It can be clearly said that the growth of SCA as a process took place in the context of a globalized economy supported by the neoliberal economic paradigm. The government deregulation, export-led growth and emergence of new actors, mainly TNCs, along with consumer and media pressure, created the route for the emergence of SCA.

The process of SCA can be located within the framework of economic globalisation of economy and emergence of production network or global supply chain. The changes taking place at the global economy in terms of increase in export of manufactured goods from developing countries and outsourcing of production process affected workers in these countries. Developing countries became important production sites due to easy availability of cheap labour and weak state regulatory apparatus. This led to increase in contract, casual and home workers thus making the workforce highly fragmented and flexible for the employers to exploit according to their needs.

Along with economic changes taking place, there was a shift in the role of state. With the adoption of neoliberal policies for development the state began to withdraw from its regulatory role. In the present context it is evident that the state has not completely withered away but rather continues to play an important role in different forms. The state has begun to share its function with external agents (here TNCs and civil societies) in regulating the relation between capital and labour. In this capacity the TNCs have emerged as main player in the global economy, particularly in its role as regulator. The role of TNCs as regulators in
the present context is evident from the existence of multiple codes of conduct regulating the condition of workers across the globe.

The workers are at the bottom of the global supply chain and are often ignored in the analysis of global supply chain. In the present study the workers are at the centre of discussion. Attempt has been made to understand the process of SCA from the perspective of the workers. This has been done by documenting the situation and experiences at work and at their place of residence. The aim is to contribute to the ongoing efforts to recognize and improve the position of the workers in the global production chain. The relevance of the study is that though the debates examined are those taking place at the global level, the focus of the study are the garment workers in the garment factories, thus doing a macro-micro level analysis.

The study found that the best strategy to acknowledge the contribution of labour in the production process is to recognize their position in the supply chain and give them the space required for voicing their concerns. This is possible by strengthening their collective bargaining rights and greater awareness of their rights. From the perspective of SCA it has been argued that the process should not be seen as alternative to the process of collective bargaining but should act as a platform whereby workers have a balanced say in the production process.

The main argument of the study is that SCA has emerged as a form of co-regulation taking over the role of state and making the TNCs accountable for their actions. Regulation has thus become a multilayered process of political coordination between the state, market and civil society. Co-regulation seeks to extend regulation to a wide range of global business practices across national boundaries. The process of SCA emerged as a form of co-regulation to improve the working condition of workers in the global production network. The
development of the process in the present context can be traced to evolve through the following stages:

Stage 1- state → National Regulation → First Way  
Stage 2- Bretton Wood Institution → International Regulation → Second Way  
Stage 3- TNCs & Civil Society → SCA → Third Way

In the first stage, state played an interventionist role in regulating the welfare of workers. With the global restructuring process of the 1970s, the state took on the role of aiding and accelerating capitalist transformation. In the second stage, regulatory initiative crossed national borders the Bretton Wood institutions\(^{87}\) began were created to establish rules at an international level. Many multilateral agreements were formulated to regulate the activities of TNCs. These were OECD Guidelines for Multinational Enterprises\(^{88}\) and the ILO Tripartite Declaration\(^{89}\) and the United Nations' Global Compact\(^{90}\). These initiatives proved weak as regulative machinery as they were non-binding on states and corporations.

The third stage in which all three actors- state; market and civil society- have come together to regulate the global economy can be described as a the “third way”, a phrase used by Anthony Giddens to conceptualise the changes taking place in the political system in the global era. According to Giddens the third way

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\(^{87}\) Bretton Wood Institutions are World Trade Organization (WTO), International Labour Organization (ILO) and United Nation (UN).  
\(^{88}\) The OECD Guidelines were adopted in 1976. The Guidelines include standards related to disclosure of information, workers' rights, industrial relations, environmental protections, elimination of forced labour and child labour (ICHRP 2000).  
\(^{89}\) ILO Tripartite Declaration was adopted in 1977. They cover employment issue such as non-discrimination, security of employment, training wages, benefits and working conditions, health and safety, freedom of association and right to organize (ICHRP 2000).  
\(^{90}\) Introduced by the United Nations Secretary-General in 1999 as an international initiative to advance responsible corporate citizenship, and launched operationally the following year, the Global Compact challenges world business leaders to “embrace and enact” the benefits of global economic development through voluntary corporate policies and actions.
politics emerged...

