

# **Worker Resistance in Global Supply Chains, Wildcat Strikes, Transnational Campaigns, and International Accords<sup>1</sup>**

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## **Abstract**

This article examines the relationship between labor control regimes patterns of worker resistance in apparel global supply chains. Where apparel production has concentrated in the last decade has as much to do with labor control regimes as with wages and other economic factors. There are three main labor control regimes in the sector: state-party control; market despotism; and repressive employer control. The article then argues that these systems of labor control are conducive to three patterns of worker resistance: wildcat strikes, international accords, and transnational corporate campaigns. The article explores these arguments by examining apparel worker struggles in Vietnam, Bangladesh, and Honduras.

Workers in global value chains are finding new strategies to addresses harsh working conditions in global supply chains. These strategies are shaped not only by the exigencies of hyper-competitive global production regimes, but also by state structures and local market conditions. The highly statist system of Vietnam with its party-controlled official unionism has engendered a powerful wildcat strike wave. The harsh, despotic labor market conditions in Bangladesh with a weak and fragmented labor movement have pushed activists to pursue international accords. Hegemonic labor control in Honduras built on factory-level repression has motivated labor organizing and transnational corporate campaigns.

Thus, an analysis of labor strategies in global supply chains must begin with an analysis of the labor control regimes in which they are embedded. Proponents of a race-to-the-bottom argument would suggest that production goes where wages are lowest, but that argument cannot explain why China continues to dominate apparel production while its wages are four times

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higher than in Bangladesh. At the same time, those who suggest that production goes where logistics are the most efficient and economies of scale are the greatest (as in China) cannot explain why Vietnam is one of the fastest growing major apparel exporters in the world, or why Honduras is the largest Latin American exporter.

Buyers in apparel global value chains want not only to keep costs low, but also to reduce the likelihood of supply chain disruption caused by worker organization and mobilization. Indeed, what this article will show is that the 10 top apparel exporters in the world today reflect three models of labor control. These include state labor control regimes, market labor control regimes, and employer labor control regimes. In the case of state labor control regimes, labor is controlled by a system of legal and extra-legal mechanisms designed to prevent or curtail independent worker organization and collective action. Extreme examples of such regimes include China and Vietnam, which I label as authoritarian state labor control regimes.

In market labor control regimes, unfavorable labor market conditions discipline labor; strong worker organizing is curtailed because workers are afraid that active participation in a union may result in job loss and prolonged unemployment or underemployment. Low-income countries with very weak labor markets, such as Bangladesh and Indonesia, exemplify despotic versions of market labor control regimes. Finally, employer labor control regimes in their most extreme form include highly repressive employer actions against workers, including the use of violence or the threat of the use of violence. Examples of such repressive employer labor control regimes can be seen in Honduras, El Salvador, Guatemala, and Colombia.

These three general forms of control are not mutually exclusive or static; all countries have had elements of each system and all countries go through changes over the course of their histories. Bangladesh is a market labor control regime, but workers in Bangladesh also have been killed while organizing collective action. And in Vietnam, control is mainly exercised through an authoritarian state, but the fear of unemployment also looms large and serves to increase worker discipline. In sum, these are typologies of labor control regimes that illustrate dominant, not exclusive or static, models of control. They should be seen as a heuristic tool used to elucidate the relations between ideal-typical labor control regimes, which are present to various degrees in all cases.

This article makes a second claim: the three models of labor control outlined above in their more extreme manifestations have engendered three patterns of worker resistance: wildcat

strikes, international accords, and transnational corporate campaigns. That is, how workers protest is partially shaped by how they are controlled. Workers with extremely weak labor market power will have limited effectiveness in attempting to organize and protest at firm level since they can be easily replaced, just as workers facing repressive employers and a complicit state will be disinclined to believe they can resolve their demands locally.

Workers in an authoritarian regime who may face imprisonment for developing ties with outside interests will be reluctant to pursue cross-border campaigns or international accords to address their grievances. Rather, wildcat strikes are often prevalent in such regimes, because workers need to circumvent official unions, and labor internationalism is not an option. That is, since only one official union center is allowed to operate and since that state-sanctioned center does not effectively represent workers' interests, workers are forced to take matters into their own hands by organizing unauthorized strikes. Yet, as we shall see, they need to do so very carefully, notably by protecting the identities of their leaders.

International accords build on Global Framework Agreements, but they go a step further in that they hold the lead firms in global value chains partly responsible for the cost of decent work through binding agreements. The most recognized example of such an accord can be seen in Bangladesh, which, not coincidentally, is one of the more extreme examples of a market labor control regime. Such an accord was pursued in Bangladesh because labor market conditions were so unfavorable to labor that it was necessary to address local market conditions by going outside the national state and using international pressure.

