Garment Supply Chain Governance Project

Garment Supply Chain Governance Discussion Paper Series
No. 02/2017

Elke Schüßler, Nora Lohmeyer

Changing Governance System for Labour: Germany's Garment Supply Chains

Berlin, July 2017

Elke Schüßler, Nora Lohmeyer

Changing Governance System for Labour: Germany's Garment Supply Chains[1]

Garment Supply Chain Governance Discussion Paper Series No. 02/2017
URL: http://www.wiwiss.fu-berlin.de/forschung/Garments/Publications/index.html
Berlin, July 2017

About the Authors

Prof. Dr. Elke Schüßler is Professor of Business Administration and Head of the Institute of Organization and Global Management Education at Johannes Kepler University Linz, Austria
Contact: elke.schuessler@jku.at

Dr. Nora Lohmeyer is a Post-doctoral Researcher in the Department of Management at Freie Universität Berlin
Contact: nora.lohmeyer@fu-berlin.de

http://www.wiwiss.fu-berlin.de/forschung/Garments/index.html

Please cite this discussion paper as follows:
Schüßler, Elke & Lohmeyer, Nora (2017): Changing Governance System for Labour: Germany's Garment Supply Chains, Garment Supply Chain Governance Discussion Paper Series No. 02/2017.

[1] This paper has been presented at the Society for the Advancement of Socio-Economics (SASE)-conference in Lyon (France) in June 2017.

Garment Supply Chain Governance Project – funded by:

VolkswagenStiftung
Wellcome Trust
Riksbankens Jubileumsfond

Project Coordinators

Prof. Dr. Elke Schüßler, Johannes Kepler University Linz
Prof. Stephen Frenkel, PhD, University of New South Wales in Sydney

Downloads

http://www.wiwiss.fu-berlin.de/forschung/Garments/Publications/index.html

Contact

Johannes Kepler University Linz
Institute for Organization and Global Management Education
Prof. Dr. Elke Schüßler
Altenberger Straße 69 (HF 215)
4040 Linz
Austria
Tel: +43 732 2468 4440

UNSW Business School
Prof. Stephen Frenkel
UNSW Business School building (Room 538)
Kensington Campus
UNSW Australia
Sydney NSW 2052
Australia
Tel: +61 2 9385 9718

Elke Schüßler, Nora Lohmeyer

Changing Governance System for Labour: Germany's Garment Supply Chains

Abstract

This paper examines whether the Rana Plaza disaster of 2013 has changed the approach by which German garment retailers govern their supply chains, particularly with regard to labour standards issues. We analyse institutional developments and firm-level initiatives that have resulted as a response to the Rana Plaza disaster and the heightened public attention that German garment retailers have received regarding labour standards. Our analysis is based on interviews with large German garment brands and retailers as well as representatives from multi-stakeholder initiatives, unions, and NGOs and on information available in public statements by institutional initiatives and industry statistics. On the institutional level, we find that massive political attempts to regulate labour standards in global supply chains have been initiated and describe these with regards to their aims as well as the actors involved. On the firm level, we observe a more multi-layered process, with some firms being increasingly proactive regarding labour standards issues and others engaging more reluctantly in new initiatives and practices. We describe these patterns in detail and discuss them in light of the wider German institutional infrastructure in which lead firms are embedded. We thereby contribute to a better understanding of the German garment retail sector, in particular institutional and firm-level approaches governing labour standards in global garment supply chains in light of this country's political economy.

Introduction

The German garment (retail) industry has undergone an intense process of restructuring moving from a logic of quality production to an increasing dominance of discount retailers and intensified competition with foreign "fast fashion" brands (Lane & Probert, 2009; Schüßler, 2009). Unlike what is argued in the varieties of capitalism (VoC) model (Hall & Soskice, 2001), the retail industry in Germany is known for its weak embeddedness in industrial relations institutions and an active anti-unionist stance (Geppert et al., 2014). While some German garment brands, mostly those coming from a manufacturing tradition, have relational ties to their suppliers, it is relatively unclear what this involvement means in terms of labour standards. Additionally, several German retailers were behind the foundation of the Business Social Compliance (BSCI) initiative, a unilateral business-driven initiative formed as a reaction to looming regulatory pressure from the EU (Hiss, 2009). This example signals that German retailers – including garment retailers – seek to maintain their autonomy from regulatory intervention, be it through states or other stakeholders like unions or NGOs.

In this paper we examine whether the Rana Plaza disaster of 2013 has changed the approach by which German garment retailers govern their supply chains, particularly with regard to labour standards issues. We analyse institutional developments and firm-level initiatives that have resulted as a response to the Rana Plaza disaster and the heightened public attention that German garment retailers have received regarding labour standards. Our analysis is based on interviews with large German garment brands and retailers as well as representatives from multi-stakeholder initiatives, unions, and NGOs as well as on information available in public statements by institutional initiatives and industry statistics.

We observe a multi-layered process in which some German lead firms are increasingly proactive regarding labour standards issues. The majority of firms, however, are best described as "followers", more or less reluctantly signing on to initiatives like the Accord of Fire and Building Safety in Bangladesh ('Accord'), often as a result of direct pressure by major German retail clients to which several German garment brands supply. Many firms are still avoiding a commitment to binding standards and joint regulation with unions or NGOs, but slight changes are beginning to show. For instance, firms increasingly expand their CSR function and, through regular meetings in multi-stakeholder fora, begin to develop a more collaborative approach towards the problem of labour standards regulation. This process is paralleled by a massive political attempt to regulate labour standards in global supply chains, the German 'Textile Partnership' (see below).

In order to enable comparison with other garment-importing Western economies (Australia, Sweden, UK) in a larger comparative project (www.garmentgov.de), we shed light on key influences on German garment retailers' supply chain governance and consider current developments, particularly regarding the question of whether a significant subset of German firms are moving beyond the dominant private labour regulation approach.

Theoretical Framework

Although not legally liable, lead firms in the garment industry are widely seen as responsible for labour standards at supplier factories (Gereffi et al., 2005). It hence seems apt to consider the national institutional embeddedness of Western lead firms as a potential influence on how supply chains are governed (cf. Lane & Probert, 2009). Since lead firms typically move their production to countries with weak government regulations (e.g. Lakhani et al., 2013), they are in theory able to impose their standards on suppliers (Anner et al., 2013), for instance through codes of conduct as well as auditing practices, but often considerable face limitations in doing so (Locke, et al., 2009). Yet we know relatively little about how – if at all – national institutional ensembles shape the ways in which lead firms govern labour standards in their supply chains. Examining national influence on supply chain governance more broadly, Lane and Probert (2009) have shown that German garment lead firms tend to prefer a more relational type of contracting, including longer-term, trust-based relationships to suppliers, with potentially less damaging consequences for workers in supplier factories. Yet it is unclear what these relational ties to suppliers actually mean in terms of labour standards. Additionally, Lane and Probert (2009) have mainly examined the garment *industry*, i.e. brands with a manufacturing history, and not the retail sector, which in Germany is known for its weak embeddedness in industrial relations institutions and active anti-unionism (Geppert et al., 2014). It thus seems necessary to move beyond ideal-type VoC classifications towards a consideration of more fine-grained, sector-specific dynamics.