...against the backdrop of a double political crisis. The revolution of 1989 revealed that socialism was not a viable approach to economic organization, yet the unchecked enthusiasm for the free market favoured by neo-liberal conservatives was also flawed. The modernizing agenda of the third way politics adopted in Britain and elsewhere was an attempt to review social democracy by responding creatively to the forces of globalisation (Giddens 2001: 866).

Giddens understanding of the third way applies to conceptualise the emergence of the process of SCA. It was in the backdrop of the double crises- whereby there was global expansion of free market coupled with the reduced role of state in regulation. This shift has been characterized as giving rise to ‘third wave’ of regulation. Thus the first wave of national deregulation has led to a second wave of transnational regulation (Beck 2000:102). In the study the process of SCA has been described as a third way of labour regulation and seen as alternative to weakening national and international regulation.

I. SCA as Third Way of Labour Regulation

The emerging crises of the 90s proved the inefficiencies of state at the national regulation and the failure of international institutions at the global level to regulate the growing powers of the corporate sector. The unprecedented growth of TNCs led to violation and abuses at the workplace. This attracted the attention of the media, which protested against it and demanded TNCs to be socially responsible towards their employees. This led to the formulation of corporate code of conduct that set the guidelines for creating good working conditions in the manufacturing factories.

The process of SCA started due to pressure from consumers, media and civil society. The pressure forced global brands to adopt code of conduct and ensure compliance to these conducts. The process has helped in bringing about drastic
changes at the work place in terms of improvement of health and hygiene, payment of wages as per labour law and regulation of working hours and overtime payment.

From the study it has been found that the audited garment factories are clean and hygienic, wages are paid in accordance with the labour law, there is no overtime work done and payment are done in time. These conditions are extremely different in non-audited factories where the workplace is congested, work is carried out in small dark and dingy rooms with no ventilation, workers are not paid as per law and often do unpaid overtime work.

These changes taking place in the garment factories has been documented by various studies by research institution and reports from developmental sector. The purpose of the study was not to get involved in impact assessment but rather to engage in a holistic study. At the outset it has been mentioned that the objective of the study is to see how the process of SCA has led to labour organization. Therefore the question that arises is that has the process enabled the workers to create a space for themselves? To get an answer to the question it is important to look at the issue of freedom of association, collective bargaining and labour right in the garment industry.

II. Freedom of Association and the Right to Collective Bargaining

The right of workers to associate and bargain collectively is the most basic building block of labour organization and the ability of workers to assert their own interests effectively in the workplace. International support for these rights is found in United Nations Universal Declaration of Human Rights passed by a unanimous vote of the UN general Assembly in 1948 and more recently in the
1998, International Labour Organization (ILO) Declaration of Fundamental Principles and Rights at work. Article 20 (1) of the UN document provides that everyone has the right to freedom of association and Article 23(4) states that everyone has the right to form and join trade union for the protection of his/her interests. The ILO Declaration includes freedom of association (including recognition of collective bargaining right) as one of the four core labour rights. The four core labour rights are:

- Freedom from forced labour
- Non-discrimination in the workplace
- The effective abolition of child labour
- Freedom of Association and the right to organize and bargain collectively

The ILO Conventions on collective bargaining and freedom of associations are:

*Convention 87- Freedom of Association and the Right to Organize* (1948; Ratified by 124 states.) The right of workers to form and join organizations of their own choosing without prior authorization, and without interference from public authorities.

*Convention 98-The Right to Organize and Bargain Collectively* (1949; Ratified by 141 states.). The right to organize and bargain collectively and protection against anti-union discrimination and employer interference.

India is a founder member of the International Labour Organization, which came into existence in 1919 and has ratified ILO conventions 29, 100 and 111 relating respectively to forced labour, equal remuneration and non-discrimination. Despite trade union demand, India refuses to ratify ILO Conventions 87 and 98 respectively relating to freedom of association and the right to collective bargaining (NATLEX 1999).

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91 Example of some of the relevant studies are Clean Clothe Campaign study, Oxfam study, ETI study. For details check reference.

