

Book Review

Rossi, A., Luinstra, A. and Pickles, J. (eds.) (2014)
***Towards Better Work: Understanding Labour in Apparel Global Value Chains*, Geneva and Basingstoke: ILO and Macmillan Palgrave, 344 pp, hardcover.**
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Reviewed by Khalid Nadvi, University of Manchester, United Kingdom

No sector provides a better lens through which to understand the dynamics of globalisation than the global apparel industry. It is the quintessential illustration of the complex nature of globalised production arrangements as captured through the global value chains (GVCs) framework. The apparel sector has been most heavily influenced by international trade regimes, even after the phasing out of the Multi Fibre Arrangement (MFA) in 2005. It is been marked by shifting patterns of competitiveness and fashion, which have driven demands for higher product quality, but with shorter lead times and greater product variety. It has been the engine for industrialisation in many developing countries, and the sector that has most notably helped transform China into *the* manufacturing global powerhouse it is today. And, finally, the global apparel industry has faced challenges on environmental impacts associated with fibre, textiles and garment production, and on working conditions.

This edited volume on labour in apparel GVCs is directly linked to a collaborative research agenda, undertaken by an international academic network (the Capturing the Gains programme) and the International Labour Organisation (ILO). The network investigated the links between economic and social upgrading in GVCs, and the implications for labour and decent work. In its focus on the apparel sector, this volume will be a key resource for years to come. It is targeted both to international academic and key policy audiences as well as advanced research students. It provides some critical conceptual contributions and a rich vein of detailed empirical case studies.

At the conceptual level, Mayer and Pickles' contribution considers the ways in which globalisation has led to shifting governance pressures. They consider the now well-known evidence on private governance in the global apparel GVC and the more recent examples of resurgence in public governance. They go on to conclude that the nature of the evolving governance regime is not one that will be marked by a swing from markets back to states, but rather that achieving better labour outcomes will require more complex, complementary and hybrid forms of public and private governance. Bernhardt's contribution uses cross-country evidence to investigate the links between economic and social upgrading. Drawing on macro trade, wage and employment data from the eighteen leading developing countries in the apparel GVC, his analysis shows clearly the dominance of East and South Asian countries in economic upgrading, the prominence of China in social *and* economic upgrading, and the relatively less impressive outcomes for many sub-Saharan African and Latin American countries that have sought to use the apparel GVC as an industrial strategy for economic and social development.

Concentrating more specifically on the social dimensions of upgrading, the contributions by Vaughan–Whitehead and by Miller focus on the nature of wage regimes. Vaughan–Whitehead puts forward an analytical framework for assessing the concept of a ‘fair wage’. This includes wage levels as well as wage structures and wage practices. He illustrates the nature of poor wage practices across a range of leading apparel-exporting countries and the growing differentiation in wage structures. This underlines the need for those concerned with social upgrading to investigate human resource practices at the firm level as well as distributive outcomes of GVC engagement and upgrading to ask the question: who gains, who loses? This has important implications for international societal campaigns on the ‘living wage’. This may in itself be insufficient in driving better outcomes for labour if differentiation is not considered. Miller’s contribution explores the understudied issue of labour costing (and often under-costing) along the apparel GVC. The key issues here, as Miller underlines, are not just about identifying how labour itself is costed, but also how labour productivity gains are brought about *and* critically understanding how such gains might effectively be captured by labour itself.

A number of country case studies provide insights into the dynamics between economic and social upgrading in the apparel GVC. Planck et al., for example, investigate the impact that the growth of ‘fast fashion’ has had on workers. By its very nature ‘fast fashion’ has to be logistically close to markets. They study two leading fast-fashion supplier locations, Morocco and Romania, which have benefitted from proximity to main European Union (EU) markets. Both countries have seen either a rise in unit value of exports with the production of high-value fast fashion for leading EU retailers (Morocco), or are already known for higher-value garment production (Romania). Yet, fast-fashion manufacturing practices, which demand greater ‘flexibility’ from labour, have had negative labour consequences. While formal workers may have benefitted, there has also been a rise in precarious employment and the use of casual labour (Morocco), as well as an increase in subcontracting (Romania).

