). An Indian minister uttered that 'We consider them trojan horses of protectionism' (Pahle, 2010: 392). However, Indian politicians were not alone in rejecting the social clause-proposal:

The characterization of linkage as a protectionist measure was shared by the governments of most developing countries, which declared that it would be too expensive for them to implement: "At the WTO ministerial meeting in Seattle in 1999, more than one hundred WTO members from the developing world opposed international labour standards saying that they can't afford them" (Fields, 2004, cited in Hensman, 2011: 308)

Simon Pahle has explored the range of discourses that influenced the social-clause debate in India, and emphasize a 'failure in terms of discursive struggles' nationally as well as internationally:

It is difficult to make much sense of the rise and demise of the social clause proposal without paying due attention to discursive politics. Prima facie characteristics of the feud compel such attention. One seemingly singular policy proposal was inscribed with radically different meanings by people that otherwise share concerns about human and workers' rights in the context of deepening globalization. While some saw it as a proverbial 'freedom fighter' which would 'transfer the benefits of trade liberalisation to ordinary people in developing countries', others were equally certain about it being a 'terrorist', 'a stick with which to beat the third world'. (2010: 392)

While there are internal differences and disagreement on this issue within the new union initiatives in India – there seems to be scope for a reappraisal on this issue.

PART THREE: CASE GEOGRAPHY

Blessed by a most conducive atmosphere for industrial growth, Noida has attracted industrial giants and infotech companies to establish a permanent base in its environs. With 'laissez faire' as the guiding spirit, very attractive, industry-friendly packages are offered to prospective entrepreneurs. These are characterised by an innovative approach that redefines the concepts of 'one-stop shop' and 'single-window clearance' to expedite the setting up of an industry. A qualitative difference in response is inherent in the Authority's attention to your concerns to resolve your problems in Noida.

-New Okhla Industrial Development Authority⁸⁴

Noida and Global Production Networks in the NCR

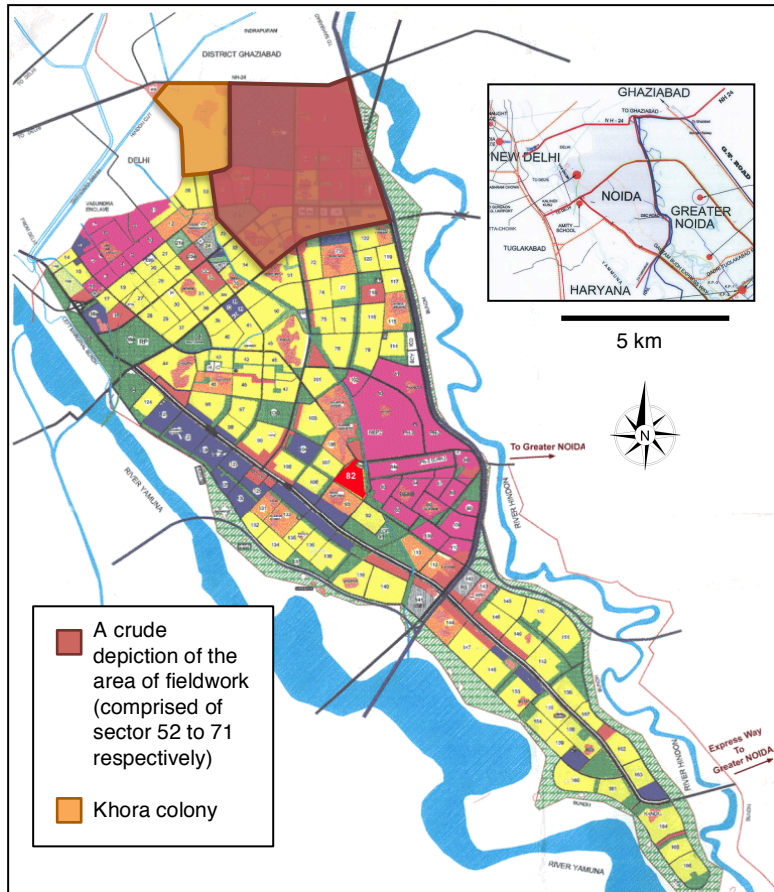
New Delhi and the surrounding urban region has a complex administrative organisation. The city of Delhi is surrounded by two populous states, Harayana and Uttar Pradesh. Noida, as well as its sister industrial area, Gurgaon, lies outside the administration of the National Capital Territory of Delhi (NCTD).⁸⁵ However, Noida and Gurgaon are included within the boundaries of the Delhi Metropolitan Area (see map 2, p. xvi). The National Capital Region (NCR) extends to include districts from Harayana, Uttar Pradesh and Rajasthan.⁸⁶

The capital and the surrounding region have grown rapidly ever since the Independence of 1947 and there was an estimated 12,8 million living within the official administrative boundaries in the 2001 Census. However, the agglomerated urban area, where districts like Noida and Ghaziabad in Uttar Pradesh and Gurgaon and Faridabad in Haryana are included, move the figures closer to 24 million. In that sense New Delhi can be verified 'as a megacity that ranks among the largest on the planet' (Dupont, 2011: 539).

⁸⁴ From New Okhla Industrial Development Authority's website, under the headline 'Noida - Where motto is "maximum facility with minimum formality".' URL: <http://www.noidaauthorityonline.com/industrial.html> [Accessed 7th of August, 2012].

⁸⁵ NCDT enjoys a quasi-state status with its own government and elective legislative assembly. For instance, the central government 'retains the control of land, police and law and order' within the NCDT (Dupont 2011: 538). The industrial areas of Gurgaon (in the south) are a part of the state of Harayana, and Noida lies within the state of Uttar Pradesh. Both industrial areas are well known for hosting production units that serve international firms.

⁸⁶ National Capital Region Planning Board. URL: <http://ncrpb.nic.in/ncrconstituent.php> [Accessed 31st May, 2012].



Map 3. Noida (New Okhla Industrial Development Authority) is situated east of New Delhi city centre, between the rivers of Yamuna to the west and Hindon to the east. Greater Noida lies to the east, while the district of Ghaziabad is to the north. In the plan's legend, the purple colour represent areas allotted for industry, yellow for housing and blue for institutions.⁸⁷

⁸⁷ Source: Maps gathered from ENVIS Center on Human Settlements, 'City Profile of Noida.' URL: <http://www.spaenvi.nic.in/pdfs/city-profiles/noida.pdf> [Accessed 8th March, 2012], and 'Noida – Greater Noida Yamuna Express Way Key Plan.' URL: <http://noidaplots.wordpress.com/2010/11/15/greater-noida-airport-jewar-airport/> [Accessed 5th December, 2012].

The NCR displays a heterogeneous industrial profile, with a great variety of production and level of technological sophistication. There are also a great amount of small production facilities too small to be covered by the Factories Act.⁸⁸ Simultaneously, shopping malls and a ‘mall-culture’ among the more affluent classes has emerged, as have large high-end residential complexes, business centres, and gated neighbourhoods (Dupont, 2011).⁸⁹ Moreover, the NCR hosts a wide array of multinational companies. It also has several Export Processing Zones (EPZs, or the second generation Special Economic Zones (SEZs)). Gurgaon, for instance, is an industrial area with global production and SEZs, but also the site of many headquarters of multinational companies.

Noida is a relatively new industrial centre, founded in 1976, ‘created from the clustering together of around twenty villages’ (Dupont, 2009: 180). The planning authorities in the 1970s used the area east of the Yamuna river as a strategic site to move production out of the city centre (Potter and Kumar, 2004).⁹⁰ Noida distinguishes itself as a highly planned township, unlike the older industrial parts of Delhi, like Mayapuri, Okhla and East Delhi (Sen and Dasgupta, 2009). Noida is also a key geographical site in the NCR garment industry: ‘The garment units in NCR are largely concentrated in Noida Sectors 6, 10, 57, 58, 59 and Hosiery Complex in Noida Phase–II; Udyog Vihar Phase I to VI in Gurgaon and Manesar’ (Roy, 2009: 28).

Many of Noida’s original villages enjoy a special status and have some autonomy.⁹¹ Many of these villages have become labour colonies as Noida has experienced a rapid population growth since its establishment.⁹² Migrant workers from Uttar Pradesh, Bihar and other states

⁸⁸ In the case of garments, estimates show that that there were 30,472 garment enterprises in Delhi in 1999-2000, where only 675 garment enterprises, or approximately 2 per cent, were registered under the Factory Act (Barrientos et. al., 2010).

⁸⁹ As Tewari writes, there are growing demands for domestic branded wear in India as well. As she states: ‘Indeed, some of the largest, best-known firms in the country cater exclusively to the domestic market (for example Pantaloon [...]) Quasi-hyper markets such as Big Bazaar and Shoppers Stop have put in place extremely intricate and tight domestic supply chains for the production of these goods.’ (2010: 154).

⁹⁰ According to these authors it was a process that has its very roots in ‘the Emergency’-period of Indira Ghandi (Potter and Kumar, 2004).

⁹¹ Veronique Dupon have conducted research in one such village, Harola (see Dupont, 2001). Dupont describes the villages as spontaneously developed enclaves within highly planned areas (2009).

⁹² Potter and Kumar writes: ‘According to the Census of India 1981, just under 37,000 persons lived in the town of Noida in 1981. By the year 1991, Noida was classified as a Census Town and its population had increased four times to 146,514 persons. The 1991 Census further revealed that in addition to the population within the developed urban areas of Noida, 34,489 persons were to be found living in the villages. Thus, the total population of what is officially regarded as the notified Noida area was 181,003 persons. This means that the population of Noida grew by nearly 300 per cent from 1981 to 1991. This is not surprising as this period

heavily influence the population of Noida. A 1995 mobility survey found that 69 per cent of households were headed by a migrant, a figure that rose to 89 per cent in the new planned sectors and 99 per cent in the slums (Dupont, 2009).

represented the takeoff stage of the new town. It was estimated that the population of Noida had increased to 211,534 persons by 1995 (Saha and Rao, 1995: 19) (2004:12). Veronique Dupont reports that the 2001 Census estimated 294,000 (2009: 180). According to provisional reports from the 2011 Census, the population of Noida in 2011 was 642,381 [<http://www.census2011.co.in/census/city/108-noida.html>, accessed 5th of June, 2012].

Supplier Contact

And sew they did. Like angels, thought Dina. The treadles of the Singers rocked and the flywheels hummed as the needles danced in neat, narrow rows upon fabric, while the unfurling bolts of cloth were transformed into sleeves, collars, fronts, backs, pleats, and skirts.

