



## Limits to disclosures and the continuum of labour exploitation in the Bangladeshi ready-made garment sector

Shaila Ahmed & Shoba Arun

To cite this article: Shaila Ahmed & Shoba Arun (2022): Limits to disclosures and the continuum of labour exploitation in the Bangladeshi ready-made garment sector, *Development in Practice*, DOI: [10.1080/09614524.2022.2124958](https://doi.org/10.1080/09614524.2022.2124958)

To link to this article: <https://doi.org/10.1080/09614524.2022.2124958>



© 2022 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group



Published online: 30 Sep 2022.



[Submit your article to this journal](#)



Article views: 171





[View related articles](#)



[View Crossmark data](#)

# Limits to disclosures and the continuum of labour exploitation in the Bangladeshi ready-made garment sector

Shaila Ahmed  and Shoba Arun 

## ABSTRACT

This paper questions if enough is done to tackle modern slavery within the ready-made garments (RMG) supply chains, through the lens of disclosures in improving work practices. Using evidence from Bangladesh, we find how there is a continuum of labour exploitation where the reality of forced labour is not a static one, but a continuum of experiences highlighting the complexity of the exploitative environment within the dominant neoliberal logic of transparency disclosures. It is imperative not only to make disclosures more robust through due diligence, but support capacity to address exploitation at the lower end of the supply chain.

## ARTICLE HISTORY

Received 8 March 2022

Accepted 9 September 2022

## KEYWORDS

Gender and diversity; globalisation; labour and livelihoods; South Asia

## 1. Introduction

This paper stems from an interest in the role of disclosures in improving work practices within the ready-made garments (RMG) supply chains. Modern slavery came under the public spotlight following recent industrial disasters and is recognised in the United Nations' Sustainable Development Goals (SDGs).<sup>1</sup> Drawing from the U.K. *Modern Slavery Act in 2015*, as part of Section 54, large supply companies are required to comply to ensure that their supply chains are free from slavery. The 2015 Act includes a clause on transparency in supply chains similar to the *California Supply Chain Transparency Act*. Thus, legislative reforms have been put forward in developed economies where big corporations operate, such as the U.K., focusing on transparency, vigilance and action (Begum and Solaiman 2016; Crane et al. 2019; ILO 2018; LeBaron and Rühmkorf 2017). However, there have not been many academic studies focused on the nature and quality of disclosures on modern slavery (See Christ, Rao, and Burritt 2019). Crane (2013) argues that the "value trap" is a catalyst for slavery in the supply chain. Drawing on this concept, we argue that, when most surplus value is extracted upstream, companies downstream may mobilise exploitative forms of labour to extract as much as possible from labour, especially in labour-intensive industries such as ready-made garments. This leads to a continuum of labour exploitation with a blurred line between violation of labour standards and forced labour (Skrivankova 2010; Steinfeld 2009) where the reality of forced labour is not a static one, but a continuum of experiences highlighting the complexity of the exploitative environment that interact with the individual situations of workers.

This paper presents an investigation of modern slavery disclosures by U.K. corporations, and wholly export-oriented Bangladeshi RMG factories that supply ten U.K. corporations committed to and compliant with the U.K. *Modern Slavery Act 2015*. Section 2 of this paper defines forced-labour aspects of modern slavery, explains related disclosure requirements, and reviews issues of forced work within global supply chains. The theoretical concept of value-trap slavery is discussed

**CONTACT** Shoba Arun  s.arun@mmu.ac.uk

© 2022 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group

This is an Open Access article distributed under the terms of the Creative Commons Attribution-NonCommercial-NoDerivatives License (<http://creativecommons.org/licenses/by-nc-nd/4.0/>), which permits non-commercial re-use, distribution, and reproduction in any medium, provided the original work is properly cited, and is not altered, transformed, or built upon in any way.

in Section 3. Section 4 explains the research methods, and the empirical findings are presented in Section 5. Section 6 highlights the limits to addressing forced labour practices in supply chains. Section 7 concludes by highlighting the contributions of this study, and proposing ways to enable disclosures to disrupt the continuum of labour exploitation in the supply chains.

