

GENDER, GOVERNANCE, AND LABOR: THE GLOBALIZED COMMODITY CHAIN AND THE BANGLADESHI GARMENT INDUSTRY

Fauzia Erfan Ahmed

**Associate Professor, Sociology and Women's Studies, Miami University, Ohio
Research Affiliate, South Asia Institute, Harvard University**

The vast scholarship on gender and globalization highlights the woman garment factory worker: her problems; and the ways in which she must struggle to overcome them. But few studies focus on how these women, in fact, form the lowest segment of the globalized commodity chain of the apparel industry. The author argues that, therefore, a comprehensive solution, to women workers' voice, rights, and workplace safety, lies beyond the shop floor. Scholars also need to study up. Men and women, in higher chain segments, such as factory owners and buyers, should be investigated because they produce and reproduce power relations or governance through the globalized chain. Based on a pilot study of women garment factory owners and workers conducted in July 2013, in the aftermath of the Rana Plaza disaster, this paper presents two primary stages in such an inquiry. First, it presents an analytic framework of gender, governance, and labor, which includes all levels of the global value chain: workers; factory owners; buyers; and consumers. The theoretical approach combines literatures on globalization and the feminization of labor, the globalized commodity chain framework, and the exit-loyalty-voice model. This nexus is the analytic prism, which refracts hypotheses at each level of the chain. Second, the paper presents three testable hypotheses. 1. If, factory owners have more voice in the relationship with the buyer, working conditions can improve for women workers. 2. Factory owners, who are affiliated with the women's NGOs, are willing to give women workers voice. 3. Factory owners, who have developed a feminist consciousness, utilize the moral argument to try to improve conditions in their factories and in the garment sector as a whole. In conclusion, the author states that Rana Plaza is a dialectical moment of local change in the global economy. Scholars need to explore the possibilities of a moral economy and meanings of feminist governance within the globalized commodity chain. As a first step, they should utilize the ethical argument to challenge the basis of the trade-off between the right to work and the right to decent working conditions for the woman garment factory worker.

Key words: Rana Plaza, garment, gender, globalization, Bangladesh, entrepreneur

INTRODUCTION

We face pressure from the buyer. If I don't meet their deadlines, my business suffers. Load shedding and hartals delay production. On the other hand, as an employer, I also have responsibilities towards my workers. What we need is a

study of everyone's rights and responsibilities at each level, at the buyer, factory owner, and worker level.

Woman factory owner A

We are not paid commensurate to our labor. If we ask for a salary increase, we are told that the buyers will move to another country and the factory will be shut down and we will lose our jobs.

Female garment worker

In one of the deadliest disasters in the history of the textile industry in the world, over 1,129 factory workers, most of whom were women, died when a factory building collapsed in Savar, Bangladesh in April 2013. Although this incident was not the first of its kind, it created international headlines. Multiple stakeholders searched for causes of the problems of women worker's voice, rights, and workplace safety and corresponding solutions. The Obama administration faulted the Bangladesh government;¹ the media accused the factory owners and international buyers; the Nongovernmental Organizations (NGOs) blamed the lack of unionization and collective bargaining. But where is the locus of the solution? I returned to Bangladesh in July 2013, three months after Rana Plaza, to conduct a pilot study in Dhaka to explore this question and to develop a theoretical approach based on local perspectives.

Over thirty years ago, in their pioneering article, feminist economists, Elson and Pearson (1981) stated that the solution lies in the women workers' struggle as a class and as a gender; the answer to their problems lay in the creation of a feminist consciousness and solidarity in the shop floor. But these women do not work in isolation of the larger forces of economic globalization; neither do factory owners. In fact, women workers lie at the lowest segment of the globalized commodity chain of the apparel industry, while factory owners are subject to the terms defined by the international buyers. Clearly, the idea that the solution lies with the woman workers and

on the shop floor is only partially true. As the above quotes from factory owners and garment workers alike indicate, both are well aware of how decisions made thousands of miles away directly impact their working conditions, and how they are embedded in a chain.

The case of Bantai Industries further illustrates the need for solutions that are based on a globalized chain framework. Founded in the 1990s by Mohammad Saidur Rahman, an entrepreneur who had no prior business expertise, but had extensive experience with NGOs, such as the Red Cross and Oxfam, Bantai was considered a model garment factory. Rahman convinced his Taiwanese partner, who held 49% of the share, that women's empowerment and profits could be combined as twin goals of the garment factory. Spacious and safe, the Bantai factory followed health and safety precautions. The salary was always paid on time; workers were also given allowances for house rent and medical expenses; overtime was paid double; bonuses were given for major religious festivals; a variety of savings schemes were provided. Supervisors were encouraged to work with the garment workers as a team. In addition, welfare programs such as family planning services, a health clinic, a crèche, a children's school and entertainment programs were also provided. Workers were happy, and this was reflected in improved productivity, low turnover, and better quality products. In the decade from 1990-2000, there was a monthly increase of 10,000 dozen caps. Profits soared. But in 2001 the Taiwanese partner, who was responsible for marketing, suddenly left Bantai to invest in China because of lower costs. Rahman, who was in charge of production, had little experience of marketing and international buyers. Bantai floundered and eventually shut down in 2005.ⁱⁱ This example illustrates that even if the factory owner has a feminist consciousness, provides good working environment for its workers, and makes profits, he or she is still vulnerable because the factory is embedded in a chain.

Clearly, there is a need for feminist scholars to study up: to expand their investigation beyond the workers to interview factory owners and buyers as well. I argue that, in order to derive comprehensive solutions, researchers should investigate men and women in other segments, as agents of globalization, who produce and reproduce power relations or governance through and within the globalized commodity chain. More profoundly, a theoretical approach, which enables gender and globalization scholars to frame the logic of their inquiry to include the chain, needs to be developed.

The purpose of this article is to present two primary stages in such an inquiry. First, it presents an analytic framework of gender, governance, and labor, which includes all levels of the global value chain: workers; factory owners; buyers; and consumers. The goal here is to outline a theoretical framework and a contextual research design, which is derived from the local context in order that that testable hypotheses about solutions and corresponding policy recommendations can be developed for every level of the chain. The analytic framework presented in the findings section combines three different scholarly arenas: globalization and the feminization of labor (Acker 2004); the globalized commodity chain framework (Bair and Gereffi 2003) and the exit-loyalty-voice model (Hirschman 1970). This nexus is then utilized as an analytic prism to refract hypotheses at each level of the chain.

Second, this article focuses on female factory owner segment. Based on the above-mentioned contextual theoretical approach, I define three testable hypotheses for factory owners and their relationship with their workers and buyers. 1. If factory owners have more voice in the relationship with the buyer, working conditions can improve for women workers. 2. Factory owners, who are affiliated with the women's NGOs, are willing to give women workers voice. 3.