-From Rohinton Mistry's A Fine Balance

I was granted a meeting with the Head of Department in November 2011, held at their office in Noida. The supplier's production units were situated some kilometres away, but within the same district.⁹³ The Head of Department gave me a detailed description of the company: a family-owned business 'with a defined vision' ensured by the leadership of the chairman. This supplier started as a trading company about twenty years ago with an office in Germany.⁹⁴ According to this company's website, they have 4500 employees, what they refer to as 'professionals,' and can produce 18,000 garments a day. They also boast over \$20 million annual turnover. The Head of Department would confirm that they were one of the more successful suppliers, with sound and solid financing.⁹⁵ This supplier produces for a range of well-known brands, including H&M, Benetton, the German retailer Street One, KappAhl, as well as Varner's Cubus. The Head of Department explained that they export solely to Europe and do not deliver to the domestic market. Their involvement with Cubus was fairly recent, approximately four years.⁹⁶ They sought stable relations with their buyers, and had been producing for H&M for approximately 15 years. In terms of turnover, Cubus was a relatively small buyer in comparison.

At the time of the interview the supplier operated with two units: Unit 1 held full capacity, and Unit 2 approximately 40-50%. They would also rent an additional unit if so required. They followed minimum wage-rates set by the State Government, and paid double hourly wages for overtime as stipulated in the Factory Act and the Minimum Wages Act.⁹⁷ The

⁹³ I was introduced to several aspects of production, like how delivery time for orders would depend on the quality and sophistication of the items. The cotton was procured from various regions in India, where the polyester was from Gujarat. They also imported textiles and accessories from abroad, especially from China.

⁹⁴ Initially they focused on men's wear but had shifted to women's garments and (to a lesser degree) to women's accessories like scarfs, as well as clothes for children.

⁹⁵ This supplier do stand out in several ways: they have established a professional website and refers to their own CoC. Additionally, the chairman, which was the company founder, holds a Phd in Finance and is also involved in a number of financing and consulting firms. The chairman and the company have collected several prizes awarded by garment industry associations.

⁹⁶ Cubus was described as a secure buyer for the company.

⁹⁷ Paycheck India. URL: <http://www.paycheck.in/main/labour-law-india/overtime-pay> [accessed 5th of August, 2012].

normal working day was from 9-5:30. According to the Head of Department, 60 per cent of the workers were permanently employed, where they had to go through a probation period of 6 months. He stated that it was an attractive place to work: 'There is a network among workers - workers come naturally because of better working conditions here.'

Production and employment conditions, Unit 1

The Production Manager at Unit 1 was unreserved and forthcoming on discussing a range of issues pertinent to my research (like: overtime, minimum-wages, skill-categorisation, inter-state migration and so forth).⁹⁸ He also was responsible for CSR at the units, where they operated with their own Code of Conduct. According to the manager, the oldest unit, Unit 1, held a production capacity of 150 000 items a month, and it employed approximately 1000 employees. Unit 2 had 600 workers at present.⁹⁹ Except for 20 female workers who worked in the finishing section in Unit 1, all employees were male. Unit 1 operated with separate lunch breaks for the different sections. From 12:15-12:45 the cutting section, storing section (in the basement) and finishing section (first floor) had their lunch-break, while Production (ground floor) had their break from 1:00 to 1:30.¹⁰⁰

60 per cent of employees were what the Production Manager regarded as permanently employed - taken to mean that they were hired directly by the supplier. The remaining workers were hired through a contractor, but the supplier acted as the principal employer. If they had more orders than they could handle, they would usually provide the manpower they needed within 5-10 days. This was done through newspapers, circulation of pamphlets and posters - 'the word would quickly spread.' In order to attract the workers needed it was enough to advertise in Noida, oftentimes only in the immediate area. Still, he complained about the difficulty of getting enough skilled workers.

Skill-category determined the minimum wage base, which differs about 1000 rupees a month from unskilled to skilled. The manager was not hiring workers who could not show for the

⁹⁸ Unit 1 was situated among a many other production units that were all of standard size. I got the opportunity to see the site, and do a preliminary interview with the production manager, who also managed the other production unit(s). This unit contained a basement with a cutting section and storage rooms for the textiles; sewing-machines were lined in rows on the ground floor - 'the production' - with only male workers; the larger part of the 1st floor contained the finishing section and quality control as well as the site of management offices.

⁹⁹ The company is required by Indian law to follow a range of regulatory acts, for instance the Employees' State Insurance Act of 1948 and The Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

¹⁰⁰ There was no other scheduled breaks but for this half hour. The workers would go outside the building to eat and rest. They would have their lunch sitting on the road or in a park close to the factory. At 5:30 the signal would call for the end a regular working day. Another half hour would be provided for food and a short rest, before the workers could pass the gate once again to start on their overtime.

required skills necessary. Potential workers were put through a skill-test: for example to sew a special pattern, and this would determine if they were fit for employment as well as skill-category.¹⁰¹ On my question to the production manager on what he looked for when employing his workers, he stated three general criteria: that the worker is skilled; that they preferably were between 20-30 years of age, and; that they had migrated from more than 100 kilometres away.¹⁰² The reason for this, he stated, was to minimise the occurrence of absenteeism. According to the production manager, workers would get a permanent job after 8 months. However, few of our respondents in the questionnaire stated that they had worked that long.

The Production Manager clearly stated that the overtime was in the interest of the workers. He saw this in relation to a minimum wage set too low, and even provided a quick calculation of wages and expenses to illustrate his point.¹⁰³ Overtime, he stated, was a necessity for and in the interest of the workers, where the double overtime rates served as a main attraction for workers applying to this company.¹⁰⁴ This point was confirmed in the interviews we had with the workers: many stated that they wanted the overtime work, although this was out of necessity. When we approached the topic of minimum wage and overtime for a group of workers we interviewed during one of their breaks, the workers repeated the statements of the Production Manager that the minimum wages were set too low. One worker uttered that a person with no dependants might manage on the minimum wage with regular working days.

¹⁰¹ I was showed folders where he kept appointment letters for the workers. Inside, for the workers in production, there would be a test sample, a piece of cloth with machine-made stitches in patterns used for instance on a shirt. The test would help determine the skill level of the worker, and consequently their salary on the minimum wage composition.

¹⁰² The workers we interviewed ranged from 20-38 years of age. Most of them stated that they had basic education. One worker had no education. Two workers had gone to high school. Two were illiterate, while the rest had some reading and writing skills.

¹⁰³ At the time of this interview, an unskilled worker would earn 4304 rupees, a semi-skilled 4906, and a skilled worker 5446 rupees a month. Considering all expenses, like food, housing and providing for dependants – the minimum wage for a regular working was insufficient. The manager illustrated this through the example of a skilled worker who would earn 208 rupees for a regular 8-hour working day (an unskilled worker would earn 165 rupees a day, a semi-skilled 189). Out of this, 28 rupees would go to insurance contributions (Employees' Provident Fund and Employees' State Insurance scheme), which leave 180 rupees a day. Important expenses would be accommodation and the expenses for commuting to the workplace, if the worker lived outside walking or biking distance.

¹⁰⁴ Double rates for over-time is stipulated in both the Factories Act 1948 and Minimum Wages Act 1948. Paycheck India. [file://localhost/http://www.paycheck.in/main:labour-law-india:work-hours-in-india](http://localhost/http://www.paycheck.in/main:labour-law-india:work-hours-in-india) [Accessed 5th of August, 2012]. The production manager admitted that overtime was common, and insisted that 10-12 working hours a day was normal, and that it was reduced as they had discussed over-time with buyer companies. Nevertheless, the overtime would often exceed the legal limit, which he found unreasonable low.

¹⁰⁵ However, if you had a family, as most of our respondents had, the monthly expenses would easily exceed 7000 rupees, which is considerably higher than the minimum wage.¹⁰⁶

Workers' stories

With the exception of an unmarried worker with no children, the workers had 2-4 children and most of them had their mother and father to support (or supported their brother who took care of the parents back at their village). Of all the men interviewed, their spouse was stated being a housewife. The women had husbands who were employed elsewhere in similar types of industry. Some of the workers had moved with their family to Noida, while others had left their family back home.¹⁰⁷ The workers lived in relative proximity. Four workers reported living in the Khora colony (which we later visited). 5 of the workers we interviewed came from Uttar Pradesh and three came from Bihar. This supplier was not the first job for any of the workers we interviewed. The average rent paid was 1500 rupees a month (spanning from 1200r to 2200r per month).

One of the women workers described for us some of the challenges of both husband and wife working simultaneously, and how this affected the upbringing of her two sons. They had managed to save up money for the oldest son to go to a private school, and enrolled on a degree-program in Lucknow, UP. This meant that they had to pay for the tuition, as well as for his rent. While she would be paid as unskilled (4304 rupees) her husband made 5200 rupees at another unit in Noida. They had also managed to find a place in Khora colony for 1800 rupees a month. Being an immigrant from a village from Faizabad in UP, some 600 kilometres from Delhi - she was now 32 years old and got married at the age of 13. Her oldest son was 18 and the youngest 15. While she was proud to provide this opportunity to her eldest son, she regretted that her youngest son at 15 had dropped out of school. She said that he was an intelligent boy, but that he wanted to work and make his own money, and that he didn't want to be a financial burden on his parents. She remarked that as both her husband and herself worked as much as they did, it was impossible to follow up her youngest son and

¹⁰⁵ Dependants may be the worker's spouse; the worker's unmarried children; the worker's parents and unmarried siblings if they lived with the worker or the worker send money to them regularly (Jesim Pais, 2003: 183).

¹⁰⁶ Other workers would be more blunt: 'We won't be able to survive without overtime. Won't be able to eat anything.' A worker in this group also uttered that they knew that the product they made was sold for much more than their wages would suggest. None of the workers in the group stated that they had been there for more than a year.

¹⁰⁷ 3 of the workers came from a family of farmers, while others had held positions as teachers and diverse vendor jobs like selling cigarettes or working as a driver.

make him go to school as she thought he should. She stated that she would prefer to work only eight hours a day.

The last person we interviewed at Unit 1 agreed to show us his home in Khora. Khora colony is an ex-village-cum-labour colony renowned as one of the largest unauthorised colonies in Uttar Pradesh. It is neighbouring the northern part of Noida, and is under the Ghaziabad Metropolitan Region. Khora colony was the home of four of the workers that was interviewed. Khora is reported by popular media to be the home of about a million, which is way higher than what the provisional Census states.¹⁰⁸ In any case, Khora have grown considerably in size since the early 1990s.¹⁰⁹ In April 2011 ‘True Reporter’ of NDTV, Ravish Kumar, covered a story from Khora colony. It reported that most men work in the surrounding industries, or have service jobs like auto-drivers. Many of the women work as domestic workers. The documentary also revealed slum-like conditions with no sewage-system or drinking water facilities. Empty plots of land have become landfills of garbage as no municipal cleaners or garbage clearing trucks came to the colony.¹¹⁰

The worker who took us to his home was the son of a pot-maker from Bihar who had come together with his brother a about a year ago. He said that he had gotten his brother’s job at the factory. He had also worked as a construction worker earlier.¹¹¹ He welcomed us along with another worker, also from Bihar, who had come to Noida four years ago with his wife and kid. He had worked six months for this company and worked now at unit 2 after being transferred from Unit 1 in August. He said that Unit 2 had been closed for two months, because of unrest – but that the conflict was over before his transfer. By his estimates, 90 per

¹⁰⁸ The provisional 2011 Census reports that it is the home for 189,410 (102,669 male/82,741 female). The Ghaziabad Metropolitan Region houses approximately 2 million. 2011 Census: URL: <http://www.census2011.co.in/census/city/106-khora.html> [Accessed 10th of August, 2012].