## 2. Forced labour and modern slavery disclosures and practices

According to the U.K.'s *Modern Slavery Act 2015*, "modern slavery" encompasses the offences of slavery, servitude, forced or compulsory labour, child labour, and human trafficking. This paper focuses only on forced labour, which is when a person enters (or provides) work or service without freedom of choice and cannot leave it without penalty or the threat of penalty. Forced labour is defined as "all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily" (ILO 1930). It involves coercion, through either direct threats of violence or more subtle forms of compulsion. For example, compulsory overtime above the legal limits may constitute forced labour when combined with the threat of a penalty. If workers fear dismissal for refusing such overtime, or if it is the only way that vulnerable workers can earn the minimum wage, then they can be considered victims of forced labour. Some cases of exploitation, whilst constituting poor labour conditions, nevertheless do not meet the threshold for modern slavery – for example, someone may choose to work for less than the national minimum wage, or in undesirable or unsafe conditions, perhaps with long working hours, without being forced or deceived. Such practices may not amount to modern slavery if employees can leave freely without threat to themselves or their families. Forced labour is linked to compulsory overtime, debt bondage, informalisation of the workforce, and sub-contracting, which are known to exist in RMG supply chains (Jenkins and Blyton 2016; Barrientos, Kothari, and Phillips 2013).

The *Modern Slavery Act 2015* is a reactive response by the U.K. government to human rights disasters in Bangladesh and exploitative work practices across global supply chains. Its purpose is to encourage U.K. companies to take steps to alleviate modern slavery conditions in their supply chains. This paper seeks to explain key developments in supply-chain transparency legislation (or regulatory reform) that appear to have prompted moves toward modern slavery reporting. The focus is mainly on the reporting requirements introduced by Section 54 of the *Modern Slavery Act 2015*. This states that any organisation carrying on a business in the U.K. with a yearly turnover of £36 million or more must publish on its website a "slavery and human trafficking statement" for each financial year. In this statement, the company must report on measures taken to prevent slavery in its business and supply chains, or report if no such measures have been taken. The Act defines a range of offences, including slavery, servitude and forced labour, and human trafficking). There are also limited penalties for non-compliance, with reliance on market forces to encourage self-reporting (UK Government 2019). The rapid development of this supply-chain transparency reporting requirement demands grounded academic research to enable informed policy reforms and practice. The emerging accounting literature on modern slavery appears to construe disclosures and transparency positively for dealing with issues relating to modern slavery and human rights abuses (Christ, Rao, and Burritt 2019). Whether corporate transparency through disclosures is sufficient to bring about changes in practice has been questioned (Boiral 2013). The apparent inability of conventional transparency measures to respond to the emerging human rights agenda is noted in extant studies (Sikka 2011). In particular, previous studies highlight the limits of disclosures, and demonstrate the gap between disclosures and practices relating to modern slavery (Gold and Heikkurinen 2018; LeBaron and Rühmkorf 2017). Few studies appear to have been conducted on the gap between disclosures and modern slavery practices, and these fail to explain its persistence or reflect on the perpetuation of modern slavery, especially in supply chains. Such reflection and discussion in the context of relationships between supply chains and global companies are crucial, not only to improve the quality of disclosures by global companies,

but also to articulate the steps necessary by global companies to fight modern slavery. This paper builds on both streams of literature, drawing on the concept of value-trap slavery and supply-chain interventions such as disclosures and transparency, as discussed below.

### **3. The continuum of exploitation, value-trap, and the Bangladesh RMG industry**

Global clothing giants have frequently been in the spotlight regarding human rights violations (Human Rights Watch 2015). The RMG industry in Bangladesh, a major sourcing destination for European clothing brands and retailers, including U.K. firms, is the second largest exporter of garments, and its firms have been responsible for the most serious human rights violations in the recent past. The RMG industry in Bangladesh is labour intensive, so the potential for exploitative practices is very high with ineffective institutional conditions and poor enforcement of labour laws.

Value-trap slavery arises from and within the power relations underpinning contemporary global supply chains. The market power of global corporations plays a critical role in shaping value distribution along the supply chain. The normal functioning of global production rests on the construction and utilisation of labour in a way that delivers maximum flexibility for factories, limits labour's ability to negotiate within production relations and maximises returns on capital. It has built-in mechanisms for bottom-up value capture that operate through "adverse incorporation" (Phillips 2013). Under conditions of adverse incorporation, poor workers are forced to prioritise their short-term practical needs, intensifying their vulnerability to exploitative conditions, including forced labour, and their exploitation in turn serves as a key mechanism for impoverishment (Phillips 2013). This leads to the expansion of insecure and exploitative work in developing countries, performed by highly vulnerable and disenfranchised labour.

In the context of weak institutional support for workers, especially in poorer countries, local factories often break the law by denying appropriate working conditions to workers (Siddiqui and Uddin 2016). Thus, it is argued here that U.K. supply chains located in Bangladesh exhibit the necessary conditions for the deployment of modern slavery to extract as much as possible from workers, legally and/or illegally.

