GLOBAL ACTORS, LOCAL GOVERNANCE: CORPORATE SOCIAL RESPONSIBILITY IN THE INDIAN GARMENT INDUSTRY

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Foreword

'You will never be able to look at clothes the same way you always did'

That is what a friend said to me when I explained to her what my thesis research was about. And she was right. Never before had I felt such ambivalent feelings while shopping. Usually I did take a kind of pride in the many pieces of clothing you could buy at Primark with a low student budget like around fifty Euros. Now I know that these fifty euros are comparable to an average monthly salary of an Indian garment worker, I felt ashamed and also confused about what I was supposed to do. Would not buying low priced clothes at budget stores like Primark and H&M make a difference? How can you be sure that more expensive clothes are produced 'ethically'?

It struck me that being aware of what is behind the products you buy, does to critical conscious mind of the consumer. Unfortunately, I mentioned that not everyone around me is that much into the subject as me. When I confront them with the catastrophic factory collapse in Dhaka a few months ago, where more than 1,100 workers died and approximately 2,500 got injured working for a factory that supplied for brands as Primark, H&M, Marks & Spencer and many more, most of them are surprised. They did not know about it. Although it seems to be in the news for a short while, most consumers forget about it and continue shopping like they always did.

So who is going to take the lead in changing this situation? Under pressure of stakeholder groups, NGO's and critical consumers, transnational brand firms seem to move towards a responsibility for their suppliers. In this thesis I question the good intentions of this so called 'Corporate Social Responsibility', especially from the viewpoint of the actors that are most vulnerable in these global production networks: the workers in production factories. I really hope this research sheds new light and will result in a bigger understanding of CSR, giving rise to opportunities for better ways of ethical production.

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Introduction

The Dhaka factory collapse in April 2013 cut loose a lot of discussion. It is not the first time that supplier factories hit the news with fatal happenings due to bad safety restrictions. In many cases, such catastrophic events open discussion to other problems on the work floor, like negligence of labor rights, abuse, discrimination and underpayment. The shock about the many deaths or people violated is followed up by mass critique on brand firms that often source in low wage countries like Bangladesh and India. The growth of global value chains led to calls for a new kind of responsibility. The increased significance of brands and corporate reputation in our increasingly consumption-oriented world made companies more vulnerable to bad publicity and keener to develop their reputation as 'responsible'. But how do these firms develop their sustainable strategies and social improvement programs, and furthermore, is it really as beneficial for the workers involved as they claim to be? Do codes and labor standards accompany the commodification of garment and the growing demand for cheap fashion, in a highly time pressured and trend-sensitive industry? Or is CSR just strategic necessity for public acceptance and for generating more profits? This research is an exploration of CSR implications on factory employees. The following question is leading:

> *What are the social-economic implications of firm involvement and Corporate Social Responsibility practices for employees of the Tiruppur garment cluster?*

First, I will explain the concepts that are directly related to this question. From several sources of literature, I conclude that firms are a main powerful actor in monitoring practices on work floor level of their suppliers. When we speak about 'Firms' - also referred as companies, corporations or Trans National Corporations (TNCs) – we often mean western brand corporations, who operate in a Global Production Network (GPN). They mainly produce for western markets and source in southern (developing) countries. These resource countries are attractive to firms for their low wages and few restrictions. Since a few decades, India has developed into a main garment export country.

Corporate Social Responsibility (CSR) is the general term often used for the actions that firms 'voluntarily' undertake, in order to improve the conditions of their suppliers. Whether CSR is really voluntary one could speculate, because firms are under pressure of several actors and stakeholders, like for example consumers, Non-Governmental Organizations, trade-unions and activist groups. CSR has its practical outcomes in various ways, but is often embodied in codes of conduct, corporate standards and certificates. CSR practices are known for their ambivalent outcomes, while they are formed in a very transnational context that pinches with local contexts and stakeholders. Also, firms have different aims and interests than other involved stakeholders, like employees.

I will go further into detail about what CSR is and how it has developed. It is very important to consider that it is part of a much wider global process, where various actors are involved. On this global level, I will try to explain how CSR has emerged and what practical outcomes have arisen in terms of codes of conduct and standards. In order to find answers to my research question, I argue that it is necessary to view CSR from different perspectives, and foremost from the perspective of those where it should be all about; the employees of supplier factories. Using a detailed description and analysis of a case on CSR interventions in a South Indian garment cluster, I will investigate the complex involvement of different actors when it comes to labor rights, and how workers critique CSR regimes of international firms. The focus will be on social-economic implications of CSR practices on employees and their experience of work floor regimes. I decided to consider social-economic as a whole, because it cannot be parted from each other. A great part of the employee's social well-being is constructed through economic well-being, as will be made clear later on.

Social and scientific relevance

Research on the function of CSR and their implication on the actors involved, is now more relevant than ever. The highly political and economic connections between different actors involved in the global production network result in a complex discussion about moral responsibility and development. If we take a close look at the actors who are the actual victim, it becomes clear that it's not the firms buying their clothes, or the governments' regime, or the northern consumer. In the end, it are the workers on the site of production who are in the most vulnerable position, highly subjected by the regimes of both state and firms. However, in most research on ethical consumption, fair trade and corporate social responsibility, the workers' perspective has been largely underexposed. Global value chain analyses have been weak in looking at labor within global commodity chains, and yet few scholars have questioned what codes and standards actually do to the companies and workers whom they are imposed (De Neve 2012:217). This research aspires to analyze the issue of CSR from the perspective of the workers involved, and seeks to relate it to visions of other actors involved.

Much literature on CSR has an economical and business wise viewpoint. I think more anthropological insight on CSR – hence it is about shaping of standards, the implication process, or long term implications – can give worthy contribution in defining shortcomings of CSR methods. It is important to criticize CSR as ambassador of a so called 'humane capitalism'. According to Kingsolver (2003) anthropologist study changes in the marking of work time and the spatial aspects of production, and the inequalities embedded in the control of those changes. They look especially at how local labor is related to global production, distribution and consumption patterns and how they are controlled (2003: pp. 564-665). Anthropologist aim to unravel the inequalities that are produced in the organization of work, and the relationship between work, identity and value in various cultural

settings. It's important not to assume CSR as something good, but to consider the implications on (gender) division, discrimination, labor rights, power relationships, migrant work and unionization.