¹⁰⁹ The 1991 Census estimated a population of 14,751 (Potter and Kumar, 2004)

¹¹⁰ The 20 minute documentary clip on the conditions of the colony can be seen here: URL: <http://www.youtube.com/watch?feature=endscreen&NR=1&v=rpMxPdQz4j0> [Accessed 10th of August, 2012].

¹¹¹ To get to his rented room in the colony, we were led through unpaved streets of mud with gutters with open sewage water. Walking the streets, we had to jump over large puddles of sewage water on several occasions. The weather was dry, but with heavy rainfall the sewage would flow over the streets and into the houses. We passed a tractor with a tank attached, where women were queuing to fill bottles and cans of clean drinking water. His room on the first floor in a brick building, was approximately 10 square metres with a window, He had found a place to live from 1200 rupees per month, which was less than reported from others. He lived there with his wife and their 9 month old baby. The room was clean and tidy.

cent were now hired through the contractor at Unit 2. However, he had kept the same agreement as he had had at Unit 1.¹¹²

Production and employment conditions, Unit 2

The Head of Department told me about some unrest at Unit 2 in the initial interview, and the Production Manager had also confirmed this. The Production Manager declared that they had decided to stop work beyond regular working hours (‘Because of low orders, we declared no overtime for two months.’) I raised my wish to conduct interviews at this unit to the management, but after the questionnaire-round the management seemed unwilling to let me conduct more interviews.¹¹³

At Unit 2 a group of seven workers first approached us at a nearby tea-stall in their lunch break.¹¹⁴ We also approached a larger group of workers who were having their lunch on the street outside. Several workers rallied to talk to us and many were eager to exchange mobile-phone numbers and contact details.¹¹⁵ We were approximately 50 meters from the factory gate, and the security guards were aware of our presence. After some time the Production Manager came outside of the factory and approached us. I said that I had come to ask if anyone were interested in being interviewed this following Sunday, and that we would shortly leave. He told us that he had no objections to our request. We thanked the workers and the Production Manager, and left the workers to their meal.

On the following Sunday we met a worker in proximity to the unit, and we walked on foot to his place of residence in a nearby village. This worker was 22 years old, unmarried, and worked in production. He lived with his uncle in a village close to the unit, but was originally from a village in Uttar Pradesh, 350 kilometres away – where his father worked as a farmer. He had been working for this supplier, at Unit 2, since May 2011. On the walk to the village,

¹¹² He was working as a skilled fabric-checker (5446 rupees a month). He stated that the supplier was a good company to work for, yet that without the overtime, he would have to use savings or borrow money to make ends meet.

¹¹³ I did not get any response to my phone-calls to the Head of Department. The lack of communication led me to decide to approach workers at Unit 2 in their lunch break together with my interpreter.

¹¹⁴ Two of them had come to collect their Diwali bonus (Diwali, ‘The festival of lights,’ is a Hindu festival. It is an official holiday and in 2011 it stated 26th of October, about a month earlier than my encounter with these workers.) We told them that we would be interested in what the workers could tell about this unit as we had conducted interviews at Unit 1 earlier, and that if any of them or workers in their break were interesting in talking to us, we would be sitting at the tea-stall at the end of the street.

¹¹⁵ It was interesting to note that many of the workers had mobile phones. On the following days, I would get calls to my number, just a few seconds before they hung up, implying that I could call them back.

we were handed two ID-cards. He had gotten one in May, where the supplier's name was stated on the card. This card, he told us, was now out-dated, where he showed us a similar card where the name here was replaced with a third party contractor.

According to this worker, the supplier had decided to close down the unit due to low orders over the summer months.¹¹⁶ Left with the prospect of no work, a group of workers had assembled and demanded to be compensated. Tension increased over the summer, and the supplier had hired 18 'wrestlers' to intimidate the workers from continuing their demands. The issue was eventually settled by some compensation handed to the workers. But the workers making demands was not rehired by the contractor.¹¹⁷ In his words, it was 'big trouble and fight, then they got paid.'¹¹⁸ He stated that he was not afraid to talk to us, and was not concerned of losing his job.

We were introduced to his uncle in his home, where two other workers had also come.¹¹⁹ One was currently recovering from typhoid, and he had not been working for some time. He was now thirty, and had a wife and two kids. He had started working in Noida already in 1995, and he had been working for the supplier since 2004, where he had worked in three different units, including Unit 1. He stated that he preferred to work at Unit 2 as he lived in this village that was close by, so he could walk to work. He had other skills besides being a tailor, and said that he had worked as a leatherworker during the time the company closed over the summer. He was certain that he would get his position back at the company when he had fully recovered.¹²⁰

During our conversation, a motorcycle with two persons stopped outside the house. They were politely invited in, and they found a seat together with the workers. The two had been

¹¹⁶ This contradicts with the Production Managers version as a period of no overtime. Our respondent insisted that it had left the workers without a job over the summer.

¹¹⁷ The supplier used this period to restructure its organisation, and decided to alter all of the workers' contracts over the course of the summer. The old system was abolished and workers were rehired through a contractor. The worker we interviewed stated that much remained the same in terms of benefits, where the contract workers would also receive double the wage for overtime. Nevertheless, he stated that it was easy to get fired - the shifting of the workforce was very common.

¹¹⁸ It is difficult to know if the introduction of contractor-employment structure was a strategy to get rid of the workers who raised demands, or if this was a long-term plan regardless of the unrest.

¹¹⁹ His uncle did not work for any company, but told us that he was involved in a range of projects. For instance, on our way out, the householder showed us three sewing machines that he had bought.

¹²⁰ This worker was clearly a highly experienced tailor, which might explain why he was so confident of getting his position back at the company.

sent by the management to look after our meeting with the workers. It must have been fairly easy to trace the location of our interview, myself being of Caucasian appearance. Nevertheless, we continued the conversation in their presence, and included them in the discussion. There was no drama connected to their attendance, and they were acquainted with the workers and the householder. They were both in the mid twenties. One worked as a supervisor at Unit 2, while the other said he worked as a 'field officer,' where he would fetch equipment and necessary parts to machines between the units, and collect them at various stores in the NCR. After some time, we concluded the interview and exited the village.

IV: DISCUSSION

Before I commence on this discussion I think it is necessary to come back to some key theoretical propositions in this thesis. I emphasise that I am not attempting a close study of power and governance within the chain itself. Rather, as explained elsewhere, I argue in favour of GPN as the preferred lens in order to ‘weave in’ the various actors, institutions and players into the fabric of a coherent discussion. Coe, Hess and Dicken, key architects of the GPN approach, write that the

analytical power of the GPN-approach is that it helps the researcher to adopt a ‘*broad-based relational approach*’ in order to *follow-the-network* outwards from that starting point to reveal the complex interconnections and interdependencies between the wide variety of social actors that constitute GPNs and influence the processes of value creation, enhancement and capture therein’ (2008b: 291, my emphasis).

These authors argue further that this lens has the following analytical advantages that I think will serve well as a backdrop for the following discussion:

- 1) it has the capability of ‘*being inclusive of all the major actors*, not just ‘producers’;
- 2) it is *flexible in terms of geographical scale*;
- 3) it is devised to recognize that the GPNs are ‘*fundamentally influenced by the concrete socio-spatial contexts in which they are embedded*’;
- 4) it ‘*forces*’ the researcher to distinguish between ‘*territorial embeddedness and network embeddedness*’;
- 5) it is devised to facilitate ‘*a more nuanced articulation of power relationships* than has tended to be the case in chain-type analysis. In this regard, it enables us not only to analyse corporate power but also institutional power (states at different levels, as well as the ‘global’ institutions) and collective power (e.g. CSOs, labour unions)’;
- 6) the GPN approach can be applied to ‘*identify the points within the network where value is created (and for whom), where it is captured (which may not be in the same place) and how such value might be enhanced (e.g. in terms of upgrading), and finally*;
- 7) it ‘*raises the possibility of identifying potential points of intervention or resistance* within the network by, for example, CSOs (as in the case of consumer boycott movements, ethical trading initiatives, and the like).’

Source: Coe et. al. 2008b: 289, emphasis in original)¹²¹

Although relying on GPN as the primary lens, other relevant contributions explored in the previous chapters will be included here as well.

I take the vantage of a key finding gathered from the fieldwork to move outwards from: that of the inadequate wage-level at the supplier I explored.

¹²¹ Obviously, I do not pretend to include all of these features in the following discussion equally, yet they are all significant aspects of GPN-analysis.

WAGES DO NOT PROVIDE FOR WORKERS WELLBEING

At the time of my fieldwork (September - December 2011) the minimum wage in Uttar Pradesh was 4304 rupees per month for an unskilled worker, which amount to 2-3 NKR an hour. All of the workers I interviewed rejected any possibility of working regular 8-hour days on minimum wages. In periods of little overtime, workers reported that they had to use of their savings or to lend money from other workers or family. Importantly, the management at the supplier concurred that the minimum wages were set too low and that the extensive overtime was in the interest of the workers. My worker-interviews, however, shows that this stance is a leisurely interpretation of their interests: For the garment workers in the units I explored, the extended overtime hours on a daily basis - although essential to provide for their family and themselves - came at a very high social cost.

Essentially all of the workers I interviewed had dependants to provide for. Some of the workers would have the family living with them in the colonies; others could only visit their family back at their hometown or village a few times a year. The living conditions at the worker colonies were of a dismal state with open sewage and poor garbage disposal - literally uninhabitable during heavy rainfalls and floods. Put mildly, it was no place for children to grow up.

Of the workers interviewed at Unit 1, only one worker (who had family fairly close by) went home to his village on Sundays. Most workers would return to their home villages 1 to 2 times a year. One of the women workers would go to her husband's place once a year. Some workers stated that they would stay for some time, 15 days or so, when they went home. When casually dismissed during low season, workers had to rely on other coping strategies: many of the workers stayed within the NCR to find other work while others went back to their hometowns and villages to help their family and possibly find ways to recuperate.

The reader might recall the situation of a female employee who had her husband working in a nearby garment unit. This couple virtually had no time to look after their youngest son at 15, who ran off to work rather than going to school. As they also had to pay for their eldest son's education they were more or less trapped in impossible financial propositions - having to see his education through. Nevertheless, this is the only example I encountered relating to potentials of social mobilisation, albeit with a high price for the respective parents.

Most workers could not anticipate the duration of their engagement to this supplier. The Production Manager readily admitted to a high turnover-tendency in his industry: ‘All are free, if they will, to work with us or not. Their choice. Worker turnover is very high. Workers might choose other companies.’ Although the workers at Unit 1 were hired directly by the supplier, none of my respondents stated that they had worked for the company more than a year.¹²² The Production Manager estimated that about 60 per cent of the workers would return over the summer.