Factory owners, who have developed a feminist consciousness, utilize the moral argument to try to improve conditions in their factories and in the garment sector as a whole.

The significance of this theoretical approach lies in two arenas. First, it responds to calls by Bangladeshi scholars for contextual investigations that are based on the realities of the women who work in the garment factories (Siddiqi 2009; Kabeer 2004). Policy recommendations and solutions, which exclude the group for which they are designed, can, in fact, be unwittingly harmful. This is especially true for garment factory workers,ⁱⁱⁱ but, as I argue here, it also applies to factory owners. As the opening quotes indicate, the women do not want to lose these jobs: the chain concept also reflects the perspectives of both factory owners and workers. In their interviews, factory owners expressed a need for the analysis of responsibility and accountability at each level of the chain. My definition of “local context” includes the factory owners as well as the garment workers. In this delineation, local does not necessarily mean subaltern because in contrast to the garment worker, the factory owner does not occupy a subaltern position. But unlike international buyers, both worker and factory owner, however, live in the local context and understand the realities of production there, albeit, in different ways.

Second, it further develops Acker’s (2004) argument that theories of gender and globalization must focus on interdependencies. She points out that local/global or micro/macro binaries are not only methodological but also conceptual barriers. By including the investigation of CEOs and factory owners, key actors in the globalized commodity chain, this theoretical approach builds on Acker’s argument that globalized structures and processes cannot be analyzed as abstract and disembodied from the men and women who actually exercise governance within them. A major argument of this article is that processes of globalization need to be analyzed in a concrete way, not in a manner that is divorced from the global commodity

chain and the bodies or literally the men and women who produce and reproduce these processes at each level of the chain.

I present below the context of the garment industry in Bangladesh as a backdrop to the analysis. The subsequent literature review section critiques three different literature streams: gender and globalization; the globalized commodity chain; and the exit-voice-loyalty model. The findings section, which presents the analytic framework for globalization gender, and governance follows. In conclusion, I emphasize the study of Rana Plaza as a dialectical moment of ethical change in the global economy.

THE GARMENT INDUSTRY IN BANGLADESH

The garment industry in Bangladesh needs to be understood against the backdrop of a national landscape of social change. Traditional notions of what it means to be a Muslim woman have been challenged in a country that continues to undergo rapid social change (Shehabuddin 2008). In the four decades since Bangladesh gained independence, the gender and development indicators show remarkable progress: the fertility rate has decreased from 6.9 in 1970 to 2.1 in 2013 (World Bank 2013) the net enrollment percentage of girls to boys for primary and secondary school is 105.7 and 105.1, respectively; maternal mortality has decreased from 574 in 1990 per 100,000 births to 194 in 2010 (World Bank 2011); the number of women voters and female candidates in union parishad elections has increased (Choudhury 2000) and women's entrepreneurial activities have increased household income (Imai and Azam 2012) through nation-wide microcredit programs. An active women's movement, the cornerstone of a strong civil society continues to advocate for women's rights on the national stage.

In addition to microcredit, the garment industry provides income to women. The garment industry started in the late seventies when in 1977, Reaz and Jewel garment shipped 40,000

shirts to France and America (Ahmed 2004). Impressed by women workers in South Korean garment factories, Noorul Quader, the owner of Desh Garments, decided to recruit women from the rural areas to work in his factory (Feldman 2009). Today, Bangladesh is the second largest exporter of ready-made garments in the world (Berik and Rodgers 2009), and over 80% of the 4.4 million workers in 5,600 factories are women.^{iv} The Bangladesh Garments Manufacturers and Exporters Association (BGMEA) which started with 12 members in 1978 now has approximately 5150 (BGMEA 2013). Despite gloomy predictions, Bangladesh exported \$ 21.5 billion worth of garments in 2013, earning approximately 80% of national exports. For 2014, the government has set targets of 24 billion. It contributes 13.5 % of the GDP. (The Daily Star April 28, 2014).

Post Rana Plaza policies create what is, at best, a mixed scenario for the garment worker. The Department of Inspection of Factories and Establishments (DIFE) has been upgraded to directorate level. Three agencies implement worker safety: The Alliance for Bangladesh Worker Safety (Alliance), which consists of 27 US buyers; Accord on Building Fire and Safety (Accord) in Bangladesh comprising 150 European companies, and the Bangladesh University of Engineering and Technology (BUET DIFE 2013). The minimum wage has increased from \$39 to \$68. The government amended a 2006 law allowing trade unions to be established in factories, but union registration requires the signature of at least 30% of the workers. Despite this restriction, there are now 147 registered trade unions in the past year compared to 38 in the previous 8 years. The formation of politically independent unions^v and the training of female leadership (Rahman and Langford 2014) are positive signs, but female trade union organizers report continued harassment.^{vi}

GLOBALIZATION, GENDER AND GOVERNANCE

The literature review combines three different scholarly arenas. In gender and globalization studies, Elson and Pearson (1981) were among the first scholars to raise concerns. Courageous and timely, this scholarship, although it did analyze global processes of production, also started an investigative trend which explicitly framed the solution as residing in the worker herself. As a result, there is now a plethora of studies providing rich ethnographic accounts of women garment workers all over the world, from Sri Lanka (Gunawardana 2014) to Turkey (Dedeoğlu 2010).^{vii} There is, however, little detail about the interdependencies of the global value chain in which these workers are embedded. I focus here on the works of Siddiqi (2009) and Kabeer (2004), influential Bangladeshi scholars with extensive expertise on gender and the garment industry. I also examine the globalized commodity chain approach, which although it does describe the chain and its interdependencies, presents a gender-neutral view of the apparel industry. Given the overarching research inquiry and its emphasis on comprehensive solutions, I focus on the governance characteristic of the chain because solutions lie in the examination of power relations and how they can change. Finally, I utilize the exit-voice-loyalty model to explain the events that led to Rana Plaza, and how the model needs to be changed when applied to the global South, where low-income women form a vast pool of surplus labor, and, therefore, have limited exit options.

Globalization and Gender: The Need to Focus beyond the Garment Factory Worker

Three themes emerge from the writings of Kabeer (2004) and Siddiqi (2009). First, these scholars challenge stereotypes of garment factory workers as voiceless victims. Their critique of sensational reports by well-meaning, but uninformed journalists is legitimate. Given the strikes which resulted in an increase in minimum wage in 2006 (Siddiqi 2009), even before Rana Plaza,

these women are certainly not passive. Indeed, the need for a responsible investigative philosophy which makes listening to these women and making an effort to understand their contexts is imperative. But the facts of Rana Plaza are stark: these women were forced to enter a building that they themselves considered unsafe.^{viii} Worried that their salaries would be withheld if they refused, garment workers went to work and ultimately to their graves. They did not have the right to refuse? Clearly, the individual factory owners and managers must be held responsible for this denial of a basic right. But an analysis of the problem and its solution cannot stop at this level. It must be acknowledged that the female garment worker resides on the lowest structural level in the global value chain of the apparel industry.