Fransen (2013) made a similar observation in the debate on corporate responsibility (CSR), particularly regarding the notion of “explicit” versus “implicit” CSR which holds that national business systems shape CSR systems (Matten & Moon, 2008). This literature is widely inconclusive, either making a case that liberal market economies (LME) will use more extensive CSR practices to compensate for absent national regulations of certain regulatory issues (e.g. Jackson & Apostolakou, 2010) or arguing that coordinated market economies (CME) will be frontrunners on CSR because a dialogue between social partners is already well institutionalized, thus exerting normative pressure on firms to comply with societal regulations (e.g. Campbell, 2007) (for an overview see Fransen, 2013). Fransen (2013) argues that in order to make sense of the national embeddedness of CSR, scholars not only need to pay attention to specific relevant dimensions of national business systems, which may or may not correspond to VoC ideal types, but also to different dimensions of CSR. Practices regarding social and environmental issues in global supply chains, for instance, may tie to very different national institutions than a nationally focused employee pension scheme.

Fransen (2013: 213) thus calls for a specification of “first, what parts of national political-economic configurations actually affect CSR practices; second, the precise aspects of CSR affected by national-institutional variables; third, how causal mechanisms between national institutional framework variables and aspects of CSR practices work.” Given that supply chain-oriented issues typically have little connection to corporatist institutions, national variables other than those outlined by the VoC framework such as development policy, foreign policy, transnational economic flows and civil society organization may influence firms’ preferences and behaviors more than traditional VoC dimensions (Fransen 2013). In this paper we examine the German response to the Rana Plaza disaster in order to identify which factors influenced firms' supply chain governance systems. We will then discuss in which ways these factors correspond to extant notions of the German VoC.

Methods

Our analysis is based on interviews with large German garment brands and retailers as well as key stakeholders such as multi-stakeholder initiatives, unions, and NGOs as well as information available in public statements by institutional initiatives. So far (as of June 2018) we conducted 33 semi-structured interviews with CSR and procurement managers in 19 German lead firms (see Table 1 for a description), held 15 informal interviews with industry experts, representatives from government, business, and civil-society, and attended 22 industry events, at which we engaged in multiple informal conversations and took detailed notes. Additional material consists of industry reports and statistics.

Table 1 Characteristics of lead firms

LF#	*Size turnover**	*Size employees***	*ownership****	*Firm type ♦*	*Sourcing from Bangladesh+*
1	very large	giant	private	discount retailer	very important
2	large	giant	private	discount retailer	very important
3	giant	giant	public	supermarket	--
4	very large	giant	public	brand	Unimportant
5	small	medium	private	specialty retailer	very important
6	giant	giant	public	sports retailer	Unimportant
7	large	giant	private	fast fashion retailer	very important
8	small	giant	private	specialty retailer	important
9	medium	very large	private	brand-manufacturer	unimportant
10	very small	medium	private	workwear retailer/manufacturer	very important
11	large	giant	public	specialty retailer	important
12	giant	giant	private	supermarket	-- (prob. very important)
13	very large	giant	public	underwear	not relevant

14	very large	giant	private	fast fashion retailer	very important
15	large	very large	public	discount retailer	important
16	small	large	private	Brand-manufacturer	very important
17	medium	very large	private	Mail-order/ retailer	important
18	very large	giant	private	department store	very important
19	giant	giant	private	supermarket	-- (prob. important)

* Turnover in 2015 (according to Lane, 2008: 237): very small, less than E50 million; small, E50–249 million; medium, E250–499 million; large, E500–999 million; very large, E1000–2999 million; giant, more than E3000 million.

** Employment (according to Lane, 2008: 237): small, less than 100; medium,100–499; large, 500–999; very large,1000–4999; giant, more than 5000, includes staff in directly owned foreign subsidiaries.

*** Information based on corporate documents and websites.

♦Firm type: Department stores (with private label production), discount retailers (mainly garments, not supermarkets), speciality retailers (retailers with no history of own manufacturing), brand marketers/manufacturers (only recently moved into retail, if at all).

+ Sourcing from Bangladesh: very important, more than 15% (import value), important, between 5%-15%, unimportant, less than 5%, not relevant means no sourcing from Bangladesh. Not all firms wanted to share this information with us, and it is not publicly available.

Data was analysed with the help of the qualitative data analysis software NVivo. To preserve the anonymity of firms, each firm has been given a randomly assigned number (LF#). We also indicate whether a particular quote was provided by a CSR (CSR) or procurement (PROC) manager.

Characterization of German garment retail industry

In recent decades, the German textile and clothing industry[2] went through a permanent structural change. It was characterized by production declines in the domestic market and local production. At the same time, companies started to focus more closely on technically demanding textiles, innovative products and strong brands as well as pursued an international orientation. The structural change can be illustrated with figures: the production of the textile and clothing industry in Germany decreased between 1991 and 2010 in real terms by almost 70%. At this point, the clothing industry was doing significantly worse with a decrease of 85% than the textile industry (-50%). Reasons for the decrease in production are primarily structural: at a very early stage the industry had - long before the

[2] The term textile industry refers to that part of the industry which produces textiles other than clothes, such as textiles for households (tablecloth, curtains, linen, etc.) or technical textiles (car seat covers, etc.). With clothing or garment industry we refer to the production of clothing only.

German reunification - started to relocate production facilities abroad (Schüßler, 2009). The process of shifting production facilities abroad is well advanced, especially in the clothing sector. Today, less than 5% of clothing sold on the domestic market are produced in domestic production facilities (Deutsche Bank Research, 2011). These facilities are typically small factories of quality producers retained for making prototypes. Some knitting companies have a more significant production in Germany, because the knitting requires machine tools and that is a German core competence (e.g. firms like the underwear manufacturer „Mey" or the socks/stocking brand „Falke") (Schüßler, 2009).

Garment production has been relocated to countries with low overall manufacturing costs, while central functions like design, procurement and marketing, IT and logistics continue to be based in Germany (CZB, 2013, p. 7-12). Basically, all German clothing manufactures have more or less turned into creative and flexible trading enterprises, coordinating production abroad and building up their retail competences. Garments are produced abroad either through own production facilities, outward processing or – mostly – the purchase of finished goods (see below).