The garment industry is notorious for erratic orders. Orders may ‘dry up’ or even ‘flood over’ depending on the season. Fashion, at least in Europe, changes every three months or so (Roy, 2009: 22), although many retailers now run campaigns with higher frequency independent of share seasonality concerns. The months between May and August (the summer months) are reported to be the doldrums-period in the garment sector, at least for embellished women’s clothes (Tewari, 2010).¹²³ The nature of the industry necessitates some form of flexible response from the suppliers, yet this is largely done at the expense of workers who have to resort to other coping strategies during low season.¹²⁴ The supplier I explored attempted to deal with this problem by relying on two to three units, regulating the production between them.

The wage arrangements in Noida do not provide for worker’s wellbeing. The wages, set by the state government of Uttar Pradesh and readily adhered to by this particular supplier, was beneath any line to promote, let alone secure, wellbeing for the workers and their dependants.

¹²² The exception was a worker that we interviewed at the village nearby Unit 2, who had been employed for 6 years. Although he was currently not working due to a case of typhoid, where he had gone back to his family village while ill, he was confident that he would get his job back when fully recovered. As Satyaki Roy explains, some highly skilled workers enjoy benefits like job security and higher wages as there can be a demand for master tailors capable of making intricate designs, or to take on the job as checkers, cutting masters and supervisors (2009: 34). This worker was also skilled in leather-works, which was his way of income in low seasons.

¹²³ Tewari writes of another supplier in Gurgaon who shifted to producing home furnishings, winter clothing and men’s wear to ‘smoothen out’ the seasonality cycle’ in the summer months. The supplier in my case had not diversified their production in this way.

¹²⁴ However, as Parry reminds us, order-fluctuations may not be the only reason for the prevalence of short-term contracts and high turnover: ‘In [Indian] law (though it is infinitely interpretable), workers who perform tasks for which there is “a permanent and perennial need,” and those who have been continuously employed for 240 days must be made permanent and provided with all the benefits’ (2009: 192).

Are the wage agreements in conformity with Varner's Codes of Conduct?

Thus a woman worker in India, protesting against compulsory overtime resulting from the reduction of delivery times from a month to fifteen days, asked, "What's the hurry? Will people in Europe and America have to go without clothes if we take a month to complete the order?" (Hensman, 2011: 302)

My fieldwork suggests that while Varner's supplier's wage arrangements met the 'national legal standards' the wages workers received for a standard working week were insufficient - below any level to secure necessities, let alone savings. Varner's supplier followed the Minimum Wage Act in terms of paying the minimum wage rate and double rates for overtime as required by law. In that respect they complied with Varner's CoC's point 7.1, which states that wages should 'at minimum meet national legal standards' (2012a: 4). However, the latter part of this point states: '*Wages should always be enough to meet basic needs, including some discretionary income. If this requirement is not yet met, the factory shall work towards its fulfilment.*'

Indeed this is at the crux of the dilemma. As I have shown in previous parts of this thesis, the supplier's response to workers' insufficient wages are not addressed by the supplier rising wages beyond the statutory minimum wage, but they are 'compensated' by means of excessive overtime. Hence, the overtime-arrangements can be seen as a structural effect of the low statutory minimum wage. A refusal to work overtime would in this context disrupt the very way the production was organised, but again, even if workers got permission to work regular working days at the minimum wage level – this was insufficient to sustain workers' (and their dependants) social reproduction.¹²⁵ The excessive overtime practices can hardly be considered voluntary (as aspired to in Varner's CoC).

According to the Production Manager, the low MW necessitated the overtime-practices, even breaching the limits set nationally as well as ILO's recommendation of 12 hours a week stated in Varner's CoC.¹²⁶ Nevertheless, my interviews with workers suggests that Varner's

¹²⁵ This is not to say that workers did not prefer to work for this particular supplier compared to previous places of work. My point is nevertheless that the supplier's wage and overtime arrangements corresponds poorly with the aspirations of Varner's CoC.

¹²⁶ According to the Minimum Wages Act of 1948 'the working day of an adult worker shall be so arranged that inclusive of the interval of rest it shall not exceed 12 hours on any day.' Also, 'overtime wages are to be paid at the rate of twice the ordinary rates of wages of the worker. [The act] mentions that the employer can take actual work on any day up to 9 hours in a 12 hours shift. But he must pay double the rates for any hour or part of an hour of actual work in excess of nine hours or for more than 48 hours in any week.' Paycheck India, URL: <http://www.paycheck.in/main/labour-law-india/work-hours-in-india> [Accessed 27th October, 2012].

supplier's practice of paying heed to the Minimum Wages Act was a positive deviance as other suppliers would pay below the minimum wage and would not compensate for overtime. Compliance with the wage-legislation had in turn positive effects for the supplier as it helped the company to attract workers when needed.

A pertinent question is whether the wage arrangements in Noida are in accordance with Varner's CoC? On my question concerning decent wages, Varner's Head of CSR responded:

To ensure the workers a proper wage is an extremely important aspect in our ethical guidelines. This is an important topic of current interest that is often discussed [...] It is not an easy problem to be solved because there is not always an accordance between minimum wages in a country and what is regarded as a living wage. We wish to cooperate with other companies that encounter the same challenges as we do, and to find long-term solutions to this problem. ETI-N can play a coordinating role and be a useful network-platform for those who wish to go further into this issue. We are happy that this group [Business Practices and Living wages'-working group] will be re-established. (Personal communication)¹²⁷

Clearly, while discrepancies between Minimum Wages and living wages is acknowledged by Varner's Head of CSR, it is not clear where the line crosses from acceptable to the unacceptable by a reading of Varner's CoC.

Varner's Head of CSR believed that open supplier lists would become a reality at some point, but when this would happen would be difficult to predict (Personal interview). On this point, ETI-N's manager stated that he was skeptical of counterarguments to transparency based on claims of competition sensitivity. While there could be some instances where companies needed to protect research-based information, this would generally not be a valid excuse for most outsourced production. In any case, 'Companies within the trade are fairly aware where their competitors are sourcing' (Personal communication). Varner is also reluctant to take the role as 'first-mover' in terms of including *living wages* in their CoCs. As such, Varner has not significantly altered their position in terms of revealing their first-tier suppliers or granting access to audit reports (FIVH 2011).¹²⁸

¹²⁷ On this point, Varner's Head of CSR has called for more progress in ETI-N's Business Practices and Living Wage-working group (Varner, 2011).

¹²⁸ Varner's CSR management got much media attention in Norway in November, 2012 for failing to show up for a meeting with the Minister of Consumption, where several companies along with ETI-N was invited to discuss more transparency in the garment sector. This meeting was spurred by the Swedish documentary, Kalla Fakta, that reported on conditions for workers at H&M's suppliers in Cambodia. (See: URL: <http://minmote.no/index.php/2012/11/forbrukerminister-inga-marte-thorkildsen-jeg-vil-se-varner-fabrikkene/> [Accessed 1st December, 2012].

A brief commentary on IKEA's supplier in Noida

A short remark is appropriate here concerning the other ETI-N member that I explored in parallel with Varner.¹²⁹ IKEA Norway, a franchise of IKEA, is also a member of ETI-N. IKEA has a well-developed private company standard framework (IWAY), made independently of IKEA Norway's membership in the ETI-N. Business scholars and other CSR-professionals have frequently praised IKEAs company standards for exemplifying CSR that 'walk the talk' (see for instance Andersen and Skjøtt-Larsen, 2009; Ivarsson and Avalstam, 2011).

On request, I was allowed to observe an I-MUST-audit conducted by two representatives from KPMG at a supplier for Lemnis (a Dutch company providing IKEA with light-bulbs). However, IKEA rejected my request to bring my interpreter. I was so unable to interview workers at the factory, where I could only interview management and accompany KPMG on their inspection of the factory floors. Consequently, little empirical data came from this round. Nevertheless, in light of my exploration of Varner's supplier I will point to an obvious discrepancy between these two suppliers' self-representations, as they both happened to be located in Noida, and in close proximity.¹³⁰ I found that the statements of Lemnis' supplier's manager contrasted starkly to the statements made by Varner's supplier's management - particularly on issues of overtime and minimum wage. Here, Lemnis' supplier stated that their workers were paid minimum wage-rates. However, the manager claimed they had no overtime at all, despite affirming having high orders. Clearly, this presentation contradicts with Varner's supplier, where the management insisted that overtime was indispensable for the workers. From this abbreviated comparison I gather that IKEA's supplier, through Lemnis, operated with the same hourly wage rates as Varner's supplier.

¹²⁹ IKEA is a well-known retailer of home furnishings, interior items and other household goods, ranging from whole kitchen solutions to a diversity of creative inventory and articles of various sizes and purposes. IKEA holds a dominant and leading position of its supply chain and is a global brand owner (Andersen and Skjøtt-Larsen, 2009). It can be seen as a Scandinavian company, with distinct roots in Sweden, yet it has fragmented its organisational structure with various offices around the world and a complex organisational structure. IKEA's CSR arrangements are quite known in the CSR literature, and have been hailed as a company that do not merely talk-the-talk in its CSR practice, but also walk-the-walk, where IKEA's CSR practices '... can serve as inspiration for other companies that are considering adopting corporate codes of conduct' (Andersen and Skjøtt-Larsen, 2009: 75).

¹³⁰ As both were situated in the north-eastern corner of Noida (map 3, p. 67).

WHY WAGES ARE SO LOW

Derived from my experiences in the field, I propose two substantial conditions for the insufficient wage levels in the case explored: First, I argue that a workforce primarily consisting of migrants is of core importance for this issue. Second, and closely related, there's a need for understanding factors of social control. I argue that these elements are often overlooked by a narrow focus on the value chain itself, and suggest that it is necessary to investigate these in depth in order to attain a fuller understanding of why current wage arrangements are so low and how this impair workers wellbeing.

Migrant City

The current situation in the NCR resembles Pahle's description of migrant workers in South Africa: 'Acute job insecurity, paired with a momentous influx of migrant workers – who constitute a sizeable 'surplus population' ready to take jobs on virtually any terms' (Pahle, 2011: 45). Migrants overwhelmingly constitute the workforce in GPNs in the NCR.¹³¹ However, as Miller and Williams (2009) point out, while stitching and other work in the garment industry is regarded as being low value added, the skills required can be grossly underestimated. This was also evident at Varner's supplier, where workers had to go through a trial period and show their skills in order to get employment (I was shown some quite impressive test samples by the Production Manager).¹³² This supplier had no apprenticeship program or training of workers, although they had helpers doing various work. Stitching skills, however, had to be acquired elsewhere before applying for a job. It was not jobs any one could apply for.

