Abstract: While political CSR scholarship has focused on the role of dialogue between MNCs and civil society actors at the transnational level in creating global governance standards, we seek to understand how political CSR might play out at the “coalface” where labour rights violations occur. We draw on insights from Industrial Democracy to examine how political CSR may be extended to enable democratic processes at the workplace level. Studying the introduction of workplace dialogue in Bangladesh apparel factories, we highlight how MNCs leverage their position as lead actors in the supply chain in three ways: as guarantors, capacity-builders and enforcers of workplace dialogue. Our findings also show that dialogue reveals dialectical tensions emerging from the structured antagonism of the supply chain relationship. Our contribution focuses on understanding how MNCs may enable deliberative spaces in their supply chain, but also how this is likely to change the nature of pCSR.

Keywords: global labour governance, industrial democracy, industrial relations, labour rights, supply chains.

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INTRODUCTION

“If workers in Rana Plaza and Tazreen Fashion Factory had more of a voice, deaths and injuries could have been prevented” (Human Rights Watch, 2015, p. 4)

Current CSR practice – social auditing of factory compliance against a pre-defined set of CSR standards – has failed to improve labour conditions significantly in global supply chains, despite companies devoting up to 80% of their ethical sourcing budget to it (ETI, 2013). The Rana Plaza collapse, which killed over 1100 workers in 2013, tragically demonstrated the failure of such top-down CSR: two factories in the Rana Plaza complex had been audited against global accountability standards shortly before the collapse. As the quote above suggests, Rana Plaza demonstrates the urgent need for worker participation. While CSR has focused on the development of global standards that are implemented with little or no worker input, it has been recognised that meaningful change has to come from within the workplace and from workers themselves (Dawkins, 2019). Theoretically, it calls for an approach that extends political CSR from democratic embeddedness at corporate headquarters to also include democratic embeddedness at the coalface where global production takes place and where labour rights violations happen.

The “political” approach to CSR [Hereon pCSR] (Matten and Crane, 2005; Scherer et al., 2006; 2016; Scherer and Palazzo, 2007, 2011) seeks to address the shortcomings of “strategic CSR” (Porter and Kramer, 2011) by focusing on embedding CSR activities in societal deliberation. PCSR involves corporations in deliberative processes to solve social problems, in particular, where governance gaps exist, such as labour rights violations in global supply chains (Gilbert and Rasche, 2007). This has usefully shifted attention away from the business case for CSR in search of more democratic institutions by creating “arenas of deliberation” (Fung, 2003). Hence, the core challenge is not to align CSR with business interests, but “to find new forms of democratic will formation, especially under the conditions of globalization” (Scherer and Palazzo, 2007, p. 1097).

While this has been a useful corrective to an instrumentalist approach to CSR, critics have accused pCSR of merely legitimising the exercise of corporate power while silencing dissenting voices of marginalised actors who are denied access to deliberative processes (Munir, Ayaz, Levy and Willmott, 2018; Banerjee, 2018). Indeed, pCSR has focused more on multi-stakeholder processes of
establishing universal principles for “global” norms and rules at the corporate level than on democratic processes that enable participation of those who are most affected (Rasche, 2012; Gilbert and Rasche, 2007; Ehrnström-Fuentes, 2016). In doing so, an asymmetry emerges: deliberation takes place at the so-called “global” level of MNC and/or International NGO headquarters, while upstream actors in the supply chain are often passive recipients of regulation, with little deliberation taking place at the level of production. As a result, workers are largely excluded from participation in CSR activities, despite being their alleged beneficiaries (Donaghey and Reinecke, 2018). Excluding worker voice from view casts pCSR as an overly benign, consensus-oriented process that conceals the inherently conflicting interests between capital and labour: MNCs outsource production to places with governance gaps to exploit cheap labour costs while workers have little power to challenge MNC practices.

Thus, scholars have begun to recognise the need to understand better the multi-level nature of CSR (Rasche, 2012) in terms of “how global CSR standards and initiatives generate, frame or hinder local deliberative processes” (Acosta, Acquier and Gond, Forthcoming; Gilbert and Rasche, 2007). Responding to these calls, our motivation is to understand how pCSR can bring local-level dialogue processes to the “coalface” of global production sites where labour rights violations occur and how this affects the nature of pCSR. Thus, our aim is to extend the political view of CSR by exploring the role of MNCs in creating arenas of deliberation at the upstream end of the global supply chain that enable the democratic participation of those who are most affected.

To do so, we sought theoretical perspectives that might help us understand multi-level dialogue. The notion of Industrial Democracy from the Industrial Relations literature locates dialogue at the workplace level and provides a useful complement to pCSR. Thus, we examine the interface between pCSR, which highlights the role of MNCs in deliberative processes at the transnational level, and Industrial Democracy, which focuses on the relationship between managers and workers and can inform deliberative processes at the “coalface” level. We therefore ask: What role do MNCs play in supporting and developing dialogical processes at the workplace level? And how does this affect the nature of pCSR?

To examine this question, we used a qualitative approach to study the introduction of a new CSR practice: workplace dialogue in Bangladeshi apparel factories. Workplace dialogue has been
recognised as a mechanism for developing better workplace relations and enabling the democratic participation of workers in solving workplace issues (Wilkinson et al, 2014). In the absence of public institutions to support workplace dialogue (Freeman and Lazear, 1994; Teague, 2005), we demonstrate how MNCs leveraged their powerful position in the supply chain to act as guarantors, capacity-builders and enforcers of dialogue between managers and workers in their supplier factories. Thus, our findings suggest that MNCs can play an important role in promoting dialogical processes at the coalface. However, our findings also indicate that coalface CSR gave rise to a series of interrelated dialectical tensions, which could neither be solved at the coalface nor through dialogue. Instead, they exposed the structured antagonism of the sourcing relationship and the distributional conflict affecting the relationship between MNCs, factories and workers. While making visible this underlying conflict has the potential to repoliticise pCSR, it also points to the limitations of relying on any CSR to improve substantially working conditions.

As will be elaborated in the discussion, our study contributes to the pCSR literature in three ways. First, while pCSR has focused on how MNCs get involved in dialogue at the transnational level (Scherer and Palazzo, 2007), by demonstrating the ways in which MNCs can develop pCSR at the coalface, we expand the understanding of how lead firms in supply chains can create arenas of deliberation that enable the participation of those who are affected. Second, we respond to calls to create connections between global and local levels of CSR (Rasche, 2012; Acosta et al., Forthcoming). In doing so, we show how dialogue across supply chain levels can change the nature of deliberation: coalface deliberation involves concrete problem-solving dialogue that brings to the surface tensions that would not be apparent at the global level. Recognising the consequences of deliberation at different levels is important for pCSR because it expands the scope and nature of deliberation. Third, by bringing pCSR into conversation with Industrial Relations scholarship, we extend the concept of Industrial Democracy into the global supply chain context by developing the concept of the structured antagonism of the supply chain relationship. While pCSR tends to underplay the role of power relations in the dialogue, this offers a more politicised view of dialogue in terms of the inherent diverging interests of the parties participating. Together, our work has the potential of giving politics and diverging interests a more central role in pCSR.
We present our study in four steps. First, drawing on the pCSR and industrial relations literatures, we argue for the need to understand the effects and dynamics of bringing dialogue to the coalface. Second, we describe our methodology and present our case of a workplace dialogue programme. Third, we present the results of our analysis and explore the tensions that arise when pCSR is brought to the coalface. Finally, we discuss our contributions and develop a research agenda for advancing a multi-level perspective of pCSR in global supply chains.

**DIALOGUE FROM THE TOP: DELIBERATION OF GLOBAL STANDARDS**

Over the last decade, pCSR has emerged as an insightful perspective of the governance role of corporations in the globalised economy. In their influential work, Scherer and Palazzo (2007, 2011, p. 901) define pCSR as an extended model of democratic governance beyond the nation state where “private actors such as corporations and civil society organisations play an active role in the democratic regulation and control of market transactions.” This approach has re-oriented research away from instrumentalist CSR towards a focus on embedding CSR, and economic decision making more broadly, in the process of democratic will formation.