Thus, the paper rests on the following aims. First, it builds on previously raised questions about the effectiveness of disclosures as a means to fight modern slavery and human rights abuses in global production. Building on the limits of disclosures, this paper aims to give visibility to inherent tensions between supply chain entities and their global partners, which have severe implications for the perpetuation of slavery and initiatives to prevent it. To this end, it seeks to reveal gaps in supply-chain disclosures and practices. More importantly, it draws on the "value-trap slavery" theory (Crane 2013) to reflect on relationships between U.K. clothing giants and their supply chains, in order to understand the perpetuation of modern slavery and link it back to existing and potential steps by these big corporations. Second, the paper builds on studies that speak to the nature and quality of disclosures needed to ensure corporate accountability. This paper proposes a robust transparency model involving disclosures of preventative steps to readdress the continuum of exploitation within supply chains.

### **4. Research methods**

This paper forms part of larger project on labour voice and social compliance audits in Bangladeshi RMG factories in the supply chains of reporting U.K. companies. This is seen as a potentially important area of research to inform early developments and the current state of play in transparency reporting practices, shedding light on the diverse ways in which transparency reporting is construed in work settings at the upstream of supply chains, and the apparent disconnect between stakeholders' perspectives and what happens on the ground.

Field visits were made to five factories in Dhaka that are the first tier (direct) suppliers of the U.K. and other Western clothing brands and retailers. The field data consist of primary data collected

through interviews with various supply-chain stakeholders, documentary evidence, and observations during field visits. Thirteen semi-structured interviews were undertaken with factory owners (two), supervisors/managers (six), workers (one group interview), auditors (one), buyer representatives (one), and NGO/civil society members (two). Our access to the factories was gained by convincing factory management about the purpose and ethical approval of the research. Complete anonymity was granted to the factories, managers, and other interviewees. Informed consent was given, and approval was from the ethics board of the University of Essex.

Workers, mostly women, were interviewed outside their factory premises to ensure anonymity and confidentiality. These workers were identified and contacted with the help of NGO personnel working in the community and personal networks of the research team. We conducted a group interview mainly due to difficulties in accessing the workers linked with their long working hours. Open-ended interview guides were designed to elicit conversation with study participants. Interviews with workers, factory owners, and managers were designed to understand the labour processes, and how these were organised in the workplace to control worker behaviour and output. We also aim to understand the role of codes of standards, disclosures, and audit-based mechanisms to monitor exploitative labour practices. All discussions were conducted in Bengali, the native language. All interviews were audio recorded with consent from participants. On an average, the interviews lasted between 30 and 90 min. In total, 19 h of recorded interviews were transcribed and translated into English. Data were also derived from documentary analysis, consisting of published and unpublished documents (such as audit reports, factory time records, corrective action plans, and other compliance-related documents), as well as academic publications, and media and NGO reports. Additional data were obtained through observations during field visits. Furthermore, attempts were made to gain a deeper understanding of management control through informal conversations with operators, supervisors, and managers during the field trips. These conversations and observations were recorded as handwritten notes.

## **5. The exploitative labour practices in the RMG sector**

Here we detail findings on forced labour conditions in five factories that produce for and are direct suppliers to the ten U.K. companies. While these factories are seemingly compliant with standards set by global buyers, numerous forms of involuntary labour practices co-exist. Our field visits to factories suggest that the continuum of workplace exploitation prevail in many forms as follows:

### **5.1. Excessive workload and compulsory overtime**

The Rana Plaza disaster in 2013 intensified the compliance and monitoring pressures of global buyers and other stakeholders. To date, the Accord on Fire and Building Safety and the Alliance for Bangladesh Worker Safety have resulted in improved workplace safety. Despite such improvement, the demand for increased economic value (i.e. larger profit) makes workers exposed to labour processes/conditions that gradually worsen, sometimes leading to exploitations. The rising compliance costs and fierce competition lead many factories to aggressively invest in technologies and expertise to maximise the value from labour process in the post-Rana Plaza context. To improve operational and cost efficiency, expatriates (mostly from India and Sri Lanka) are recruited in the top and mid-level management positions. Sophisticated technologies and line set-ups allow factories to continuously cut the standard minutes value (SMV). All these result in work intensification, tight disciplinary measures, and exploitative labour process.