A better understanding of CSR practices can contribute to a more humane economy. As Hart (2010) argues, we have to treat the economy as something made and remade by people themselves, rather than as an impersonal machine. He argues that "a human economy would serve not just the needs of narrow individualism, but of whole persons and communities. It would express human variety in its local particulars as well as the interest of all humanity" (2010:1). Hart stresses that the human economy has to be built on what is already there, seeking to gain recognition and legitimacy for what people do for themselves. A new direction and emphasis for the economy can be based on initiatives such as CSR that are already established, but which could do with more room to grow. Hart argues that the approach should be 'bottom up' and 'gradualist' initially (Hart, Laville, & Cattani, 2010: 6). I agree that CSR is not a bad thing in itself, but it is an imperfect frontier of a more humane and sustainable way of doing business. By taking this approach from the side of workers in supplier factories, we question the discourse and practices of CSR and furthermore, if CSR can contribute to a more humane and moral economy.

Emergence of Corporate Social Responsibility

"'Globalization' is a multidimensional syndrome of processes grounded in, and helping to create, specific geographies, involving multiple actors engaged in processes of both conflict and collaboration, and connected through asymmetrical power relationships".

Peter Dicken (2010: p. 530)

"Morality represents the way people would like the world to work – whereas economics represent how it actually does *work"*

Stephen Levitt (2005)

From out of various disciplines, various authors have been concerned with Corporate Social Responsibility(CSR). Recently CSR has developed itself as an anthropological field of enquiry. Despite, a lot of research has focused on power relations in global production networks, ethical consumption, and fair trade, and the side of production including the workers perspective remains underexposed. In this research I will focus on what has been written about CSR in directly related to the side of production. Besides ethnographic research of De Neve in Tiruppur and anthropological work on CSR, I will also compare concepts and analysis from authors of economic and management disciplines. On the one hand because the lack of ethnographic data may give a one sided viewpoint, and on the other hand because a comparison of the perspectives, aims and interests that different actors have may give new insights on contradictions of CSR. First I will examine CSR as a concept, and explore which aspects of CSR are regarded most important according to labor and work floor practices. In the next chapter these concepts will be helpful in discussing the ethnographic data about implications of firm involvement and CSR on garment factory workers in Tiruppur.

Among the multiple actors involved in the global economy, two actors – firms Trans National Corporations (TNCs) and states – are regarded as most powerful in shaping and reshaping the global economic map. Not only are they influencing the distribution of financial resources around the world, but also the social environment (Dicken, 2010:530; Garsten & Hernes, 2009:189). In addition to this, these actors are regarded as primary responsible improving the lives and livelihoods of people throughout the world. The acknowledgement of this responsibility for the social environment outside the Firms operations is named 'Corporate Social Responsibility'. Firms can be viewed as linking pin between buyers, producers and several other actors at stake. According to De Neve et al. (2012) 'CSR is about global exchange, regulated by the powerful interests of northern corporations, retailers and brand names, and by the inequalities that these brand names impose on transnational economic exchanges' (pp. 15-16). This implies that the good intentions of CSR do not come without difficulties. But how, in the first place, did firms turn into 'responsible' actors in this global field?

Until recently, corporations did have little concern for wider responsibilities that went beyond their businesses. The statement "The business of business is business" of Milton Friedman, implies that the first concern of firms is maximizing 'shareholder' value. The primary concern was to make profits, capturing large market shares and being of interest to the ultimate owners of the company. Everything and everybody else – including employees and their communities, the environment, local economies, customers and suppliers- were not of the company's direct concern (Dicken, 2010: 530). This can be understood in the context of neoliberal market capitalism, which dominates the global economy. From a popular neo-liberal perspective, the market should be free from any non-economic purposes and restrictions. Only then, through competition, maximal economic growth can be achieved. This vision on the market has largely become commonsense, and coincides with the idea of individual freedom as the highest level of value (De Neve et al., 2012:16). Supporters of a neoliberal economy, see the fact that individuals have choices as a "moral good" (Carrier, 1997 in Browne & Milgram, 2009:11). The phenomenon of corporations global sourcing for the cheapest labor and the weakest state protection of labor is been called a "race to the bottom" (Stiglitz, 2006:199). It is presumed that the cost of doing the right thing is too high given the potential profits accompanied by ignoring such moral concerns (Browne & Milgram, 2009:26).

From the 1970s onwards this dominant perspective became increasingly criticized. The concern is that a free market drives down prices to levels that threaten the livelihoods of marginal producers (De Neve et al., 2012:17). There was a rising commitment with civil rights, a growing focus on the environment, and an increasing awareness of human rights and equality. In this decade questions began to be raised about the local consequences of international corporate activities. After firm involvement in several disastrous happenings, worldwide questions have been raised about statements like 'the only unforgivable sin in business is to run out of cash' (- Harold Green, head of ITT[1] in 1972, famous for his ruthless management style). Several stakeholders – consumers, NGOs, international activist groups- began to question if there were no other sins of which businesses might be guilty of (Garsten & Hernes, 2009:189). As you can see with the catastrophe in Dhaka last year, media plays an important role in reporting about public damage and corporate involvement in dubious affairs, which increasingly enlarges consumer awareness. Similar happenings took place earlier. In the 1970s European banks were accused of investment in corporations linked to the apartheid regime in South Africa (Garsten & Hermes, 2009:190). A decade later in 1984, media reported about the Bhopal disaster in India, where thousands of local residents were killed or harmed when gas leaked from a company named Union Carbide (Dunér, 2002 in Garsten & Hernes, 2009:190). The latter resulted in a court ruling, where legal sanctions, however, could not be induced due to failures of the international regime to judge issues involving a globalized business corporation (Garsten & Hermes, 2009:190).

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[1] International Telephone and Telegraph Corporation

Disastrous accidents like these constantly raise the bar for discussion about (legal) accountability and social responsibility that companies have for suppliers and their environment. Reports about involvement in deadly accidents, abuse of employees, pollution, and court rulings about misconduct are very harmful to a company's image. Reputation management had become all the more important for the globalized corporation (Hutton et al., 2001 in Garsten & Hernes, 2009:190). Under pressure of various actors at stake (such as employees, consumers, NGOs and suppliers), TNCs started to recognize their responsibility for wider society, which is later been named in terms of Corporate Social Responsibility. Several authors have conceptual ideas about CSR. De Neve argues that CSR can be seen as attempt to re-regulate a market threatened by deregulation, and an industrial response to consumer demands (De Neve et al., 2012:17). He addresses that CSR makes for a broad discursive practice, covering 'a wide range of specific corporate practices that differ according to commodity chain, type of industry, and geographical locations. CSR policies may refer to issues as wide-ranging as child labor eradication, "local" community development and indigenous rights, environmental protection, ethical trade and labor rights' (De Neve, 2012:219). He adds that in the garment industry, CSR is mainly concerned with labor. According to Dicken (2010) issues of CSR 'impinge on virtually all aspects of modern life and span the entire spectrum of relationships between firms, states and civil society.' (2010: p.531), by which he makes clear that CSR does not exist in a vacuum, and involves many actors. Rajak (2012) separates two broad spheres of CSR. One of them is directly related to production and core operational activities, which include working conditions; health and safety; and employee training and development. On the other hand, are activities categorized as 'corporate social investment' (CSI) in the development of the 'broader community' (Rajak, 2012:299). According to her definition, I focus on the first sphere of CSR, because it is most related to direct implications on the work floor, which is most relevant in studying CSR implications in the garment industry.