Specifically, Scherer and Palazzo (2007; Scherer et al., 2006) invoke Habermas’ concept of deliberative democracy to propose that business participates in a more pluralist, democratic framework according to “principles like public justification, inclusion, and absence of oppression, coercion and threats, as well as the commitment to the general interest” (Baur and Arenas, 2014, p. 160). Thus, democratic deliberation between business firms and civil society actors is central to developing norms and standards governing business conduct in global supply chains (Gilbert and Rasche, 2007; Soundarajanan, Brown and Wicks, 2019). There is an implicit assumption that societal groups bring to the table a wider range of interests and perspectives which create a level of “democratic control on the public use of corporate power” (Scherer and Palazzo, 2007, p. 1109). Multi-stakeholder standard-setters such as the Forest Stewardship Council (Scherer and Palazzo, 2007) and Fairtrade (Reinecke and Ansari, 2015) are held to be exemplars of deliberative co-regulation. Even if institutional conditions for dialogue fall short of the demanding discourse criteria of an “ideal speech situation” (Habermas, 1984),
their procedural design is meant to reflect a commitment to democratic process, balancing of interests and stakeholder participation.

Notwithstanding the significant contributions of re-orienting attention onto the deliberative processes involved in global governance, scholars have questioned the democratic credentials of pCSR. It may give the appearance of balancing interests and reaching democratic consensus on global norms, but often does so at the cost of obscuring local-level conflict (Banerjee, 2018; Munir et al., 2018). While scholars debate the dynamics of “global” rule-making processes (Levy et al., 2016), we know little of how these enable (or suppress) democratic participation at the upstream end of the global supply chain to confront, rather than obscure, potential political conflict. To do this, it is necessary to focus more closely on who participates in dialogue, where it takes place and what is the subject matter of dialogue.

First, in terms of who participates, pCSR has focused on dialogue between managers of MNCs and NGOs rather than the managers and workers where production takes place. Failure to involve local actors violates one fundamental principle of Habermas’ deliberative democracy – that all those who are affected, or their representatives, should be included in the dialogue. While Western labour rights activists and campaigners often claim to represent local actors in deliberative CSR processes, these “solidaristic proxies” risk replacing rather than enhancing their participation (Koenig-Archibugi and MacDonald, 2013). As a result, agendas are often “driven by what Western NGOs push for [and] what large companies consider feasible” (Bendell, 2005, p. 362). As Khan, Munir and Willmott (2007) document, MNCs promoted a global CSR programme to eliminate child labour in Pakistan to deflect blame but it ended up making working mothers and their children worse off.

Secondly, in terms of the where, multi-stakeholder dialogue tends to take place close to MNC headquarters in Europe or North America, rather than where outsourced workplaces are located (Ehrnström-Fuentes, 2016; Alamgir and Banerjee, 2019). In their examination of the Social Accountability 8000 standard, Gilbert and Rasche (2007, p. 202) acknowledge this shortcoming by concluding “no clues are given how these dialogical processes are supposed to be organized” with stakeholders at the local level. Similarly, Edward and Willmott (2013, p. 566) recall Habermas’ critical intent to “promote the conditions of ethical discourse”. For these reasons, Banerjee (2018, p. 802) warns against conflating deliberation with democracy because “processes might be deliberative without being
democratic”. Instead of promoting dialogue on contentious workplace issues, CSR standards are typically imposed on supplier sites and monitored by third parties (Locke, 2013), allowing companies to deflect blame if things go wrong.

Finally, in terms of what, it has been widely documented that CSR standards tend to focus on outcome rights, such as Health and Safety, rather than promote process rights such as Freedom of Association (Barrientos and Smith, 2007; Dawkins 2012; Egels-Zandén and Merk, 2014). Process rights focus on incorporating workers and their representatives in the “negotiation of workers’ rights facilitating progressive change in labor relations” (Barrientos and Smith, 2007, p. 717). The focus on process rights aligns with Gilbert and Rasche (2007), who conclude that there is a need to enable forms of practical reason whose purpose is not to establish universal principles, but to confront the micro-political complexities at the local level.

In sum, pCSR has been a useful corrective to instrumental CSR, yet its focus on how global standards are developed at the transnational level for workers and on behalf of workers as passive recipients, risks depoliticising supply chain labour governance. To frame theoretically how pCSR may relate to workplace dialogue, we turn to the notion of “industrial democracy” to understand the move from abstract moral reasoning at headquarter level to political deliberation at the workplace.

INDUSTRIAL DEMOCRACY: WORKER PARTICIPATION IN DIALOGUE

The concept of “industrial democracy” as developed by industrial relations scholars (Webb and Webb, 1897) has been defined in the context of worker participation as “the structures and institutional mechanisms that give workers or their representatives the opportunity to influence organisational decision making in their places of employment” (Hammer, 1998, p. 143). Industrial democracy requires the institutional incorporation of worker voice into organisational decision making through “industrial citizenship” (Streeck, 1992). Workplace dialogue, seen as the ability of workers to raise issues around their interests and the potential to respond to management through representative structures in the workplace, is a central part of industrial democracy (Poole, Lansbury and Wailes, 2001).

Industrial Democracy is built around a political understanding of workplace dialogue. It views the employment relationship as being composed of a plurality of interests, primarily divided between
the interests of employers and workers. Industrial sociologist Paul Edwards (1986; 2003, p. 44) famously referred to the “structured antagonism” of the employment relationship, which involves an ongoing “process of dealing with inherently contradictory forces” between employers and workers. The recognition of this inherent conflict has important implications for understanding the nature of workplace dialogue as it shapes who should participate in dialogue, where such dialogue occurs and what is discussed.

First, industrial democracy stresses the importance of who participates with emphasis placed on workers having a democratic input into decision making in the industrial process, and hence their workplace (Wilkinson et al., 2014). This is in line with Scharpf’s (1997, p. 19) democratic ideal of input legitimacy, whereby “political choices should be derived, directly or indirectly, from the authentic preferences of citizens”, here the worker-citizens of the firm. This is achieved by worker participation through independent and democratic representatives. Without doubt, union representation is viewed as the optimum vehicle (Webb and Webb 1897; Dawkins, 2019) but other forms of workplace dialogue can be complementary. The Germanic system of works councils generally functions alongside union representation. It is often viewed as an exemplar of workplace dialogue (Freeman and Lazear, 1995) as it requires management to consult with workers over contentious issues such as redundancies or restructuring.

A related issue is the where of representation, i.e. the level at which democratic participation takes place. Industrial democracy is about dialogue between management and workers at the workplace, as this is where issues of most direct concern to workers and management come to the fore. Worker representatives gain their legitimacy to represent due to their mandate received from the shopfloor level in a bottom-up manner. This ensures that dialogue focuses on the underlying pressures at the workplace.

Thirdly, in terms of what, industrial democracy focuses on process rights. Worker participation not only means periodic involvement in negotiating universally applicable codes of conduct or standards, but requires ongoing worker involvement in local, workplace-level decision making and problem solving. Therefore, process rights are important as they reflect that divergent interests cannot be solved in a once off manner but are subject to ongoing negotiation and renegotiation of issues at the workplace (Edwards, 1986, 2003). Recognising the structured antagonism of workplace relations,
dialogue is seen to involve “distributive” bargaining, where parties pursue conflicting interests, rather than only “integrative” bargaining, where parties pursue mutual gain (Walton and McKersie, 1965). Workplace level dialogue is then inherently political and distributive in nature with conflict being inherent to the relationship, even though not always visible. Thus, process rights are essential as a means through which issues can be raised when the underlying conflict becomes materially manifest. In sum, Industrial Democracy highlights the contested political nature of workplace dialogue, which is central in understanding how pCSR plays out at the coalface.

**The interface of pCSR and Industrial Democracy in Global Supply Chains**

Industrial Democracy is an important starting point for thinking about dialogue at the coalface, which is typically focused on employer-worker dialogue set within national institutional contexts (Hyman, 2004). However, in a global economy where 80% of trade and 60% of production (UNCTAD, 2016) are organised through global supply chains that are orchestrated by MNCs, traditional modes of labour governance need to be reconceptualised (cf. Helfen, Schüßler and Sydow, 2018). Yet, the development of transnational modes of industrial democracy is challenged by a lack of institutional support at the transnational level. For instance, while the International Labour Organization (ILO) was established to support transnational labour regulation, its tripartite structure consisting of nation states, employers and unions no longer reflects production relations in global supply chains (Ryder, 2015), where MNCs have emerged as lead actors without being direct employers. The focus has therefore shifted towards recognising the governance potential of MNCs (Thomas and Turnbull, 2018).