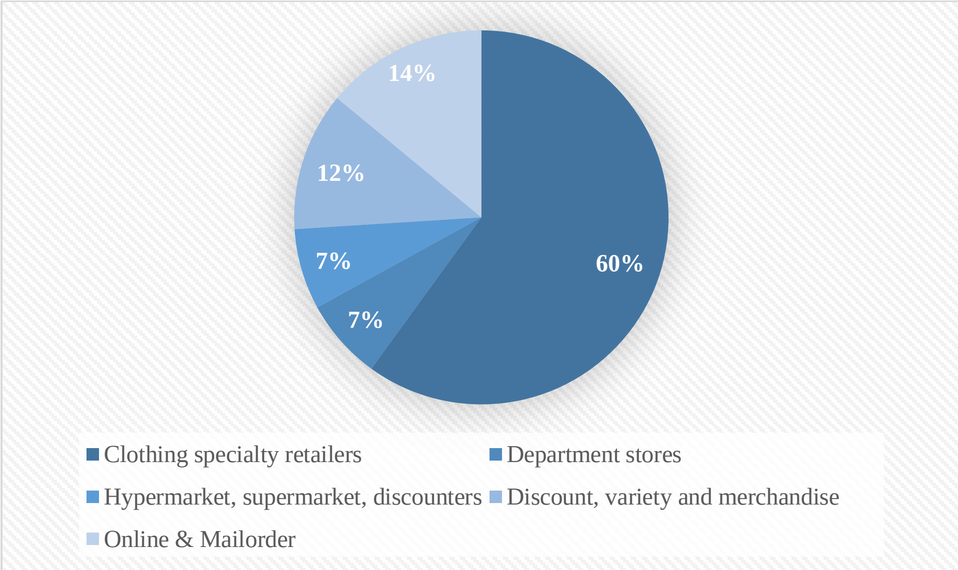
Today, Germany is the second most important garment importing country in the world (34.49 billion US dollar in 2015), following the USA (96.92 billion US dollar in 2015) (Statista, 2017b, p. 74). The country imports more textiles and garments than it exports, with an export share of about 40% (Export Marketing Survey: German Market for Textile and Clothing, 2010). The most important countries of goods origin are in the Asian region, with China being the most important country (20%), followed by Bangladesh (10%), Turkey (8%), and India (3%) (Statista 2015a, p. 4; Commerzbank, 2016, p. 7). Exports instead go mainly to the Western and Southern neighbouring countries, such as Austria (2015: 15.5% of total exports), the Netherlands (11%), France (10%) and Switzerland (9.5%) (Statista, 2017, statistics_id14051, p. 65).

Characteristics of garment retailers and brands

German garment retailers are to a large extent family-owned firms (Lane & Probert, 2009, p. 46). Only major brands, such as Adidas and Hugo Boss, are public companies. Looking at the distribution of turnover among different distribution channels in the German garment retail sector, we see that in 2013 clothing speciality retailers (including owner-managed, independent specialist retailers, verticals, multi- and mono-label retailers, sports retailers) account for 60% of the overall turnover, followed by mail-order companies (including online-retailers) with 14%, discounters (12%), supermarkets (7%), and department stores (7%) (see Figure 1).[3]

[3] Supermarkets offer mostly food, but have an occasional, additional product range of garments; department stores offer all kinds of goods (from food via suitcases to electronics), including garments.

Figure 1 Distribution of turnover German garment retail for distribution channels, 2013.[4]



Online retail has been increasing in importance over the last years, with high growth rates (30% in 2012 alone) (Commerzbank, 2013, p. 16). Retailers open their own online-shops, in addition to traditional retail stores and pure-play online garment retailers, such as Zalando, gain ground. Continuing the trend of the last 20 years or so, forward verticalization of formerly branded manufacturers into retail is still progressing, albeit at a slower pace – using instruments such as concessions, shop-in-shop-systems or via the development of own retail activities (including online trading) (Commerzbank, 2013, p. 4, 16).

The workforce (number of employees) in German garment retail rose from 261,787 employees in 2005 to 356,952 workers in 2014, with female workers accounting for around 80% of the workforce (Statista, 2017a, p. 51, 54). Part-time employment in garment retail has been slightly increasing over the last years, from around 55% in 2005 to around 62% in 2014 (Statista, 2017a, p. 55). The garment retail sector made an annual profit of 31.02 billion Euros in 2014 and comprised 18,922 firms (Statista, 2015b). In comparison, the garment industry, i.e. garment-producing firms – most of which have also outsourced their production – counted 26,748 employees and 152 firms in 2014, making a profit of 7 billion Euros (Statista, 2017b).

Turnover and market concentration dynamics

The annual net turnover of German garment retail has been increasing over the last years (since 2008), with an annual net turnover of 32.72 billion Euro in 2015 (Statista 2017a: 27). In 2014, there were 217 companies with sales of over 10 million euros per year and 22,909 firms with less than 1 Million Euro turnover per year (Statista, 2016, p. 2). Among German garment retailers and brands, Adidas takes the lead in terms of turnover (actually quite an

[4] Based on data from Commerzbank, 2013, p. 12.

outlier) with nearly 17 million Euro revenue in 2015 (Statista 2015b, p. 4) and ranking 7th among the world's most valuable brands (2016) (Statista, 2017a, p. 12).

There is a trend towards concentration in the German garment retail market. Overall, the number of firms in German garment retail is decreasing, with 32.144 retailers in 2002 and 18.101 retailers in 2015 (Statista, 2017a, p. 49). This trend of concentration seems to be geared towards large firms: Whereas in 2000 the class of firms with more than 100 Million Euro turnover accounted for 36.5% of the overall industry turnover, in 2011 it accounted for 49.1% of the overall industry turnover; the class of firms with up to 500.000 Euro turnover instead decreased from 16.3% in 2000 to 9.8% in 2011; middle range classes (turnover of up to 25 Million Euro and up to 100 Million Euro turnover) remained more or less steady (Statista, 2017a).

The intensity of the competition is said to be very high in the German garment retail market, as there are more and more international fashion chains (e.g. Primark, Bershka, Abercrombie & Fitch) entering the German market (IKB Sektorresearch, 2013, p. 9). Fashion companies that are unable to adapt quickly to this new competitive environment are facing difficulties or even had to file for insolvency (e.g. Apriori, Olsen) (ibid.). Not least has the proportion of clothing consumption in total private consumption declined from 6.0% in 2000 to 5.0% in 2011, which is attributed to a growing consumer preference for intangible goods, such as housing, services and health care, which is quite characteristic for most of the industrialized countries (CZB, 2013, p. 8). In 2015, the proportion of clothing consumption (including shoes) in total private consumption was 4.4%, around 105 Euro per household, per month. It is thus argued that growth is possible only through the acquisition of the market shares of competitors and size is considered an important competitive advantage (IKB Sektorresearch, 2013, p. 9).

Core findings: Changes in labour standards governance since Rana Plaza

Based on our analysis we will look at how labour standards in global garment supply chains are governed, both on a national and firm level. We do so with a special focus on the most recent developments, introduced in the wake of the Rana Plaza disaster in 2013.

Supply chain labour governance (and developments) on national level

On the national level, there was a massive political attempt to regulate labour standards in global supply chains in reaction to Rana Plaza, which manifests itself in a variety of initiatives. Based on our research, we have identified five main policy responses to the Rana Plaza disaster in Germany: the German Partnership for Sustainable Textiles (Textile Partnership), the Garment Industries Transparency Initiative (GITI), efforts to develop an employment injury protection scheme (EIPS) for Bangladeshi garment workers, initiatives focusing on sustainable public procurement, as well as the online platform textilklarheit.de. The majority of these initiatives are production-oriented rather than consumption-oriented (Lohmeyer & Schüßler, forthcoming), and are primarily aimed at transforming conditions at production sites, i.e. in Bangladesh.