CSR comes mainly in practice through company codes of conduct, labor standards and certificates. During the last decade, companies have increasingly created or adopted rules or codes of conduct intended to reduce risks of wrongdoing. Standards according so 'social upgrading' (as named by Dicken) directly relate to work and labor, including a whole spectrum of social, economic and ethical issues, including pay, work conditions, occupational health and safety and human rights (Dicken, 2010:532). The primary mechanism to ensure this social upgrading in Global Production Networks is the *code of conduct*. Codes of conduct are known as confusing and highly overlapping. Barrientos (2008) estimated that there were over 10,000 different codes of labor practice in 2006 (Barrientos, 2008:979). Of the 100 largest firms in the world, two-thirds of them operated with codes of conduct by the early 2000s (Tulder, 2009:10). Without a doubt, the cause of the multiple forms of codes can be found in the organizational complexity of the GPNs (Dicken, 2010:532). Van Tulder (2009) argues that codifications (company codes of conduct and codes of ethics) are triggered by intrinsic motivations, including the greater strategic need to coordinate and control the firm's activities spread over a large number of countries. The strategic need for formulation and implementation of

codes of conduct as a coordination mechanism grows when large firms engage in sourcing out their production activities to independent suppliers (outsourcing) in developing countries, where the governance quality is often relatively low and the cultural and institutional distance relatively high. He argues that *extrinsic* motivations for TNCs are gaining in importance as well: 'the risk of reputation damage triggered by critical NGOs precipitates TNCs to formulate international codes of conduct or pricinples of 'corporate citizenship'. (Van Tulder, 2009:10). His description confirms that formulating codes of conduct and ethical standards are in the first place concerned with *intrinsic motivations:* codifications are primarily encouraged with sustaining a successful business.

Most codes and standards differ in the way they have been achieved and the different actors involved. Some of them are only devised by individual or groups of TNCs (for example the Global Social Compliance Programme), while other come about in cooperation with stakeholders (f.e. global framework agreements (GFAs) between a TNC and a global labor union federation). Coalitions of interest groups of the clothing industry also threw up codes (f.e. the Global Alliance for Workers and Communities involving Nike and Gap, together with the World Bank and the International Youth Foundation), even as (international) NGOs (f.e. the UN Global Compact, which is based upon the ILO Declaration of Fundamental Principles and Rights to Work, the Clean Clothes Campaign (CCC) and Fair Wear Foundation (FWF) (De Neve, 2012:230; Dicken, 2010:534-545). Codes are often the outcome of complex bargaining processes, which need to be understood as part of a contradictory process, involving collaboration and conflict between commercial and civil society actors, in which inherent tensions play out (Barrientos, 2008: 978). This will be illustrated with a case later on.

Despite the improvements for employees the codes of conduct and labor standards claim to aim at, a lot of critics and researchers are being skeptic about the actual implications of CSR. There are a lot of questions posed against these 'voluntary' codes. This is not only because they are 'voluntary' but also because they are rather marginal in their scope and effect (Dicken, 2010:535, Garsten & Hernes, 2009:189). Barrientos & Smith (2007) conclude that "corporate codes have a role to play in improving labor standards, but are currently doing little to challenge existing commercial practices or embedded social relations that underpin poor labor standards" (2007:713). Along with several other authors they argue that companies are relatively successful in adressing 'measurable' issues such as healthcare, safety and work hours. However, they keep failing to address issues as freedom of association, collective bargaining and discrimination. De Neve (2012) argues that failing to address these issues, is preventing workers from expressing their critiques and demands, which prevents other rights from being guaranteed, such as fair wages and non-discrimination. His argument is confirmed by the Ethical Trading Initiative, who recognizes the mixed outcomes of company codes and standards:

> "ETI company codes had had a positive impact in relation to certain code principles, particularly health and safety, documented minimum (not living) wages and employment benefits. Company codes were found to have had little or no impact on other code principles,

particularly freedom to join an independent trade union, collective bargaining and discrimination … In general, permanent and regular workers were found to have fared better from company codes of labor practice … [However] whilst there had been positive impacts on regular workers, codes of labor practice were failing to reach more vulnerable casual, migrant and contract workers, many of whom were women." (Barrientos, 2008:980)**.**

The ambivalent outcomes of CSR codes and standards can be explained through de various parties that are involved, each with their own aim and interests. CSR is tightly interwoven to the logics of the market. A major paradox can be identified. On the one hand CSR presents itself as a critique on mainstream trade relationships and an attempt to reconsider the relation between consumer and producer, while at the other hand it works through mainstream capitalist trade relationships (Jaffee, 2007; Nicholls & Opal, 2004 in De Neve et al.,2012:15). Rather than a pure form of philanthropy and development, CSR discourse argues for a 'humane capitalism'. Stigzelius et al. state that CSR practices are meant to improve the conditions for employees, and indirectly for generating a higher productivity and thus a more profitable business (Stigzelius, Fredricsdotter, & Mark-herbert, 2008:3). For that commercial businesses always aim to make a profit, there will always be a tension between 'doing good' and 'doing good business'. Garsten and Hernes (2009) argue that corporate leaders make use of codes as audit technologies that function as "lightning rods" in that they serve to direct attention to particular issues, hence allowing for other, perhaps equally pressing, issues to be overshadowed (for example freedom of association) (2009: p. 192). Having profits in mind, it is no surprise that companies make good use of marketing their moral activities in order to improve their reputation. Garsten and Hernes (2009) show that CSR is often a discussion of morality, and see standards as double-edged swords:

"One edge is explicit. It sets the minimum lower limits for conduct. Not falling below this level means basically that the company is "OK," and it will normally keep it out of trouble … It means that the very existence of the standard helps create awareness of the importance of moral conduct. The other edge of the sword, however, is more problematic. This is about the implicit effects of standards of conduct. It basically implies that as long as the company apparently performs well enough and attention is focused on those operations where it does well enough, operations may be performed that are morally irresponsible … and it is difficult to know what is really morally defensible." (2009: p.193-194).