In fact, MNCs have played a role in promoting transnational industrial democracy through International Framework Agreements (IFAs) (Hammer, 2005).Reached through global-level negotiation between MNCs and Global Union Federations, they aim at enabling workplace representation. IFAs give labour an active role in global production networks (Fichter et al., 2011), and can aid in the institutionalisation of social dialogue (Lévesque et al., 2018) and local-level implementation of private labour standards (Williams et al., 2013). But while IFAs can provide existing representatives with leverage (Riisgaard and Hammer, 2011) they are much less effective in establishing workplace representation in new contexts (Niforou, 2012). Similarly, Fichter and McCallum’s (2015)
arguments suggest that IFAs can fall into the same trap as pCSR: a transnational partnership approach adopted to negotiate agreements at the global level tames conflict at the workplace level.

Thus, MNCs can play a role in enabling forms of Industrial Democracy in their supply chains. As summarised in Table I, pCSR and industrial democracy provide potentially complementary insights to inform an understanding of multi-level dialogue, the first being concerned with the democratic embedding of MNCs in societal level dialogue and the latter with the importance of workplace-level interaction between workers and managers. Thus, the pCSR approach could in theory support workplace level dialogue. In turn, industrial democracy could help to extend pCSR throughout the supply chain. Yet, the evidence in terms of the complementary effects of pCSR and industrial democracy are far from clear.

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This article seeks to explore the interface between pCSR and industrial democracy by examining the role which MNCs might play in moving CSR to the coalface and the consequences that this might have. The coalface - the exposed surface in a coalmine as the site of miners’ labour - provides an apt metaphor referring to everyday work at the frontline (Barley, 2008). At the coalface, ideas about democratic participation need to be translated into concrete practices and action involving frontline actors.

METHODS

To understand how pCSR might be shifted to the coalface, we examined how MNCs supported the introduction of workplace dialogue in Bangladesh apparel factories. We conducted a qualitative study of the workplace dialogue programme through which the Joint Ethical Trading Initiatives (JETIs) in the UK, Denmark and Norway – not-for profit multi-stakeholder platforms which aim to improve working conditions in global supply chains – encouraged their member companies to establish worker representation and dialogue in their supplier factories.

Research context
Bangladesh has, since the 1980s, grown to become the world’s second largest garment producer, after China, with about 4560 factories generating >US$30bn in annual exports in 2018. The industry employed about 4 million, predominantly female workers on a minimum monthly wage of US$68 at the time of the research. With over 83% of total annual exports generated by the garment sector, the Bangladeshi government is dominated by the powerful interests it regulates. Buyer firms sought to fill the lack of government oversight through social auditing against codes of conduct, while squeezing suppliers through lower prices, short lead times and high order volatility (Anner, 2019).

This failure of the social auditing model, magnified by the Rana Plaza disaster, has prompted experimentation with alternative approaches focused on worker participation. Despite various international programmes designed to strengthen union organising (Zajak, 2017), considered the first-best route to worker participation, estimates suggest that as few as 20 out of 4296 officially registered garment factories have independent and fully functional unions (Solidarity Centre, 2017). Under pressure from the international community and the ILO, amendments to the labour law (Bangladesh Labour Act, 2006, sections 205-208; and 2013 amendments) were made to strengthen workplace dialogue, particularly mandatory elections for worker “Participation Committees” (PCs). Thus, in theory, Bangladeshi law provides a legal framework for workplace dialogue. In practice, however, the government could not be relied on for effective implementation.

On behalf of their member companies, the JETIs launched a pilot programme to develop a scalable and replicable model of workplace dialogue in 2015. The programme was broadly based on H&M’s workplace dialogue programme in its Bangladeshi factories since its pilot in 2011. JETI member companies were invited to nominate supplier factories. This led to the programme being piloted in nine factories of varying sizes, including two unionised factories, and expanded to 21 further factories. The programme built on the Bangladesh labour law mandating elected PCs by ensuring and, in some cases, facilitating democratic elections. It also included training for elected worker representatives or union office holders (4 days + 1 day for women), factory management (1 day), production staff (1 day) and combined worker-management (0.5 day). Training contents included the concept of workplace dialogue, the labour law, ILO core conventions/buyer codes, meeting procedures,
Data collection

Data collection was facilitated by engagement with JETI. It began in 2014 when the pilot project was conceived and lasted throughout the pilot project from 2015-2017. This was concluded by a follow-up visit to Bangladesh in 2019. This resulted in a wide range of data sources being available including observations, interviews, documents and workshops, which allowed us to gain deeper insights as well as to triangulate our findings. Throughout the duration of the pilot project from 2015-2017, JETI staff in Europe and Dhaka provided us with regular updates in face-to-face project meetings, invited us to participate in bi-annual stakeholder meetings in London as well as stakeholder meetings held in Dhaka with participating brands, factories and union leaders. Over two field trips in 2015 and 2016 and a follow-up trip in 2019, we visited four of the nine participating factories, where we interviewed factory management and worker representatives, observed training sessions and PC meetings, with help of translation where required. Observational data yielded a rich set of field notes that revealed what the implementation of workplace dialogue meant in practice from the point of view of different participants, including the practical challenges and emerging tensions, which we could then explore further throughs interviews.

In total, we conducted 50 semi-structured interviews. We interviewed respondents from JETI (N=5), brand staff at headquarter (N=8) and at country office level (N=11), factory managers (N=8), BGMEA (N=2), Bangladesh trade unionists (N=4), ILO (N=2), and NGOs (N=3 twice) during the pilot phase. We then conducted follow-up interviews in 2019 with JETI (N=2), local brand representatives (N=3) and factory managers (N=2). We asked questions about actors’ roles in workplace dialogue such as “Can you tell us what your participation in the workplace dialogue programme has meant for [your organisation]”, “What type of actions did you take to support workplace dialogue in your supplier factories [or: factory/member organisations/etc]” and “Has participation in the workplace dialogue programme resulted in any changes within [your organisation], for instance in terms of you engage with your suppliers [or: buyers/workers/etc]?” We also met workers offsite in trade union offices. We asked
them about challenges experienced in the workplace, their relationship with management, whether and how they could voice workplace issues and about their involvement in worker participation committees. Being introduced by their trade union representatives, rather than factory management, helped gain deeper insights. All but four interviews were recorded and subsequently transcribed. We used interview data not only to analyse the roles and experiences of the different actors involved but also to understand better how workplace dialogue altered or challenged existing employment or sourcing relations.

We also collected documents such as various ILO reports on Bangladesh as well as legal and policy documents and had access to a range of internal JETI programme documentation and planning materials. These documents included JETI programme reports and updates including on brand and supplier participation, training protocols, schedules and course materials, internal reports and discussion papers, meeting agendas as well as external evaluation reports. We used these documents to gain an in-depth contextual understanding of the goals and activities involved in the workplace dialogue programme, to build a chronological overview of its implementation and map the different actors involved. In turn, this allowed us to ask more informed questions during interviews and to compare responses against documentary sources.

Finally, we presented our findings at stakeholder meetings in London, Oslo and Dhaka and organised a joint workshop with the ETI and ILO Better Work in London, involving representatives from ETI members companies, unions, NGOs and the Bangladeshi industry. This helped us test both the relevance of our initial findings and refine our theorising over time.

Data analysis

Our analysis was inductive (Strauss and Corbin, 1998). Analysis began during the fieldwork, which was conducted jointly by the author team. After each observation and interview, we debriefed and wrote extensive memos to capture these interactions, reflections and emerging themes. Presentation of our preliminary research findings in informal conversations and during stakeholder workshops helped us refine and test our emerging account.

We constructed a databank in NVivo with our field notes, memos, transcripts and documents, which was regularly updated as our project evolved. We then went through multiple coding cycles. The authors coded a subset of the data independently and then compared codes and emerging categories and
themes. An early insight from our observations in the field was that the move from external auditing to workplace dialogue required active involvement by buyer firms, or “brands” in the terminology of field actors. The initial round of open coding generated a stock of emergent codes revealing the wide range of activities that brands engaged in to enable workplace dialogue. It also revealed tensions, such as brands’ motivations to abandon a “top down”, “here-comes-the-brand” approach to CSR, but also to strengthen their control over the supply chain.

In the next coding cycle, we focused on these dynamics across our data sources and interrelated the codes that emerged. We coded for the different, sometimes overlapping or contradictory processes in which brands were involved. This generated multiple categories which we consolidated through iterations into three core roles: brands as guarantor, capacity builder and enforcer of dialogue. We then turned our attention back to the tensions and contradictions that we had sensed early on and coded for these tensions.