It might be recalled that the supplier had a consistent policy of hiring migrant workers coming from a certain distance. The manager claimed he wanted migrants in order to minimise absenteeism. He furthermore stated that this was the normal hiring practice of competing factories in the area. However, some scholars have suggested that the primary reason is that such hiring practices provide suppliers with a form of social control over the workers. Satyaki

¹³¹ A migrant worker is one who is not born in the place he or she is working. Their children are not regarded as migrants if born at the place where their parents work (Pais, 2003: 185).

¹³² It is perhaps most accurate to state that the garment industry absorbs 'low and high-skilled workers' (Battacharjee and Roy, 2012: 68), depending on the nature of the garments being produced. Padmanabhan reports from Kerala that many of the workers there are put to work on only parts of the garments produced, like sleeves or a collar of a shirt (2011). Interestingly, this narrow specialisation has given workers some leverage in terms of rejecting overtime if asked to do tasks that they are not specialised to do.

Roy at ISID writes that employing migrant workers must be seen in connection to their inferior bargaining-position compared to local residents:

The region is endowed with a regular flow of a large number of migrant labourers who come from neighbouring districts of UP, Bihar and also from Orissa and West Bengal. As reported by a labour contractor in Gurgaon, the owners do not prefer to employ local residents in their units. This is primarily because local residents might have some connection with the legal or illegal power entities of the locality and that might add to bargaining strength vis-à-vis the owner. In this context owners prefer migrant labourers because they are more vulnerable and hence more docile. Since there is no trade union, labour rights can be easily ignored if the share of migrant labourers increases in the workforce. On the other side, migrant workers are less concerned about their rights and welfare; rather they are inclined to earn more even if it involves higher exploitation and coercion. (2009: 32)

As alluded, a pertinent issue is whether migrant workers drawn to NCR's GPNs are properly conscious of their collective grievance. In any event, the current (and conscious) preference of migrant workers by producers echoes in many ways Chandavarkar's exploration of Bombay's textile-industry in the first half of the 20th Century:

The workers' apparent lack of 'commitment' to industrial employment and high rates of labour turnover were not, therefore, as many earlier authors had supposed, a consequence of their atavistic commitment to their villages. It was in reality 'practical reason' not 'culture' that explained their behaviour. It was their poor wages and the chronic lack of security in the mills that forced them to rely on village, caste and kinship networks of support during hard times. (Chandavarkar, 1994, cited in Mollona, 2009: 388)

Recall the section on spatial fix in the theory chapter. According to this thesis, capital is always in search of taking advantage of opportunities in uneven geographies. Satyaki Roy highlights two primary factors in supplier companies' locational decision making - to reduce the cost of labour and to reduce the costs related to infrastructure:

The labour intensity of garment production being high, the share of wages in total cost of production has been the major consideration if not the defining factor in choosing the place of production. This has led to the global phenomenon of changing sites of production in search of low labour costs. [...] in the case of garment production, commissioning of a new unit takes relatively less time—often even less than a month to shift from one place to another given the fact that factory sites are occupied on rent. As a result, a different kind of dynamics evolves, basically to reduce the cost of production and in a way garment units emerge as footloose industries. *The shifting of spaces of garment production becomes a real hindrance to long-term inter-linkages between firms.* (2009: 31-32, my emphasis)

As Roy continues, it was political decisions and regulation that compelled garment units to move from Delhi to Gurgaon and Noida in the 1970s and 80s. Now he observes a growing trend to 'set up industries in Manesar, Sonapat, Panipat, Jaipur, Bhiwandi and even in Bangladesh.' Hence, it is important to note that incentives to relocate, or restructure through outsourcing practices, are not features of buyer-companies only. Indeed, supplier companies may well outsource production to lower tiers or to homeworkers, and, as Roy explains, explore opportunities to move or expand production to other more favourable locations. As he

highlights, these ‘shifts are mainly driven by the purpose of reducing labour cost and the costs related to infrastructure. Besides these factors many of the producers having units in Dehli and Gurgaon purchased factories in Manesar that they got at a very low price and intended to extend their production capacity in booming times during 2000 to 2003’ (2009: 32).

The supplier I explored, who had operated in Noida for some time, owned two of their units and rented a third one in times of high orders. It is uncertain what other strategies this supplier would draw on. Outsourcing to lower production tiers is reported to be pervasive by Indian labour scholars, although I do not have any testimony of this occurring at this particular supplier. However, what is clear is that the two units I explored could not house all the 4500 professionals stated on the suppliers’ home page.

I argue that the elements of ‘spatial fix’ explained above posit crucial challenges to a ‘labour spatial fix’ in Herod’s sense of the term. Supplier companies’ exploit of spatially uneven effects within the NCR, or beyond, clearly has social repercussions for the workers. While some migrant workers can afford to be mobile and seek opportunities in other GPNs, this would likely be utterly straining for migrants who are living in the GPNs with their family. For instance, urban ‘nomadic predicaments’ of frequently being on the move, be it within the NCR or outside, will of course greatly undermine any prospects for children getting education. On this point, migrant workers have to weigh the advantages and disadvantages (if they have that choice) of bringing family to the NCR. As mentioned, several workers I interviewed kept their close family back home, and could visit them only a few times a year. It might also be recalled that scholars have reported garment workers being so exhausted that they forget how many children they have back home (Pais, personal communication).

However, migrant workers’ decisions to move may not always be triggered by economic incentives. According to Roy, the wage difference between Delhi, Gurgaon, Noida and ‘places in neighbouring states’ are not that uneven.¹³³ For instance, one worker we interviewed from Bihar reported that he first worked in Gurgaon, but he decided to move because of racism.¹³⁴ One of the women workers told us that she had been scolded severely

¹³³ Though in terms of minimum wage levels, the wages tend to be significantly higher in Delhi than the neighbouring states (see Paycheck India, URL: <http://www.paycheck.in/main/salary/minimumwages/delhi> [Accessed 28th November, 2012])

¹³⁴ He did not want to go into any particulars for his decision other than that he preferred working in Noida. Yogendra Yadav, senior fellow of the Centre for the Study of Developing Societies, New Delhi, states that the

by supervisors at another factory in Noida because of a mistake. This had left her searching for a new job.¹³⁵

It is important to note in the discussion on geographical ‘fixes’ of companies and labour, that amidst these agents (or more accurately put, the spaces where this contention takes place) is always in a within a ‘fixed’ space of national states. As Coe et al. write

On the one hand, firms attempt to take advantage of national differences in regulatory regimes (such as taxation or performance requirements, like local content). On the other hand, states strive to minimize such ‘regulatory arbitrage’ and to entice mobile investment through competitive bidding against other states. The situation is especially complex because while states are essentially territorially fixed and clearly bounded geographically, a TNC’s ‘territory’ is more fluid and flexible. GPNs slice through national boundaries (although not necessarily as smoothly as some would claim). In the process parts of different national spaces become incorporated into GPN (and vice versa). (2008b: 282)

Although current systems of governance and regulation operate on multi-scalar levels (national, supranational and subnational) this does not change that national states ‘*retain a critical role within them*’ (Hudson 2004: 453, cited in Coe et. al., 2008b: 279, emphasis in citation). However, governments in South and South-east Asia have actively intervened in opposition of workers’ interests in a number of cases.¹³⁶ Miller and Williams provide an alarming list of other garment producing countries that failed to revise the Minimum Wage for extended periods. Vietnam raised the MW in 2006, which was then not adjusted since 1999. Bangladesh raised their MW, also in 2006, but their MW had not been revised since 1994! Both of these increases came after worker mobilisation and pressure on the respective governments (Miller and Williams, 2009).

In any case, while having skills sought after by the suppliers, the majority of migrant workers in the garment industry in the NCR seem to have a negligible bargaining position. Suppliers can afford to base their worker relations on a high turnover basis. This, of course, is central to any prospects of a realisation of freedom of association and right to collective bargaining – necessary preconditions to negotiate wages. Miller and Williams highlights a ‘*structural*

anti-bihari sentiment is strong in North India, where the term ‘biharis’ is regularly used in a derogatory manner on migrant workers, even on workers who are not from the state of Bihar. From the seminar *Politics of social justice: dilemmas and challenges*. Organised by the Centre for Study of Social Exclusion and inclusive Policy, National Law School of India, Bangalore. December 5th 2011.

¹³⁵ At the current supplier, however, she had not experienced any type of harassment, and that the facilities for the women working there was reported to be good.

¹³⁶ In the case of negotiations on minimum wages in Cambodia, the government intervened to prevent a minimum wage moving towards a living wage (2009).

weakness in the [garment] sector, which relates to *the widespread culture of union avoidance*' (2009: 114, my emphasis). This weakness is by no means occurring solely in GPNs with a majority of migrant workers, but I deem this to be a crucial factor within the NCR.

Fear and social control

GPNs in India remain contested fields. The factories are ‘deeply affective institutions’ as spaces of production are social spaces, not merely technological and productive ones (Cross, 2008: 166). They are sites with moment-to-moment negotiations of power and control, something that must be ‘worked towards, asserted, maintained and renewed’ (ibid: 168). As Coe et. al. write, GPNs ‘are not only made up of firms but also of a diversity of actors and institutions, each of which has its own agendas. The extent to which such agendas can be realized clearly depends on the *relative power configuration* in specific situations’ (2008b: 288, my emphasis). The previous section discussed the conscious hiring of migrant workers within the NCR, and how this skews the power balance in favour of a high turnover strategy by the employers in the garment segment.

As Pahle asserts: ‘It makes perfect sense to explore why a certain category of workers does not become properly conscious of itself (and presumably therefore does not organise and press claims collectively), even if the demarcation of that category is ultimately a feat of the researcher (2011: 60).¹³⁷ Kelly emphasises ‘cognitive liberation’ as key for ‘collective interest identification’ where workers regard an ‘event, action or situation is ‘wrong’ or ‘unjust’ because it violates established rules, or conflicts with widely shared beliefs or values’ (Kelly, 1997: 406, cited in Pahle, 2011:63).¹³⁸

My fieldwork did reveal traces of migrant worker agency. A group of workers assembled and made demands in the summer of 2011. By interviewing both management and workers, there is an interesting discrepancy in their versions of the events that took place. According to the Production Manager, the unrest started as a result of declaring no overtime due to low orders. Meanwhile, workers at Unit 2 insisted on a more dramatic reduction (even a complete dismissal of workers) - and that the unrest lasted for longer than the management reported. Workers even claimed goons showing up at the premises. Whatever the case, if we were to accept the Production Managers’ version - that the unrest came as a result of a reduction of overtime for the workers - this countersinks the argument of a ruthless dependency on overtime.

¹³⁷ Mollona citing Chandavarkar, writes that the ‘real question, then, is ‘not so much why the working classes have failed to realise the expectations theoretically imputed to them (by Marxists) but how and why at times they came together at all’, as the history of the Bombay labour movement shows that they did’ (2009: 388).

¹³⁸ Moreover: ‘it is not enough for employees to feel aggrieved: they must also feel entitled to their demands and feel that there is some chance that their situation may be changed’ (ibid).

