

Challenges in governance of the global supply chain: the case of women employment system in Southern India's textile and clothing industry

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Extended Abstract

Globalization has made corporate social responsibility (CSR) a worldwide challenge cutting across national, cultural boundaries. In a context of increasing internationalization of companies and their supply chains, addressing issues such as alleged human rights violation and labour exploitation by independent suppliers who are typically located in developing countries have come under the CSR of large apparel retailers. The social responsibilities are being passed along a 'reverse' supply chain. Ethical consumers in developed nations increasingly expect large apparel retailers to act more responsibly in certain social components of business products and processes such as environmental protection, respect for human and labour rights, child labour, and so on. They along with civil society organizations (CSOs), policy makers demand large apparel retailers to follow higher standards in the above social components throughout their supply chain. However large apparel retailers face several challenges in ensuring their business products and processes meet higher standards of human and labour rights, drawn in lines with their home country standards. The global supply chains go through several different countries with vastly diverse political, social, economic, religious, and cultural circumstances. The differences give rise to varied standards of certain human rights across the countries. Given the multitude of interpretations of human rights large apparel retailers face several challenges in contextualizing, operationalizing and realizing certain human rights along the supply chain.

The case of women employment system adopted by textile and clothing firms in Southern Indian state Tamil Nadu was in focus for its alleged violation of labor rights. These firms are contracted to manufacture apparel products by large apparel retailers. The women employment scheme attracted criticisms from ethical consumers, CSOs and policy makers in developed nations. The actions by large apparel retailers and CSOs against some of the women employment practices raised several questions in the minds of Southern India manufacturers: why CSOs, mostly based in developed nations, are up in arms to dump an employment scheme unmindful of socio-economic realities in India? Is it a clever ploy that developed nations use some private, voluntary, corporate social responsibility norms to stop companies purchasing textile and clothing products from a developing country like India on the grounds of violation of labour rights?

As per International Labour Organization convention no. 81, it is the responsibility of central/state governments to inspect and monitor labour employment practices in an industry. Then why CSOs and other private groups volunteer to become watch dogs of labour practices and launch campaigns against mills? Wouldn't it undermine the role of government in ensuring industrial harmony? Even if CSOs

actions are justified on the grounds of moral and ethical principles, what role should they play when it comes to management – worker relationship? In Indian context only government can interfere if the relationship turns sour? Should CSOs need to use a different set of ethical standards which are more relevant and contextual to the socio-economic environment in India? Although social sanctions seem to work in pressurizing large apparel retailers to push CSR along reverse supply chain, it is also the responsibility of large apparel retailers to carefully consider socio, economic, cultural differences that exist between their home (developed) countries and developing country like India before they address the human rights issues. If they fail to do so their actions to fight abuses and exploitation by the suppliers run the risk of being perceived by India as new form protectionism adopted by developed nations.