Eventually, we sought theoretical explanations for what we observed. While pCSR provided a useful starting point to understand the political role of MNCs in the supply chain, we turned to Edwards’ (1986, 2003) concept of “structured antagonism” to conceptualise the role of MNCs and the emergent tensions. This allowed us to develop a conceptual account of the nature of these tensions and noted how they arose from the structured antagonism of the supply chain relationship. We identified them as “dialectical” rather than “paradoxical” tensions. While both imply inherent tensions and contradictions that cannot be fully resolved, a paradox perspective focuses on how decision makers can accommodate competing sustainability objectives simultaneously (e.g. Hahn et al., 2018). In contrast, a dialectical perspective emphasises how confrontation with inherent contradictions involves political contestation between competing interest groups (Farjoun, 2019). See Appendices I and II for our coding tables and representative quotes.

FINDINGS: BRINGING CSR TO THE COALFACE

We present our findings in two parts. Part 1 documents how participating brands recognised the failure of top-down CSR in terms of social auditing against codes of conduct and sought to re-orient their CSR activities by introducing workplace dialogue between workers and management. To promote this shift, we found that brands actively intervened in the employment relationship as guarantors, capacity
builders and enforcers of workplace dialogue. Part 2 documents how these roles led to a series of dialectical tensions, which reveal the structured antagonism of the supply chain relationship. Our findings also show that confronting brands with these tensions was productive in making brands acknowledge their own role in creating downward pressure and recognise inherent conflicts of interest.

**Part 1: Promoting worker participation at the coalface through workplace dialogue**

*Shifting from social auditing to workplace dialogue.* Despite still using social auditing against codes of conducts, most brands admitted a growing frustration with this CSR practice as a “top-down, here-comes-the-buyer approach,” as a CSR manager from a major international brand stated (Brand A.1). Auditing was recognised to encourage pretence, such as “second sets of books” or “cosmetic changes” to placate external auditors. Moreover, auditing was seen to be “ultimately blocking the relationship between the employers and the employees” (Brand I.1).

Hence, failing to police the workplace, the problem was reframed as the need to enable workers themselves to speak up and raise issues, such as locked fire exits or refuse unsafe work: “It’s about putting the worker at the centre of it because at the end of the day we’re saying we want it to be a safe environment for workers. So you need to have a worker piece.” (Brand D.1 2016). Workplace dialogue was hailed as “a stop to a top-down protocol implemented across the supply chain,” to make “the old top-down system obsolete” (Brand A.1). Brands thus saw workplace dialogue as a way of delegating control to local actors. A CSR manager from Bangladesh, working for an international brand explained:

“Workplace dialogue really is part of the solution because at the end of the day this is a topic that belongs in Bangladesh between the management and the workers.” (Brand G.1)

Workers themselves would be involved in dialogue to resolve workplace issues on an ongoing basis through formalised practices of dialogue with management.

In contrast to social auditing carried out by external auditors, the development of workplace dialogue required on-the-ground participation of brands’ Dhaka-based staff and active involvement of
headquarter staff. We identified three roles that brands engaged in to enable dialogue at the coalface: guarantors, capacity-builders and enforcers for dialogue.

**Brands as guarantors of dialogue.** The first role which brands took on was that of guarantor. By “guarantor” what is meant is that brands assured factories that the JETI were trusted to develop workplace dialogue in a way that would not threaten factory-level industrial peace or lead to worker unrest, which could disrupt production and jeopardise the commercial relationship. The workplace dialogue project thus required brands to establish “buy in” from factory management, which was seen as “the biggest single challenge by a long shot” (Brand C.1). Despite legal requirements, Bangladeshi employers were highly resistant to democratically elected worker participation due to adversarial labour relations. The JETI (2014, p. 10) highlighted that “the buyer-supplier relationship is central. Supplier buy-in will not be achieved without an intensive process of engagement by the brands”.

To engage factory management, brands presented themselves as trusted “business partners” (Brand A.3), whose interests were congruent in maintaining industrial peace. Brands assured managers that even though workplace dialogue was about introducing democratic worker representation, it was “safe” to do so. It would neither threaten production nor challenge the position of management. This was a hard sell. Across the factories we visited, managers told us of their fear of worker participation because it was associated with militant trade unionism. They recounted both the decline of the once thriving Jute industry “due to unionisation” in the 1970s as well as more recent instances of workers “thrashing” factory machinery. Thus, the prospect that elections may lead to effective worker participation let alone the formation of a trade union elicited employers’ reluctance: “The brands are coming to the supplier saying ‘please do the project’. So the suppliers are saying ‘Aaaaah! … you want me to let in the trade unions and the NGOs into my factory?’” (Consultant). To overcome this fear required brands “to work very, very closely with factories to make it work” (Brand A. 3), and assure management that it was a mechanism to “deal with the seeds of conflict at the very beginning” to prevent it escalating into unrest (JETI.3, 2015). Brands thus engaged actively with factory management to assure them that workplace dialogue would have a positive impact on workplace relations. In sum, brands sought to “guarantee” to factories that workplace dialogue was a “safe” practice that would
neither threaten industrial peace nor the commercial relationship and, instead, strengthen buyer-supplier relationships.

Brands as capacity-builders for dialogue. The second role that brands took on was that of building capacity of workers to “create enabling environments for dialogue between the social partners” (Brand A.2). Worker dialogue is contingent on the ability of worker representatives to communicate effectively with management about key issues of concerns. But in the Bangladesh garment industry, a largely disempowered and uneducated workforce from rural and economically disadvantaged areas was subjected to a highly autocratic management. Rather than seeing Bangladeshi workers as passive recipients of CSR activities, brands aimed at enabling workers to take ownership of workplace issues through dialogue: “the focus is very much on developing capacity to solve issues” (Brand A.3). In the training sessions we observed, workers were introduced to formal dialogue processes, including how meetings are structured and what is an agenda. In role playing activities, workers learnt how to raise an issue with management and discuss how it could be solved. This built confidence for workers to know “how to sit down around a table with the management” (Brand H.1).

We attended two contrasting PC meetings in Dhaka in 2016 which were chosen due to their differing time involved in the dialogue project. In the first one, at a very early stage, the meeting was typified by suppression of worker voice. Management were placed in front of the room in very comfortable seats while worker representatives sat on wobbly plastic chairs arranged in a semi-circle around managers. Managers kept walking in and out of the meeting and answering their phones, often when in full flight of speaking to worker representatives. Workers mostly listened and spoke only when explicitly asked by management. From our observations, it was clear that workers were not ready to raise issues with management, who viewed the session as an opportunity to speak to, rather than with, workers.

In contrast, we observed a PC meeting in one of the longest participating garment factories in the outskirts of Dhaka in 2016 where the thirteen, elected worker representatives were confident in raising issues in front of management. Female and male worker representatives alike spoke out on issues ranging from safety to payment of wages and holiday leave. They stood up and presented their issues
to management in an assertive voice. Management listened attentively and engaged with the issues raised. Workers followed up on responses from management in a lively exchange. While we cannot attribute the differences observed to participation in the dialogue programme alone, it nevertheless indicates the importance of capacity building to make workplace dialogue meaningful.

Brands as enforcers for dialogue. Finally, while brands have an established role in enforcing codes of conduct, they also became enforcers of dialogue. Many factories failed to implement the legal requirement to have a PC or to allow workers to elect their representatives. Even though brands saw workplace dialogue as a shift away from the top-down “here-comes-the-buyer”-approach and regulation “from above” (Brand A.1), in practice they became the de facto enforcer of Bangladeshi labour law in terms of establishing PCs. Brands were prepared to “use our commercial leverage” (Brand B.1) to cajole reluctant factory owners into establishing democratically elected PCs. Unwilling suppliers risked losing business: “We say fine, we don’t force anyone… But we cannot do business with someone who doesn’t have the same vision for the industry” (Brand A.1).