Second, factory-based export production simultaneously empowers and oppresses poor women. These jobs are critical for female workers since they have limited access to work opportunities, especially in the formal sector of the Bangladesh economy. For the rural single woman, it provides freedom from family dictates, the possibility of saving for a dowry (Kabeer 2004), and even of having a love marriage (Siddiqi 2009). In contrast to single women workers, the increased income is not necessarily lead to more voice at home for married lower middle-class women workers, but they do utilize the income to pay for their children's schooling (Kibria 1995).^{ix} Those who are able to send money to their families gain status in their *desh* (village home).

On the other hand, the very basis of the employer-employee relations in the factory is exploitative. Initially chosen by the pioneer garment entrepreneurs in the 1970s, because they were docile, obedient, and most importantly, reluctant to unionize, women knew that silence was the price of the job. Factory owners started by recruiting women from their own *desh* (village home), which enabled the former to pose as “guardians” to allay concerns of anxious parents. In

fact, as Feldman (2009) analyzes, this relationship was more of a patron-client understanding rather than a formal employer-employee contract. Although more vocal than in the past, women workers today continue to report a range of problems: excessively long days; limits on bathroom breaks; no compensation for overtime; sexual harassment during and on the way to and from work (Siddiqi 2009). To summarize, although it can be debated whether these jobs result in empowerment, the factory does keep poverty at bay for women.

Third, solutions such as global labor standards and national trade unionization are viewed with skepticism. Kabeer (2004) argues that the enforcement of global labor standards on governments and factories may not be beneficial for women workers. An imposition of such universal standards and sanctions on governments that are unable to comply ignores how conditions in the national economy provide, at best, limited options for women. The latter face worse working conditions in the informal economy. In contrast to men, women have few opportunities in the formal sector, where wages are better. Trade unionization for women should not be viewed as automatically leading to better wages and working conditions because of the patriarchal and highly politicized history of the trade union movement in Bangladesh (Ahmed 2004). Kabeer also argues that the women may consider the right to unionize meaningless in the absence of the right to work. She critiques ILO's tripartite structure of the government, business and organized labor because it excludes women workers in the informal economy. Instead she argues for a "universal social floor" for all workers (Kabeer 2004, 28). Reasoning that a combination of endemic national poverty and gender discrimination is the root problem for women, she proposes global and national solutions: she states that redistribution from the North to the South between countries and from the rich to the poor within countries should be the basis

of international solidarity and workers' rights. Kabeer states that all workers should have the right to basic income.

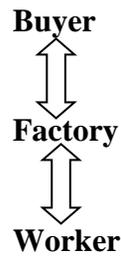
As previously mentioned, I agree with many of the concerns raised by Kabeer and Siddiqi, but, in essence, they focus on the woman worker in isolation of the chain in which she forms the lowest segment. The bulk of their interviews, investigations, and analyses centers on the female garment factory worker; there is little analysis about the other scalar levels in the apparel industry,^x perhaps, because there is no conceptual approach with which to do so. Siddiqi does mention globalization (defining it in a footnote), but not to the globalized chain in which the garment factory is embedded. The global solutions proposed by Kabeer, such as, the redistribution of wealth across nations and a universal social floor, need to be complemented by an investigation of the men and women who, supposedly, will enact such governance in a globalized world economy. Clearly, in their search for global solutions, gender and globalization scholars need a concrete theoretical approach that enables the logic of the inquiry to go beyond the garment worker.

The Globalized Commodity Chain Framework and Governance: The Need to Include Gender

The globalized commodity chain framework presented by Bair and Gereffi (2003) for the apparel industry (see Figure 1 on page 12) can be utilized a building block for such a conceptual approach. It does not privilege any single level of analysis along the chain, and it enables the simultaneous investigation of local and global linkages.

It has four characteristics^{xi}. First, the input-output structure, which is the process of transforming raw materials into final products. This characteristic analyzes how cloth is transformed into clothes in the garment industry. Second, there is a geographic dispersion of the

Figure 1. Globalized Commodity Chain (Bair and Gereffi 2003)



various activities needed to make the final product. This industry is simultaneously global and local. It crosses transnational borders because the product is sold, thousands of miles away from where it is produced, at the buyer chain segment, and it is local because the factories are rooted in specific communities at the production chain segment. Third, an institutional context that links the different chain segments and impacts the operational outcomes of the chain in different contexts. Fourth, governance structures, which determine power relations, exist through and within the chain. This characteristic, which illustrates how, and on what terms, local firms and workers are integrated into the chain and distinguishes between different types of coordination and control. It is particularly relevant to the solution-focused theme of this article because it enables an analysis of power relations in the globalized commodity chain.

The governance structure of the apparel industry is buyer-driven not producer-driven.^{xii} The buyers establish the decentralized production networks. They have the power over other segments of the chain because they control entry into the chain itself. Profits are created not so much by scale and volume as they are by design and marketing. This governance structure enables companies, like Walmart and Gap, to become powerful intermediaries, which strategically connect local firms to ever-changing niches in the global consumer market.

As a gender and globalization scholar, I critique the globalized commodity chain approach because it does not include gender. This is a key omission since the majority of

workers in the apparel industry all over the world are women. I, therefore, raise a central question: how does the difference between hiring male or female workers impact the local firm's entry into the chain? As summarized in the preceding pages, women are "cheap workers with nimble fingers" (Elson and Pearson 1981). Given the buyer-driven governance structure of the apparel industry, buyers do not have employees so they do not have to deal with issues, of unionization, turnover, and layoffs (Bair and Gereffi 2003). But if the buyers don't want to deal with these euphemistically termed "personnel management issues," local factories certainly want to make them go away. This explains the preference for hiring women workers by the initial entrepreneurs. I argue that the "docility" of women workers initially gave the local firms a competitive advantage in the buyer-driven market of the apparel industry. It lowered costs of production and kept these costs low. Hiring women workers who would not unionize nor complain about low wages, therefore, enabled the pioneer local firm create terms of entry that were attractive to buyers, who occupy the marketing segments. Clearly, women workers were essential for the entry of the local factory into the globalized commodity chain.