One of the most notable initiatives is the *German Partnership for Sustainable Textiles (in short: Textile Partnership).* The goal of the Textile Partnership is to improve the social, environmental, and economic conditions along global garment supply chains (for a detailed discussion, see Jastram and Schneider, 2015). This partnership was initiated by the Ministry for Economic Cooperation and Development (BMZ) and – as a multi-stakeholder-initiative – now comprises a variety of actors from garment retailers, government, standard-setting organizations, NGOs and unions. The members jointly developed an action plan, committing themselves to improve social and environmental conditions, such as wages or the use of hazardous chemicals, at their supplier sites.

A second response to Rana Plaza in Germany was the launch of the *Garment Industries Transparency Initiative (GITI).* GITI was founded in early 2014 as part of the Humboldt-Viadrina Governance Platform, with financial support from several lead German firms (GITI, 2015a, p. 1; GITI, 2016, p. 3). Very similar to the TP, GITI's goal is to promote transparency and improve working conditions in the global garment industry and, in order to realize these goals, build on a "joint approach of governments, companies, civil society and trade unions in both producing and consuming countries" (GITI, 2015a, p. 1; GITI, 2016). This policy approach was already successfully realized by the Extractive Industries Transparency Initiative (EITI).

Third, in a collaborative effort, the German Social Accident Insurance (Deutsche Gesetzliche Unfallversicherung, DGUV), the International Labor Organization (ILO), and the BMZ (carried out by the German Society for International Cooperation, GIZ) work towards the implementation of a public *employment injury protection scheme* (EPIS) for Bangladeshi garment workers. The idea is to transfer the public German accident insurance system, which combines the elements of accident prevention, medical and professional rehabilitation as well as financial compensation. The initiative involves a close exchange and collaboration – for instance through visits and joint conferences – between labour, industry, and government representatives from Bangladesh and Germany. The EIPS is envisioned to prevent accidents like the Rana Plaza factory collapse through at least two avenues. First, employers will have an incentive to invest more in occupational health and safety and rehabilitation, since the protection scheme is primarily financed by employers themselves. Second, and through its emphasis on social dialogue (i.e. deliberation between employers and employees), it is expected that more effective accident prevention measures (e.g. through occupational health and safety initiatives) will be developed.

Furthermore, new emphasis has been placed on *sustainable public procurement* after the factory collapse of Rana Plaza. Since 2014, a new EU directive and the revised Restriction of Competition Act allow for the consideration of social and environmental criteria in public procurement decisions. Since the directives' implementation in Germany on 18 April 2016, public institutions can require social and/or environmental criteria in their public tenders. This initiative expands the platform 'kompass-nachhaltigkeit.de' ('sustainability compass') which was founded in 2010 to inform and assist procurers at all administrative levels to take social and environmental concerns in public procurement more into account (GIZ, 2015, p. 1). Since 2014 the platform also addresses the municipal level and provides information on the legal requirements specific to federal states (ibid.). Similarly, Femnet (a German women's rights organization that has been working on the issue of working conditions in the global garment industry since 2010) together with the city administration of Bonn and supported by Engagement Global and the BMZ were working on a procurement policy too. In August 2015 they launched the first steps for a fair public procurement campaign and since then have been assisting and advising procurement managers in strengthening social criteria in the public purchasing of professional clothing (cf. Femnet and Eine Welt Bonn, 2017). Moreover, from 2017 on, the above-mentioned Textile Partnership has committed to working on fair public procurement as well (Femnet and Eine Welt Bonn, 2017, p. 6). Finally, the federal government foresees that 50% of the textiles for the Federal Administration will be procured according to ecological and social criteria by 2020 (BMZ, 2014). Although this initiative is a direct response to Rana Plaza, it does not affect the frontrunner firms of the German fast fashion industry.

The online platform *textilklarheit.de* ('textile-transparency') is one notable exception among the variety of responses to the Rana Plaza disaster in Germany, as it directly addresses consumers, aiming to assist them in making sustainable consumption decisions. The platform was initiated and funded by the BMZ in cooperation with the GIZ in February 2015 as part of the already existing platform siegelklarheit.de ('label-transparency'). By creating awareness and assisting consumers and other actors to better understand environmental and social standards and labels, the platform aims to drive the market penetration of sophisticated labels and the international implementation of high environmental and social standards in the garment industry. In early 2017, siegelklarheit.de has been promoted through an advertising campaign, a website (vero-selvie.de) and an ad shown in German cinemas, addressing (young) consumers in Germany and promoting fair fashion as a "trend." Although this campaign directly connects the working conditions of garment workers (Selvie) with the consumption behavior of German consumers (Vero) for the first time, it seems to be primarily concerned with promoting the engagement of the Textile Partnership's members, rather than problematizing their role and business models.

These initiatives, all of them direct responses to the Rana Plaza disaster, show that labour standards in global garment supply chains have become an important issue on the national level. Whether the effectiveness of these initiatives remain still to be seen, they have opened up a political arena, i.e. a focused discussion as well as the formation of a close network of actors engaging in this discussion. Part of this discussion are government, business, labour representatives, and civil-society – many of them not connected prior to 2013, making the process frustrating and tedious for almost all of the participants (informal talks and interviews).

From the side of the German Federal Government it is especially the ministry for economic development and cooperation (BMZ), together the German Society for International Cooperation (GIZ), which took the lead in most of these initiatives. Interestingly, the more powerful ministry for the economy (BMW) is not engaged in the debate. Also, the ministry for labour and social affairs (BMAS) – which manages the topic of corporate social responsibility (CSR) more generally – is playing only a small role in these initiatives. Several German garment firms we interviewed are well aware of this "division of labour" within the government, arguing that they are accountable to the BMW and not responsible for development policy, so in their eyes “it is the wrong ministry” that takes care of supply chain governance issues (informal talk).

That the ministry for the economy is not only passive for what regards the topic of labour standards in supply chains, but rather explicitly against the promotion of this topic was again demonstrated recently, when attempts were made to develop a German National Action Plan (NAP) on business and human rights. The development of such NAP – based on the UN guiding principles – was requested by the UN Working Group on Economic and Human Rights and the EU Commission. Although the NAP is not specifically geared towards supply chains in the garment industry, it is often connected to this industry in Germany. The process to develop a German NAP on business and human rights was lead managed by the Federal Foreign Office (Auswärtiges Amt) and began in 2014. And although the consultation process with business and civil-society actors ended already in November 2015 and the publication of a final draft of the NAP was planned for January 2016, it took the government a whole year to publish the final draft. This was mainly due to the strong opposition of the ministry for economics and the ministry of finance, who tried to water the draft NAP down and finally succeeded with this (informal talk). During this process the ministry for the economy made clear that it is less interested in labour standards than the success of German trade and the economy more generally.