92 Conventions are international treaties and are instruments, which create legally binding obligations on the countries that ratify them.
Freedom of association and the right to organize are described in Article 19 of the Indian constitution and protected by the Trade Union Act 1926, which allows any seven workers to form a union and protect union against civil and criminal prosecution arising out of disputes. Inspite of these legal arrangements a large portion of the workforce is denied the right to form union and organize collectively. This is so because the law protects the formal and organized sector. A large portion of the unorganized sector remains without any legal protection. It has been debated in the earlier chapters that it was the absence of legal statutory for protecting the workers in the unorganized sector that the process of SCA emerged.

The issue of collective bargaining is an integral part of SCA. Keeping in mind the above ILO Conventions and Indian Factories Act 1948, all codes of conduct have a clause on freedom of association and collective bargaining that states:

Our business partners must recognize and respect the right of workers to form associations of their own and choosing to do collective bargaining 93.

Freedom of association and collective bargaining is mentioned in all codes used as reference for SCA. There is also the mention of allowing alternate structure to functions in cases where trade union does not exist. For example the ETI Base code 94 says:

1. Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
2. The employers adopt an open attitude towards the activities of trade unions and their organizational activities.
3. Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.

93 For details refer to the code of conduct of Gap Inc (refer to annexure 7).
94 ETI (Ethical Trade Initiative) Base Code is the code of conduct of ETI, which is a UK-based organisation. The ETI Base Code is a code of labour practice, based on key conventions of the ILO that ETI requires its members to uphold. There are several other such initiatives like SA800 and WRAP that have their own code of conduct.
4. Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates and does not hinder the development of parallel means for independent and free association and bargaining.

Thus according to above clause provisions have been made for alternative structures to protect the right for freedom of association and right to organize collectively (refer to Figure14). Examples of these structures include the establishment of workers' councils, welfare committees, grievance redressal forum/cells and the so on. These structures are promoted by SCA as lot of brand look at the issues of association as a way to improve dialogue between management and employees. They therefore check to see whether or not these structures exist in the factories.

Such alternative structures can provide means through which workers can ensure that labour rights are adhered to and upheld at the workplace. SCA does provide existence of such structures but the question that arises is how they are used in practice in the interest of the workers. Even when freedom of association is included in the audit process, auditors have great difficulty in correctly assessing the working of these structures. As a result the day-to day functioning of these structures remains suspicious. According to factory management such committees are formed to be compliant to the code of conduct but are non-functional:

*Factory owner* - In my factories, worker's committees do exists but these are informal groups and do not work as organized union. They are not function as a union as they neither have leaders nor any political affiliations. They play a role in solving minor dispute between management and workers.

As a result the clause on collective bargaining has remained only on paper. The issue is not of concern with the factory manager nor with the auditor and the worker is totally unaware of the process. According to a factory worker:

*Worker* - yahan pe hum ek ho kar awaaz nahi utahte, awaaz uthana to dur hai hum apne saath kam karne walo ka naam tak nahi jante. Is ka karan hai ye hai ki mazdoor bahut jaldi jaldi apna kaam badlte hain. Majdoor itne jaldi badlte hai ki humein har
There is no existence of trade union in the factory. Both the auditor and factory managers said that alternative structure

In the alternative structure for trade union, in most factories there is the existence of workers' committee.
There is no collective bargaining in the factory. Forget about collectively raising our voices, many of us do don't even know the name of other workers working with us. The main reason for this could be frequent change in the workforce. Workers keep changing their job so fast that every few month we have to work with new faces. I feel there is no unity among workers', so forget about trade union).

The process of SCA has failed to address the issue of collective bargaining. Labour has not been able to be part of the process as such. It has been argued that the process has displaced government regulation as well as hindered the growth of trade unions in the garment industry. SCA interventions are designed not to protect labour rights or improve working conditions but instead to limit the legal liability of global brands and prevent damage to their reputation (Esbenshade 2004). The decline of collective bargaining can be traced at level of broader structural framework, the nature of SCA and the relevance of paternalist relation in factory. It is important to locate the issue of freedom of association and collective bargaining at all three levels.

1. Broader structural framework

The globalisation of manufacturing has made capital and production process with the power of relocation in the hands of TNCs. Even with slight hint of organization and collective bargaining, the TNCs threaten export firms of ending their contract with them and relocating in other firms/countries where such situation does not exists.

The TNCs rely on subcontracting arrangements in developing countries. They tend to relocate where labour is cheap, labour organization and trade union is weak and state laws are non-stringent. One of the ways to attract TNCs is the
opening of EPZs where trade union is banned and which guarantees cheap and compliant workforce (Korten 2001). These points are validated by the total absence of trade union in garment factories in Delhi, Noida and Gurgaon.