Bair and Gerrefi's (2003) global commodity chain approach is valuable because it specifies each segment in a globalized process and interdependencies within the chain. But it needs the gender dimension in order to be integrated into my theoretical framework. In particular, the governance characteristic needs to be viewed through a gendered lens because it explains who has power (and who does not) and why at each segment of the chain. Links between exit and voice deepen our understanding of gender and governance in the globalized commodity chain, as analyzed in the next section.

Exit, Voice, and Loyalty and Gender: The Need to Include Surplus Labor

Hirschman's (1970) simple but powerful exit-voice-loyalty model was originally proposed to resolve inefficiency in firms. Since its inception, this model has been applied to a variety of cross-disciplinary arenas ranging from spousal dynamics in marriage to organizational efficiency in firms. Although economists have focused on exit in the past, what is unique about Hirschman's model is that it combines exit with voice and loyalty. In later years he emphasized voice, arguing that it is a better ameliorative mechanism than exit. Hirschman argues that when confronted with deteriorating conditions, customers, employees and citizens respond in two ways: exit or leaving and voice or trying to change the situation. These two responses, though distinct, are not mutually exclusive. Exit can be combined with voice. Hirschman focuses on what happens or how the situation is improved as a result of these responses. When employees exit, managers who are sensitive to turnover, see that something is wrong. Voice is better since what is wrong is made clear. Loyalty defers exit but can intensify voice. Those who have less loyalty will exit after an attempt at voice or even at the first recognition of deteriorating conditions. As disagreement intensifies and extended attempts to improve the organization are unsuccessful, even loyal members will exit.

The scenario of the woman worker in the garment factory challenges Hirschman's model. What happens when to the model, when due to underdeveloped economies in the global South, women constitute a large pool of surplus labor? Both the employer and the factory worker are well aware that if a female employee exits, there are thousands waiting in line to take her place. It is the vast pool of surplus labor that makes women workers replaceable and, therefore, easily silenced commodities. Kabeer argues that unlike public sector male employees in the formal economy, women workers face "a tradeoff between access to employment and conditions of

employment” (Kabeer 2004, 24). Limited job opportunities in a developing country curtail exit and the ease of worker replaceability reduces voice. Individual workers who complain or try to unionize are not only fired but also blacklisted. No other factory will hire them (Ahmed 2004). Kabeer (2004) does not analyze loyalty, but it was an important aspect of the initial entrepreneur’s managerial culture at this level of the chain. Women were hired because they were expected to be loyal. In such a scenario of surplus labor, employers do not view exit as feedback to improve. Voice is seen as insubordination and leads to involuntary exit. In this case, neither the threat of exit nor voice enhance organizational efficiency. Clearly for the woman garment factory worker the cost of voice is high. As Berik and Rodgers (2009) state, low employee turnover provides a disincentive for employers to make improvements to keep experienced sewing operators. Although individual voice was reduced, collective voice remained, as the strikes in 2006 demonstrate. But it did not lead to major improvements in workplace safety. Limited exit options for the worker reduces employer responsibility. Over the decades, this lack of accountability assumed juggernaut proportions and resulted in Rana Plaza, a disaster of historic proportions.

To summarize, the extent to which Rana Plaza has changed things needs to be investigated order to change theories about the nature and locus of solutions to workers’ problems. Ways in which gender impacts governance in the globalized commodity chain need to be examined. The exit-voice-loyalty model needs to be expanded to include gender and surplus labor. Hirschman, an economist, argues that good managers are interested in feedback through voice and exit. As a sociologist, I contend that the structural position of the factory owner in the globalized commodity chain, who face downward pressures on unit prices (Berik and Rodgers 2009) may also pose barriers to being a ”good” manager. It is no longer enough to confine the

investigative focus to women workers and their problems. The search for accountability, inevitably, leads to men and women at higher rungs of the governance ladder. I argue that factory owners and buyers in the globalized commodity chain should also be held accountable and therefore be the focus of future studies.

RESEARCH METHODOLOGY

I returned to Bangladesh in July 2013, three months after Rana Plaza, to carry out a pilot study in Dhaka. The purpose was to develop an analytic framework based on ideas from the ground. I conducted a focus group of garment factory workers and interviewed factory owners not only to understand their perspectives, but also to include their ideas in my theoretical approach.

Since workers' perspectives provide the imperative context for this investigation, the first step was to reach garment factory workers. Trust and access issues are extremely important in qualitative research. The factory workers were contacted by my Bangladeshi research assistant and his colleagues who work for a NGO, which was assisting the Rana Plaza survivors. These NGO workers lived in the same area as the garment workers, so neighborly trust was the initial reason for their participation in the focus group.^{xiii} Since I conducted my pilot study during Ramadan, I invited factory workers to a focus group to have iftar at the BRAC Inn hotel restaurant, a neutral place where workers could freely voice their opinions. The focus group consisted of twelve garment factory workers from seven different factories; there were three male and nine female garment workers. Their ages ranged from 20-38 and three were single. Questions ranged from concerns about wages and overtime payments to safety and maternity leave. They were also asked about suggestions and strategies for improvement.

I, subsequently, interviewed three women factory owners (which included one phone interview).^{xiv} The first factory owner was interviewed at her home and the second was interviewed at her offices. The third was interviewed over the phone. The link to the factory owners was initially made through personal connections and then, through snowballing. I had prepared a questionnaire in advance, which consisted of broad arenas ranging from queries about relationships with the buyers and workers to suggestions for solutions for the garment sector as a whole. But when I arrived in Dhaka, I modified my research methods and utilized grounded theory (Strauss and Corbin 1998). This approach enables the researcher to incorporate local concepts into the inquiry. Data is analyzed while in the field; concepts derived from the first interview were further explored in the subsequent interviews. For example, Factory owner A mentioned “worker participation committees” as an organizational change which would give voice to workers. Grounded theory enabled me to explore this concept with other factory owners.

Reflexivity is an important tool in qualitative research. It enables the researcher to analyze how her social location impacts her relationship with the interviewees and what they chose to reveal. Excellent studies have analyzed the complexity of insider/outsider relationships in research settings wherein those researchers who return to their country of origin to conduct their research (Altorki and Solh 1998). As a Bangladeshi woman researcher, who belongs to an upper middle class family, I was perceived as more of an outsider by the workers in the focus group. Conscious of the class difference, the garment workers shared their problems with me in the focus group because they expected me to resolve them and to be able to do so immediately. It was important for me to build on the initial level of trust created by the NGO workers by being straightforward with them about my limitations. In contrast, to the women factory owners, I was an insider. Introduced by a common friend, I came from the same background. Although women

factory owners mentioned problems with buyer deadlines, they did not see themselves as “victims” of the globalized commodity chain, and nor do I present them as such. As educated upper-class women, they explicitly acknowledged their class privilege. An atmosphere of sharing opinions, problems, and solutions prevailed in the interviews with the factory owners. No researcher, however, should be complacent about trust because it is central to what is revealed in qualitative research (Ahmed 2003), so trust-building continues to be a goal for me.