Also engaged in several of these initiatives are German NGOs, especially the women’s rights organization Femnet (short for: feminist perspectives on politics, the economy, and society), which has been working on the issue of working conditions in the global garment industry since 2010. Furthermore, the German ‘branch’ of the Clean Clothes Campaign as well as the INKOTA-network[5] – of which Femnet is also a member – are involved in the debate. INKOTA is an association of German NGOs dealing with different topics, one of which is labour standards in the global garment industry. Likewise unions, especially the union confederation DGB (Deutscher Gewerkschaftsbund) as well as the ver.di (the union responsible for garment retail) are engaged in the debate, both just beginning to explore their new transnational role within global production networks and highlighting that international solidarity in the retail sector is hard to organize, given German retail employees’ own precarious position (interview union representative).

Supply chain labour governance (developments) at firm level

At the firm level, we observe a multi-layered process in which some German lead firms are increasingly proactive regarding labour standards issues. The majority of firms, however, are best described as followers, still trying to maintain unilateral and voluntarist approaches, though slight changes are beginning to show also in this group of firms. We start by describing the firms’ supply chain structure and supplier relationships before turning to how lead firms govern labour standards in their supply chains as well as the changes introduced after Rana Plaza.

[5] INKOTA is also the sponsoring organization for the German branch of the international Clean Clothes Campaign.

Supply chain structure

The lead firms in our sample work with 11 to over 1000 factories.6 The structures of the lead firms we interviewed are often quite complex, with lead firms making use of a variety of direct and indirect sourcing forms. Lead firms, thus, coordinate their suppliers either directly or via agents, using their own sourcing offices and importers, a combining these forms of sourcing (see Table 2). We refer to those supplier relationships as "direct", where lead firms are in regular, unmediated contact with one or more of their factories (i.e. points of production, not suppliers), whereas "indirect" refers to variants of mediated sourcing.

Table 2 Supply chain structure German lead firms

LF#	*own factories*	*own sourcing office(s)**	*importers*	*agents/ agencies*	*direct*
1	--	--	yes	yes	--
2	--	--	yes	yes	yes
3	--	yes	--	yes	yes
4	yes	yes	--	yes	yes
5	yes	--	--	--	yes
6	--	yes	yes	yes	yes
7	--	--	--	yes	yes
8	--	yes	--	yes	yes
9	--	--	--	--	yes
10	--	--	--	yes	yes
11	yes	yes	--	yes	yes
12	--	yes	yes	--	yes
13	yes	--	--	yes	yes
14	--	yes	--	--	yes
15	--	--	--	yes	yes
16	--	--	--	yes	yes
17	--	yes	yes	yes	yes
18	--	yes	yes	--	yes
19	--	yes	yes	yes	yes

* Firms sourcing via their own sourcing offices or own buying groups have a direct contact to their suppliers, but not all firms which have direct supplier relationships also have an own sourcing office or group.

Four of the firms in our sample still own factories. 10 lead firms source via own sourcing offices or licensed sourcing offices. These offices are most often located in Hong Kong, Shanghai or Bangladesh and coordinate various suppliers in the Asian region. Sourcing offices handle a variety of issues, including R&D, product development, design, quality management

6 'Factory' refers to production sites here, whereas 'suppliers' refers to factory-owners, who own several production sites/factories.

and labour and environmental standards (cf. LF14). 14 lead firms in our sample source via agents or agencies. These agents "broker" relationships between the lead firm and suppliers and/or factories, for instance by pre-sorting possible suppliers, making contacts, and advising on issues such as quality and at times CSR issues. Both own or licensed sourcing offices as well as agents were valued for their presence in the respective sourcing countries, possibilities of a more direct control and inspection of suppliers, and the possibility to react quickly to problems among others.

Some agents also offer their own designs to firms (cf. LF7CSR) and have their own CSR teams, conducting audits and monitoring standards (cf. LF8CSR). Disadvantages of working with agents were also noted. One procurement manager for instance said that working with an agency would make it harder to know where garments were produced.[7]

In spite of working with agents, the interviewees often spoke of "direct relationships" or "direct sourcing," because although the agents assume a service function, the orders are negotiated and handled directly between the company and the supplier, i.e. there is a direct, contractual contact between buyer and supplier.[8] Importers instead are those service providers that also organize the shipping of the product and delivering it directly to the lead firm (160513DE_LF2CSR). Seven of the lead firms in our sample use *importers*. At times, lead firms differentiated further between traders and importers (e.g. LF2), with traders offering similar services as importers, but delivering "free on board" (FOB), that is only until the port of departure (e.g. Chittagong). Importers, much like agents, are valued for their local knowledge and presence at the points of production. A procurement manager, for instance, highlighted the importance of having someone with local expertise close to the production site.

In addition, *direct sourcing,* that is, unmediated contact to suppliers, is used by almost all lead firms we interviewed (18), meaning that factories take up some of the tasks otherwise done by agents, at times including quality assurance or shipping, as reported by one CSR manager. She also stressed, however, that not all factories were able to deliver these tasks, which is why lead firms would often work also with agents and importers.

Many of our interviewees reported that they would now – possibly as a result of Rana Plaza – pursue the goal of increasing their direct supplier relationships, which they argued would facilitate closer contact and more transparency, including about labour standards (cf. LF19).

Lead firm-supplier relationships

The relationships the lead firms in our sample have with their suppliers and/or intermediaries differ quite substantially. For instance, the length of the relationship between lead firm and supplier varied between 'on-off-relationships' of only a few months to

[7] For peer review purposes this version of the paper we deleted some of the quotes supporting our arguments and paraphrased some of them in our own words. All original quotes from our interviews will be included in the published later versions of this paper.

[8] The rather high overlap between those firms, which use agents and have a direct relationship to their suppliers can probably be explained by the fact that these direct relationships are often introduced via agents in the first place and then, over time, develop into direct relationships between lead firm and factory.

relationships which lasted up to 50 years. Some of our interviewees reported that developing long-term relationships with suppliers was a strategic goal. Not least this was because the "on-boarding" of new suppliers is quite costly, both in terms of time and financial resources required. These costs were reported to have increased especially on account of the social and environmental requirements set by lead firms, which suppliers needed to be checked for and brought up to standard (cf. 170620_LF6CSR). Firms valued relationships based on "partnership" (cf. LF2), which took a pro-active role, for instance with regards to offering new designs as well as problem solving (cf. LF10).

Only few lead firms assured their suppliers a certain fixed capacity. Those that did reported that this practice was of value for both the supplier and the lead firm. A CSR manager of a branded manufacturer explained that their commitment to using a certain number of production lines in their supplier's factory throughout the whole year provided planning security to both signs.

Most lead firms tried not to surpass certain amounts of output they buy from one supplier in order to keep mutual dependencies manageable. One interviewee, for instance, argued her firm was eager not to create relationships of dependence between their firm and their suppliers. However, buyers said that it was important to have some leverage over suppliers – be it in terms of labour standards or quality requirements.

Management structures for governing labour standards in global supply chains

All 19 German lead firms we interviewed employ CSR managers. The number of employees in this function varies considerably between firms. The lead firms in our sample employ between 1 and 70 people for this topic, with several firms having additional people working in this area in their foreign subsidiaries (sourcing offices and own factories) or requiring their agents to employ people with such capacities.