Another associated problem is that unlike the usual employment relationships, where the firm that profits from the worker, employs them directly and is therefore accessible to collective bargaining, those in casual and informal employment has no access to any means of collective bargaining. Employers therefore prefer the latter form of employment to escape from institutional arrangement and also to avoid labour laws.

In the era of globalisation both capital and labour are invisible. The workers do not know for whom they are producing nor do the international brand companies know the workers who are adding to their profits. Such firms, the retailers or brand name companies, are located thousands of miles away and is certainly not accessible for collective bargaining (Hensman 2005: 189). Further the factory owners rely more on sub-contractors and home workers for production, as it is a fragmented and flexible group hence no danger of agitation from organized labour. Thus informal form of labour has been seen as a mode of avoiding agitation by organized form of labour as in trade unions:

The trend suggests that the purpose of using informal labour is to avoid dealing with a unionised workforce. The real purpose of informalization is to deprive workers of their rights. (Ibid: 203)

Factory owners prefer employing home based and contract labour is to escape the negotiation for fixing piece rate and thereby workers are not art of the bargaining process:

Factory owner- one aspect of collective bargaining evident from present form of unorganised labour is the case of piece rate workers. Earlier the management and the worker would fix the rate per pieces made by worker. But now piece rate is fixed between the contractor, sub-contractor and factory management
As a result of non-involvement of workers in deciding the piece rate, the workers do not know the actual piece rate and depend on what is paid by the contractor or subcontractor. What happens is that the workers get a small percentage of what is actually fixed between the employer and the contractor/subcontractor.

As the garment factories consist of casual and subcontracted workers organizing a fragmented workforce is difficult. Trade unions have made few attempts to organize informal labour. A trade union leader narrated the following strategy adopted by garment factories owners to keep the workforce fragmented:

When demands workers leave, they are asked to quit on the ground that there is no certainty of their return from the villages. But once the workers return after a month or so they join the same factory.

The workers in the garment factories appear to have lost interest and faith in the trade union. Most of the workers expressed disinterest in joining trade union:

*Worker 1*- Main kise majdoor sangthan ke saath jurna nahi chatha huin. Main Bihar se Delhi kaam ke talash main aayein hain. Delhi main kisi ko jaanta nahi. Mujse jagtaa hai ki nai jagha par koi kiska bharosa nahi karsakta hai, isliye sanghtan ka sadashye bana muskil hai.

(I am not interested in making unions or being a member of a trade union. I have migrated from Bihar in search of a job. In Delhi I don’t know anyone. I believe that one cannot trust any person in a new place and therefore very difficult to be part of trade union.

*Worker 2*- Nahin, main kisi bhi majdoor sanghtan ka sadasye nahi huin kyui ki humare factory main koi sanghtan hai hi nahi. Factory ke bahar bahut sare hain. Par ye yahain par paisa banana ke liye hai aur ye humse paisa liye bina kuch nahi karte. Ye pasaike banana ki sanstha hain aur humara halat se inhain matlaab nahi hai.

(No, I am not a part of trade union as there is no trade union existing in the factory. There are many small unions just outside the factory. All these unions are just there to make money from us. They will not do anything without taking their fees. They act as profit making bodies and not interested in workers’ conditions).
Further trade unions are not allowed to function in the garment industry because of their history of hindering the functioning and productivity. The garment factory owners expressed their apprehension against the existence or formation of trade unions in their factories:

*Factory owner 1*- I feel that the workers themselves do not want to be member of trade unions. The workers tell us that they are more comfortable solving their problems with the management rather than going to trade unions. So it is not that management is against the existence of trade union in the factory but rather it is the workers who do not want them.

*Factory owner 2*- Trade union does not exist in any garment factory in Delhi and it surrounding areas. Trade unions have not been very successful in garment industry. The reason for the failure of trade union is that they have become business making organization and lost touch with workers. A large number of small groups have started operating outside big garment factories as trade union. The idea behind is to create hue and cry outside the factory with the intention to earn money.

*Factory owner 3*- Trade union if allowed to enter garment factories will only disturb work by shouting slogan outside factories but they can’t do that outside big corporate houses like GE capital TCS.