It is argued that CSR will always be subject to manipulation, and can never be successful implied along the industry as long as there are no legal restrictions. CSR as moral contribution to capitalism highly depends on market factors(Browne, 2009:27).

Here I've tried to give an overview of how CSR has emerged, and the way it is constructed in a field of multiple actors with confronting aims. It is important because it shows that there is no unambiguous answer to what CSR implies, and whether its implications for workers are good or bad. CSR is a tension between morality and economics. It is no doubt there is a lot of skepticism about the

will and ability of both states and corporations in addressing the negative effects of outsourcing. Various authors suggest that CSR only is not enough, and instead there should be a more intensive form of collaboration between different stakeholders, involving NGOs, corporations and labor unions. Some do believe that this new forms of collaboration provide a platform from which to tackle the challenges of global, networked capitalism (Braun & Gearhart, 2004; Wills & Hale, 2005). Others are more skeptic, and argue that these relationships do not necessarily lead to a 'happy marriage', for the various actors have different stakes and collaboration is subjected to structural power imbalances. The case presented will serve as an illustration of stakeholder collaboration, and shows how different (global) actors are involved within a dispute around labor rights in Tiruppur, South-India.

Local Labor Activism, Global Garment Chains

Challenges to labor rights and the emergence of CSR in the Tiruppur Garment Cluster, South India

Global production networks and CSR interventions have significantly influenced production regimes and processes across the global South, seeking to improve labor conditions and protect workers' rights. This case is meant to illustrate the role that international firms play in complex processes around labor rights in the Indian garment sector. In his research in the South Indian garment cluster Tiruppur, De Neve (2012) explores the reasons why key labor rights keep being violated. He focuses especially on the rights 'freedom of association' and 'collective bargaining', as he considers these rights as a crucial facilitator to speak out over other rights, such as minimum wages, overtime payment and discrimination. When workers are prevent to speak out and express about their conditions of work, all these rights come under treat. His case shows that, since increasing globalization and neoliberal economic ideology, once so influential labor unions lost much of their power. This imposes the question which of the many stakeholders involved – the state, trade unions, NGOs or corporations- are taking it up for labor next. He investigates why garment workers continue to lack voice and representation in their everyday struggles for better and fairer employment, and considers the acting of firms as well as the role of labor unions, (international) NGOs and the Indian state. This case is important in substantiating my research question, because it illustrates that firms role in interfering on the work floor is not a matter of course. CSR is at the same time the cause as well as the effect from

labor struggles, and is interwoven in complex economic and political changes on local and global level.

Before we can turn to a detailed elaboration of the case, I will start with an explanation of the empirical context, which explains the history and the several political and economic changes that took place in the (Tiruppur) garment industry and Indian labor politics. Hereafter, I turn to a description of a labor dispute that erupted in 2004 within the Tiruppur garment supplier company Camtex. It shows hard evidence about the role that international firms play, and the way they interact with other parties, when a dispute around workers' rights evolves. In the end, I will turn to an analysis discussion of the case, where I will relate these global interactions in relation to how workers value and interact with the new CSR labor regimes imposed on them.

The Indian context: the Tiruppur garment cluster

Tiruppurs long trade union history, present (international) labor activists' concerns with garment workers, increasing involvement with international firms CSR interventions, make the place to a suitable field to study impacts on labor in the garment sector. To get a better understanding of the case that will be elaborated, and to gather a better understanding of contemporary labor struggles on the whole, it is important to take the political and historical context into account. Therefore I will start with an explanation of the Tiruppur garment cluster and its' place in the global garment chain.

As one out of many, Tiruppur – one of the largest garment manufacturing and exporting clusters in South Asia- has almost grown uninterrupted since the early 1970s when manufacturers start to export to Europe (De Neve, 2012b:5). In the years that followed, more and more international companies came to source in Tiruppur and the town transformed to a leading center of garment production and export for the world market and is still growing (Chari, 2000, 2004). Today, Tiruppur is one of India's leading industrial clusters and a significant foreign exchange earner, with a total export value of Rs 11,250 crore or $2,4 billion in 2008 (De Neve, 2012b:5). In economic sense, Tiruppur is an absolute success story, and manufacturers and exporters believe in steady and even increasing growth rates over the next decade. Unless the strong and rising competition with other garment export countries like China, that will pressure the prices even more, most industrialist and exporters are confident that new export opportunities will occur (De Neve 2009:215). Major export companies share a vision of "India Shining" and consider Tiruppur as benefiting from a deregulated national economy and a global free trade era that finally opens up possibilities in the world market (2012:216). This shared attitude towards the market highly reflects neoliberal ideology.

The garment cluster is largely dominated by the caste of Gounders who are traditionally agriculturalist and landowners. They made the garment cluster expand through a close network of co-operation and mutual support (Chari, 2000). These Gounder industrialists now control the industry and also its many institutional bodies such as the Tiruppur Exporters Association (TEA). Todays' factory

owners exporters were once themselves industrial workers. Partly due to mutual support in this Gounder 'brotherhood', they made it from factory-hand to industrialist within a span of a lifetime. The expanding of factories is realized by networked subcontracting (De Neve, 2012:216). Through close networks and collaboration, large companies share large export orders with their connections, which gave small firms room to grow. The growth of the garment cluster created massive employment. But not only the amount of work grew, also the composition of the labor force changed and became more diverse. The factories attract large amount migrant workers from across South-India, that seek for better employment and higher wages. Some of them have settled steady in Tiruppur, while others stay temporary for a few weeks during peak season or several years, and then return to their homes in often rural areas (De Neve, 2003). This makes Tiruppur to a today population of 300,000 inhabitants and again 300,000 temporary migrant settlers (De Neve, 2012:217).

The ongoing process of globalization has deeply affected the situation for workers and their representation in labor unionism and activism since the 1970s. Traditional trade unions seem to be no longer able to compete within the rapidly changing industry, and unions began to decline drastically. Many garment factories were opened in export processing zones (EPZ) or free trade zones (FTZ) – known as spaces where usual labor legislation does not exist and trade unions are strongly resisted and in the worst case legally banned (Hensman, 2005; Hurley, 2005). In addition, even in regions with a long history of activism like Tiruppur, the extensive process of global outsourcing and restructuring of the garment industry cause new treads to the organization of labor. Unions lose much of their influence and fail to involve certain groups of workers, such as migrants and women (De Neve, 2012:218). Later I will go further into detail about the politics and organization of labor unions, and what led to the decline.