Whereas many of the CSR departments existed for more than five years, six of the firms in our sample have implemented the CSR function within the last five years (in 2013 or later). The heads of these departments report either directly to the purchasing director/chief sourcing officer (5 firms/1 firm), or directly to the CEO (5 firms).[9] This reporting relationship underlines the rather high importance of this topic for firms on the one hand, and the close alignment between CSR and supply chain management on the other. The importance of the latter was also confirmed by our interview partners. We asked our interview partners from the CSR department with which other department they had the most contact in their day-to-day-work and 11 of them said this was the purchasing department. In 8 of the firms we interviewed, this inter-departmental relationship is institutionalized via regular meetings (e.g. jour fixes) or sustainability committees (e.g. LF4, LF2), often with participation by the CEO (e.g. LF4, LF14).

[9] One firm reports to the Chief Operating Officer (COO), one to the Chief Administrative Officer (CAO), one to the head of compliance, for four firms we don't have this info.

Labour governance in the supply chain

The most common approaches towards assuring labour standards among the firms we interviewed were, first, selecting suppliers based on certain labour and environmental standards (mostly BSCI) and, second, monitoring standards on a regular basis once suppliers were 'onboarded.' Capacity-building initiatives were rare among German retailers and brands.

With some exceptions (7 firms), firms have standardized procedures for *selecting suppliers*, which at one point or another involve CSR criteria. Whereas most of the firms had these procedures in place already before the Rana Plaza disaster, 3 firms (LF8, LF15, LF17) introduced their "standard operating procedures" for supplier selection (LF8) only recently, others became stricter regarding its implementation (LF3, LF14, LF18, LF19), for instance training their buyers on relevant CSR-criteria (LF3) or auditing before a first order is placed at the supplier. One manager said that even though they had been strict in terms of the criteria they used for selecting suppliers even before Rana Plaza, but had checked their suppliers only after a first or second product had been purchased, now they would check suppliers *before* the first order.

One firm said that even though they had standardized onboarding procedures, a (stronger) focus has now been put on building safety after Rana Plaza, reporting that their caution has now 'spilled over' to suppliers in other countries as well.

In most firms, the procurement department suggests several suppliers, which are then screened by the CSR department for the fulfilment of the standards required or for whether suppliers could be brought to the required level. Many firms differentiate between 'must have' criteria – involving issues such as child labour, emergency exist, alarm systems – and softer criteria, which do not have to be fulfilled for the placement of a first order. Differences between lead firms were noticeable with regards to the leverage the CSR department had in the decision for onboarding suppliers, with some struggling to be heard (e.g. LF4, LF17) and at least five of them having binding veto-rights (LF9, LF10, LF11, LF12, LF14). One interviewee, for instance, indicated that although social criterial play a role in the supplier selection process, in the end economic criteria matter the most.

In other cases, firms were just beginning to implement a stricter, more standardized process and seemed to have difficulties, both internally and with their suppliers. One CSR manager told us of that it could be difficult at times to convince their colleagues from procurement to suddenly change the ways they do their job and that this led to discussions between CSR and procurement.

Having a formal veto-right instead seemed to grant the CSR-department with enough leverage to influence supplier selection, though there still seemed to be cases where even the veto-right was not enough. One CSR manager said that even though they had a formal veto right and this would be accepted by their colleagues from procurement managers in most of the times, at times they would have to make compromises, for instance developing those suppliers preferred by procurement in terms of standards.

Even though the latter seemed to work quite well in some firms, the ultimate goal for CSR managers was to have procurement managers take responsibility for selecting the right suppliers. One of our interviewee – a CSR manager – summed this up quite nicely, saying his goal was for procurement managers to positively select a range of suppliers complying to their code of conduct, rather than selecting any suppliers and then making him negatively select those who don't comply.

Once suppliers are 'onboarded', the fulfilment of labour (and environmental) standards is regularly monitored, mostly via *audits*. Firms often employ a mix of own audits and third-party audits, depending, for instance, on the risk-classification of the respective country (e.g. LF19) or resources and capacities of their own auditors (e.g. LF7). These audits are either conducted by the firm itself or by third parties. About half of the firms in our sample are members of the Business Social Compliance Initiative (BSCI), which follows a standardized auditing procedure which is used by most firms in our sample. One firm conducts its own audits in addition to those being done by BSCI (LF17), and one does not accept BSCI at all (LF12).

Only few firms take action beyond these two procedures. Those lead firms (e.g. LF6, LF11, LF16, LF19) who do try to engage in more developmental approaches towards governing labour standards in their supply chains implemented trainings for workers, including on issues such as fire and building safety, health and safety or social dialogue (LF11, LF19). Some firms feed back information gathered during audits to suppliers and engage in joint development of solutions (LF6), supporting factory remediation either in terms of mid to long-term sourcing commitments and/or direct financial support (e.g. LF6), or engaging in human or technical upgrading initiatives.

Changes made after the Rana Plaza disaster

Rana Plaza as a "wake up call"?

Overall, several lead firms agreed that Rana Plaza was a turning point in terms of purchasing innovation and collaboration for instance. Not all of the firms in our sample made major changes to their purchasing practices and labour standards policies, however. Several firms in our sample joined the Accord and/or the Textile Partnership, but did not introduce further changes on the firm level (for more details on Accord membership and the Textile Partnership see below) because they say they sufficiently dealt with building safety standards before 2013 (LF19, LF12, LF14, LF18). All of these firms source more than 15 or 20 %, of their garments from Bangladesh. Some of these firms are also known to be frontrunners in terms of CSR and supply chain governance within the German market. Two firms also introduced changes on the firm level – mostly stricter and/or standardized supplier selection and monitoring efforts – after the Rana Plaza disaster (LF1, LF2) in addition to signing the Accord and participating in the Textile Partnership. Interestingly, some firms that did not actually source large amounts of garments from Bangladesh also joined the Accord and/or the Textile Partnership (LF4 joined both, LF5 and LF6 joined the Accord). These firms put much emphasis on CSR more generally. For two other firms for whom Bangladesh accounted only for a small percentage of sourcing (LF8, LF18), Rana Plaza led to no changes or to not more than one-time/on-off initiatives, such as sending German engineers to Bangladesh to have their suppliers checked.

One factory is kind of an outlier as it left Bangladesh as a sourcing country immediately and almost entirely after Rana Plaza. Interestingly, it is also the only lead firm which reported receiving pressure from consumers after Rana Plaza (160616DE_LF9CSR). Another firm was forced by its customer to substantially reduce sourcing from Bangladesh after the Rana Plaza disaster and decreased sourcing from formerly up to 75% to less than 20%, which the CSR manager of this firm did not approve of.

Other firms though had not reduced their capacity from Bangladesh after Rana Plaza. Rather these firms participated in initiatives, such as the Accord.

Accord membership

An initial and most common reaction of German firms to the Rana Plaza factory collapse was to join the Accord. As of today (June 2017), 10 (15) of the 20 (30) largest German garment retailers (by to annual revenue) have joined the Accord.[10] Overall, 61 German garment retailers, brands and textile and garment wholesalers have joined the Accord.