The auditors express the concerns of the factory owners and management that trade union disrupts the functioning of the factory. They accept the reason for not allowing trade union in the garment factories and hence do not compel them to take it seriously. In fact many auditors speak the same language as the factory owner. According to some of the auditors:

*Auditor 1*- The factory owner is not in favour of trade union because they have the history of ruining industry and making dollars out of it. Trades Unions have not played a positive role in settling industrial disputes. They act according to

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GE General Electric Company (GE) is a diversified industrial corporation. It is engaged in developing, manufacturing and marketing a variety of products for the generation, transmission, distribution, control and utilization of electricity. Tata Consultancy Services (TCS) is one of the world’s leading information technology companies. Through its Global Network Delivery Model, Innovation Network, and Solution Accelerators, TCS focuses on helping global organizations address their business challenges effectively.
political ideologies to which they are affiliated. Many small trade unions they have started doing business. They are least concerned about workers' welfare.

Auditor 2- There are many owners of export factories who say that would prefer not doing business rather than allowing trade union in the factory. And if they are saying this, then they have a strong reason for it. Trade union are not favoured in the entire export units for reason know to all- they are politically motivated and now run for sheer business and profit’.

As a result they accept alternative arrangement made by the factory to ensure compatible employer-employee relations. In the words of a factory owner:

The workers can easily move around the factory, there is freedom of movement and if any worker has any problem can come up and discuss with the HR manager or the director, then why do they need to make union or committees. All of it is useless, only waste of time, first make a group then fight for leadership and then no trust extra.

Moreover, workers in the garment factories have no faith in unionism as a mechanism for wage-settlement. The fear of losing one's job makes trade union a taboo in an audit interview with workers.

2. Nature of SCA
Freedom of association and the right to collective bargaining could be considered the Holy Grail of social auditing (ILO 2003). However in practice it is the reverse. Research findings indicate that even the well-publicized codes from major retailers and brand name are honoured more frequently in the breach than compliance of the clause of collective bargaining (Jenkins, Pearson & Seyfang 2002). Workers in the garment factories are aware that they are constrained from organizing to improve labour conditions. There are various factors that make the compliance audit ineffective: -

First, the SCA process is a complex one involving retailers who are located in the West to workers in their home working as contract workers. The complexity of the process becomes an obstacle for redressing the workers' complaint. All codes
of conduct have the provision of 'redressal mechanism' for the workers. The workers can register complain faced in the factories but the mechanism is not very effective. By the time the workers' complain reaches the retailer and the retailer is able to identify the problem down the supply chain the worker may no longer be part of that factory.

And while monitoring and compliance audit by buyers can be effective in a limited number of units, defending workers' right on a large scale cannot be achieved without government interventions. The deeper we plunge into the murky depth of subcontracting chains, the less sense it makes to defend the right of workers as employees of a particular company.

Second, the formulation of corporate code of conducts forms part of large debates on corporate responsibility and globalisation. These codes of conduct are about labour practices but trade unions are not involved at any point of the process. Most companies adopt codes without involving trade unions in any way and also continue to adopt codes even if rejected by trade unions. In fact trade unions oppose codes of conduct and see it a strategy on the part of TNCs to avoid trade unions. The other side of the problem is the absence of trade union in garment factories. The involvement of trade union in the process of SCA is a complex one. On one hand code of conduct is formulated at a global level whereas trade unions have a national base. And on the other hand codes of conduct were formulated and the process of SCA started because of the failure of trade union to improve workers' condition at workplace.

Third, the formulation of the codes of conduct take workers as the object regulation rather than making them party or subject in determining what is appropriate in their context. The codes of conduct are formulated for the workers but there totally ignored from the process of SCA. Neither are they involved at the
time of formulation nor at the time of implementation of the process. Thereby workers are mere cog in the machine.

3. Relevance of Paternalistic ties

Paternalistic ties have always been the mode of functioning in industrial society and this has further strengthened in the present era. Kinship ties, friendship and ethnic loyalties tend to prevail over worker’s consciousness, thus hampering collective action of the workers to redress problems related to the work sphere. Around 80% of the workers are recruited on the basis of reference from already existing employees in the factories. One reason for recruiting friends and relatives is to increase feeling of loyalties and commitment towards the factory and its management. The management feels that if the workers are loyal they will not disclose any non-compliance issue to the auditors.