Finally, transnational corporate campaigns have emerged in repressive employer labor control regimes, because the threat of bodily harm by employers gives local activists a means by which to frame their concerns through international campaigns that generate maximum impact. Honduras exemplifies a case of a repressive employer labor control regime, because it is the most violent country in the world and employers have used violence or the threat of violence to control labor. Not coincidentally, Honduras has one of the most vibrant traditions of effective transnational corporate campaigns. [See Table 1 for a summary of labor control regime types, patterns of resistance, and country-case illustrations.]

**Table 1. Labor control regimes, resistance patterns, and country examples**

<b>Labor Control Regime</b>	<b>Pattern of Resistance</b>	<b>Country Case</b>
State-Party	Wildcat Strikes	Vietnam
Market Despotism	International Accords	Bangladesh
Repressive Employers	Transnational Corporate Campaigns	Honduras

### **Labor control and worker resistance in global supply chains**

Traditional theories of labor control – often referred to as *labor process theory* – begin on the factory floor. Michael Burawoy observed how employers build consent among workers by, for example, encouraging them to produce more by competing with one another. In so doing, employers “manufactured consent” by having workers buy into the system. In the decades that followed, a rich stream of scholarship examined hidden and informal mechanisms of hegemonic control, consent, and resistance within capital–labor relationships (Burawoy 1979).

This article builds on this tradition by linking domestic patterns of control with the international dynamics of supply chains. In the context of global competitiveness pressure, it explores patterns of labor control at the workplace, labor market, and state levels. The formation of national states, for example, has been notoriously tied to patterns of labor control, with the state’s use of its security forces to control labor unrest. Communist states offer an extreme example of labor incorporation and control. In their study of trade unions in communist countries, Alex Pravda and Blair Ruble observe how such systems adhered to the Leninist model of dual functioning unions through which unions are subordinate to the state and must work to defend the socialist system by encouraging labor productivity – the productivity function. At the same time, unions should also protect workers against any potentially harsh treatment by management – the labor protection function (Pravda and Ruble 1986). Over time, in many socialist countries the productivity function was emphasized over the protection function, and control over unions shifted from the state to the party.

Market labor control regimes are in many ways the opposite of state labor control regimes in that they often occur in weak states, especially in terms of labor regulation and enforcement capability. Workers face less bargaining power during economic downturns as high unemployment forces them to accept poor working conditions and makes them cautious about organizing labor unions for fear that they might easily be replaced. Webster, Lambert, and Bezuidenhout find that growing labor market flexibility has led to “market despotism,” which is

a return of an ‘old’ form of control through coercive market power “where the whip of the market was used to discipline workers” (Webster, Lambert, and Bezuidenhout 2008: 52).

Any labor market dynamic that increases workers’ sense of vulnerability – be that an increase in part-time work, short-term contracts, or outsourced labor – will also increase labor control. Workers in such contexts are inclined to put up with bad conditions and low wages rather than risk unemployment and poverty out of fear that, should they speak up, they may lose their jobs as a result. Indicators of a labor market control regime are low wages and a high proportion of the workforce that is unemployed or underemployed. Given its low start-up costs and high competitive pressures, the garment industry is notorious for low wages, outsourcing, and precarious employment practices. Some countries, however, face far more difficult circumstances than others. Using data on prevailing and living wages recently compiled by the Worker Rights Consortium, we see that Bangladesh has had the lowest wage rate among major apparel exporters, and that wage was only able to cover 14% of a family’s basic living needs (WRC 2013). [See Table 2.]

**Table 2. Contribution of wages to a family’s basic needs**

	<b>Prevailing wage</b>	<b>Wage/Basic needs</b>
<b>Bangladesh</b>	\$51.67	14%
<b>China</b>	\$214.49	36%
<b>Honduras</b>	\$250.01	47%
<b>Indonesia</b>	\$142.32	22%
<b>Mexico</b>	\$376.27	67%
<b>Vietnam</b>	\$112.09	29%

Source: WRC (2013).

The final system of labor control is employer workplace repression. As noted above, most theories of labor control begin with employers and the workplace. This is because it is precisely at the point of production that capital is most concerned with ensuring worker discipline in order to realize their gains. As David Harvey argues that much capital is still accumulated by dispossession through what he refers to as predation, fraud, and violence (Harvey 2004). Indeed, in regions of Latin America and Asia, we are seeing a rise in violence against unionists and worker activists. Colombian employers have notoriously turned to paramilitary forces to rid themselves of worker organizers for decades (Gill 2007); and, in El Salvador and Honduras, the two most dangerous countries in the world, almost every major

attempt by workers to form unions since the early 2000s has entailed the threat of violence against activists (CGWR and WRC 2015).