The classical form of labor organization in unions may no longer be able to tackle new challenges posed by different actors in the global commodity chain, which shapes the potential need for new forms of collaboration between trade unions and NGO activists (De Neve, 2012:218). It is suggested, that workers in a buyer-driven supply chain need to be part of a new kind of political organization, which goes beyond the workplace and involves a close collaboration with a wide group of NGOs and international activists (Wills & Hale, 2005 in De Neve, 2012:218), also referred to as *stakeholder iniatives* or *stakeholder collaboration* explained earlier. In the case it will be shown, that in reaction to weak state interventions in resource countries like India, NGOs try to connect different stakeholders in order to protect labor. This actor plays a significant role in activating firms to intervene and take responsibility in taking it up for labor in their supplier factories.

Several company codes of conduct as well as generic social standards, such as SA8000 and WRAP[2] and the ETI Base Code, have made their way to Tiruppur and a growing number of supplier factories are under pressure to comply with them. These codes and standards imposed on

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[2] SA 8000 (Social Accountability 8000) and WRAP (Worldwide Responsible Apparel Production) are currently the most widespread global certified labour standards (De Neve, 2012:237).

manufacturers cover labor related standards such as working hours, prohibition of forced labor, minimum wages and also the right to collective bargaining and freedom of association (De Neve, 2012:219). Some of these standards (f.e. wage legislation or health and safety requirements) can be more systematically audited than the much more complex issue of freedom of association. According to De Neve, the right to organize and speak out, and people's ability to exercise this right, are anything but a technical matter (2012: p. 219). He argues that this right is part of social relationships which are deeply imbedded in the local history and politics around labor struggles and activism, and that they therefore can only be understood in this way. Therefore an elaboration of local trade union history, NGO activism and evolving worker-employer relationships is needed.

Labor politics and the decline of labor unions

Trade unions, which stood up for labor rights in Tiruppurs' garment factories, were influential for a long time. In the 1970s, these unions began to lose much of their power and support(De Neve, 2012). What influences have caused this decline and which new challenges aroused for trade union movements? The causes for this decline I roughly divide into *intern* and *extern* factors. By intern factors I refer to what happened within unions themselves. By extern factors, I refer to (global) changes that influenced union activism. Although these intern and extern factors are in constant interaction, I will try to divide them and first describe what changed 'externally'.

Tiruppur once was a friendly environment for labor unions. By 1940, when the first three textile companies arose in Tiruppur, round 90% of the garment workers were member of the one and only (until 1970) labor union CPI (Communist Party of India) (Chari, 2004:174). Workers could be easily united and informed, while they were informed through a pro-active force of communist activist, and they all worked in only a handful of relatively large mills, where they were employed on a permanent basis). Union leaders were usually active workers themselves. This early labor movement characterized itself with successful general strikes and several achievements around minimum wages, a living wage and annual bonuses (De Neve, 2012:221).

By the 1970s, several global processes had its impact on Tiruppurs garment industry. As the industry boomed, union membership declined. A rising number of international companies started sourcing in Tiruppur and exports increased which demanded the industry to grow even more. Union membership fell from 100 to only 60 percent (Chari, 2004: 231). One of the reasons for this can be found in the transition to subcontracting, which led to a series of transformations which affected workers willingness to join unions. There was a shift away from large, integrated factories to smaller workshops that mushroomed all around town. This diversification in workspace not only made workers difficult to reach for unions, also the interest of workers became more varied too (De Neve, 2012:221). A second reason can be found in a shift in payment methods from wages to piece rates.

This led to a number of downward developments. From that moment payments were fixed between employer and labor contractor directly, which made that payments differed from factory to factory. Unions could no longer stand for a universal minimum living wage. It also led to a growth of turnover rates and decline of long term contracts, while workers easily shifted to factories with higher piece rates (2012:221-222). On the one hand, unions began what they call their "control over workers", while on the other hand, workers were no longer interested to join them.

The relation between employers and employees had "thickened" ('with mutual understanding'). This close relationship between workers and employers undermined workers' loyalty to their unions. Opposite from workers who choose not to be involved with unions, employers also cultivated relationships of dependency and patronage in which workers were effectively silenced (2012:222). De Neve describes how in one way, Grounder caste relations between employers and workers demand loyalty and reciprocity from the worker. The worker might someday need his help to come in a higher rank, or the employer claims to understand the concerns of the worker under the motto "I was once a worker myself!" (2012:223). Migrants, an increasing growing group of workers this period, became directly dependent on their employers from whom they received free factory accommodation, food at reduced prices and money to make visits home. For them, wages in garment factories were far beyond what they could earn in agriculture in rural areas. These forms of support effectively tied migrant workers to urban employers and created close relationships of dependency (2012:223). Unions lost a lot of potential members while they complaint that they simply cannot reach this group. This brings us to the major changes unions *internally* made themselves.

With the fragmentation of the garment cluster, labor unions underwent a rapid multiplication and became very fragmented along political party lines, which affected labor activism itself (2012:223-224). It resulted in constant competition over members and internal rivalry, which did no good to inter-union relationships. Membership rates fell below 10% of the garment workforce. In the last 20 years, unions seem to be unable to incorporate two major growing parts of the workforce in Tiruppur: migrant workers and women workers. Migrant workers come to Tiruppur out of poverty and to earn money. Therefore they are accused for ignorance and undermining union solidarity and instead go for material wealth in the short run (2012:225). More sympathetic voices acknowledge the idea that if migrants join a union, their employer will dismiss them (2012:225). Anandhan, the secretary of the AIADMK union, states that employers have a tight control over migrant workers, that promise them good wages in turn for loyalty. The majority of migrant workers have little time to join unions, whom they consider politically compromised and demanding in terms of both time and money (2012:227). The second group that unions are unable to incorporate, are women (many of whom are also migrants). Their union participation is extremely low and is estimated below 5 percent. No single woman is represented in union leadership. Unions explain this because women are kept under strong supervision by their employers. There is use of invisible force: workers are kept inside the factories with hostels and canteens. Big companies dismiss workers who get in touch with unions (2012:226).

Indeed, large export firms do not hide their aversion towards labor unions, and undertake different actions to keep their employees out of reach of labor unions. I wonder whether buyer firms are able to intervene in the suppression factory management towards workers to join unions.