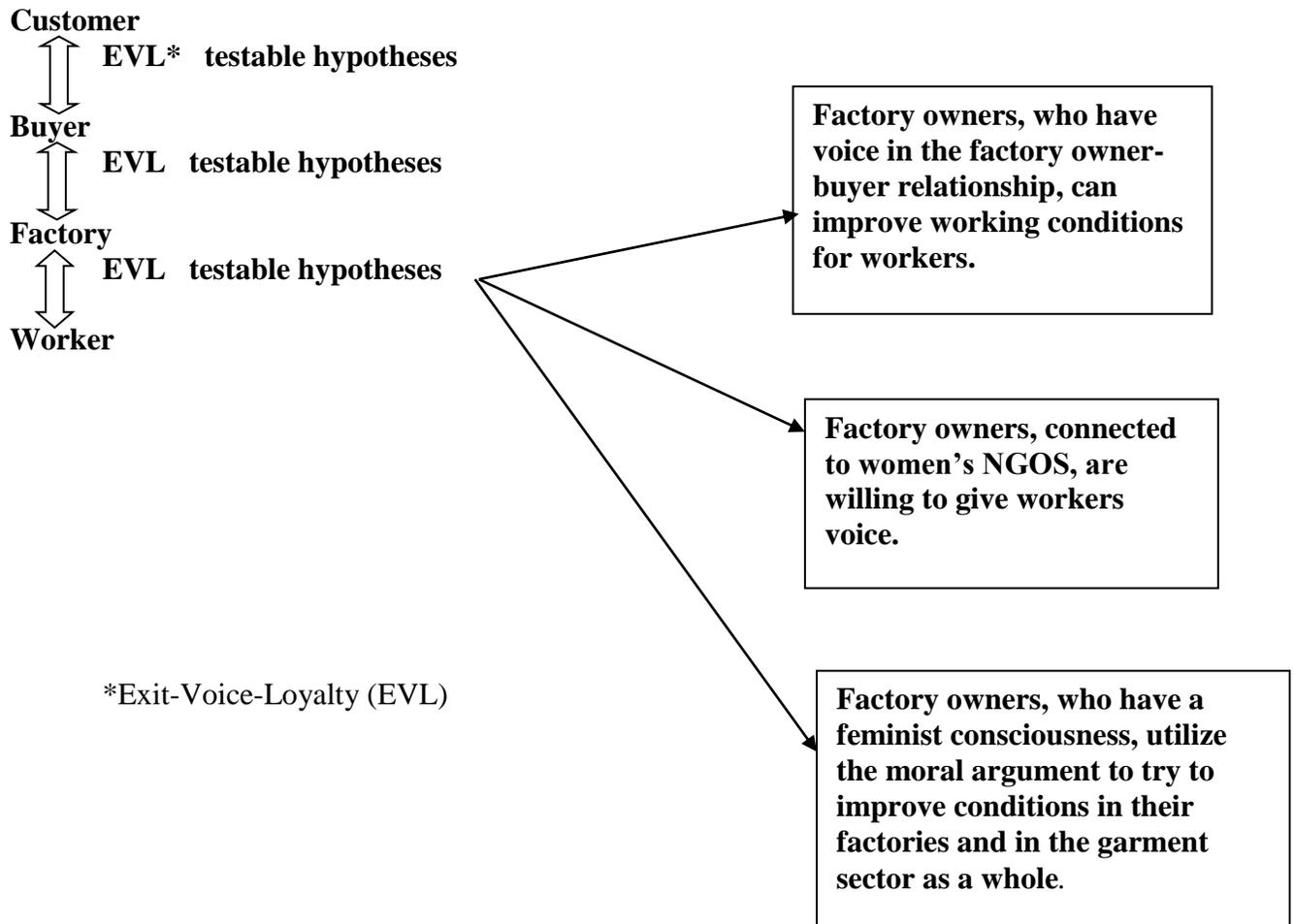
THE ANALYTIC FRAMEWORK FOR GENDER, GLOBALIZATION, AND GOVERNANCE IN THE GARMENT INDUSTRY

In order to examine gender, governance and labor along and through the chain and to show interdependencies and linkages, I propose a specific theoretical approach (see Figure 2 on page 19). Utilizing this gendered modification of Hirschman’s exit-voice-loyalty model can lead to testable hypotheses for each segment, which can, in turn, frame interviews with key actors along the chain to derive workable solutions. Although in this article, I have focused on factory owners in Bangladesh, I will now analyze broad conceptual possibilities by posing key questions for all segments of the chain to illustrate my theoretical approach and how it functions.

Customers and Buyers at the Higher Segments of the Chain:

I include the customer at the top of the chain because, after all, buyers want them to buy the clothes produced overseas. What are power relations like between the buyer and the customer? Every buyers wants loyalty from the customer. But fast fashion is a highly competitive market, and buyers may feel the need to continually change designs to pursue the ever-elusive customer. This leads to downward pressure on the factory segment since the lead time between order and delivery get shorter in direct proportion to the number of seasons. Will customers exit from

Figure 2. Analytic Framework for Gender and Governance



buyers who market goods produced under exploitative conditions? Will they exit from a particular buyer if the cost per unit is increased beyond a certain amount? On the other hand, H & M, a Swedish retailer, has committed to paying higher wholesale prices for ready-made garments to reduce downward pressure on workers.^{xv} This buyer could be part of a case study to explore these questions. I do not propose testable hypotheses for this segment in this article, but suffice it to say that the customer awareness, product design, and cost create a complex buyer-customer relationship which, in turn impacts the buyer-factory owner link. The deterritorialization that is an essential part of globalized capital (Sklair 2002) also means that

customer niches in the North determine design, orders, and, eventually, production processes in the South.

Factory Owners in the Middle Segments of the Chain

Sandwiched in the middle segments, factory owners are the interface of governance or power relations between the buyer and the worker. Responsible for quality control, in essence, the factory owner takes the order from the buyer and translates it to the workers so that a specific product can be produced by a specific deadline. In other words, the pressure from above is translated into pressure down below by individuals in this segment of the chain.

As indicated by the interviews, there is little voice for a factory owner in the buyer relationship. Possibilities of exit from an unreasonable buyer, who establishes unreasonable deadlines thereby causing downward pressure, are remote. Buyer loyalty, as a concept has only come into being after Rana Plaza. Therefore, the key questions are: How can factory owners have more voice? How can ease of exit be facilitated for factory owners? For example, how can a factory owner, who cannot afford to pay for improved safety conditions in the factory, exit from a buyer, who is unwilling to pay for these improvements, to another buyer who is willing to do so? The exploration of these questions will, I argue, point the way to better conditions for workers at the lower segment of the chain.