In a very different institutional and market context, Record et al. study the high level of worker turnover in the relatively nascent Laotian export garment industry. High labour turnover, they find, is directly linked to low wage levels and non-transparent wage regimes, management practices, working and living condition, and the challenges that rural workers face in adapting to an urban industrial environment and labour regime. Bhaskaran et al. focus on one highly marginalised segment of precarious labour in the global garment industry, analysing the role of child labour in the Delhi garment sector. Their research indicates a high presence of child labour in household-based subcontracting units often undertaking specialised but highly labour-intensive embroidery tasks. Eliminating child labour in production is not solely a compliance issue, as Bhaskaran et al. argue. Instead, it requires a more careful understanding of the root causes of child labour, including poverty and social norms, and necessitates consideration of how poverty-alleviating social protection measures, such as conditional cash transfers and employment guarantee schemes, need to be integrated into a wider strategy to address child labour and precarious work.

The studies by Pike and Godfrey on worker perceptions of labour standards in Lesotho, by Brown et al. on labour standards non-compliance in Cambodia, and by Bair and Gereffi on Nicaragua are more closely linked with the Better Work / Better Factories programme. This ILO initiative seeks to actively integrate social compliance and upgrading concerns (around labour standards, wages, and employment and working conditions) with firm-level economic upgrading (including identifying productivity-enhancing measures that help firms become more competitive). Drawing on a number of focus group interviews, Pike and Godfrey identify workers’ concerns about labour standards within the workplace at the outset of the Lesotho programme. Brown et al. draw on a quantitative database from the factory monitoring reports of the ILO Better Factories programme. Their research is particularly illuminating in that it suggests that the Better Factories

initiative might not only ensure compliance with core labour standards, but also generate firm-level productivity gains, thereby convincing firms of the benefits of remaining compliant in an increasingly competitive marketplace. This clearly needs further investigation.

The volume as a whole does have some weaknesses. Many studies are clearly geared around a common theme of exploring the links between economic and social upgrading, but this agenda does not run through all of the chapters. Nor do all of the chapters address the same sets of research questions. Thus, drawing out a common set of key findings can be somewhat challenging. Nevertheless, there is a sufficient volume of detailed empirical and country case material to throw further light on the challenges that confront labour and the goal of decent work. These concerns, particularly of precarious work, declining prices and heightened competition are not unique to the apparel sector. Further cross-sectoral research, which was part of the Capturing the Gains programme, would be helpful to throw light on whether or not there is a unique story for apparel.

Finally, there are a few areas, over and above those highlighted by the editors, which call for further study. First, in understanding the position of labour within a globalised production arrangement, we not only need to be aware of labour agency, but also of labour organisation and activism in ensuring that workers get an improved share of the gains from GVC engagement. This calls for more research on organised labour institutions, including trade unions, as well as non-organised labour activism and the extent to which labour's 'voice' is key in bringing about improved outcomes. Second, what role can and does the state play in this, and what is the relationship between public governance exercised by national, local and international regulation and the private governance of commercial dynamics? Pickles and Mayer discuss this conceptually at the outset, yet empirical evidence on this is somewhat uneven across the volume. Pushing this agenda forward is essential for academic and policy-oriented research on GVCs. Third, what impacts are shifts in global markets – both in terms of growing consumer demand in emerging economies like China and India, as well as the rapid expansion in South–South trade – likely to have on the structure and organisation of GVC linkages in the global apparel sector, on labour standards and on the relationship between economic and social upgrading? Fourth, what consequences are technology shifts, in the realms of production as well as in retailing, likely to have on labour outcomes in the global apparel value chain? While these are key questions for future studies, this volume provides a compelling account of the complex nature of labour dynamics within *the* quintessential sector for globalised trade.

BIOGRAPHICAL NOTE

KHALID NADVI is based at the School of Environment, Education and Development (SEED), University of Manchester in the UK. His research addresses issues around trade, industrial development, and labour and environmental outcomes, with a focus on small enterprise clusters, global value chains and production networks, global standards, corporate social responsibility and technological upgrading. He currently leads an ESRC-funded study on 'Rising Powers, Labour Standards and Governance of Global Production' which involves comparative research on how emerging power lead firms, states and civil society actors in Brazil, China and India engage with and shape discourses on labour and social standards in production. He is also the Research Programme Co-ordinator for the ESRC's 'Rising Powers and Interdependent Futures' (www.risingpowers.net).

[Email: khalid.nadvi@manchester.ac.uk]