In sum, labor unions membership and activism had declined due to internal and external factors. Unions have failed to compete with the rapid changing environment, while they remain conservative in their outlook and organization. Internally, they remained extremely hierarchical, with a president and secretary that have risen from the rank and often appointed for life, and leader that are by no exception male. The majority still belong to the dominant caste of Gounders – the community from which also the leading manufacturers and exporters hail. The unions are not yet representative for the diverse labor force Tiruppur has become, including a wide range of workers from different castes, a majority of women and migrants (Wills & Hale, 2005 in De Neve, 2012:228). While unions attitude towards migrants and workers can be questioned, their attempts to reach out to this new labor force is sure undermined by external factors like the immense power that employees hold over their workers (2012:227). Yet, despite their aversion towards unions, workers continue to approach unions for support on an *ad hoc* basis (2012:227). In case employers fail to pay wages in time or dismiss workers in an apparently random way, unions are called on as mediator between workers and management. This will be shown in the following case, where a labor dispute aroused in a large exporting company named Camtex.

The Camtex case: a local labor dispute going global

Now we know about the context and background of the empirical site viewed, this case will illustrate the new challenges that showed up for unions and new collaborations. In May 2004, 300 workers of a sub-unit of Camtex, a large garment export company, demonstrated in demand of wage increases in line with the 2003 Tiruppur wage settlement[3]. In response, the management threatened and beat up some workers for their role in the demonstration (De Neve, 2012:228-229). Several days later, the company decided to dismiss 20 workers. They were forced to sign a resignation letter, where in they confessed their involvement with the unions and their role in the demonstration. The dismissal led to a second demonstration involving again 300 workers in front of the company. The 20 dismissed workers informed their unions which in reply asked for support of the Tiruppur Exporters Association (TEA). The TEA didn't respond to this request.

In July 2004, the involved trade unions organized a demonstration together in front of Camtex's head office, which was one of the few places where the court did not already issued a "ban order". These orders prevent unions from demonstrating. This demonstration was counteracted with an

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[3] The Tirrupur Wage Settlement is a wage agreement between employers, unions and labor officers that fixes the payment rates, allowances and wage increases for garment workers fo a 3-year period. (De Neve, 2012:237).

overwhelming religious prayer meeting event set up by the company's management, which would make the unions demonstration appear as a disturbance. The newspaper later blamed the workers for 'spoiling Tiruppurs name' (2012:229).

After the Camtax factories were officially inspected by Provident Fund (a national pension scheme) in September, they concluded that 'the company did not fully comply with local labor laws in a number of areas, including legal overtime payments, maximum working hours, statutory holiday benefits and so on' (2012:229). The department organized 11 conciliation meetings with workers and their representatives in order to settle the dispute, but Camtex representatives failed to show up. The only option that left the workers in defending their rights was to make the dispute into a lawsuit (2012:229).

This was also the important moment where other parties were involved with the case. Anandkumar[4], one of the unions its' secretary, had been leading in the case so far and had also close links to SAVE – a local NGO that campaigns for labor rights in Tiruppur. SAVE was in turn the connection to international NGOs, for it is well connected to the international Clean Clothes Campaign (CCC)[5] and Fair Wear Foundation (FWF). With the help of SAVE, Anandkumar put together an urgent appeal case which was sent to the CCC, hoping that they would bring it to the attention of the public. This action took the dispute to a global level by seeking to involve a series of international NGO actors. What followed was a communication flow between the different NGOs, who effectively mediated in behalf of Anandkumars' union in Tiruppur. From this moment on, firms come to play an increasing role in the dispute. Via the CCC member network in Europe, a French and Swiss retail company who sourced from Camtex in Tiruppur were requested to take up this issue with their Tiruppur supplier. They urged the two buyers to carry out social audits in the Camtex production units and report on the labor conditions found in those units, including minimum wages, freedom of association, overtime regulation and payment, etc.(2012:230-231). However, neither of the buyers took this request into immediate account.

In Oktober 2004, Camtex was selected for "The Public Eye on Devos Award"- an award annually given to the company that has excelled in socially or environmentally *irresponsible* behavior. The Public Eye on Devos is an international coalition of NGOs, represented in the World Economic Forum (WEF). They monitor and challenge the WEF from an alternative platform, and aim to draw attention to the mis-behavior of powerful companies in the world market. This they do mainly achieve by putting harmful economic activities in a public spotlight (2012:231). This nomination gave Camtex

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[4] Anandkumars' union counted 3 of the 20 dismissed workers, and has been leading the actions so far and decided to take the case further. Regarding his commitment to labor rights and unions, and his relatively high education and knowledge of English, Anandkumar significantly different from other union representatives. (De Neve, 2012:230)

[5] The CCC is an international organisation, with headquarters in the Netherlands and branches across Europe, which campaigns for more ethical conditions of production in textile and garment commodity chains (De Neve, 2012:230).

a certain amount of harmful publicity, as it was placed on several websites alongside a series of similar cases across the world (2012:231).

By November 2004, the Fair Wear Foundation visited Tiruppur while they were concerned that a member company was sourcing from Camtex. After all, Anandkumar was disappointed about the outcome of this intervention. The resulting report mentioned that FWF was unable to take any action in the dispute because their member company was not sourcing from Camtex, and the union and the employer had gave entirely ambivalent versions of what had happened. Anandkumar saw this as an too easy commitment, and a pure formality to shed away from the problem. The buyers could not be sued because they were not a member of the Ethical Trade Initiative (ETI, UK) (2012:231).

The union representative began to lose confidence in the impact that the international institutions could have in this case. Nevertheless, he went to a CCC meeting in Bangkok where he once more brought the Camtex dispute under discussion. It seemed that in the meanwhile, several other stakeholders had occurred, like Labor Behind the Label (LBL). This NGO, concerned with the rights of workers behind the worldwide garment industry, wrote an urging letter to the management office of Camtex. In this letter they honored the rights of labor and the freedom of association in particular, insisting that local labor laws be implemented. They were lightly imminent about the preference of Western buyers for garment producing companies that respect labor rights and implement labor laws (De Neve, 2012:232). The CCC also warned Camtex that Western buyers, under increased consumer awareness, "seek to source from socially responsible suppliers and are increasingly intolerant of the violation of labor laws by supply companies". (De Neve, 2012:232). In the meanwhile also the French buyer member of the CCC was informed and requested to support the reinstatement of the dismissed workers. This buyer actually never responded (De Neve, 2012:232).

In March 2005, CCC Switserland continued to pressure the Swiss retailer that was contracted by Camtex. They urged the Swiss company not to 'cut and run', while they were afraid that the company would just leave the case and start sourcing elsewhere. They urged the buying company to support the right to organize and urged them to take steps to help to resolve the case. In reaction to this request, the CSR officer of the company started investigating the case and carried out a special social audit in Camtex. They also proposed a stakeholder dialoge, inlucluding Camtex, SAVE and the MDMK union, in order to find a solution for the dismissed workers. However it seemed hopeful, the mediation did not lead to immediate results. The Swiss company suggested that the dismissed workers could get new employment at another supplier factory in Tiruppur. In turn, the unions rejected this 'solution' and considered it as a travesty of workers' rights. While apparently willing to intervene, this buyer's actions in terms of a special audit and a proposed mediation exercise contributed little to solve the dispute and did not even begin to address the more structural power struggles between labor and capital in the Tiruppur garment industry(2012:233).