### **Worker resistance**

The three models of extreme labor control outlined above are conducive to the three patterns of domestic and transnational worker resistance outlined above: strikes, international accords, and cross-border campaigns. Strikes have been a fundamental mechanism through which workers have sought to address their concerns since the beginning of employment relations. Indeed, whereas scholars such as James Scott have popularized everyday forms of resistance such as pilfering and absenteeism (Scott 1985), Elizabeth Perry rightly contends, “The strike is only one weapon in the arsenal of workers, but it is an especially efficacious and important one” (Perry 1995: 7). The reason wildcat strikes are the most common form of worker resistance in state labor control regimes is twofold. First, official unions – because of their ties to the state and the party and their resulting interest in maintaining ‘harmonious’ employment relations – do not respond to the needs of workers, especially workers in foreign-owned private enterprises where unions are especially weak and working conditions notoriously harsh. Second, the state prevents workers from having strong, direct ties with international advocacy groups. Thus, on the one hand, the state blocks access to formal national institutional mechanisms that might address workers’ concerns, and, on the other hand, the state blocks workers’ ability to pursue a Keck and Sikkink ‘boomerang’ (Keck and Sikkink 1998). That is, it prevents them from bringing pressure to bear on the state from the outside via transnational alliances. This leaves workers one option: to take matters into their own hands via localized collective actions.

International accords build on Global Framework Agreements (GFAs). In an effort to hold lead firms in global supply chains accountable for employment relations practices and conditions in suppliers, international trade unions have established GFAs with multinational companies (MNCs) (Hammer 2008). These agreements reach beyond the enterprise and national state levels to achieve labor agreements at the transnational level, and, unlike corporate social responsibility programs, these agreements are negotiated between labor and MNCs. Yet, the clauses in these agreements can be vague, are not legally binding, and do not address pricing issues.

A substantive transformation took place when labor unions negotiated the Bangladesh Building and Fire Safety Accord with MNCs in 2013. Through this accord, which I have labeled with Jennifer Bair and Jeremy Blasi as a Buyer Responsibility Agreement, lead firms (the buyers in global supply chains) are held jointly liable for conditions in their supply chain and partly responsible for the costs of producing their products under decent working conditions (Anner, Bair, and Blasi 2013). The accord focuses on safe buildings in Bangladesh, but its framework could easily be expanded to cover other issues and more countries.

It is not coincidental that such an accord has been designed to address issues in Bangladesh, with its despotic market labor control regime. No doubt, the dramatic building collapse at Rana Plaza motivated the accord, but this event itself did not dictate the outcome, a major international agreement in which northern MNCs (mostly European) agreed to increase the price they pay for the production of their product in order to ensure safe buildings. The reason that worker activists and their allies pursued a transnational accord of this nature is because domestic market conditions have made labor so weak that a more traditional domestic approach would only have reflected this weakness and thus done little to address the problems that workers faced. Hence, transnational leverage in the form of a binding agreement was a logical choice for worker activists in this context.

The third pattern of worker resistance, cross-border organizing campaigns, builds on a long and complex history of labor internationalism that goes back two hundred years. As Lewis Lorwin documents, centuries of labor internationalism were shaped by mass worker migration, competitive world markets, wars, and socialist ideals on the emancipation of labor (Lorwin 1929, 1953). And, as Roland Erne finds, although labor movements have been primarily tied to their nation state through neocorporatist social pacts and nationalist worldviews, the pressures created by the most recent era of economic globalization have also pushed them to build ties across borders (Erne 2008).

The more complex questions are when will labor pursue internationalism and, if it does occur, what form will it take? Building on the transnational advocacy and global supply chain literatures, I have argued that labor is more likely to pursue transnational solidarity when blocked from resolving its demands through domestic structures and when labor movements are influenced by class-based ideologies (Anner 2011). What I also suggest here is that extreme forms of employer labor control regimes that involve violence or the threat of violence provide

labor movements with a mechanism to frame their issue that is particularly conducive to effective cross-border campaigns.