In two of the participating factories, verification checks revealed that PC worker representatives had been appointed rather than elected. At a brand meeting in Dhaka, a local CSR manager explained how their headquarters intervened to ensure that elections would be held: “At some point call from UK. You cannot back off” (Brand G.1). Factory management complied and agreed to organise elections. Brands argued that “there is a need for strong monitoring from brands, otherwise the dialogue is not sustainable” (Brand E.1). Brands engaged in ongoing tracking of indicators to monitor the efficiency of dialogue: “There are certain indicators that we track […] To what extent is the committee able to solve issues? Or do they just get talked about and then they pop up at the next meeting again?” (Brand A.1)

In sum, workplace dialogue brought about a significant shift in terms of how brands approached CSR “at the coalface”, requiring them to intervene in the employment relationship. But our findings also suggest that this was not straightforward.

Part 2: Confronting the structured antagonism of the sourcing relationship
Brands’ roles in enabling workplace dialogue revealed an inherent contradiction between brands’ interest in reducing non-compliances and their commercial interests in maintaining the conditions that lead to them. Following Edwards’ (1986; 2003) notion of “structured antagonism,” we term this the “structured antagonism of the sourcing relationship,” whereby workplace dialogue is underpinned by inherent contradictions and conflicts of interests between parties (brands-employers-workers) within a common (sourcing or employment) relationship. This structured antagonism manifested itself in a series of nested dialectical tensions that challenged brands’ supply chain practices in unexpected ways. Figure I below pictorially depicts the multilevel nature of these tensions, which we discuss below.

1st dialectical tension at the level of the employment relationship. As depicted in Figure I, a first tension arises at the level of the workplace from the dual roles of brands seeking to endow workers with capacity for dialogue, while also presenting themselves to management as guarantors of industrial peace. The tension exposed the extent to which brands were far from neutral mediators of the employment relationship. As guarantors, brands declared themselves ready “to stand in front of a business owner saying this [workplace dialogue] is good because they place trust in us” (Brand A.1). Yet, as capacity builder for workers, brands declared themselves as defenders of worker rights and equipping workers with the skills to act collectively, possibly as a stepping stone to forming a trade union. Functioning workplace dialogue implies that the ability of managers to act in a unilateral way is at least partially eroded. Hence, capacity building was likely to undermine brands’ role as guarantors that dialogue would not impact workplace relations.

Brands realised the need to establish a “safe space” for worker voice in the dialogue: “At present workers feel that if I bring issues my job will be lost” (JETI.2). Brands attended training sessions and meetings as observers. Such brand “oversight” prevented factory managers from sanctioning workers for their active participation. We met with the worker representatives after observing one PC meeting and enquired about how they felt about speaking out in front of management, one representative
responded: “We are happy because the brands are here now. We feel we can raise issues. We feel it is ok”. The observation indicates that brands provided a level of “protection” that enhanced worker confidence that participation in dialogue would not jeopardise their position:

“It’s not just about getting buy-in from factory owners. It’s getting the workers to trust that what we’re doing is going to have a positive impact on them and it’s not seen in a negative light from their management if they take part.” (Brand C.1)

Realising the importance to provide assurance to workers, brand representatives started to visit factories to meet worker representatives and ensure them that they would not be individually targeted when raising collective issues. Brand involvement even served as a mechanism for supporting union formation. In one of Brand B’s participating supplier factories, the dialogue programme “revealed” the existence of a new union. Brand B and JETI staff worked with the fledgling union and interacted with management to bring about union recognition through registration with the Labour Department and ensure the union as the representatives on the PC.

In contrast, brands realised that meaningful dialogue also required building capacity for managers and supervisors, and reduce potential for conflict from aggressive management. Brands spoke of the need for change in “management mentality” to seeing worker voice as part of a cooperative worker-management relationship: “It’s the mind-set that matters most” (Brand A.1). Senior managers in the factories we visited admitted the need to prepare supervisors for workplace dialogue: “We’re seeing across factories anywhere that workers have maximum problem with the supervisor they are dealing with. If they are not trained, it is really difficult for you to have any dialogue” (Factory A). While the JETI programme included one day of supervisor training, brands felt that this was only the starting point and that they had to invest additional resources into supervisor training. For instance, Brand B rolled out a special supervisor training across all its supplier factories.

In sum, the roles of guarantor for managers and capacity builder for workers risked undermining each other and suppress meaningful dialogue. In response, brands realised that they also had to take a more active role in ensuring a “safe space” for workers as well as building dialogue capacity for supervisors.
2nd dialectical tension at the level of the compliance relationship. As depicted in Figure I, a second tension arose at the level of the compliance relationship. By putting a system in place that empowered workers to speak out about workplace grievances, brands claimed to shift away from top-down auditing to placing “ownership [over workplace issues] to where it belongs,” (Brand A.1), between employers and workers. But in their role as “enforcer”, brands readily admitted that they would not relinquish control to suppliers: “We claim the right to go back to the old top-down monitoring system which is auditing” (Brand A.1). If dialogue revealed non-compliances, brands insisted on the need to intervene and that their suppliers “need to put it right” (Brand B.1). Instead of external auditors doing periodic checks, trained worker representatives could keep watchful “eyes and ears” inside the factory and thereby provide a more effective form of oversight.

This tension was problematic because it could ultimately undermine dialogue. Clearly, it was not in the interest of factory management to allow dialogue to expose non-compliances. Factory managers lived in the fear that if “brands know about problems they won’t accept the product” (Brand D.2). If seen as a threat to the sourcing relationship, factory managers were likely to suppress dialogue,impeding problem-solving. Being confronted with this tension, brands realised that they had to develop a different approach to “how” they exercised control over non-compliances. While social auditing had previously allowed brands to claim taking a “zero-tolerance” approach to non-compliances, brands admitted that it enabled “plausible deniability” and disowning responsibility:

“Zero-tolerance it’s just a tool for plausible deniability so you can say ‘we have told you we have zero-tolerance, we have auditing, so we take no responsibility if things go wrong’.”

(Brand E.2)

Instead, brands realised that a zero-tolerance policy would constrain dialogue partners to discuss the “real” issues and push them into hiding. Brands declared that they wanted transparency about the “real” workplace issues going on at the factory: “We want the actual challenges, we don’t want a second set of books” (Brand A.1). At a JETI workshop in Dhaka with participating local brand representatives, this issue was intensely discussed.
ETI.2: “The real issues are not picked up by audits, yet we know they exist. So if they come out through discussion in the PC, does this create a problem?”

Brand E.2: “For us, we really need to understand what the root causes of these issues are and then help factories address it. Other brands they practice a zero-tolerance approach and they simply stop orders if there are problems. But that is really not helpful at all. We want to see that the system is working and that grievances are addressed.”

Moving from a “hear no evil, see no evil” approach to wanting to know about the “real issues” was a significant shift in approach. Previously, brands’ social compliance teams were incentivised to reduce the number of non-compliances detected in their supplier factories. Now, exposure of the “real” issues was seen as an indicator that dialogue was functioning.

As a result, rather than policing standards through “top-down auditing” brands declared themselves willing to collaborate with their suppliers in addressing non-compliances: “We see it very much as the role for our supply chain team to act as developers, not auditors” and to “help you to solve your problems, not about simply carrying out auditing” (Brand A.3). To do so, brands emphasised management systems that would help factories address the “root causes” of non-compliances. For instance, several brands started to train suppliers in production planning to avoid the need of workers having to work excessive overtime due to poor planning. Thus, for dialogue between management and workers to work, brands realised that they had to engage in dialogue with their suppliers:

“Social Dialogue is predicated on another level of dialogue – between factory and brand. For workplace dialogue to be effective, there needs to be dialogue between brand and factory on issues such as need for flexibility regarding overtime and so on. Trust is needed and transparency. It’s a cascading chain.” (ETI.1, Dhaka 2017)

In sum, rather than pursuing a zero-tolerance approach that allowed for plausible deniability by concealing non-compliances and their causes, brands realised the need to recognise their existence and engage in dialogue with their suppliers in order to solve problems.
3rd dialectical tension at the level of the commercial relationship. The final and most fundamental tension, depicted in Figure I, arose from brands’ declared aim to improve labour standards through workplace dialogue while perpetuating many practices that are the root cause of abusive labour conditions: the relentless demands by the brands for lower prices, flexibility, short lead times and penalties for delayed deliveries. This tension was revealed through confrontation with non-compliances that could not be resolved at the workplace level. Instead, dialogue revealed that the cause for workplace conflict was ultimately rooted in commercial pressure placed on suppliers. Almost every single factory manager or owner we met bemoaned time pressures, last-minute orders and cancellations as well as unfair pricing: “If I don’t get the fair price from the customer, how is it possible to maintain so many things?” (Factory A Managing Director).