By the end of 2005, Anandkumar concluded that the "outside" interventions in the dispute had had zero impact. While initially keen to mobilize a wider network of global activist, Anandkumar

seemed to have lost faith in the potential role of NGOs and international buyer firms in supporting a local cause (De Neve, 2012:233). He stated that while the initiatives of the involved NGOs were good, they *can not* and did not do many helpful. The buyer firms were not interested enough in the unions concerns, while they ultimately need the business. In the end, he stated, it was only the work on 'the ground level' – by which he means activism and mutual co-operation of local unions and the role of the local court – that led to the reinstatement of the dismissed workers (2012:233).

After Diwali, a festival time when workers receive their annual bonus, most of the Camtex workers left the company. It is said that since then Camtex, along with other large export companies, is sourcing for workers are untainted by trade unions from villages further away from Tiruppur (2012:233).

Analysis and Discussion

The case just presented gives us an insight in how transnational corporations are involved with labor struggles and rights on the work floor. It shows that international firms play a part in a much wider and more complex interaction between several actors, including labor unions, and local and international NGOs. Regardless of the fact that these international firms are being held responsible for improving labor conditions by others, one has to raise the question whether or not it is possible for them to improve these in the first place. Since this case is based upon research dating back to 2004-2005, I will compare the conclusions of this case to more recent literature on the subject. While doing this, I will also shift the focus from CSR position in global production chains, towards a more 'from the work floor'-perspective. By this I mean direct socio-economic implications of labor standards and company codes of conduct as experienced by workers and factory managers.

First, I argue that the ambivalent outcomes of CSR can mainly be traced back to the conflicting attitudes and interests of the different stakeholders. The attitude of the Indian state is a typical reflection of economic liberalization. By relaxing labor laws and actively banning activism (for example through ban orders and EPZs), legislation is mostly in favor of international investment and this eliminates labor rights from the political agenda. This attitude of states towards labor can be explained by what Chopra (2003) calls 'neoliberalism as *doxa*'- 'an unquestionable orthodoxy that operates as if it were the objective truth – across social space in its entirety' (Chopra, 2003:421 ;De Neve et al. 2012a:234). The main interest of the state is ensuring competitiveness in a global market, which reflects the core aspects of neoliberalism, but also makes its regime "dehistoricized and desocialized" (Chopra, 2003:423; Bourdieu, 1998:95; De Neve, 2012:235).

The state doesn't only reproduce a neoliberal economic system which doesn't support the rights of laborers; they are actively working against laborer empowerment by trying to get a legal ban on traditional labor unions. Their power declined drastically due to internal and external factors. With them gone, who else is left to represent labor? NGOs are pro-actively stimulating stakeholder interaction, and many authors suggest that the success of future labor activism lies exactly in this collaboration. Unfortunately, as my case study along with several other studies shows, these intentions seem to have little effect so far. Collaboration is obstructed by the repression of critique on the neoliberalism *as doxa*, immense power imbalances between firm and employees, but also a lack of understanding of the wider political and economic history and context, in which local values are situated.

This is not only the case for NGOs, but also for the CSR practices of firms. In line with the declining union activism and state unwillingness to stand up for laborers under neoliberal regime, the corporate sector presents itself as responsible of the right of workers in developing countries (de Neve, 2012:235-236). I would like to question the statements that the implementation of codes of conduct

and standards are a voluntary intervention, while firms are vulnerable for bad publicity and are under pressure from NGOs and consumers. Even though they are commercial enterprises, CSR can be regarded as 'humane capitalism', and improving labor standards therefore has to be done to make a profit. However, supplier firm's management shares this view, and increasingly tries to comply with the demands of their international buyers. Stigzelius et al. (2008) unravel the reasons of firms for implementing codes such as the SA8000. Unless that implementation is a demand of buyers, it is believed that the improvement of social conditions will lead to increased workers commitment and hence a higher productivity (Stigzelius et al., 2008:9). They acknowledge that implementing a comprehensive management system such as SA8000, requires major investments in terms of time and money. However, this is only affordable for big companies, and the majority of manufacturers comply to the demands of western buyers with difficulty, and therefore continue to operate under non-compliant regimes (Stigzelius et al., 2008: 9; De Neve, 2012b:7).

Firms seem to be powerful in their interventions. Commercial dynamics of global production put increasingly contradictory pressures on the Tiruppur garment cluster (Barrientos, 2008; De Neve, 2012; Scott, 2006). While they claim to improve labor conditions with compliance to codes and standards, in many cases the opposite is true. Corporate intervention is often twofold: on the one hand, due to emerging commodification of garment and the rapidly changes in trends, buyer firms require suppliers to reduce cost and shorten lead times in order to increase 'just in time' efficiency and productivity. On the other hand, buyer firms subject suppliers to higher quality and social standards (De Neve, 2012b:5; Barrientos, 2008:982). In the perspective of workers, these forms of regulation are not always regarded as an improvement. Codes and standards are strongly related to as regulatory and auditing mechanisms, and as tools for firms to govern their suppliers. Dolan (2010) has made a similar point: 'while standards, codes and the audit trials that accompany them intend to improve labor standards and promote workers' rights, they also produce a highly regulated sphere of production that is governed through a set of 'universal' ethics- a neoliberal form of indirect rule…the universal rights and values incarnated in standards are largely *a priori* formulations that have been developed with little (if any) consultation with producers or southern stakeholders who represent them' (2010: p. 39). While neoliberalism claims individual freedom as the highest value, producers (ironically) have no choice but to comply with codes that are formed without their participation.

I think it is exaggerated and unnecessary to pose CSR as an extension of western economic and cultural imperialism (Khan & Lund-Thomsen, 2011), but it is clear that there are strong power imbalances between the Northern Buyer and the Southern supplier. Corporate codes of conduct are effectively imposing universal dictates on what constitutes appropriate and acceptable work regimes, in the process standardizing and rationalizing modes of production (De Neve, 2009 in De Neve, 2012b:4). The regulations often restrict the autonomy and freedom of workers.