### **Labor control regimes and apparel global supply chain restructuring**

Current patterns of labor control regimes in the apparel sector are largely a consequence of the recent hyper-competitiveness dynamics fomented by restructuring and changing trade rules. In 2001, the World Trade Organization (WTO) admitted China as a member. China's position was enhanced when WTO member states negotiated the Agreement on Textiles and Clothing (ATC) that, on 1 January 2005, phased out the system of quota-based trade in apparel. By 2003, China passed Mexico as the largest exporter to the US and became the largest apparel exporter to the world. Asian competitiveness increased further with the US–Vietnam Bilateral Trade Agreement of 2001. Like China, Vietnam offered labor control through state controlled unions, but with much lower wages.

An additional factor shaping competitiveness dynamics in the apparel sector is brand and especially retailer concentration relative to suppliers. Since start-up costs in apparel are relatively low, apparel production has been greatly dispersed to a very large number of factories in developing countries. By 2006, there were a total of 3,500 export processing zones, each with many independent factories within them, employing 66 million workers in 130 countries.<sup>2</sup> At the same time that production dispersed, retailers greatly concentrated their power through advances in logistics and technology. The result was a dramatic increase in value chain monopsony (power consolidation of lead firms relative to downstream suppliers), exemplified by an enormous number of small apparel producers who are forced to compete with one another for contracts with a limited number of retailers and manufacturers. In such a context, the retailers and other buyers largely dictate the price they will pay per garment (Abernathy et al. 1999).

These macro-level political and structural changes have had two dominant effects on workplace dynamics. First, the ability of lead (upstream) firms to set the price paid to smaller production contractors has generated persistently low wages. Second, the push for lead firms to demand just-in-time inventory has generated a work-intensity crisis in workplaces. The real dollar price per square meter of apparel entering the U.S. market declined by 46.20% between

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<sup>2</sup> Apparel makes up a large share, but not all, of export processing zone (EPZ) production. Consumer electronics and other light manufacturing can be also found in EPZs.



1989 and 2011 (Anner, Bair, and Blasi 2013). This suggests that apparel suppliers are indeed producing under increasingly tight economic margins as competitiveness at the supplier level intensifies.

One of the most direct impacts of the shift to shorter lead times, more styles, and more volatile orders is in the area of working hours. Forced, excessive, and inadequately compensated overtime is an endemic problem in the global apparel industry. Because each new worker hired incurs training costs and fixed benefit costs for employers, many firms prefer to maintain a smaller workforce and demand that these employees work excessive hours during periods of peak demand. In effect, just-in-time inventory practices have meant that upstream lead firms are increasingly able to shift the risks associated with volatile product demand onto their suppliers, and the suppliers in turn shift the burden onto their workers.

The result of this heightened competitiveness and the resulting pricing and sourcing dynamics is that all major apparel exporting countries now fit into at least one of the three models of extreme labor control regimes outlined above. A graph of apparel exports to the United States over the last 20 years displays the largest apparel exporters to the US. The first two countries on the list are China and Vietnam, which have authoritarian state labor control regimes. Indeed, approximately half of all apparel imported into the US (and the world) comes from these two countries. The third and fourth largest apparel exporters to the US are Bangladesh and Indonesia, despotic market labor control regimes. The fifth largest exporter of apparel to the US is Honduras, which has a repressive employer labor control regime. Honduras is also the largest apparel exporter to the US from Latin America, having surpassed in recent years previous apparel powerhouses in the region, notably Mexico and the Dominican Republic. Indeed, Mexico is noticeable for the dramatic decline in its apparel exports to the US.

Certainly, part of these shifting trade dynamics can be explained by costs. Mexico has one of the highest prevailing wage rates in the apparel sector, and it has not been able to compete with other countries; notably in 2011 in Bangladesh, as we can derive from Table 2, the wage rate was 14% of that in Mexico. However, a simple race-to-the-bottom wage argument clearly does not tell the entire story, because the largest share of apparel is produced in China and wages are much higher in China than in Bangladesh. Nor does the wage story explain how Honduras came to dominate exports in Latin America, since its wages are higher than other apparel-exporting countries like Nicaragua.

Sourcing decisions are no doubt the result of several factors, including production scale, logistical capabilities, infrastructure, and so forth; but these traditional sourcing arguments do not tell the entire story either. This is because, in addition to keeping costs down, investors want to limit the potential for disruption to their value chain operations that strong, active unions may cause. In addition to production costs and infrastructural advantages, all major apparel-exporting countries offer investors some form of labor control.

In the section that follows, I explore each of the three cases of labor control and worker resistance through three case studies: authoritarian state labor control and wildcat strikes in Vietnam; despotic market labor control and international accords in Bangladesh; and repressive employer labor control and cross-border organizing campaigns in Honduras.