11 of the 19 firms we interviewed became – at one point or another – a member of the Accord (see Table 3). Basically, four groups of retailers and brands can be differentiated according to when and whether they joined the Accord. A first group of “sustainability frontrunners” consisting of only very few firms was already engaged in developing the predecessor of the Accord – a Memorandum of Understanding (MoU) among Western lead firms – and thus had this topic on the agenda even before the Pana Plaza accident happened. A second group of firms joined the Accord directly after the disaster, meaning until summer 2013. A third group of firms joined the Accord much later, waiting until it had settled before taking the decision to join. A fourth group did not want to join the Accord at all for reasons outlined above.

There was broad agreement that in its current form the Accord would not have been possible without the Rana Plaza disaster happening, as several of our interviewees told us. One CSR manager for instance was quite astonished by how quickly after the incident top management at her firm decided to become an Accord member, even though it was not yet fully established (160906DE_LF14CSR). Motivations for becoming part of the Accord were mostly the media attention that this event gave to the firm’s activities in Bangladesh, combined with the fear of further factory accidents, especially against the background of a number of factory accidents in the months before. One CSR manager expressed quite clearly that the most important reason for lead firms to join was the immense pressure following form the Rana Plaza accident as well as the uncertainty about whether Rana Plaza was an exception or whether further accidents were likely to happen in Bangladesh.

In addition to the engagement with the Accord, firms also participated in national-level initiatives, most importantly the Textile Partnership.

[10] We interviewed 8 (12) of these firms.

Textile Partnership

Currently, the Textile Partnership has around 150 members, not all of which are garment retailers and brands (12 out of the 19 lead firms we interviewed so far are part of the Textile Partnership, see Table 3). Since the end of 2016 around 40 members left the Textile Partnership (including one of the firms from our sample, so before, 13 out of 19 interviewed firms were members). Firms leaving the Textile Partnership is quite a new phenomenon, which is a reaction to the need to commit to a road map (Textile Partnership, 2017), which some firms were not willing and/or able to commit to, as a member of the steering committee said at one industry event (170510DE_C20). Whereas the Textile Partnership's members have been accounted for 55% of the German garment and textile industry, it dropped to 50% recently and is expected to shrink further in the months to come (170510DE_C20).[11] This tendency to avoid binding commitments (even though they are self-imposed as in the case of the Textile Partnership) is much in line with the overall hesitance, if not outright opposition, of German garment lead firms to collective regulation.

Action, Collaboration, Transformation (ACT) Initiative

Two German firms joined the ACT initiative (short for: Action, Collaboration, Transformation) – a collaborative initiative working to address the issue of living wages for workers in global textile and garment supply chains. ACT is an initiative between international brands and retailers, manufacturers, and trade unions. Currently, ACT has 17 participating brands, which have signed a set of Enabling Principles amongst each other as well as a Memorandum of Understanding with IndustriALL Global Union.[12] ACT will work in key garment and textile sourcing countries to establish industry-wide collective bargaining agreements that are linked to reforms of purchasing practices and supported by high manufacturing standards to enable living wages to be negotiated and paid.[13] The idea for this initiative as well as its foundation were facilitated through the experiences firms had as well as the inter-firm relations built within the Accord (see Alexander, Ashwin, Lohmeyer, Oka, Schüßler, 2017).

Table 3 Membership of German lead firms in collective initiatives[14]

LF#	*Accord*	*Textile Partnership*
1	Yes	yes
2	Yes	no
3	Yes	no
4	Yes	yes
5	Yes	no

[11] From 190 members in November 2016 less than 150 were left in April 2017, reports the German newspaper "Die Tageszeitung" (23.4.2017). Gisela Burckhardt, who sits in the steering committee for the NGOs, interprets this trend as a sign of quality for the standards set in the Textile Partnership, arguing that those firms, which aren't committed are now leaving (ibid.).
[12] http://www.hiil.org/project/act-towards-living-wages-in-global-supply-chains, 16.6.2017.
[13] https://business-humanrights.org/en/executive-director-at-action-collaboration-transformation-act, 16.6.2017.
[14] ACT members not mentioned to preserve firms' anonymity.

6	Yes	no
7	Yes	yes
8	Yes	no
9	No	no
10	Yes	no
11	No	yes
12	No	no
13	no	no
14	yes	yes
15	no	yes
16	yes	yes
17	no	no
18	no	no
19	yes	yes

New focus on building safety

For those lead firms which reported that the Rana Plaza disaster has led to effects other than joining the Accord and/or the Textile Partnership, Rana Plaza has mostly led to paying greater attention to the topic of building safety, an issue on which only few firms – interestingly those sourcing large amounts of garments (>15%) from Bangladesh (e.g. LF19, LF6, LF12, LF14, LF18) – had focused before, as well as realizing the dangers of multi-purpose buildings, like the Rana Plaza factory complex (e.g. 160503DE_LF3CSR). This has, not least, shifted already existing auditing practices of lead firms towards a more technical perspective, as several interviewees reported.

Beyond this greater focus on building safety – embedded in existing unilateral approaches of supplier selection and monitoring – little progress has been made towards more developmental labour standards governance approaches, such as worker trainings and technical as well as social upgrading initiatives.

Discussion

While some German retailers and brands – in line with varieties of capitalism – have relational ties to their suppliers, we did not know what this meant in terms of labour standards (Lane & Probert, 2009). This paper adds first insights into the engagement of German retailers and brands regarding labour standards. We addressed this question by looking at recent changes, both at the national and at the firm level.

We showed that both at the national as well as the firm level actors have responded to the Rana Plaza disaster. Whereas on the national level an explicit discussion and deliberation of labour standards in garment supply chains have been furthered between lead firms, government as well as labour and civil-society actors by the implementation of several initiatives, at least some of the firms – not least due to their membership in these initiatives

– introduced changes or reinforced existing approaches towards managing labour standards in global supply chain. So far, there is little activity beyond unilateral approaches, such as introducing labour standards in supplier selection procedures and monitoring suppliers' compliance to codes of conducts.

The engagement of German firms in MSIs as well as unilateral initiatives, next to an open opposition against state-led, binding regulation shows that German garment retailers seek to maintain their autonomy from regulatory intervention, be it through states or other stakeholders. That some firms start to leave initiatives such as the Textile Partnership, once they require explicit commitments is much in line with this attitude and poses the question as to how serious lead firms take their responsibility towards workers in their supply chain.

References

Alexander, Ashwin, Lohmeyer, Oka, Schüßler (2017). Analysing the Evolving Texture of Transnational Industrial Relations: Opening the Black Box of Interfirm and Firm-Union Relationships in the Global Garment Industry, Garment Supply Chain Governance Discussion Paper Series, Nr. 01/2017 (http://www.wiwiss.fu-berlin.de/forschung/Garments/index.html).

Anner, M., Bair, J., and Blasi, J. (2013). Toward joint liability in global supply chains: Addressing the root causes of labor violations in international subcontracting networks. *Comparative Labor Law & Policy Journal*, 35(1), 1-44.