Workers' hopes and desires may well 'exceed the disciplinary apparatus of the firms they serve' (2009: 157). Simultaneously, as Jim Baker, coordinator of the Council of Global Unions (CGU), reported at a recent CSR conference in Oslo¹³⁹ - fear amongst workers is a key element to understand why workers fail to associate, and press collective claims.

However, as Jamie Cross points out, fear is not an exclusive element of the workers. A series of strikes by assembly workers at the Maruti-Suzuki's Manesar car factory was well-covered by national media at the time I was conducting my research in 2011.¹⁴⁰ It served as an example of unruly workers with unreasonable demands in some of my interviews with managers. However, less than a year later a row between a worker and a supervisor cumulated to a brutal turmoil where one senior official was killed.¹⁴¹ This incidence, sadly, is not unique. At the Graziano Transmission plant owned by the Swiss Oerlikon Drive Systems in Greater Noida, a CEO was killed in 2008. As in the case in Manesar, mass arrests of workers followed. According to anthropologist Jamie Cross, the circumstances of what happened in Greater Noida remains unclear, however Cross shares a compelling observation in this respect:

The death of a manager at a global factory in India realises and sustains in the most powerful way the basic fear of people who oversee production in the country's transnational manufacturing units: the fear that they might fail to control the people they employ. For companies that remain competitive by keeping labour casual, insecure and precarious, this fear becomes inseparable from production processes. (Cross 2008: 165)

Violence towards workers and worker representatives has also been reported. Workers have been brutally killed inside production units within the NCR by hired goons or supervisors (Seghal, 2012). A recent report from Swedwatch tells of clashes and violence in Dhaka, Bangladesh. Here, the killing of the union activist Aminul Islam in April 2012, is reported to represent 'a disturbing escalation of violence' (Swedwatch, 2012: 18).

¹³⁹ Oslo CSR Conference 2012. URL: <http://tsforum.event123.no/UD/CSR2012/home.cfm> [Accessed 6th December, 2012].

¹⁴⁰ The Hindu, 19th October, 2011. URL: <http://www.thehindu.com/news/national/article2551045.ece> [Accessed 19th October, 2011].

¹⁴¹ For a pro-employer perspective, see Nikhil Gulati and Santanu Choudhury's India Real Time Wall Street Journal article, 'In Manesar, Months of Tension Then Tragedy,' (<http://blogs.wsj.com/indiarealtime/2012/07/25/in-manesar-months-of-tension-then-tragedy/>) [Accessed 14th of August, 2012]. For an in-depth report from a workers representative's perspective, see Rakhi Seghal's commentary, 'Maruti Workers Are the Villains': Truth or Prejudice?' in Economy & Political Weekly: (<http://www.epw.in/web-exclusives/manesar-workers-are-villains-truth-or-prejudice.html>) [Accessed 14th August, 2012]. See also The Hindu, 29th July, 2012. URL: <http://www.thehindu.com/business/Industry/article3697113.ece?homepage=true> [Accessed 31st July, 2012].

Papola et. al. write that the major labour laws enacted after the Independence were intended to improve the condition of employment and the protection of the workers:

There seemed to be a clear recognition and understanding that humane treatment, well-being and security make the workforce more efficient and productive and it is, therefore in the interest of the industry to provide good working conditions, social security against the risks at work and in life and an assurance that a worker will not be removed from the job unfairly or without adequate notice and compensation. *It is also obviously in the interest of both workers and industry to have industrial peace and therefore a mechanism for redressal of grievances and settlement of disputes should be welcome to both*' (2008: 13, my emphasis).

Similarly, Sen and Dasgupta write of a shift from the State acting as a provider and securer of civil rights:

The ability of workers to organize and bargain with employers is markedly less than what it used to be before, especially in terms of the prevailing mode of production that relies on the outsourcing of jobs, and the flexibilization of labour. In absence of full employment policies, workers are compulsively drawn to these jobs, however inadequate these are to fulfil their needs and to compensate them for their contribution to output. (2009: xiv)

In the case of India today the law on arbitration has become so 'labyrinthine' and 'so protracted the procedures' – that most strikes has become 'technically illegal' [...] though that does not prevent them' (Parry, 2009: 179).

Jim Baker stressed that there is a crucial distinction between *the right of association* and *the right to collective bargaining*. Worker association has to come by an incentive from the workers themselves. The employer is complying with this right by *refraining* to meddle or hinder workers' entitled right to assembly. Conversely, in the case of the right to collective bargaining, the employer complies by *engaging* in negotiations with workers' representatives. To ignore worker representatives, let alone to take active measures to undermine multiparty negotiations, is clearly a breach of ILO core conventions. Varner's supplier's refusal to rehire troublesome workers after shifting to third-party contractor is at best a circumvention, if not a direct breach, of these conventions. Varner's 2009 CoC states that 'Management shall not threaten, punish or interfere in the worker's legal right to union membership in the workplace' (Varner, 2009: 6). Certainly, the organisation of the workers is not the buyer company's responsibility as such, yet ETI-N members are committed to the ILO conventions of freedom of association and the right to collective bargaining. They have other words committed themselves to ensure that these opportunities are present in order to establish proper worker/employer relationships at their suppliers. This is important as these conventions are

key to establish wage-negotiation at the local level and level out power differentials. As Jan

Wills writes:

Whatever rhetoric is adopted by corporations in their codes of conduct, or by campaigners in their battle against capitalist globalisation, it is critically important that workers have the right to organise on the ground. The endorsement and extension of workers' rights to organise can ensure that globalisation is humanised in ways that empower, rather than further disempower, those working at the most exploitative end of the global economy. (2009: 381)

CONCLUSION

No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable. It is but equity, besides, that they who feed, cloath and lodge the whole body of the people, should have such a share of the produce of their own labour as to be themselves tolerably well fed, cloathed and lodged.

- Adam Smith, 1776¹⁴²

Remuneration must be enough to support the wage earner in a reasonable and frugal comfort. If not through necessity, or fear of a worse evil, the workman accepts harder conditions because an employer or a contractor will give him no better, he is the victim of fraud and injustice.

- Pope Leo XIII, 1891¹⁴³

Has buyer companies' application of CoCs been a fruitless endeavour? Barrientos and Smith, in their assessment of the UK ETI, did after all find improvements of several visible and measurable aspects of the codes (2007). The codes were also found to be more effective where workers had stabile employment relationships. In the context of India, Hensman argues that the codes have helped curbing employer advocacy and disinformation: 'the very fact that retailers and brand-name companies were demanding minimum standards from suppliers served to counteract employer propaganda that being globally competitive meant undermining workers' rights' (Hensman, 2011: 301). This thesis is not arguing against the existence of codes, nor companies' involvement in MSIs (or ETI-N in particular). On the contrary, I think it is important to remember the achievements made by pressure groups the last two decades, for instance that company codes now includes the ILO Core Conventions. Although in the guise of non-statutory guidelines, there's a certain irony to ILO's Core Conventions coming through the 'back door' by companies CoCs, as the Government of India has yet to ratify conventions 87 and 98.¹⁴⁴ Nevertheless, based on my fieldwork in Noida, it is evident that the

¹⁴² The Wealth Of Nations, 1776, Book I, Chapter VIII, paragraph 36, cited in de Melo et. al., 2012.

¹⁴³ *Rerum Novarum* (Encyclical on the conditions of labour), 1891, cited in Anker, 2011.

¹⁴⁴ Although hesitant to formally ratify the ILO Core Conventions, India's legislation covers much of the same ground. For instance, the *right to assembly* in the Indian Constitution, the Trade Unions Act of 1926 and the Industrial Disputes Act of 1947 (ILO, 2009: 12). Still, the Government of India's stance on the ILO Core Conventions is nonetheless irresolute: 'The Government of India has indicated that it is not interested in formal ratification and that it can ratify the Conventions only when implementation of their provisions is fully achieved in Indian law and in practice' (ibid: 47).

current CSR responses exhibit serious shortcomings to deliver on ambitions stated in their codes of conduct, which remains at a ‘less binding’ level rather than assuming the role as ‘enforceable rules.’

While Varner selected the supplier I investigated they were only one of several buyers. United Colors of Benetton and H&M were probably bigger and more influential firms in this particular case. I have retained the focus on Varner as I wanted to explore members of the ETI-N (where for instance H&M is not a member). I do not, as I have previously stated, explore this supplier’s upgrading profile.¹⁴⁵ By looking at Varner as only one out of several buyers, it is difficult to establish their exact influence in this particular chain. Nevertheless, the findings pertaining to the horizontal aspects from this fieldwork do of course apply to the other buyers’ supply chains as much as Varner’s.¹⁴⁶

My findings suggest a blurring of the formal/informal employment in Noida towards an overall precarious regime for the workers. This is largely due to the turnover-practices and lack of secure work over longer periods. Workers may be employed for some months at the time, as they are attractive for the employer when orders are high. However, the working conditions are extremely demanding under these periods, with a minimum wage that is insufficient to cover expenses. Suppliers resort to arrangements where exhaustion and absence from family come as the price. Additionally, the migrant workers was poorly organised, and the supplier was hindering workers representation at their units.

While the current regime offers expediency in terms of flexibility and a facilitation of quick managerial responses to market fluctuations for the suppliers, workers are definite losers within this regime. Any legitimate demands from migrant workers are easily circumvented. On the whole, migrants have limited social networks in whatever GPN they are drawn to, and they enjoy very little political influence. At the local level, NGOs, journalists and academics are the channels to voice migrant workers’ grievances to a wider Indian audience. There are

¹⁴⁵ Although that may be a useful vantage in order to explore power differentials within the chain itself (though challenging, as this necessitates another level of transparency from buyers and, importantly, the suppliers).

¹⁴⁶ While H&M is a larger and more influential company internationally, both Varner and H&M’s supply chain management has had unflattering media attention lately. For instance H&M’s procurement practices in Bangladesh (Swedwatch, 2012), and more recently in Cambodia (AFP, [24th October] 2012, ‘H&M denies charges over Cambodian ‘slave wages.’ URL: <http://www.google.com/hostednews/afp/article/ALeqM5gt4Jqe80sJhlm1K1zO9LgDalr0IQ?docId=CNG.8bb0ab94569c4cff3a09e64804358eaa.431> [Accessed 8th November, 2012].)

also novel trade unions and worker forums, like NTUI and GATWU, that are not ‘fixed’ to a particular political party, and who easier work in and between the field of formal and informal work.