### ***Authoritarian state labor control and wildcat strikes: Vietnam***

By 2011, the apparel sector in Vietnam employed two million workers, making it the largest source of formal sector employment in the country (Better Work Vietnam 2011). Apparel production in Vietnam has remained mostly in the low-end, Cut-Make-Trim segment (Gereffi and Frederick 2010), although in recent years full-package production is growing. Wages have failed to keep pace with the inflation rate and, as shown in Table 2, cover only 29% of workers' basic living needs. Other problems in the sector include chronic overtime, abusive managers, and poor food quality in workplace cafeterias (Anner 2014).

Workers' ability to respond to these concerns, however, is limited by the state labor control regime. The Communist Party's control over trade unions is firmly established in law and practice. The labor law states, "Trade unions are [...] an integral part of the political system of the Vietnamese society under the leadership of the Communist Party of Vietnam." Article 4.6 of the revised labor law states that the purpose of the labor law is, "to develop harmonious, stable and advanced labour relations." The law also allows for only one national labor center, the Vietnamese General Confederation of Labor (VGCL), to which the Communist Party appoints national leaders. Strikes are legal in Vietnam. However, they must be organized or approved by the official unions. And trade unions, following the dictates of the Communist Party and its desire for social control and labor peace, do not organize strikes. The regime tolerates isolated enterprise-level strikes that focus on economic demands and grievances, but there is no tolerance

for coordinated strikes, strikes that involve any form of violence, or strikes with political demands. The leaders of such actions could be arrested and face imprisonment.

In this context of state labor control via party-controlled labor unions, Vietnam has experienced one of its greatest wildcat strike waves in its contemporary history. From fewer than 100 strikes per year in the 1990s, by 2006 there were 387 strikes, and by 2011 the country experienced 978 strikes annually. Strikes focus on common worker issues, such as wages and benefits. Workers will also strike over bad cafeteria food and an abusive supervisor. Notably, strikes tend to be short – on average three days long – and remarkably successful. In 95% of the 97 strikes that I studied, workers achieved at least one of their demands (Anner 2014). Since workers are afraid to identify themselves as strike leaders, employers are often forced to discuss strike demands with large groups of workers, often determining how to respond to strike demands by the level of applause given by the workers when issues are mentioned (Ibid.).

This form of worker action can be understood in terms not only of the harsh conditions and low wages, but also of the nature of the labor control regime. They are worker-led strikes because official unions do not organize strikes. They are isolated to one factory because isolated strikes are tolerated by the state whereas coordinated strike activity is not. And they are perceived as largely leaderless strikes because an outspoken leader would be perceived as a troublemaker and could face imprisonment.

The short lead times given to suppliers by buyers are also a source of worker power that is leveraged by wildcat strikers. As Howard Kimeldorf argues, time-sensitive tasks give workers a source of disruptive power (Kimeldorf 2013). In the apparel sector, the need for urgent orders to meet retailer needs in a lean retailing system of constantly changing fashions and seasons means a short strike can put a lot of pressure on employers to get workers back on the production lines quickly. Indeed, my field research in Vietnam suggests that brands and retailers may even communicate with contractors experiencing a strike to demand that they resolve it quickly in order to get the order out on time. This is another reason why wildcat strikes in Vietnam have such a high success rate.

The question that remains is what wildcat strikes leave in their wake. Although they are remarkably successful, they are also short actions that lead to quick fixes. The result is that the problems repeat themselves, and workers have to make the effort to strike again and again to meet basic demands. More sustained solutions would necessarily involve transforming the

system of state labor control. Here, the impact of the current strike wave is more limited, but it is not insignificant. Indeed, a strike wave in the early 1990s contributed to a National Assembly decision to legalize strikes in 1994 (Kerkvliet 2001). The strike wave of 2005–2006 led to a significant increase in national minimum wages (Tran 2007). Most recently, striking workers helped to motivate the National Assembly to adopt the Dialogue in the Workplace chapter in the revised Labor Code, which went into effect on 1 May 2013.<sup>3</sup> The revised law requires the election of worker representatives and worker-management meetings once every three months to discuss production, implementation of collective bargaining agreements, working conditions, and other issues requested by worker representatives.<sup>4</sup>

### ***Despotic market labor control and international accords: Bangladesh***

Bangladesh provides an extreme example of a despotic market labor control regime. With a population of 155 million and a labor force of over 76 million, some 32% of workers are underemployed, 31.5% of the population lives in poverty, and the annual per capita Gross National Income stands at USD840.<sup>5</sup> Workers in Bangladesh received an average monthly wage rate of USD52 in 2011, Bangladesh has long had the reputation for paying the lowest wages among major producers in the industry. And, as shown in Table 2, these wages cover only 14% of basic living needs (WRC 2013). Outsourcing, part-time work, temporary employment, and informality all contribute to workers' sense of extreme vulnerability characteristic of a despotic market labor control regime.