This tension became apparent over important issues of labour compliance, such as the persistent problem of excessive overtime. We observed a supplier meeting in Dhaka, where conversations about workplace dialogue revealed the toxic relationship between overtime, low wages and brand pressure. A factory manager at the meeting shared his experience:

“The reality in the factory is that workers work more than 10 hours. They work after 10pm or sometimes more. The PC members informed us, ‘we cannot work like this. We have family and others.’ Then, we talked with top management about PC member concerns.” (Factory B)

Excessive overtime was often the result of frequent changes in order specifications and short lead times, due to unpredictable consumer demand in a fast-fashion market, coupled with high fines for delays. Time pressures drove factory managers to push workers into working overtime. Thus, helping suppliers to develop better production planning alone would ultimately not eliminate excessive overtime. Instead, it required brands to change their own commercial practices, as one CSR manager admitted:

“I think the big thing is we are a business, fabric does go late, things do happen but the question is does it have to happen 90% of the time? It’s just to give yourself that thought, ‘what can I do to try to mitigate that circumstance where that factory hasn’t got to do excessive overtime?’ … But you know, it is a hell of a thing and I’d love to sit here and say ‘oh, we’re great, we’ve got no problems’. But we do! We’re a commercial business.” (Brand C.1)
In the case above, the factory was able to agree terms with its buyer that allowed it to reduce overtime. Factory management advised not to keep workers after 10pm. But removing overtime work revealed another problem: workers were often financially dependent on overtime pay to top up their base salary, by up to a third of base pay.

“So for 3–4 months, there was no more work after 10pm. After 4 months, we had a PC meeting. The PC members now complained that workers are getting small money. They cannot afford [to pay necessary expenses for] their family.” (Factory B)

This example illustrates how factories struggled to resolve the source of workplace conflict through factory-level adjustment alone.

CSR managers were surprisingly reflective about the fact that resolving the grievances brought up by workers required brands to change their own commercial practices. Some brands admitted they had to wake up “to take responsibility as brands for the unintended consequences” created by their own purchasing practices:

“For brands not to realise how they’re driving unethical practices in the supply chain I think is a … I mean, thankfully now I think people are starting to be a little bit more honest about that, about what our role has to be.” (Brand I.1)

This third tension exposes the structured antagonism of the sourcing relationship most clearly. While brands aimed at resolving tensions 1 and 2 through important, yet relatively moderate changes in CSR practices, it became clear that these tensions could only be fully resolved if tension 3 was substantially addressed. However, resolving tension 3 would require a significant change in sourcing practices, threatening brands’ commercial interests and potentially the business model that underpinned a brand’s sourcing strategy. Not surprisingly perhaps, most mainstream brands have not fundamentally changed their sourcing practices to alleviate this downward pressure. The attempt to promote CSR at the coalface through workplace dialogue is thus likely to be undermined by commercial strategies at the headquarter level. Nevertheless, our findings indicate that brands’ involvement in workplace dialogue prompted
them to rethink their attitude to non-compliances and to acknowledge their own role in creating them. This brings to the fore the divergent interests and trade-offs that are required to act socially responsible.

**DISCUSSION**

We set out to investigate how corporations may bring CSR to the coalface by enabling the development of local “arenas for deliberation” (Fung, 2003) in their global supply chains, and how this affects the nature of pCSR. Our empirical case focused on the role of MNCs in the development of workplace dialogue in their supplier factories in the Bangladesh garment industry. Our first set of findings documents how MNCs mobilised their powerful position as lead actors in the supply chain to provide the supportive framework that Industrial Relations scholars have argued is needed to develop workplace dialogue (Freeman and Lazear, 1994; Teague, 2005). MNCs acted simultaneously as guarantors, capacity-builders and enforcers of workplace dialogue. This exemplifies a significant departure from simply “outsourcing regulation” (O’Rourke, 2006) through reliance on top-down codes and monitoring systems towards a much more worker-driven approach to improving labour conditions that directly involves worker representatives, factories and brands. Thus, while pCSR scholars have focused on headquarter dialogue, our findings suggest that MNCs can play an important role in developing embryonic workplace dialogue even in a context of highly antagonistic worker-management relations. This presents a significant improvement on traditional CSR approaches, which rarely engage meaningfully with workers themselves.

Our second set of findings, however, temper the optimism expressed above. At best, coalface CSR can make workers a more active part of pCSR and provide worker involvement in attempts to improve workplace conditions. But as demonstrated in the dialectical tensions, particularly Tension 3, coalface CSR does not challenge the core asymmetries of power in the global supply chain. Coalface CSR is ultimately contingent on firms’ voluntary participation, their market-based strategies and corporate benevolence to promote worker engagement. Instead, bringing pCSR to the coalface confronts MNCs with the structured antagonism of the supply chain relationship. Structured antagonism became manifest in the multiple dialectical tensions that emerged from the divergent interests of MNCs, employers and workers. While pCSR scholars argue that MNCs have adopted state-like roles in
providing global governance (Scherer and Palazzo, 2011), our findings indicate that confrontation with the structured antagonism at the coalface means that MNCs can no longer position themselves as neutral providers of labour governance. Instead, it exposes the contradiction between MNCs’ aim of reducing non-compliances and their commercial interest in maintaining the conditions that lead to them. While the prevailing practice of social auditing has been criticised for providing the “illusion of improvement” (Egels-Zandén and Lindholm, 2015, p.37), pCSR at the coalface challenges corporate actors to confront the daily reality of affected stakeholders. As illustrated by our tensions, it also confronts brands with their own complicity in creating the underlying cause of labour rights violations. Whereas dialogue at the headquarter level may conceal the structural problems arising from exploitative pricing and purchasing practices, dialogue at the coalface is likely to reveal in concrete terms that conflict at the workplace level is a manifestation of wider structural conflict. Dealing with the structured antagonism is not about findings consensus amidst parties so as to resolve these tensions but, instead, requires an ongoing process of political contestation between the interests and positions of managers, workers as well as MNCs. While the notion of structured antagonism implies that it can never be fully resolved, the question is the extent to which social dialogue can achieve a more balanced approach and elevate the attention paid to the concerns of workers. For instance, if tension 1 was successfully addressed, then workplace dialogue could serve as a stepping stone toward more independent worker representation and see brands taking steps to ensure that freedom of association and the right to collective bargaining is being respected in their supplier factories, as we observed in once case above. But if it became too skewed towards managerial interests, then being a “guarantor” to management might implicitly or explicitly frustrate the attempts of workers to “mature” workplace participation committees into independent trade unions.

Taken together, our findings indicate that pCSR at the coalface can offer a stronger basis for defining corporate responsibilities, as it resists an approach of simply “outsourcing” responsibility for code enforcement to external auditors and instead involves corporations at the level where competing interests meet and labour rights violations arise. However, whether coalface CSR will provide a meaningful route of engaging workers or not will ultimately depend on the extent to which workplace dialogue can advance the interests of workers vis-à-vis that of factories and MNCs.
Contributions

Our findings provide the basis for three interrelated contributions to pCSR scholarship. First, we contribute to a better understanding of the role of MNCs in developing “arenas of deliberation” (Fung, 2003) in their global supply chains, thereby extending pCSR from the “global” level of corporate headquarters to bringing pCSR to the coalface. While the pCSR literature emphasises corporations engaging with a wider range of voices as a mechanism of developing “democratic will formation” (Scherer and Palazzo, 2007; Matten and Crane, 2005), it has not sufficiently theorised how pCSR can make beneficiaries such as workers or local communities active participants in dialogue. Our findings demonstrate the ways in which MNCs can use their structural position as lead firms in the supply chain to provide support for dialogue at the local level. However imperfect deliberative processes at the coalface may be in practice, it is an important step towards reconceptualising local-level beneficiaries of CSR as active participants with agency, voice and control in deliberative processes, rather than as passive recipients. In this way, despite the contradictions, MNCs can play an important role in shaping the extension of pCSR to the coalface. While scholars have called for more worker-centric modes of regulation (Dawkins, 2012), our findings suggest that the role of MNCs is not to simply delegate regulation to the workplace, but to play an active role in guaranteeing, enforcing and building capacity for workers to engage in dialogue. Thus, the processes of embedding pCSR at the coalface cannot be outsourced to third parties, as social auditing, but requires involvement of and dialogue with MNCs. The core implication is that pCSR at the coalface is not limited to dialogue between actors at the local level, but creates and requires dialogue across levels within the global supply chain.