Miller and Williams, who have long explored issues of decent wages through international garment and homeworker unions, state that the living wage issue is a ‘crucial test of the ability of multinationals’ and Voluntary multi-stakeholders’ initiatives, such as the ETI, to effect improvements in international supply chain working conditions.’ As they state further: ‘Most certainly, all the signs point to this as an issue that needs to be urgently addressed, not least because of the very low level at which the minimum wage is set in many developing countries’ (Miller and Williams, 2009: 100). As these authors, I believe that the ETIs potentially have a role in facilitating the pivotal issue of wages. This may be illustrated by NTUI’s position where they stress the importance of wage-levels moving to a *living wage* at the first-tier levels of the value chain:

the focus on the first tier of suppliers is driven by NTUI’s end goal. The goal is to improve *livelihoods* of workers across the industry, and not just wage a fight for raising minimum wages. By targeting tier 1 companies *for a living wage* (which these companies are large enough to give), NTUI hopes to engender a cascading effect down the supply chain where suppliers lower down will at least be compliant with minimum wage. ‘If you leave Tier 1 to be minimum wage compliant, you can forget about getting Tier 4 to comply with the minimum’ (NTUI Interview, 2006). (Tewari, 2010: 158)

If we extend this reasoning to ETI-N, I think there is scope for a more determined ambition of working towards living wages in their interaction with members.¹⁴⁷ Moreover, this ambition has to be conjoined with an emphasis on transparency of member’s first-tier suppliers. Today member companies list a specific number of suppliers in their annual reports. ETI-N is currently not able to control the number or the location of the suppliers, as this arrangement is based on the discretion of member companies. However, while not operating with complete

¹⁴⁷ It is clear that living wage levels need to be expressed in definite numbers. A qualm often raised in discussions on living wages is that there is no agreed upon quantitative methodology for the calculation of these. However, innovative solution has been offered on this matter, and these render serious consideration. Asian Floor Wage operates with quantitative *regional* living wage calculations for the garment sector in particular. A central element of this calculation is their adoption of the World Bank’s Purchasing Power Parity parameters that allow AFW (in this case) to assess the wage-rates over the South and South-east Asian region (see Bhattacharjee and Roy, 2012). In any case, there needs to be a will to explore the robustness and applicability of such calculations by international organisations. Similarly, a reassessment of the social clause proposal by unions strikes me as necessary. As Hensman writes: ‘What such a clause would do is to prevent corporations from blackmailing both governments and workers by threatening to shift production elsewhere if minimum rights were enforced. It would also prevent governments in developing countries from competing with one another by denying minimum rights to workers, a strategy that “tends to attract investment in low-skill, highly mobile production methods by peripatetic industries that invest little in skills development within the country and move constantly in search of lower-wage production sites”’ (2011: 308).

disclosure, I do wish to commend Varner for arranging the contact with selected suppliers without insisting on control. IKEA chose a more constrained attitude to my request, allowing me no independent interaction with their suppliers or to interview workers with an interpreter.

According to FIVH, companies can make a difference through participating with local NGOs who are well informed about the relations in the GPNs (personal communication). There are currently attempts to establish a network to facilitate such participation by the ETIs, like the Local Resources Network (LRN).¹⁴⁸ However, it is important to recognise initiatives' limits as well. As Bhattacharjee and Roy write:

Along with codes, various monitoring mechanisms evolved, such as the multi-stakeholder Foundation Model and the Ethical Trading Initiative [...] Laudable as this work has been, it has not resulted in improving the protection of workers in the two ways that matter most – economic sustainability and collective voice at the workplace. Economic gains have to be bargained; no employer will share the gains without a demand. Collective voice has to be established legally and politically; *verbal recognition of such a right by the employers does not mean that the conditions exist for operationalizing it.* (2012: 73, my emphasis)

I argued that *migration* and *social control* are key factors to explain the deterrence of workers' ability to influence their own wage-conditions within the NCR. It is evident that the current CSR arrangements are incapable of resolving these conditions. Even if CSR better the contract arrangements to producers, it is unlikely that this will lead to social upgrading as long as buyer companies and suppliers are satisfied with the Minimum Wage-rates as they are.¹⁴⁹ This suggests that there is a decisive need for: 'more thought' on 'the best balance between voluntary and mandatory approaches to regulation in developing countries' as a part of a 'more comprehensive and nuanced view' of the relationship between companies and society 'than that one offered by CSR' (Blowfield, 2005, cited in Tallontire 2007: 776).

¹⁴⁸ According to the Manager of ETI-N, LRN can be seen as a supplement, or an alternative, to third party auditing. As the situation of third party auditing at best can give a good depiction of the situation at the workplace, at worst it can become a mere production of approving certificates. The LRN was not started to compete with auditing, but it has another angle, which includes schools, the local environment and the like (Personal communication). See also, webpage: URL: <http://localresourcesnetwork.net> [Accessed 9th November, 2012].

¹⁴⁹ In sectors like organized large industry with a solid employee representation and collective bargaining, the MW-rates are ignored altogether (Papola et. al., 2008: 46). From a Norwegian's perspective, it is interesting to note that a committee consisting of members from all parties in Norway recently rejected a proposal of introducing statutory Minimum Wages. The committee reported that an introduction of MW would be little adaptable for a variety of sectors. It was furthermore stated that a politically determined MW set too low would put downward pressure on wage earners at the bottom of the wage ladder. A MW set to high would produce fewer places of work (Stortinget, [15th May], 2012. URL: <http://www.stortinget.no/Global/pdf/Innstillinger/Stortinget/2011-2012/inns-201112-296.pdf> [Accessed 21st November, 2012]. As such, there is a near consensus of the tripartite corporatism with unions, the government and firms in negotiating wages on an annual basis.

Similarly, Bendell has argued for a radical corporate citizenship that moves beyond the confines of CSR as of today (Bendell, 2000; Bendell et. al. 2011). As these authors continue:

The rule of law, basic human rights such as freedom of assembly, expression and association, good educational levels, and independent media, are important for civil society to function well and engage business on matters of public concern [...] Without such factors, it is not easy for credible CSR standards to emerge. (2011: 277)

Anne Tallontire writes that private standards and associated initiatives have engaged questions from a ‘variety of commentators’ involving ‘accountability, legitimacy, representation and participation and other dimensions of governance’ (2007: 779): ‘The potential of PSIs, whether to improve efficiency or governance, is conditional, and largely untested’ (ibid). Evidently, there is now not only a confusing mix of overlapping jurisdictions in the local context. With the introduction of CoCs, suppliers have to report to their own buyer-companies, as these have taken up the confusing role as ‘regulators’ through either their own CSR-departments and/or through the application of third-party auditing companies (Varner would rely on both, so does IKEA).¹⁵⁰

As explained in the theory chapter, the current regime of CSR-standards is perhaps best defined as *non-statutory* - first of all because they are not only devices applied by the private sector, and, second: they are not mandatory and subject to any legal sanctioning system. Jem Bendell adds that the very term ‘self-regulation’ appears rather oxymoronic. As he convincingly demonstrates: ‘A *subject* of a *resolution* who is also the *agent* making that choice between *norms* is neither a *subject* nor an *agent*, and the system is not a *regulatory framework*. Consequently, the concept of industry self-regulation is a contradiction’ (2000: 247, emphasis in original).¹⁵¹

Under the broader theme of economic liberalisation and as a strategy to attract investments, Uttar Pradesh have retracted their labour administration and supervision to the advancement of a self-regulatory regime. Labour scholars in India, along with CSO representatives, have long observed these political shifts. They call for a sound labour administration to tackle the current state of outsourced production.

¹⁵⁰ Varner did not have any dialogue with local labour inspectors. There was a reluctance to get involved with cumbersome and bureaucratic public bodies to access whatever information they would have on suppliers. Although checking many of the same aspects as the labour administration would check - like going through wage-slips, production logs and other documentation related to this - Varner’s inspections, along with their hired auditors, would be done entirely independent of the local labour administration.

¹⁵¹ See appendix for an extended defence of this claim.

Shyam Sundar offers a number of propositions to reform the labour inspectorate in India. Amongst several propositions, he calls for a ‘third party with teeth’ - capable of enforcing and sanctioning labour laws as they originally were intended (2010: 10).¹⁵² Sundar does not deny the internal challenges the labour inspectorate has struggled with in the liberal period,¹⁵³ where corruption and bureaucratic rigidity has been problematic. Still, a labour administration that can penetrate the informal economy and trace down the activities in the supply chain seems to be crucial in Indian labour today. As Sundar writes

It is important to detect the links between formal and informal sectors. Labour inspection could do this and create networks between and among the inspectorate, trade unions, and civil institutions like the NGOs and the employers [...] In the case of informal economy, the inspectorate cannot be expected to perform the conventional functions of visits, detection of irregularities, counsel and penal action that it does in the case of formal sector. It involves unconventional functions such as education, networking, training and advice, detection and making the activities visible and so on. (2010: 15)

What is clear is that such a collaborative approach requires a defined political shift and attitude to interventionist institutions and legislation originally created to secure the wellbeing of workers. Meanwhile, suppliers have to respond to irresolute signals from the labour administration as well as the occasional private auditing.

Jane Wills argues for a construction of ‘a new ‘geo-political architecture’ that is able to overcome some of the barriers posed to organizing by modern urban society, such as rapid population churn and ‘stretched’ social networks, by building connections between ‘institutional islands of social solidarity’. Such initiatives may also be the only really effective way for the labour movement to reach out to groups excluded from traditional union activity [...] (Coe 2012b: 8). I take this ‘new architecture’ to mean a support for the extensions of freedoms so elemental for development. However, as Hannah Arendt cautioned in 1960:

We are inclined to believe that *freedom begins where politics ends*, because we have seen that freedom has disappeared when so-called political considerations overruled everything else. Was not the liberal credo, “The less politics the more freedom.” right after all? Is it not true that the smaller the space occupied by the political, the larger the domain left to freedom? [...] This definition of political liberty as a potential freedom from politics is not urged upon us

¹⁵² This is not to say, however, that interventionist institutions like the labour inspectorate has completely retracted. They have significant powers if they choose to apply them. However, they are suffering from ‘a poorly trained and often under-staffed inspectorate’ struggling to respond to the dynamics and complexities of globalisation (Sundar, 2010). Furthermore, I think Appadurai makes a fair point when he assess some bureaucratic traits as ‘file cultures’ that have difficulties of keeping up with the velocity of globalisation: ‘In general, global finances are a major site of negotiation under way throughout the world between paper-free cyber-cultures for moving money and what we may call ‘file cultures’ which are wedded to the material endurance and moral authorization. In another idiom, we might say that high velocity transaction cultures here meet low velocity archival cultures’ (2005: 58).