Labor market vulnerability has also contributed to a very fragmented labor movement. This has greatly curtailed labor's ability to organize and demand greater social protection as part of a countermovement as might have been anticipated by Karl Polanyi (Polanyi 2001 [1944]). Countermovements, however, often presuppose a certain degree of structural power to be effective. Apparel workers lacking labor market power also lack the power to demand more effective state protection. The result in Bangladesh has been a weak and corrupt labor inspectorate and poor social protection. Workers cannot expect a solution to their most pressing concerns from the state. Indeed, Bangladesh is one of a few countries in which the freedom of association rights do not fully apply to workers in Export Processing Zones.

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<sup>3</sup> Author's interviews, Ho Chi Minh City and Hanoi, March and April 2014.

<sup>4</sup> Labor Code of Vietnam, Chapter V, Articles 63–65; Decree 60/2013/ND-CP.

<sup>5</sup> World Development Indicators, World Bank. <http://data.worldbank.org/data-catalog/world-development-indicators>

The hyper competitiveness of the global apparel industry contributes to a system that seeks to save on costs not only through low wages, but also through low building rents. This is because, after wages, rents are one of the major costs of doing business in the apparel industry. The push to keep rents to their lowest possible level has resulted in extremely unsafe buildings. This was brutally illustrated on 24 April 2013, when Bangladeshi apparel workers were victims of the worst industrial disaster in the history of the industry. An eight-story building with five garment factories, Rana Plaza, collapsed and killed over 1100 workers; and the Rana Plaza disaster was not the only one of its kind. Since 2005, there have been 11 major factory disasters in the industry, which took the lives of 1728 workers.

The tragedies were especially horrific because in many cases employers had been informed that their buildings were unsafe, but refused to stop production in order to meet the tight lead times imposed on them by buyers. For example, the day before its collapse, Rana Plaza was inspected and deemed unsafe by a government official. The bottom floor of the building was occupied by a bank, which immediately instructed all its workers to leave. The upper floors were occupied by garment factories. In those cases, the factories were attempting to meet the production deadlines imposed, through a system of outsourcing, by the brands and retailers. This illustrates how dynamics upstream in value chains impact working conditions. That is, the despotic market control regime is the result not only of domestic labor market conditions, but also of the exigencies of global value chain pricing and sourcing practices.

What is also important about the Rana Plaza incident is the labor response that followed. Workers protested to demand better state protections, and the international labor movement and labor NGOs immediately began pressuring lead firms to accept greater responsibility for the safety conditions under which their clothing was produced. The idea for a building and fire safety accord had already been pursued by international labor NGOs. When Rana Plaza happened, European firms quickly responded to labor pressure and public outrage and signed up to what became the Accord on Fire and Building Safety in Bangladesh.

The accord is a significant improvement on a generation of GFAs. Like GFAs, the accord was negotiated with labor unions, and thus it is a step up from traditional corporate codes of conduct, which are either unilateral or the result of partnerships with NGOs but not labor. Where the accord differs from other initiatives is that it is legally binding and includes a pricing clause. According to the text of the agreement, the brands and retailers that signed the accord should be

committed to paying contract prices that would allow contractors to produce in safe buildings, although in practice they have been reluctant to pay.<sup>6</sup>

Some observers consider the accord as a top-down solution. Yet, it is important to note that Bangladesh has experienced a considerable wave of labor protests, and in this regard it has something in common with Vietnam's strike wave. However, the vast majority of factories are not unionized, and, in the few unionized factories that do exist, the unions are relatively weak and fragmented. Hence, the wave of protest has been weaker relative to Vietnam because market despotism contributes to weaker domestic bargaining power. As a result, Bangladeshi workers have gone beyond the national state, partnered with international labor unions and NGOs, and sought to address some of their demands with the support of an international accord.

What is also notable is the role of symbolic power and framing. When Bangladeshi worker activists pursued labor transnationalism in Bangladesh, images of the human horror created by the building collapse were used to shame brands and retailers in the Global North. In sum, international labor and NGO pressure, and worker mobilization, resulted in changes for workers in the country despite their extremely disadvantageous market power. Buyers are now committed through a legally binding accord to pay the price for safe buildings, and the country's minimum wage was increased by 77% in January 2014. Labor laws were also reformed, although some of the reforms were inadequate and enforcement remains an issue. At the time of this writing, the final text on labor implementation procedures were still being written and debated.