The insights described above lead to our second contribution. Responding to calls for research on the connections between global and local pCSR activities (Gilbert and Rasche, 2007; Rasche, 2012; Ehrnstroem-Fuentes, 2016; Acosta et al., 2019), we contribute to a multi-level perspective of pCSR by adding insights into how dialogue between actors at the upstream and downstream end of the supply chain may be established, as well as its consequences. While pCSR has emphasised the role of corporations as constructive participants “in the overarching processes of (national and transnational) public will formation” (Scherer and Palazzo, 2007, p. 1108), most of the debate has focused on
deliberative democratic processes at the supra- or transnational level where corporations engage in deliberative processes with states or civil society organisations (Doh and Guay, 2006; Fransen, 2011). An emphasis on dialogue at the headquarter level prioritises social partnership and consensus building, which has been criticised for ignoring the productive role of conflict at the local level (Fichter and McCallum, 2015; Dawkins, 2019; Banerjee, 2018). Our findings suggest that embedding pCSR in the local context can inform the deliberative aspects of transnational rule-making by expanding the scope and nature of deliberation: from abstract moral reasoning to concrete problem-solving dialogue involving confrontation with competing interests. While human and labour rights can be universally agreed upon at a level that is removed from the actual complexities of production and power relations in the supply chain, dialogue at the coalface is more likely to bring out political dynamics. By embedding pCSR in the local context where labour and human rights violations occur, corporate actors are more directly confronted with the local consequences of their global practices. In turn, local actors can link human rights violations and other harms to the structural conditions of the global supply chain.

Third, we inform dialogue between pCSR and industrial relations scholarship by highlighting how both perspectives can inform each other. Industrial relations scholars have increasingly engaged with CSR (e.g., Harvey, Hodder & Brammer, 2017; Preuss, Gold & Rees, 2015; Donaghey and Reinecke, 2018; Jackson, Doellgast and Baccaro, 2018). But with a few notable exceptions (eg Dawkins, 2019; Egels-Zandén and Merk, 2014), there has been rather limited engagement by CSR scholars with concepts from industrial relations. While leading retailers such as ASOS and Inditex already cite their International Framework Agreements as part of their ethical trading strategy, pCSR scholars have yet to realise the gains from dialogue with industrial relations scholarship.

In this paper, we highlight how core concepts from industrial relations – industrial democracy and structured antagonism – can lead to a more nuanced understanding of pCSR. Industrial democracy reconceptualises democratic embedding of economic relations at the workplace, while structured antagonism helps to understand how and why efforts to embed economic relations into democratic processes is always underpinned by the inherent divergent interests in the employment and supply chain relationship. This is important because CSR has been criticised for its tendency to depoliticise global governance by obscuring the role of power relations (Khan et al, 2007; Banerjee, 2018; Levy, 2008). In
recognising the structured antagonism, where the interests of the parties are inherently conflictual, power relations within supply chains are brought to the fore. Drawing from this approach, pCSR may not be about deliberating to find consensus but actually confronting brands with concrete tensions, trade-offs and contradictions in an ongoing manner.

**Towards a research agenda of multi-level political CSR**

Central to our findings is the dynamic which multi-actor global-local linkages play in developing pCSR. To aid such efforts, we develop Figure II as a sensitising framework for future research to examine the different dynamics at play in multilevel pCSR building on our research. Figure 2 proposes two dimensions that can guide scholarly efforts in exploring multi-level pCSR: the actors involved in dialogue and the level at which dialogue takes place.

As a first distinction (Figure II, x-axis), scholars can focus on whether affected stakeholders are participants in the dialogue or whether they are represented by proxy. Are procedural arrangements in place for giving voice to those directly affected by the activities of business? Such an emphasis on process rights, such as Freedom of Association, has so far only occupied the fringes of CSR discourse (Dawkins, 2012), but can provide important insights into how affected stakeholders can become part of pCSR. For instance, scholars could study the emergence of Worker-Driven Social Responsibility (WSR) as a new model of supply chain regulation, such as the Fair Food Program for US farm workers (Asbed and Hitov, 2017) or the Accord on Fire and Building Safety in Bangladesh (Donaghey and Reinecke, 2018). Another question is under what conditions can direct representatives of affected parties (e.g. unions) and proxies (e.g. campaign groups) be complementary versus conflictual in their efforts to defend stakeholder interests (Donaghey, Reinecke, Niforou and Lawson, 2014). As our findings highlight, bringing in affected parties is important to construct them as active agents in negotiating their rights. But NGOs and activist groups may also play an important role in enabling
affected parties to participate in dialogue or in amplifying their voice. Scholars can study the role of different actors in enhancing multi-level dialogue, for instance by focusing on how NGOs translate worker interests and bring them to the agendas of global actors, or how NGOs and trade unions work together in campaigns (Egels-Zandén and Merk, 2014; Reinecke and Donaghey, 2015). As formal representation through unions is suppressed in many sourcing countries, more research is also needed to understand representation by non-unionised actors, such as informal labour (Jenkins and Blyton, 2017; Kaine and Josserand, 2018) and marginalised communities (Banerjee, 2018).

As a second distinction (Figure II, y-axis), scholars can focus on whether dialogue takes place at the global headquarter level or at the coalface. Future research can examine different institutional mechanisms that promote democratic forms of participation at different levels of the global supply chain. As our findings indicate, transnational actors can help establish the institutions and processes through which workers get involved in dialogue. Future research should consider such complementarities, how and when types of dialogue interlink so as to create mutual reinforcement between transnational and coalface levels. For instance, how can MNCs with International Framework Agreements engage their suppliers to initiate factory-level dialogue with local unions? Or in what ways do the UN Guiding Principles on Business and Human Rights, which stipulate dialogue and engagement with adversely affected communities, lead MNCs to create more institutionalised forms of dialogue? Recent research documenting differences in MNC’s supply chain labour governance (Schüßler, Frenkel and Wright, 2019) suggests that another fertile area for would be to explore how the institutional context of supply chain actors affects dialogue practices.

Finally, workers’ rights are not only gained at the coalface (Knudsen and Moon, 2017; Kouroula et al., Forthcoming). Thus, scholars can focus on institutional efforts by peak level actors in lobbying producer country governments for drafting, implementing, and enforcing more ambitious agreements or policies on labour conditions. Scholars can here study new emerging mechanisms that combine sector-level and national-level collective bargaining, such as ACT (Action, Collaboration, Transformation), an agreement between global brands and unions on living wages for garment workers through sector-level collective bargaining involving government actors (Ashwin et al., 2019). Such research would enhance our understanding of how interactions across multiple levels can contribute to
embedding deliberative processes at the local level and to rebalancing dialogue towards the Global South.

CONCLUSION

Our study of workplace dialogue in Bangladeshi apparel factories suggests that economic decision-making cannot be fully embedded into democratic will formation by pCSR at the headquarter-level. Instead, it requires the creation of institutional mechanisms that promote democratic participation at different levels of the global supply chain, so that dialogue also takes place at the level closest to affected stakeholders. By drawing on the notion of Industrial Democracy, our paper builds a foundation for understanding how MNCs may enable deliberative spaces in their supply chain, but also how this is likely to change the nature of pCSR. Through such an approach which recognises the inherent tensions created by the supply chain model, our understanding of both the potential and limitations of pCSR to resolve labour rights issues can be greatly enhanced.