BMZ (2014). Nachhaltige Textilien – was tut die deutsche Entwicklungspolitik. Redaktion: Referat Öffentlichkeitsarbeit, digitale Kommunikation und Besucherdienst, Berlin.

BTE (2016). Statistikreport 2016 – Textileinzelhandel. Bundesverband des Deutschen Textileinzelhandels.

Campbell, J. L. (2007). Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility. *Academy of Management Review*, 32(3), 946-967.

Commerzbank (2016). Branchen-Report Deutschland Industriebranchen im Fokus, Group Industries Research / Dezember 2017.

Commerzbank (2013). Deutsche Bekleidungshersteller. Branchenreport – Corporate Sector Report.

Deutsche Bank Research (2011). Textil- und Bekleidungsindustrie. Innovationen und Internationalisierung als Erfolgsfaktoren, 6. Juli 2011 (ISSN 1435-0734).

Femnet and Eine Welt Bonn (2017). Schritt für Schritt. Ihr Weg zur fairen öffentlichen Beschaffung von Dienst- und Schutzkleidung. Redaktion: Marie-Luise Lämmle, Kristina Klecko, Bonn.

Fransen, L. (2013). The embeddedness of responsible business practice: Exploring the interaction between national-institutional environments and corporate social responsibility. *Journal of Business Ethics*, 115(2), 213-227.

Geppert, M., Williams, K., Wortmann, M., Czarzasty, J., Kağnicioğlu, D., Köhler, H. D., et al. (2014). Industrial relations in European hypermarkets: Home and host country influences. *European Journal of Industrial Relations*, 20(3), 255-271.

Gereffi, G., Humphrey, J., & Sturgeon, T. (2005). The governance of global value chains. *Review of International Political Economy*, 12(1), 78-104.

GITI (2015a). The Garment Industries Transparency Initiative (GITI) – At a Glance. Retrieved from http://www.governance-platform.org.

GITI (2016). The Garment Industries Transparency Intitiative 2014-2016. Retrieved from http://www.governance-platform.org.

GIZ (2015). Über den Kompass Nachhaltigkeit. Retrieved from http://oeffentlichebeschaffung.kompass-nachhaltigkeit.de/site/ueber-den-kompass/.

Jackson, G., & Apostolakou, A. (2010). Corporate social responsibility in Western Europe: an institutional mirror or substitute?. *Journal of Business Ethics*, 94(3), 371-394.

Jastram, S., & Schneider, A. M. (2015). Sustainable fashion governance at the example of the partnership for sustainable textiles. *uwf UmweltWirtschaftsForum*, 23(4), 205-212.

Soskice, D. W., & Hall, P. A. (2001). *Varieties of capitalism: The institutional foundations of comparative advantage*. Oxford: Oxford University Press.

Hiss, S. (2009). From implicit to explicit corporate social responsibility: Institutional change as a fight for myths. *Business Ethics Quarterly*, 19(3), 433-451.

IKB Sektorresearch (2013). Deutsche Fashion / Retail-Unternehmen in den Mittelstandssegmenten, IKB Deutsche Industriebank AG, 6. August 2013.

Lakhani, T., Kuruvilla, S., & Avgar, A. (2013). From the firm to the network: Global value chains and employment relations theory. *British Journal of Industrial Relations*, 51(3), 440-472.

Lane, C. (2007): National capitalisms and global production networks: an analysis of their interaction in two global industries. *Socio-Economic Review*, 6, 227–260.

Lane, C. & Probert, J. (2009). *National Capitalisms, Global Production Networks: Fashioning the Value Chain in the UK, USA, and Germany*. Oxford University Press.

Locke, R., Amengual, M., & Mangla, A. (2009). Virtue out of necessity? Compliance, commitment, and the improvement of labor conditions in global supply chains. *Politics & Society*, 37(3), 319-351.

Lohmeyer, N. & Schüßler, E. (forthcoming). Rana Plaza as a threat to the fast fashion model? An analysis of institutional responses to the disaster in Germany. In: Becker-Leifhold, C./Heuer, M. (ed.) Eco Friendly and Fair: Fast Fashion and Consumer Behavior. Sheffield, Greenleaf Publishing.

Matten, D., & Moon, J. (2008). “Implicit” and “explicit” CSR: A conceptual framework for a comparative understanding of corporate social responsibility. *Academy of Management Review*, 33(2), 404-424.

Schüßler, E. (2009). Strategische Prozesse und Persistenzen: Pfadabhängige Organisation der Wertschöpfung in der Bekleidungsindustrie. Kohlhammer.

Statista (2017a). Dossier: Textil- und Bekleidungseinzelhandel in Deutschland, statistisches Bundesamt.

Statista (2017b). Dossier: Textil- und Bekleidungsindustrie in Deutschland, statistisches Bundesamt.

Statista (2016). Anzahl der Unternehmen im Bekleidungseinzelhandel in Deutschland nach Umsatzgrößenklassen im Jahr 2014, Statistic_id259288, statistisches Bundesamt.

Statista (2015a). Wichtigste Herkunftsländer für Bekleidungsimporte nach Deutschland nach Einfuhrwert im Jahr 2015 (in Millionen Euro), Statistic_id218179, statistisches Bundesamt.

Statista (2015b). Umsatz der führenden deutschen Bekleidungshersteller im Jahr 2015 (in Millionen Euro), Statistic_id242350, statistisches Bundesamt.

Textile Partnership (2017). Für Fairness und Umweltschutz in der Textilproduktion. Pressemitteilung des Textilbündnisses, 28.07.2017 (http://www.textilbuendnis.com/wp-content/uploads/2017/07/2017-07-28-PM-Textilb%C3%BCndnis_Mitglieder-starten-in-die-Umsetzung.pdf).

Garment Supply Chain Governance Project

Changes in the Governance of Garment Global Production Networks:

Lead Firm, Supplier and Institutional Responses to the Rana Plaza Disaster

The aim of this interdisciplinary research project, which is funded by the VolkswagenStiftung as part of the "Europe and Global Challenges"-Program in cooperation with the Wellcome Trust and Riksbankens Jubileumsfond, is to understand the challenges of improving labour standards in global production networks by triangulating the perspectives of lead firms, suppliers and workers in the context of ongoing institutional innovations in the Bangladesh garment industry.

Principal Investigators

Prof. Dr. Elke Schüßler, Professor of Business Administration, Johannes Kepler University, Linz
Prof. Stephen Frenkel, PhD, Professor of Organization and Employment Relations, UNSW School of Business, Sydney
Prof. Sarah Ashwin, PhD, Professor of Employment Relations, London School of Economics
Prof. Naila Kabeer, PhD, Professor of Gender and Development, London School of Economics and Political Science
Prof. Dr. Niklas Egels-Zandén, Associate Professor of Management and Organization, University of Gothenburg
Simeen Mahmud, Lead Researcher and Coordinator at the Centre of Gender and Social Transformation, BRAC University, Dhaka

For further information

www.garmentgov.de
Garment Supply Chain Governance Discussion Paper Series