### ***Repressive employer labor control and cross-border solidarity: Honduras***

Honduras, which is registered as the most violent country in the world on the basis of its annual rate of homicides per capita, represents the use of violence and the climate of violence for control labor. Although Honduras did not experience the extreme death squad repression of neighboring countries like El Salvador and Guatemala during the 1980s, state security forces and paramilitary groups did repress labor (Acker 1988). Yet, Honduras has had one of the relatively strongest labor movements in Central America, which can be traced back to the great banana workers' strike of the 1950s (MacCameron 1983). Partly as a result of this legacy, in the 1990s, Honduran unions were organizing far more apparel export plants than any other country in the

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<sup>6</sup> Author's interviews with Bangladeshi garment manufacturers in the Dhaka region of Bangladesh, June 22-30, 2015.

region (Anner 2011). Unlike Vietnam, there has been a vibrant tradition of independent unionism in Honduras. And, unlike Bangladesh, the union movement has been relatively less fragmented. This has provided the foundation for sustained domestic organizing campaigns.

No doubt, despotic labor market conditions have hurt organizing attempts. Yet, wages are higher and labor markets somewhat better in Honduras relative to Bangladesh. What have been more significant in controlling labor are efforts by employers, who have pursued a range of union avoidance techniques, including the aggressive promotion of company unions (Anner 2011). Anti-union violence also escalated significantly after the 2009 *coup d'état* that removed a pro-labor reformer, Manuel Zelaya, from power. It was in the years following the coup that Honduras became the most violent country in the world.<sup>7</sup> In major campaigns to organize workers in the apparel sector, union leaders faced death threats. For example, Norma Mejia, a garment worker who attempted to organize a Russell Athletic factory, found a note on her sewing machine during the organizing campaign with a stick figure with its head cut off.<sup>8</sup> When she still refused to stop her organizing efforts, she and all other union members were fired and the factory was closed.

The threat of violence and other repressive actions are similar to conditions faced by worker activists in Central America in the 1980s, but the difference is that the violence during that period was tied to the state, whose leaders saw workers organizing as a political threat to their regimes. In this regard, the 1980s reflected a period of state labor control. In the 2000s, labor control shifted to the employers, who now fire workers and then blacklist them, and also at times threaten them. The state creates a permissive environment through its inaction, as a result of either a lack of capacity or a lack of willingness to punish the perpetrators of the violence.

The question is what sort of response labor pursues in such a context. What we find is that Honduran workers have developed a practice of combining sustained local organizing with transnational pressure on brands, a pattern of resistance to which I refer as cross-border organizing campaigns. Like Vietnam, strike actions may be common, but strikes are used when necessary to complement an organizing drive. They are not the main mechanism to achieve workers' goals. And like Bangladesh, there is international pressure on buyers that often results in signed agreements. Unlike the accord however, the goal is not to directly influence the price

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<sup>7</sup> See UNODC, <http://www.unodc.org/>

<sup>8</sup> “Warren Buffett Confronted by Factory Worker.” [www.youtube.com/watch?v=JxOYt5vpox8](http://www.youtube.com/watch?v=JxOYt5vpox8)

paid for production in order to improve working conditions, but rather to ensure respect for the right to organize and bargain collectively, which in turn should improve wages, benefits, and working conditions.

Perhaps the best illustration of such a campaign was the abovementioned campaign to unionize Russell factories in Honduras. Steven Greenhouse of the *New York Times* (November 18, 2009) proclaimed this campaign to be one of the more important victories in the history of the anti-sweatshop movement. In this case, while maintaining their workplace organizing drive in Honduras, local unionists reached out to U.S. labor and student activists. The worker–student alliance made sense because Russell was one of the largest producers of American collegiate apparel. This gave the students a source of economic leverage that they could exploit by demanding universities cut their contracts with Russell until such time as Russell respected internationally recognized workers’ rights.

One particularly effective campaign strategy was to bring Honduran union leaders from the Russell factory to the United States to speak on university campuses. The campaign achieved two objectives. First, it personalized and legitimized the workers’ demands. Many campuses cut or suspended their contracts with Russell days after such speaking events on their campuses. Second, it ensured that the Honduran unionists were integrally involved in the campaign. Thus, although the campaign did involve external pressure on the factories, this was not a top-down solution devoid of significant local worker participation.