Workers at the Lower Segments of the Chain

I summarize here the results of the workers' focus group. Workers had a range of complaints: unsafe factory conditions, inadequate bathroom facilities; nonpayment or delay of overtime nonpayment or delay of maternity leave; lack of space to eat lunch. As Siddiqi's (2009) interviewees also stated, women workers reported that supervisors insulted workers' parents whenever workers made a mistake. Supervisors also used the insulting familiar (*toee*) instead of

the more respectful honorific *aapni*. The workers' focus group revealed that the factory management, namely shop floor supervisors, play a key role in governance in this segment of the globalized commodity chain and therefore, also needs investigation.

I noticed that single women, were as vociferous as their male colleagues and joined with them in their emphasis on low wages as being the major concern. In contrast, married women quietly stated concerns about maternity leave in an aside to me. But this was not important to those who played a leading role in the focus group, which suggests that if a patriarchal leadership emerges among garment workers, concerns specific to women workers will not be a priority. The benefits of unionization for garment workers is widely debated: Kabeer (2004) raises concerns about whether patriarchal trade unions will give women workers more voice; but Rahman (2013) argues against work participation councils as a substitute, and definitively states that unionization provides workers with global support.

WOMEN FACTORY OWNERS AND GOVERNANCE

In the previous section, I have broadly outlined my theoretical framework for the entire globalized commodity chain. In this article, I focus on the factory owner segment and utilize the framework in combination with interviews with women factory owners to derive testable hypotheses for this segment (See Figure 2). Ways in which governance, at the factory-level segment, impacts exit, voice, and loyalty and vice versa are analyzed in both the factory owner-buyer and the factory owner-worker relationships.

Factory Owner-Buyer Segment: Governance Depends on Voice with the Buyer

A buyer gave me an order with a deadline for the end of February. But I have to import yarn from China and nothing happens there in February because of the Chinese New Year.^{xvi}

I sent swatches to a buyer. But he couldn't make up his mind about the color. But we couldn't really start until he told us what he wanted. He finally made his choice. But the deadline remained the same.

Factory owner B

Quotes from factory owners A (cited in the introduction) and B confirm Gereffi and Bair's (2003) analysis of how buyers, who occupy the design and marketing segment of the chain, control the terms of entry. Globalization enables buyers to download production; not surprisingly, they have little experience in what it takes to make cloth into clothes in a developing country. Stringent deadlines and precise product specifications are part of the terms of entry. Factory owners feel that they have to meet them no matter what. Otherwise they will not get a repeat order. Applying the exit-voice-loyalty model here, it seems that factory owners have little voice in the relationship with buyer; Khan (2000) also notes their minimal negotiating power. Implicit in these discussions is the need for buyer loyalty, namely an understanding of the context in which the product has to be made, which would reduce unreasonable penalties and establish realistic deadlines.

Failure to meet the deadline results in penalties, which have to be absorbed by the factory, and the threat of no future orders (which means no future business) can result in worsening conditions for the garment factory worker, as further discussion with factory owner A revealed:

I had to meet these deadlines because I wanted a repeat order. The workers were paid late on the fifth of the month instead of the first. In order to meet the deadline of the second consignment, we paid them later on the seventh of the month. They then went on strike. It was our fault. The problems started when we expanded and moved the production to another location. We lost our old workers and had to hire new ones. Our old workers would never have gone on strike because they had started with us – when we started running the factory. They wouldn't have given us any trouble.

We should never have expanded and taken on more than we could do.

Factory owner B

Lack of voice or ability to negotiate with the buyer compelled factory owner B to delay wages for the workers. In the focus group, workers complained of the hardship they faced when they did not get paid on time. So it is possible that factory owners' lack of voice in the factory owner-buyer relationship plays a role in oppressive work conditions for the workers. It can be hypothesized that buyer loyalty, to the factory owner can improve governance at the factory level of the globalized commodity chain. This leads to the first testable hypothesis: if factory owners have more voice in the relationship with the buyer, working conditions can improve for workers.

Factory Owner-Worker Segment: Governance as Giving Voice to the Worker

The government has sided with our interests.^{xvii} I know that it is against my class interests, but I think that workers should unionize. Workers in EPZ factories should also be allowed to unionize.

Factory Owner C

Workers must be able to communicate their concerns. Worker participation committees should be instituted in factories

Factory Owner A

Worker participation committees should consist of worker representatives who are elected by workers, not selected by management. We must try to understand our labor. We must listen to our labor.

Factory Owner C

Based on an analysis of the convergence of state and factory-owner class interest, factory owner C, advocated for worker unionization, even in the EPZ areas. Factory owner A emphasized worker participation committees, but factory owner C stated that such committees would only work if they were elected by the workers themselves. Since I focus here on factory owners, I do not analyze the differential impact of these two strategies on women garment factory workers in this article. Suffice it to say, however, that Kabeer (2004) has raised legitimate concerns about whether the patriarchal culture of organized labor in Bangladesh will

give women workers voice, and an excellent Sri Lankan study explores nuances of worker participation councils (Gunawardana 2014). What is clear is that both factory owners believed that workers should have more voice in the form of direct communication with factory management, and both were willing to create the space in their factories for this to happen.

What makes these factory owners willing to “go against their class interests?” The assumption that they are enlightened, simply because they are women, is naïve and simplistic. As factory owner B’s quote illustrated, she expected unconditional loyalty from her workers, which meant silence in the face of deteriorating working conditions. She demonstrated little empathy or understanding of what happens when a garment worker is not paid on time. A biographical note highlights another explanation: Factory owner A had been a member of a woman’s rights NGO and was still affiliated to it (see quote below). The analysis thus leads to the second testable hypothesis: factory owners, who are affiliated with the women’s NGOs, are willing to give workers voice.

Factory Owner-Worker Segment: Governance as Moral Obligation

The workers in Rana Plaza do not belong to my factory. But I go several times a week to visit them in the hospital – as often as I can. I want to do whatever I can to help. After all, I used to belong to a woman’s rights NGO.

Factory Owner A

We can’t blame everything on the buyers. We have to take responsibility. There are things that can easily be taken care of, which don’t cost that much. There is no excuse for leaving bales of cloth in the corner which can be ignited by a spark. There is no excuse for naked electric wires hanging from the ceiling of the shop floor. Our workers are human beings.

Then owners of the factory at Rana Plaza did not even know that the factory had not been shut down. Such negligence is criminal. ..

I said that 300,000 taka should be given to each victim’s family. But they only want to give 25, 000 taka.^{xviii}

To have so little heart (*otho tuku ridoy naee*).