Now we have considered questions of structure rather than agency, I will discuss how garment workers in south India engage with the different work regimes available to them. As is made clear in

the Camtex case, not only the industry underwent rapid changes. The workforce became more diverse and so did their interests. Labor activism, once effectively organized in collective labor unions, now seem to depend more on autonomous individual choices, yet activism does not have to be collective or institutionally organized. As follows out of the Camtex example, workers are on the one hand restricted by their employers to join labor unions: employers create a 'thick' relation with their employees, based on older relations of patronage and clientelism. This is strongly related to cultural aspects such as the Gounder caste system, but also to 'the gift', inspiring deference and dependence on the part of the workers, rather than autonomy and empowerment (Rajak, 2012:300). The leaving of a great amount of workers after Diwali, shows that workers are not merely subject to labor regimes, which De Neve also defends in a later research. This study shows how Indian Garment workers critique neoliberal labor regimes, and actively avoid employment in companies where CSR policies are implemented. De Neve (2012b) argues that a desire flexible work routines, autonomy on the shop floor, and personal freedom and dignity are key factors that shape the agency of garment workers (*2012b*:4-5). He argues that workers' preferences for particular factories and work regimes not only contribute to the shaping of local organization of production but also constitute a critique of new forms of time discipline and spatial control that seek to curb their freedom at work (2012b:5).

Although several stakeholder bodies opt for firm intervention in supplier, I doubt if their methods are sufficient in creating a better working environment. A considerable amount of workers prefer working overtime hours. Non-compliant regimes are characterized by employment through contractors, limited job security, piece-rate systems, regular and extensive overtime work, and limited improvements to physical working environments. Contract laborers are able to earn a considerably higher wage, and they benefit from valuable flexibilities and freedoms which they value more than safety the more regulated firms (De Neve, 2012b:7). Workers make deliberate and strategic choices on where to work and for whom. Their preference for particular labor regimes are shaped by their search for an adequate livelihood and their struggles with dignity and autonomy, in an environment which is unpredictable and informal (Cross, 2010). Though opting for flexible, informal firms, workers express their critique on CSR regimes and standardized ethical interventions that nullify their freedom and autonomy (*ibid.,* 2012:21). Furthermore, workers' preferences depend on personal values, gendered differences, migration experiences, and their life cycle (De Neve, 2012:20-21). The workforce in compliant Fordist[6] firms typically includes 1)(older) men, who are no longer the main earners in their household, and prefer a lower, but more secure monthly salary, or 2) young and single migrant women, whose families prefer them to stay in these companies, for they provide safety and accommodation (De Neve, 2012:21).

CSR can rightly be considered as the 'governing arm' of neoliberal capitalism. Their ultimate interest to support ethical conduct will remain subjective to their need for profit. This explains why the

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[6] Firms management style compliant with buyer standards and codes, is highly related to Fordist and Taylorist regimes, which are known for their 'just in time' principles and division of labor to ensure a high productivity.

majority of firms are relatively successful in implementing standards that are measurable, such as health and safety standards, but fails to guarantee basic rights such as freedom of association and collective bargaining (De Neve, 2012; Stigzelius 2006). I argue that the first are more visible, which guarantees them a good reputation, and are at the same time easier to implement. Stigzelius et all. add to this idea by stating that 'these issues remain hidden to the eye, such as basic needs wages and freedom of association, and are still not taken seriously' (Stigzelius et al., 2008:18). It is argued, that although these matters cannot be reduced to a technical problem for which practical solutions can be offered, "freedom of association", and "non-discrimination" are placed on the companies' checklist at par with "health and safety" as issues of a similar nature (De Neve, 2012:236). Suggesting a company-based "workers committee" as practical solution to worker's right to organize, seek to 'de-politicise' labor rights by turning them into technical issues (De Neve, 2012; Barrientos & Smith, 2007). Only then, solutions can be audited and certified in systematic ways (Dolan, 2012). This is called "technicalisation" of workers' rights, and this is exactly what workers increasingly want to defend themselves against.

Authors have diverse suggestions for CSR to be more effective in fighting these hidden rights. Stigzelius (2006) argues that NGOs, unions and buyer firms should play an active role in implementing codes and standards, and NGOs and trade unions are put forward as necessary in the monitoring and compliance process. He argues that more representation of workers and representatives is needed in the audits. Buyer firms should also facilitate implementation through economic support, for example through long term contracts or a higher price for the garments produced under these conditions. To achieve both social and economic improvements, an ongoing dialogue with stakeholders is needed (2006:22). The contradiction here is, that labor representatives should, in this case, monitor and control the firm, which seems difficult drawing back on empirical results of De Neve (2012). Labor regimes that are produced within neoliberal capitalism are extremely distinct from the actual needs and aspirations of the workers on which they are imposed (De Neve, 2012b:21). Workers' avoidance and exit of particular work regimes act as a critique of firms' search to subjugate and control labor at their will. De Neve (2012) therefore suggest, that we should turn to a general critique of neoliberalism as doxa and focus on more structural power imbalances underlying CSR regimes. In order to defend the freedom and participation of workers in an era of economic liberalization – embodied by the rights to collective bargaining and freedom of association – a re-politicization of labor rights is needed. In addition of a critique on neoliberal capitalism, Barrientos & Smith (2007) argue that businesses have to challenge their very nature with a strong focus on price and competition in today's competitive global environment. There is a need to analyze the economic, social, and institutional context in which production takes place as part of the implementation of codes of labor practice, and to take measures to directly address elements that are constraining workers' access to rights (2007:727).

Conclusion

This paper has examined the social-economic implications of firm involvement and Corporate Social Responsibility practices for employees of the Tiruppur garment cluster, based on research and theories from a different range of authors. I argue that to get a better understanding of the effects of CSR on work, we have to consider the wide range of actors involved in the constitution of codes and standards, and the conflicting interests that drives these actors. Social-economic implications differ on what workers value in their work and CSR intervention. Company codes of conduct and international certificates have proven to be relatively successful in improving work conditions that are rather technical, such as health and safety restrictions. However, rights that are more socially and politically embedded - such as freedom of association and collective bargaining – firm's CSR management fails to incorporate. Although health and safety may be guaranteed, firm's demands are conflicting. On the one hand they want their suppliers to comply with high quality and work standards (such as 8-hour shifts), while at the other hand they demand supplier to keep prices low and work through 'just in time' management. Wages are still far below the 'living wage', while workers are suppressed by both supplier company management and state legislation to stand up for their rights. A majority of workers experience firm intervention as a form of governance, and they feel restricted in their freedom, autonomy and dignity. They actively seek for non-compliant firms where they are able to work longer shifts and earn more. Overall, if CSR wants to live up to its name - in order to improve the social and economic situation for their *workers and their environment,* instead of creating a more profitable business model - the demands of workers should be taken into full consideration. Therefore, more structural power imbalances and the dominant neoliberal order have to be contested.

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