Approximately 100 major U.S. universities terminated their licensing agreement with Russell on the basis of evidence of anti-union activities in Honduras. And in November 2009, after years of union organizing efforts and an intense one-year transnational campaign, Russell announced it would re-open the factory and re-hire 1200 workers. Russell also agreed to recognize the union, begin collective bargaining, and adhere to a neutrality clause for all of its other seven factories in Honduras.<sup>9</sup>

The question that remains for Honduras is the sustainability of this pattern of resistance. Organizing cross-border campaigns for every apparel factory to obtain a union is impractical because of the cost and coordination constraints of such efforts. The most logical response would

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<sup>9</sup> Author’s interviews with labor organizers, San Pedro Sula, July 2009. See also: Hobbs, Susan R. "Russell Factory in Honduras to Reopen in Response to U.S. Student Pressure." *BNA Daily Labor Report*, November 23, 2009, and Russell Athletic. "Russell Athletic and Union Announce Landmark Agreement." 2009; <http://www.workersrights.org/linkedddocs/RussellPublicAnnouncement.pdf>.



be to campaign toward better labor laws and stricter enforcement that would facilitate domestic organizing. This was part of labor's efforts when it lobbied around the free trade agreements with the United States, such as CAFTA-DR. Yet, the greater challenge is working toward modifying the economic dynamics around which the market liberalization model is based, and that would entail engaging in direct bargaining with lead firms in supply chains.

## **Conclusions**

This article explored how changing dynamics in the global apparel industry has engendered three models of labor control: authoritarian state labor control, despotic market labor control, and repressive employer labor control. It also explored how variations in labor control regimes shaped variations in forms of worker resistance. In our cases, the system of state labor control was conducive to worker mobilization from below in the form of wildcat strikes. The system of market labor control contributed to international buyer accords that force brands and retailers to pay the price of safe buildings. Finally, the repressive employer labor control regime resulted in cross-border organizing campaigns that combined international and domestic labor organizing.

The results were substantial. Not only did Vietnamese garment workers achieve increased wages, better benefits, and other workplace improvements in 95% of their strikes, but they also forced the government to reform its labor laws to allow for more worker participation in workplace governance. In Bangladesh, workers and their transnational allies forced brands for the first time to accept a legally binding accord that holds them accountable for the price of safe factories. And, in Honduras, workers and their allies forced the country's largest private sector employer to re-open a factory, re-hire fired workers, recognize the union, bargain for substantially increased wages, and agree to a company-wide neutrality clause that is allowing workers to expand unionization and collective bargaining to other Russell-owned facilities in the country.

There are, no doubt, limits to these patterns of resistance. The wages of Bangladeshi workers remain below subsistence level. Strikes in Vietnam ebb and flow depending on market conditions and the state's shifting tolerance for contained protests and its desire to provide stability to investors. In Honduras, although some unions are growing, so too is the climate of violence that restrains all but the boldest of workers from protesting. Indeed, the challenge facing

labor is not only to achieve limited protection or economic gains within the current model of market liberalization, but also to work toward a modification of the model itself.

Much more research remains to be done, notably on other sectors and other regions of the world. In many ways, the apparel sector provides for sharper examples because the industry is extremely competitive and notorious for paying low wages and providing poor working conditions. This helps to explain the more extreme forms of labor control that can be found in this sector, but such labor control can be found in other sectors facing similar conditions, notably agriculture and extractive industries. The brutal conditions faced by the Marikana miners in South Africa, fomented by a despotic labor market, no doubt contributed to the contentious strike, which in turned resulted in violent state repression.

In larger economies, such as in the US, we find more mixed models of labor control regimes and worker resistance. In higher end sectors such as autos, we can still find elements of hegemonic control and traditional union organizing, especially in northern, more unionized, regions of the country; but we also see labor market despotism in low-end sectors such as the fast food industry with patterns of worker resistance based on disruptive street protests. For workers based in the largely non-union south of the US, we see unions building cross-border solidarity with unions not only in countries like Germany to help organize workers, but also in Brazil. U.S. security industry workers have also used the rules provided by international accords, notably GFAs, to subordinate capital to worker and union oversight (Anner 2011).

This article illustrates that patterns of global production are not based solely on costs, but also on labor control. Labor control regimes will vary depending on local contexts, but all major apparel exporters subject their workers to one form of control or another. However, just as labor control regimes vary, so too do patterns of worker resistance. Workers are finding the appropriate mechanisms to circumvent their particular form of control; and, in many cases, they are achieving many of their most immediate demands. More sustained solutions would require re-structuring the economic model that has engendered these labor control regimes.

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