Factory Owner C

Although both factory owners were well aware of how surplus labor was advantageous to them as employers, they felt responsible for their workers. They did not feel that the workers' poverty and no-exit situation entitled factory owners to treat the former as less than human. These factory owners felt a sense of loyalty to their workers. They felt that management should take responsibility for worker safety and that any negligence in this arena was criminal. Their arguments were not based on cost-benefit but on moral terms. I, therefore, outline the third testable hypothesis: Women factory owners, who are affiliated with the women's NGOs, utilize the moral argument to effect improvements in their factories and in the garments sector as a whole.

CONCLUSION

Rana Plaza needs to be analyzed as the local in the global. If as Connell (2004) states, the local should be conceptualized as an ethnographic moment embedded in globalized processes, then I argue that Rana Plaza is one such local moment embedded in the processes of the globalized commodity chain of the apparel industry, a moment that reaches far beyond Savar to webs of globalized relationship with chain segments. Workers as well as factory owners are segments in a chain that is not of their own making. It should be underscored that the vast majority of garment workers are women, and therefore feminist governance by factory owners is as important as feminist solidarity among workers. But as the case of Bantai illuminates, even if local factory owners exercise feminist governance, they are also subject to the vagaries of the buyer segment, who define not only the terms of entry for the local factory, but its very survival in the globalized commodity chain. It is important to note that the factory did not collapse because of its proworker policies; in fact, the resulting low turnover and high productivity led to

profits. In the preceding pages, I have presented a contextualized theoretical framework which enables feminist scholars to explore possibilities at each level of the chain.

I argue that popular depictions of the factory owner as avaricious and oppressive, as the local midwife of global capital, are simplistic. In fact, a broad spectrum of governance exists within factories. The pilot study suggests that a more sophisticated approach which differentiates between different factory owners is more useful. I have focused here on female factory owners. But it is important to note that the sex of the factory owner does not determine feminist consciousness: male factory owners can also exercise feminist governance, as Rahman of Bantai exemplifies; whereas their female counterparts do not necessarily empathize with the workers as Factory Owner B's interview reveals. In the full study, an investigation of male and female factory owners will shed light on the intersections of gender, governance, and globalization. They, therefore, also need to be studied as globalizing femininities or masculinities (Connell 1998). Clearly, studying up is as important as studying below.

Top-down as well as bottom-up solutions are important in the chain. Buyers, at the top of the chain hierarchy directly impact workers. It must be acknowledged that buyers demanded restriction of any union activity as a precondition for their investment in the EPZs. The state gave in to their ultimatum. The role of the buyer or the transnational corporation is a key feature of the globalized economy (Moghadam 1999). As a result of the deterritorialization of the globalized capital (Sklair 2002), the multinational corporation, although a major player in globalized capital, remains invisible. Clearly, the relationships they have with the garment workers and with international retailers are key to how governance is exercised in the global commodity chain. Yet as the opening quotes indicate, the buyer, though nameless and faceless to the factory women, is viewed by them as having the most voice. One reason for the failure to

organize internationally as described by Kabeer (2004), I argue lies in the dispersion and anonymity of this relationship. Both unions and workers participation committees have been mentioned as bottom-up solutions. A comparative study of both strategies as well as traditional male-dominated and contemporary women-led unions will be useful. The globalized commodity chain of the textile industry has provided poor women with much-needed jobs. This feminization of employment has confused feminists. Kabeer (2004) refers to the scenario of the garment factory as a dilemma; and Siddiqi (2009) states that, in the face of the contradictory impact of globalized capital on women, she cannot provide definitive answers to strategies for solidarity for feminist activists.

Rana Plaza demands answers. As an unexpected event which has caused a rupture, it is the dialectical moment (Sartre 1968), which exposes existing contradictions within the apparel industry. It is the moment to challenge what Kabeer (2004) terms as the tradeoffs between work and decent working conditions and between global workers' rights to work and international labor standards. Why should these tradeoffs exist? How can a moral economy permeate the globalized commodity chain? The power brokers who can answer this questions need to be the locus of study. Real people provide real solutions. Connell (2004, 2010) has analyzed globalizing masculinities at the CEO level. It is entirely possible that reformist femininities and masculinities exist in the world of globalized capital. Can pro-worker male and female factory owners be the catalytic agents of a different kind of globalization? These questions highlight future arenas of research and in so doing suggest that comprehensive solutions lie in the combination of the top-down and bottom-up strategies throughout the globalized commodity chain

The analysis of exit, voice, and loyalty along the each level of the globalized commodity chain, refracted through a gendered prism, will provide answers to questions of accountability

and, therefore, specific goals for international solidarity for scholar-activists, journalists the public and private sector and indeed any concerned citizen. We can no longer afford to think of globalization and gender in purely abstract terms; the finalities of the grave make it imperative everyone work together to provide real solutions. Rana Plaza calls on all of us to acknowledge contradictions and to create a new synthesis, which improves the lives of women workers, and in so doing, to forge a new history of the apparel industry.

REFERENCES

- Acker, J. (2004). Gender, capitalism and globalization, *Critical Sociology*, 30 (1), 17-41.
- Altorki, S., & El-Solh, C. F. (Eds.). (1988). *Arab women in the field: Studying your own society*. Syracuse University Press.
- Ahmed, F. E. (2004). The rise of the Bangladesh garment industry: Globalization, women workers, and voice. *NWSA journal*, 16(2), 34-45.
- _____. (2003). *Low-income progressive men: microcredit, gender empowerment, and the redefinition of manhood in rural Bangladesh* (Doctoral dissertation, Brandeis University).
- Bair, J. and G. Gereffi (2003). Upgrading, uneven development, and jobs in the North American apparel industry,” *Global Networks*, 3(2), 143-169.
- Berik, G. and Y. Rodgers (2009). Bangladesh’s ready-made garment sector: exports, employment, and working Conditions.” *Journal of Bangladesh Studies*, 11(2), 1-19.
- BGMEA 2013 Bangladesh Garments and Manufacturers Export Association (BGMEA) website <http://www.bgmea.com.bd/> accessed July 15, 2013.
- Connell, R. (2010). Building the neoliberal world: managers as intellectuals in a peripheral economy. *Critical Sociology*, 36(6), 777-792.
- _____, R. W. (2004). Globalization, imperialism, and masculinities. In Kimmel, M. S., & Hearn, J. R. (Eds.). (2004). *Handbook of studies on men and masculinities*. Sage Publications. 71-89.
- Choudhury, D. (2000). Women and democracy: a Bangladesh perspective. *The Round Table*, 89 (357), 563-576.

Dedeoğlu, S. (2010). Visible hands–invisible women: Garment production in Turkey. *Feminist Economics*, 16(4), 1-32.