Thus social compliance does not support the existence of trade union nor does it create the space for workers to organize themselves. This is done of the pretext that everything at the production place is transparent and the workers are free to negotiate with their employees. In reality from the study is has been seen that the process is not transparent and the question of accountability is vague.

III. SCA & Transparency—Secrecy & Confidentiality

Transparency is critical for the efficient functioning of a modern economy and for fostering social well-being. Transparency ensures that information is available that can be used to measure the authorities' performance and to guard against any possible misuse of powers. In that sense, transparency serves to achieve accountability, which means that authorities can be held responsible for their actions. Without transparency there is lack of trust a government and those whom it governs.
Transparency implies disclosure of information regarding product information, financial and core commitment. There is also the question of how much information is to be disclosed to whom (Mamic 2004)

An important issue regarding implementation of corporate codes is their transparency or the extent to which foreign contractors and subcontractors, workers the public, NGOs & government are aware of their existence and meaning. Transparency reinforces the message of codes and leads to more credible implementation (Rosen 1996:45).

The methods and findings of inspections are confidential and since they are carried out by the company’s own auditors, as in the case of first party audit, they act in the company's interests. Most of the time, the reports or findings of SCA are not shared with public. These codes are often vague statements of principle that cannot provide reliable guidelines for behaviour in concrete situations. They do not generally include complaint procedures, nor any basis for legal claims or redress, and thus provide little scope for individuals to be compensated for corporate violations that cause harm.

The issue of transparency is very crucial from the workers' point of view because when transparency is lacking, interested parties cannot benefit from the social compliance process. It has been discussed earlier that codes of conduct do not permeate downwards to the workers. They are not aware of the code of conduct. This raises the important question that is the code benefiting when the workers are not even aware of them? Transparency is also important requiring that monitoring reports shall be available to the public on demand that many firms are reluctant to consider (Jenkins et.al 2002). There are various ways in which TNCs stress on transparency in the codes of conduct. Some of them are:

- Periodical meeting with the suppliers in exporting countries to emphasize the focus on workers right.
• Voluntary posting of codes of conduct at the workplace preferably in the regional language.
• Conducting seminars and training workshop for workers.
• Displacing of contact details of the company for which production is taking place.

However in practice these remain only on paper and the concept of transparency remains blurred. The name of the factories audited and the audit report is not shared with the public on the ground that it is a ‘secretive’ document and contains financial details of the factory. The same holds true for many other international brands and retailers which do not publicly report on how the firms that subscribe to them have changed or improved their practices.

These arguments can be supported with empirical findings from the field.

➢ Display of code of conduct in the factory is illusionary- Many codes of conduct make it mandatory for the factory management to display all buyers’ code of conduct in the factory. The clause is implemented and accordingly all codes of conduct displayed. However it serves no purpose, as the workers, for whom it is displayed, do not read it. The workers96 felt that the display was only to please the buyers and workers are instructed not to read them. According to a worker:

Worker- Main ne kabhi bhi code of conduct nahi padha hai. Hain ye balum hai ki diwar pe code lagain huiyain hai , lekin humare liye nahi hai. Humain samjaya jata hai ki hum factory main khade ho kar kuch nahi padhain. Chowkidhar humare upaar najar rakhta hai aur agair factory bandh hoti hai to jo code padete hua dikha that iljaam us par hi lagta hai.

(I have never read the code of conduct. Yes, it is displayed in the factory but it is near the security room, at the entrance of the factory gate. There are several reasons for not reading the codes. First, we are not required to stop at the gate for long and second, in case we stop to read, the guard is watching and makes notes of our names. When there is strike or protest in the factory, the guard gives the name of workers

96 Based on Focused group discussion with 20 factory workers outside the factory
who were seen reading the code of conduct. So out of fear no worker reads the code of conduct properly).

➢ **Non-sharing of records with public** - Both TNCs and auditing firms are reluctant to share their audit report with public. The reason stated for this was that it would lead to breach of contract between the garment factory and retailer. Audit reports are considered as secret document not to be made public.

➢ **Uneasiness in sharing information with outsider** - There is lot secrecy around the process of SCA and no one is ready to give any information to outsiders. In one case, I was secretly recording the interview of an auditor. He was stating the ways in which garment exporter were trying to hide records but the moment he became aware that that his interview was being recorded his entire tone changed and he changed the topic of discussion. I managed to lie and come out but it became clear that the process is not transparent.