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### TABLES AND FIGURES

**Table 1: A comparison between Political CSR and Industrial Democracy**

<table>
<thead>
<tr>
<th><strong>Who?</strong></th>
<th>Political CSR</th>
<th>Industrial Democracy</th>
</tr>
</thead>
<tbody>
<tr>
<td>MNCs and societal actors (NGOs, activists, social movement organisations)</td>
<td>Employers and preferably trade unions but at least democratically elected worker representatives</td>
<td></td>
</tr>
<tr>
<td><strong>Where?</strong></td>
<td>Top-down from the site of consumption: MNC headquarters</td>
<td>Bottom up from the site of employment/production: The workplace</td>
</tr>
<tr>
<td>MNC headquarters</td>
<td></td>
<td></td>
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<tr>
<td><strong>What?</strong></td>
<td>Outcome rights: Corporate codes, standards and norms dealing with issues identified by global level actors</td>
<td>Ongoing process rights: Local problem-solving dealing with issues identified in the workplace</td>
</tr>
</tbody>
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Figure I: Confronting the structured antagonism of the sourcing relationship

Figure II: Conceptualizing multi-level political CSR

Transnational dialogue

- Multi-stakeholder dialogue (with no substantive worker representation)
- Global worker representative-led dialogue

Representation by proxy

- Local NGO-led dialogue

Coalface dialogue

- Workplace dialogue

Governance interests aim to improve labour standards through workplace dialogue

Commercial interests create downward pressure on labour standards

Tension 3

Delegating control to the workplace

Tension 2

Policing compliance

Tension 1

Reveals non-compliances

Promising industrial peace and stability to management

Building worker capacity to speak up

Reveals brand complicity in non-compliances

Commercial interests create downward pressure on labour standards
### Appendix 1: Quotes on MNC roles in enabling dialogue

#### Brands as guarantors of workplace dialogue

<table>
<thead>
<tr>
<th>Employer resistance to elected representation</th>
<th>“The challenge we have is to manage the factory owner, to tell them to have an election following BD labour law rules. The factory owner they fear that what happens when PC comes.” (Brand H.1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brands establish buy-in from managers</td>
<td>“Our role in that is to try and be an instigator, you know, encourage people and as I say people are mainly the factory owners because they’re the ones who are more reticent, the workers less so. ... Very often it’s the owners who are the real barrier to these things actually happening. So using kind of commercial leverage to kind of make them interested and get them to see the benefit of doing something in a different way from how they’re used to historically is our main kind of role there.” (Brand B.1)</td>
</tr>
<tr>
<td>Brands present dialogue as tool to ensure industrial peace</td>
<td>“They [Bangladeshi apparel workers] keep it [frustration] bottled up inside till, you know, the littlest smallest things can trigger worker unrest in the factory. This is of course the situation that we want to avoid, make sure that the participation committee platform is to do exactly that, bring up all the issues in the factory instead of you know, promoting worker unrest as the necessary action form to be taken.” (Brand H.1)</td>
</tr>
</tbody>
</table>

#### Brands as capacity builders for workplace dialogue

| Lack of worker capacity to participate in workplace dialogue | “What we saw before we started, it was compulsory even back in 2011 but it was appointed committees, no functionality at all almost. Some were functional, I can say that, but about 80% of them were just people that have been brought to a table by the management. They didn’t have … We were interviewing some of them and they had a vague of them of what they were supposed to do. Except having tea with the management two times a year.” (Brand A.1) |
| Develop worker ownership of issues/start with the workers | “So for social dialogue to be effective at the local level it’s got to engage with those issues that workers define as being important. So you’ve got to start within the factory, from the workers, that’s where you’ve got to start. Otherwise it’s just hot air to be honest.” (Consultant) |
| Brands investing into building capacity/offer training for effective dialogue | “The workers may not have the skills or the knowledge on how to kind of convene these things and how to run them effectively so that’s an education piece which we can kind of contribute to.” (Brand B.1) |
| | “Ultimately we need a very functional PC. We need that point. So it is really necessary to provide that training. Hence, I want all my factories to have elections and then the training.” (Brand E.2) |

#### Brands as enforcers for workplace dialogue

| Rationale: Non-implementation of Bangladesh Labour Law | “If they’re not in compliance with the law we can’t do business with them. But if we were then ultimately to reject or stop doing business with someone, we consider that to be a failure.” (Brand A.1,) |
| Brands use commercial leverage to enforce dialogue | “It’s a hard sell … to be honest, to factories….. We don’t want to force them, there is no point forcing them into the project at all, but we won’t kind of just leave it there … our role in that is to try and … encourage factory owners, because they’re the ones who are more reticent.” (Brand B.1) |
| Brands monitor dialogue processes | “We do our own monitoring, … like we go to every factory. Even from the first batch factory. We have been twice in a year, … just to see how workers are like their retention of the knowledge and what are the issues they are working, or what are the issues in the meeting they may have said, and how talk with the management, whether any benefits or not. What is their demand, how can it be improved. So that’s kind of, that is basically our regular thing.” (Brand E.2) |
### Appendix 2: Confronting dialectical tensions

**Dialectical tension between building capacity for workers and guaranteeing industrial peace for managers**

| Dialogue presented to workers and managers in different ways | “If you’re trying to sell it to management I think you need to take a different approach. You just say to management, this is a very helpful thing to do. Listen to your workers, don’t turn down the volume, you know, the better, the more, the stronger the worker voice is the better for you as a company from a business point of view.” (Consultant) “As well as an emphasis on responsibilities and rights and rights and responsibilities, depends on how you put these two words, but we tend to switch them around a bit depending on who we talk to because being willing to grasp the concept of the WPC is important for both workers and management to understand” (Brand A.1) |
| Worker voice contrary to managerial unilateralism | “A mind set change means accepting that these elected representatives can raise issues in between meetings and can try solve things in between meetings with junior level management.” (Consultant) |
| Brands realised that they had to act as guarantor for workers and build capacity of management | “One brand they come in the training and at that time they’re surprised and say to the workers ‘these are the issues you never share with us in the audit. But now you are sharing them with us!’ Everybody is more confident, everybody freely talks to you about all the problems. during the audits they don’t share, no, no. So they always, you know, keep silent out of fear of reprisal.” ETI.2 “We did some survey in our factories, and we have found some issues related to worker supervisor relations with the workers. And after that we have decided we should launch a programme related to supervisor training.” (Brand B.2) |

#### Dialectical tension between dialogue as delegation and retention of control

| Delegate problem-solving to the workplace | “It’s also about giving the right to the workers to be able to refuse to work in an unsafe factory, for them to be able to understand what their rights are, who do they go to talk and raise, and resolve and say this is something that’s worrying me” (Brand D.2) |
| Strengthen control over workplace relations | “We will not release that control. If anything we will strengthen that control (through social dialogue) from where we earlier had a bi-annual check, physical check from the factories we now have bottom-up data coming in to us from our supply chain.” (Brand A.1) |
| Change in approach to dealing with non-compliance | “The brands then raised the [non-compliance] issue with factory management. And to solve this problem I also invited both the brands and the factory owner to observe the worker training because these issues are raised there, and so they will understand better.” (ETI.2) “We also are drilling a little bit deeper to make sure that the management systems actually do work ... we hope that the most vulnerable worker is heard.” (Brand C.1) |

#### Dialectical tension between dialogue as a way to resolve non-compliances and continuing to exert downward pressure

| Dialogue reveals non-compliances | “social dialogue is like a step, we go to the factories, standards will be lifted, the committee we train them to make them functional. And then we would ask them to go and identify issues. It can be building safety, … , it can be something really small like that the factory needs to have clean water etc.” (Brand E.2) |
| Link between brands’ | “If workers are able to say, you know, ‘this thing is wrong’ and ‘this is a problem’…it gets to a situation where the factories at the end of the day they
downward pressure and non-compliances will just sort of be saying, you know, ‘you’ve got to pay us [suppliers] more or you’ve got to do this or do that or we’ll go out of business’ and that doesn’t solve the problem in the long run, does it?” (Brand B.2)

Rethinking position towards non-compliance

“I just feel sorry for factories, …they have hardly any capacity and asking them a million different things, … I think we lose credibility, we as in the brands collectively, we lose our credibility always knocking on their door.” (Brand E.1)

“I think the challenge we face at our level people who interact around the compliance and social dialogue piece is that actually in the more commercial buying side of the business at a higher level.” (Brand F.1)

ENDNOTES

i This minimum wage was raised in September 2018 to US$95 per month

ii Non-union forms of employee representation have been criticised for being inferior to union forms of participation, as they are often employer sponsored, or specifically set up to avoid union representation (Donaghey et al, 2012). Yet, when compared to no form of participation, they offer at least have some mechanism for worker participation and have hence seen growth in interest (Taras and Copping, 1997).

iii Even though freedom of association – workers being able to join independent trade unions – constitutes one of the ILO Core Labour Standards and typically forms a key provision in buyers’ codes of conduct, efforts for unionisation faced stiff opposition from employers. Bangladesh consistently features in the list of ten worst countries to be a trade unionist due to physical threats to the lives, freedom, and physical health of trade unionists (ITUC, 2018).

iv Anner (2019) reports that the price of cotton trousers exported to the US from Bangladesh decreased from $62.26 in 2013 to $54.29 in 2017 despite inflation and fluctuation in the price of cotton.