The Department of Inspection of Factories and Establishments (DIFE) website
<http://www.dife.gov.bd/> accessed July 15, 2013.

Elson, D., & Pearson, R. (1981). ‘Nimble fingers make cheap workers’: An analysis of women's employment in third world export manufacturing, *Feminist Review*, 7(1), 87-107.

Feldman, S. (2009). Historicizing garment manufacturing in Bangladesh: gender, generation, and new regulatory regimes. *Journal of International Women's Studies*, 11(1), 268-288.

Gunawardana, S. J. (2014). Reframing employee voice: a case study in Sri Lanka's export processing zones. *Work, Employment & Society*, 28(3):452-468.

Hirschman, A. O. (1970). *Exit, voice, and loyalty: responses to decline in firms, organizations, and states*, Cambridge MA: Harvard University Press.

Imai, K. S. and M. S. Azam. 2012. Does Microfinance Reduce Poverty in Bangladesh? New Evidence from Household Data. *The Journal of Development Studies* 48(5), 633-653.

Jahan, R. (1995). *The elusive agenda: mainstreaming women in development*, Atlantic Highlands, NJ: Zed Books.

Kabeer, N. (2004). Globalization, labor standards, and women's rights: dilemmas of collective (in) action in an interdependent world. *Feminist Economics*, 10(1), 3-35.

Khan, F. C. (2000). A decade of trade liberalization: how has domestic industry fared in Bangladesh? *Journal of Bangladesh Studies*, 2(1), 31-37.

Kibria, N. (1995). Culture, social class, and income control in the lives of women garment workers in Bangladesh. *Gender & Society*, 9(3), 289-309.

Moghadam, V. M. (1999). Gender and the global economy In *Revisioning Gender*, edited by Myra Marx Ferree, Judith Lorber and Beth B. Hess. Thousand Oaks, California: Sage. 134-47.

McKinsey Report. 2011. “Bangladesh’s ready-made garments landscape: the challenge of growth.” http://www.mckinsey.de/sites/mck_files/files/2011_McKinsey_Bangladesh.

Pitt, M. M., Khandker, S. R., & Cartwright, J. (2006). Empowering women with micro finance: evidence from Bangladesh. *Economic Development and Cultural Change*, 54(4), 791-831.

Rahman, S. (2013). *Broken promises of globalization: the case of the Bangladesh garment industry*. Lexington Books.

Rahman, Z., & Langford, T. (2014). International solidarity or renewed trade union Imperialism? The AFL–CIO and garment workers in Bangladesh. *Working USA*, 17(2), 169-186.

Rana Plaza: A look into the garment industry one year after the worst workplace disaster. (April 24, 2014). The Daily Star.

Sartre, J. P. (1968). *Search for a method*, trans. Hazel E. Barnes New York: Vintage.

Saxena, Sanchita Bannerjee (2014). *Made in Bangladesh, Cambodia, and Srilanka*. New York: Cambria Press.

Shehabuddin, Elora. (2008) *Reshaping the holy: democracy, development, and muslim women in Bangladesh*. New York: Columbia University Press.

Siddiqi, D. M. (2009). Do Bangladeshi factory workers need saving? Sisterhood in the post-sweatshop era. *Feminist Review*, 91(1), 154-174.

Sklair, L. (2002). *Capitalism and its alternatives*. Oxford: Oxford university press

Strauss, Anselm and Juliet Corbin.1998. *Basics of qualitative research: techniques and procedures for developing grounded theory* (second edition). UK: Sage

A Swedish retailer promises a living wage (December 2, 2013). The New York Times op-ed, p. A26

World Bank 2013. Available at <http://data.worldbank.org/country/bangladesh> Accessed July 13, 2014.

Yardley, Jim. (July 25, 2013).Garment trade wields power in Bangladesh, The New York Times, pp.A1, A8.

ENDNOTES

ⁱ The Obama administration canceled the General System of Privileges (GSP) for Bangladesh after the Rana Plaza disaster.

ⁱⁱ The above facts and statistics are drawn from Rahman (2013).

ⁱⁱⁱ Such “solutions,” however, well-meaning can cause harm. See Siddiqi (2009) for more details on the issue of child labor.

^{iv} There are 3.5 million women workers BGMEA website <http://www.bgmea.com.bd/> accessed July 15, 2014.

^v Trade union activity in Bangladesh has historically been linked to national party politics (for details see Ahmed 2004).

^{vi} The statistics in the above article were obtained from the Daily Star article on April 28, 2014.

^{vii} The vast literature precludes comprehensive citation.

^{viii} For details see Daily Star April 28 2014.

^{ix} Although the vast majority are poor women, there are some lower middle-class female workers.

^x Although Feldman (2013) had conversations with 60 first generation entrepreneurs (p.260), but they are not the focus of her article. She does not provide an analysis of this data.

^{xi} In this paragraph, I summarize these characteristics as analyzed by Bair and Gereffi (2003).

^{xii} The automobile and computer industries are examples of producer–level chains. Manufacturers coordinate the globalized commodity chain in such capital- and technology-intensive industries.

^{xiii} None of the interviewees were survivors of the Rana Plaza disaster. I did not interview any Rana Plaza victims or their families due to ethical considerations. It was too soon after the disaster; reports indicated that many were suffering from post-stress traumatic disorder in addition to their injuries.

^{xiv} It should be noted that the workers in the focus group did not belong to the factories of the factory owners interviewed.

^{xv} H& M has stated that minimum wages for government workers should be raised in public. In order to follow through on its commitment, it will have to do two things: first, give fewer big orders to a smaller group of local firms; and second, commit to them namely, be loyal, to them for a period of several years. “A Swedish Retailer Promises a Living Wage,” (December 2, 2013), op-ed The New York Times.

^{xvi} The average lead time for local suppliers is 90 days. Some can send the product within 30 days of receiving the order; others take as long as 120 days. The reliance on imports of raw materials from other countries is a major reason for inefficiencies in the supply value chain.

^{xvii} Here, she refers to the government ruling that unionization is permitted provided that 30% or more of the workers must sign petitions stating that they want to unionize. This proviso doesn’t make it easy for trade union organizers to establish unions because there are thousands of employees in any given factory and no space (or time) to organize. Approximately 10% of the 300 members of the Bangladesh Parliament own garment factories. Other are indirectly involved in the industry. Jim Yardley, (July 25, 2013), “Garment Trade Wields Power in Bangladesh,” The New York Times.

^{xviii} The amount of compensation was being discussed in July 2013 at the time of the interview. A BBC report confirms that \$650 was initially given. But compensation is complex depends on the age, salary, and years worked of the victim or survivor.