➢ **Limited information in annual reports put on the websites** - Only a few companies made an effort to communicate information on their codes of conduct and monitoring programmes to the general public, including their shareholders: Levi Strauss and The Gap have sections on their codes of conduct in their annual reports to shareholders. However even when auditing reports are made public attempt is made to disclose certain aspects only. Many of them claim that they are transparent in their functioning and the report can be read by all on the internet. However such reports have limited information.

Thus SCA remains more or less opaque when it comes to question of workers’ right to organize and collective bargain. As private instrument, there is very little transparency in their development and implementation. Moreover the process remains more or less as “optional extra” rather than an important and binding requirement.
IV. Accountability to Whom?

Related to the issue of transparency is another important issue of accountability. The concept of accountability describes the rights and responsibilities that exist between people and the institutions that affect their lives, including governments, civil society and market actors. Thus accountability as a buzzword is found in different forms like government accountability indicating good governance, corporate accountability ensuing ethical business and civil society accountability stressing role of peoples and networks. In general, relationships of accountability have two important components:

- Answerability that is the right to get a response and the obligation to provide correct information,
- Enforceability, that is the capacity to ensure an action is taken, and access to mechanisms for redress when accountability fails.

The term ‘corporate accountability’ has assumed significance in the analysis of TNCs role in global economy. Accountability here refers to issues of disclosures, auditing and monitoring of business practices (Zadek et.al 1997). Voluntary initiatives by TNCs and civil society emerged in response to the demand for greater accountability of business and market towards society.

In the case of SCA, the question that arises is whom should one be accountable to? Should one be accountable to the government, corporation, and consumers in the west or to the workers? What emerges from the study is that firstly it is more a matter of being accountable to the consumers and secondly it is all concerned with securing the profitability of the corporation. The process reflects the strategy to appease the consumer that goods are produced under proper conditions. When it comes to the worker, accountability remains blurred.
SCA process is neither transparent nor accountable, with their enforcement of the code of conduct. Wal Mart, for example, has refused to disclose the results of its audits or even the location of the factories supplying its goods. As noted above, the same holds true for industry codes, many of which do not publicly report on how the firms that subscribe to them have changed or improved their practices.

An important question arises is, How should workers be involved in the process of monitoring? What are the means and ways to make the process transparent and accountable? The answers to the above questions is to make the process such that it becomes a mode of reorganizing workers rather than just limit itself to regulating working conditions in factories.

V. From Regulation to Re-organization

The process of SCA is used as an alternative to trade unions and collective bargaining rights of the workers. They have emerged primarily to protect the concerns of Western consumers and not the workers. Through the process TNCs have been able to achieve small, unstable improvements in conditions or wages and the basic issues of freedom of association and collective bargaining are never unaddressed. The process has left no scope for reorganizing the workers neither by themselves nor with outside support.

The “Third Way” of labour regulation has thus failed in the effort to reorganize labour in the garment factories. SCA can become more effective when all the players/actors in the global supply chain from top to bottom work are involved in more participative manner. This implies the workers, who occupy the bottom of the chain, be involved in the process right from formulation to implementation (this has been well explained in chapter 4). It started off as an effort to protect the workers which can be done only when they themselves get involved.
In a world where workforce is highly fragmented and capital is flexible workers have to move to integrate themselves into global networks. However in the complex global supply chain network, the workers are often confused about whom to oppose when their interests are threatened. There is a total lack of ‘class consciousnesses’ among the workers in today’s capitalist world. There is need to create environment that increases the level of class-consciousness so that workers can reorganize themselves against the offensives of globalisation.

Therefore what is needed is reorganization of labour at the micro level- at the level of daily interaction. Such reorganization of labour is feasible and effective when in alliance with global civil society, the state and market. This can fitter up to global level and manifest itself in institutional change (Sklair 1998). The issues of labour right, collective bargaining and freedom association are respected only when non-state local actors are linked transnationally with other civil actors to assure their enforcement. Along with grassroots effort of organization what is needed is that workers have a space to pressure the government to enforce their rights. The state has to play a proactive role along with voluntary efforts of TNCs and civil society.

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97 The term class-consciousness was introduced by Karl Marx to understand the nature of opposition between haves and have-nots.