¹⁵³ Also referred to by the derogatory name ‘Inspector Raj.’

merely by our most recent experiences; it has played a large part in the history of political theory. (Arendt, 2006: 148, my emphasis)

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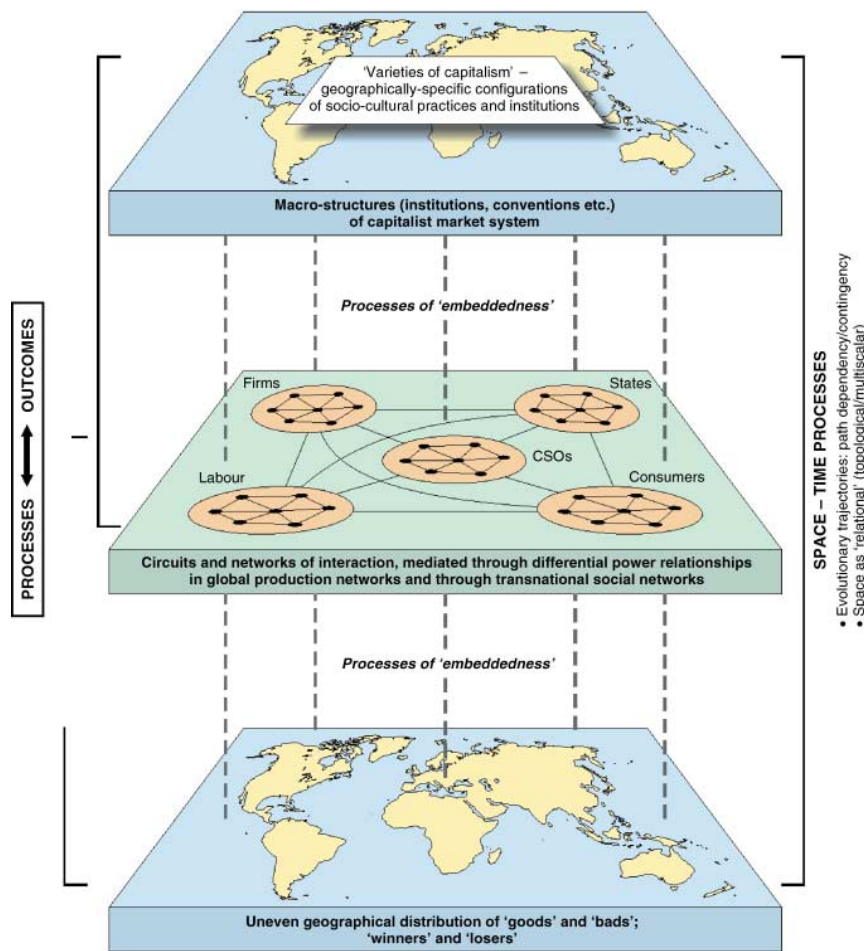
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APPENDIX

Contending chain frameworks			
	Commodity chains	Global commodity chains	Global value chains
Theoretical foundation	World-systems theory	World-systems theory Organizational sociology	International business literature Global commodity chains
Object of inquiry	World-capitalist economy	Inter-firm networks in global industries	Sectoral logics of global industries
Orienting concepts	<ol style="list-style-type: none"> 1. International division of labor 2. Core-periphery-semi-periphery 3. Unequal exchange 4. Kondratieff cycles 	<ol style="list-style-type: none"> 1. Industry structure 2. Governance (PDCC/ (BDCC distinction) 3. Organizational learning/ Industrial upgrading 	<ol style="list-style-type: none"> 1. Value-added chains 2. Governance models (modular, relational, captive) 3. Transaction costs 4. Industrial upgrading and rents
Intellectual influences	<ol style="list-style-type: none"> 1. Dependency theory 2. Structuralist development economics 	<ol style="list-style-type: none"> 1. MNC literature 2. Comparative development lit. 	<ol style="list-style-type: none"> 1. International business/ Industrial organization 2. Trade economics 3. Global/international production networks/ systems
Key texts	Hopkins & Wallerstein (1977; 1986) Arrighi & Drangel (1986), Arrighi (1990) <i>Review</i> , 23(1), 2000	Gereffi & Korzeniewicz (1994) Appelbaum & Gereffi (1994) Gereffi (1999), Bair & Gereffi (2001)	Humphrey & Schmitz (2000) <i>IDS Bulletin</i> , 29(1), 2000 Sturgeon (2002), Gereffi <i>et al.</i> (2005)

Table 3: Key authors and contributions to chain analysis.

Source: Jennifer Bair (2005: 160)



The figure to the left is illustrative to the GPN approach, where it attempts to capture the multitude of agents, organisations that are interconnected and affected by global processes.¹⁵⁴

Figure 1: GPN’s ‘heuristic framework for analysing economic-geographical globalization.’ (Dicken 2004; Coe et. al. 2008b: 273)

¹⁵⁴ As commented on by Neil Coe, Peter Dicken and Martin Hess, key writers within the Manchester School: ‘It is, of course, a crude and simplistic representation of a highly complex and dynamic situation. In particular, it is difficult to avoid the impression of top-down, nested relationships whereas, in fact, what are involved are dynamically inter-connected and simultaneous processes, heavily laden within asymmetries of power. It is, fundamentally, a deeply *relational view* of the world.’ (Coe et. al. 2008: 273, emphasis in original)

Jem Bendell's reasoning towards Civil Regulation

I recognise that, traditionally, government has been regarded as the sole source of regulation. However, if we consider the classical concept of regulation, we can liberate it from the traditional view that also limited our perception of – and involvement in – politics and governance. From a reworking of Kantian writings (Kant 1964), a *regulatory framework* can be defined as a norm-creating and norm-enforcing system, which must exhibit the following five components:

- An agent, or agents, who can make choices between alternative norms of behaviour.
- Alternative norms of behaviour between which to choose
- A subject, be it something or someone, on which a chosen norm is imposed
- A resolution regarding which of the alternative norms should apply to the subject
- A mechanism for ensuring that the chosen norm is adhered to by the subject(s)

In terms of a national government and the legislature, the *resolution* regarding which *norm* to choose is called 'legislation' and the preferred *norm* is called a 'law'. However, it is incorrect to assume a government to be the only *agent* considering different *subjects*, and then using a *mechanism* to ensure compliance. A of the current situation using the classical conception of a regulatory framework reveals the fallacy of such an assumption.

- A chosen *norm* or law, without a *mechanism* for enforcing it on a *subject* or subjects is mere wishful thinking on the part of the *agent*, and the system is therefore not a real *regulatory framework*. Yet this is the situation today with many states and intergovernmental organisations, who lack the will and resources to implement their *resolutions*, or legislation. –

- An *agent* who does not have a number of alternative *norms* to choose from in coming to a *resolution* is not a real *agent*, and the system is not a *regulatory framework*. Yet this is the situation for most governments today who are locked into a process of deregulation and tax cuts in order to attract investment in a global market.

- A *subject* of a *resolution* who is also the *agent* making that choice between *norms* is neither a *subject* nor an *agent*, and the system is not a *regulatory framework*. Consequently, the concept of industry self-regulation is a contradiction.

In civil regulation the *agent* is civil society, where – given concerns with sustainable development – different *norms* of behaviour for corporations are debated. NGOs then make *resolutions* about the standards that should be upheld by the *subjects* of the regulation, the corporations. The mechanism for compliance is provided by consumer politics. Therefore, from a reworking of the classical roots of modern thought about [247] government and the rule of law, we find that, whereas legal regulation is in decline and self-regulation is illogical, civil regulation is a valid depiction of modern business-NGO relations. (2000: 247-248)

ANNEX: LIST OF INTERVIEWS

India

- Jesim Pais* Interviewed 14th September, 2011, in New Delhi
Jesim Pais is Assistant Professor at Institute for Studies in Industrial Development (ISID).
- Sunanda Sen* Interviewed 14th September, 2011, in New Delhi
Sunanda Sen is Visiting Professor at ISID and Visiting Professor at Jamia Millia Islamia.
- Annabelle Lefebure* Interviewed 15th September, 2011 in New Delhi
Annabelle Lefubere is Head of CSR for Varner.
- Atul Sood* Interviewed 16th September, 2011, in New Delhi
Atul Sood is Associate Professor, Centre for the Study of Regional Development, Jawaharlal Nehru University (JNU).
- Gregg Mowins* Interviewed 19th September, 2011, in Gurgaon, Harayana. At the time, Gregg Mowins was Regional Purchase Manager, IKEA Trading (Hong Kong) Ltd. India Liaison Office.
- Saurabh Agarwal* Interviewed 14th October, 2011, in Gurgaon, Harayana.
At the time, Saurabh Agarwal was QSE Manager responsible for IKEA's CSR coordination at the South Asia Trading Area Office.
- Head of Department* Interviewed 4th November (the head of department for Varner's supplier in Noida).
- Production Manager* Interviewed 4th and 11th November (the production manager for Varner's supplier in Noida).
- Manager-Advisory* Interviewed 15th November 2011 at the KPMG regional HQ in Gurgaon, Harayana. Manager-Advisory Climate Change and Sustainability Services at KPMG.
- Manager* Interviewed 25th November 2011 (Manager for Lemnis' supplier in Noida – interviewed as a part of IKEA's IMUST audit conducted by KPMG).

Norway

- Carin Leffler* Interviewed 12th June, 2012, in Oslo.
Carin Leffler is Advisor, Framtiden I Våre Hender (FIVH).
- Pia Gaarder* Interviewed 12th June, 2012, in Oslo
Pia Gaarder is Leader of FIVH's Ethical Business Department.
- Per N. Bondevik* Interviewed 19th June, 2012, in Oslo.
Per Bondevik is Manager for Ethical Trading Initiative – Norway (ETI-N).

Questionnaire for Garment Workers

AREA

Date:

Name of firm/Unit number:

1. Personal information:

1.1. Name:

Male Female

1.2. Age:

1.3. Social Background:

SC ST OBC Minority General

1.4. Education:

No education Basic Ed. Secondary HS Graduate P-Graduate

1.5. Literacy:

Literate Illiterate

1.6. Marital Status:

Married Unmarried

1.7. Number of children:,

Son(s).....

Daughter(s).....

1.8. Is your spouse working?

Yes No

If yes, where?,

When did he/she start?.....,

Income:.....

1.9. How many family-members depend on your earnings?

1.10. What is/were your father's occupation?

2. On migration:

2.1 Are you a migrant to NCR (New Capital Region)

Yes No

If yes, what is your place of origin? (village/town/district)

Questionnaire for Garment Workers

2.2. How often do you visit your place of origin?

2.2 If migrant: do you own land 'back home'?

Yes No, but my family does No

2.3. Do you follow news from 'back home'?

Yes No

If yes, how do you get access to news?

2.4. Do you follow news from NCR/National news?

Yes No

If yes, how do you get access to news?

3. Firm specific questions:

3.1. Is this your first job?

Yes No

3.2. If no, please provide a brief job history:

3.3. How long have you been working in this firm?

3.4. How did you get to know of your current job?

Through friends/relatives Contracting firm Advertisement Other

3.5 After what skill-category are you currently paid?

Unskilled Semi-skilled Skilled

Do you have training in other skills?

Yes No

If yes, what kind?.....

Questionnaire for Garment Workers

3.6. Is this the first time working for this particular firm? Yes No

If no, how many times have you returned to this firm?

Why did you return to this particular firm?

3.7. Have you ever reported on any problem in the factory? Yes No

If yes, what were the nature of the problem?

To whom did you report?

3.8. If this is not your first job: have you in any of the past jobs been a member of a labour union? Yes No

If yes, which type of job?.....

When?.....

3.9. Do you currently hold an union membership? Yes No

If yes, please specify:

3.10. How would you respond to a working-day of total 8 hours?

3.11. Do you have a written job contract? Yes No

If yes, what is the duration of your contract?