Particularly the machine operators are increasingly facing intensification of workload. The machine operators' work is a highly feminised area. These operators, mostly migrated rural women, are salaried workers with daily production targets. Workers complain that managers set "unrealistic" and "inhuman" production targets, making 12- to 13-hour working days a more or less regular occurrence for the operators, and even allowing the factories not to pay overtime

wages. According to a study by the Workers' Rights Consortium, average working hours currently stand at 60–80 h per week. Local law sets a maximum of two hours' overtime a day, with the average working week not exceeding 56 h. The law also prohibits requiring workers to work between 10pm and 6am without their consent. The ILO convention is a maximum of 48 h per week, plus 12 h of overtime which can only be applied on an *ad hoc* basis. Nevertheless, violations of local and international recommendations on working hours are the norm, as reflected in the following worker's comment:

We regularly work from 8am in the morning till 9–10pm at night, including Fridays [weekly holiday in Bangladesh], and often till 3am, particularly near the delivery date and during the peak season. We try our best to finish targets so that we can leave on time; then supervisors increase them and keep on scolding us the whole time to work faster. (Machine operator from factory E, female)

Workers choose to silently endure systematic deprivation of their liberty, by not refusing overtime nor excessive workloads, as reflected in the following worker's comment:

Some days, when a new design starts, mistakes happen. You know, we are not machines; we work till midnight or more without any break. Supervisors keep on scolding us, cut overtime pay for not working fast enough, we lose valuable time to rework. I feel so exhausted, but there is no rest. We just listen. If we speak, they start harassing us, so no one complains [about overtime]. (Machine operator from factory B, female)

Excessive and compulsory overtime, which is labelled as "slave labour" in the local and international media, is not limited to our cases (The Guardian 2018). Forced labour (labelled as a form of modern slavery under the U.K. Act) is increasingly recognised as a phenomenon of concern to global production, contributing to \$150 billion in profits every year (ILO 2014). Despite increased compliance and monitoring measures by global buyers and other stakeholders, focusing mainly on workplace safety, exploitative labour practices such as forced labour and labour rights violations are increasing. The post-Rana Plaza regime (2012–2015) has seen a 12 per cent increase in labour rights violations (see Anner 2018). Female operators enter into employment relations as free labour, but face severe economic and extra-economic compulsions that deter them from escaping exploitation.

## **5.2. Violence at work and gender targeting**

Violence in the factories has been reported in the media and was also reflected in our interviews. Workers' inability to meet production targets frequently results in various punishments, including verbal abuse, slapping, throwing heavy objects at workers, working overtime without pay, wage deductions, and threats of being fired. Line-chiefs and supervisors resort to various humiliating practices, mainly targeting women, who do not protest, out of shame. This benefits factory management in terms of the labourers' docility. As one noted:

One of our motherly, aged, elderly colleagues was given sit-up punishment, holding her ear and saying loudly in front of all of us that such a mistake should never happen, just for mistakenly giving an estimate of overtime [to the auditor] which did not match the official records. (Machine operator from factory D, male)

Female workers, increasingly subjected to working-hour abuses, suffer in silence out of the fear of violence. Managers interviewed seemingly did not reject their practice of working-hour abuses. They justify their practices arguing that female operators tend to work faster than male counterparts to avoid night shift as they have family responsibilities. They are easy to control, become ashamed easily, and do not wish to be harassed. But male workers have a thick skin: always gossip, ask for breaks, spend time at the toilet, sometimes intentionally go slow, and argue on everything. One manager described male workers as "disobedient" and "non-cooperative".

Managers informed us about the commonly used disciplinary mechanisms, many of which are gender-based such as limited toilet time, cutting off lunch breaks, withdrawal of overtime payments to force to gain consent for overtime/ night shifts, intentionally failing quality checks, and forced

reworking. Coercive disciplinary measures are common. Female workers often rely on third party middlemen (locally known as “Dalals”) to protect themselves from workplace violence and abuses. These *Dalals* are labour contractors who are often linked with local thugs, factory supervisors, and industry police. The following comment is a testament to this:

Contractor affiliation is very important to protect honour. Whenever I have any problem with factory supervisors, I let him know and he talks with them to solve that. (Machine operator from factory D, female)

Another worker commented,

Not all conditions are written on employment contracts. The contractor who took me to the factory told me that no pregnancy within three years of employment and no job during pregnancy. But maternity leave is allowed in the contract. (Machine operator from factory E, female)

Violence against women is also common in other factories. One NGO leader explained:

From our experience so far, we find that young, unmarried girls and new hires are systematically exposed to workplace violence and intimidation to force them to work faster for irregular and excessive hours. (NGO leader and Labour right activist)

Even incentive systems designed to discipline workers into regular attendance are humiliating, such as the attendance bonus. This deprives workers from legally mandated leave entitlements, as one worker noted, she and her colleagues often give up weekly off-days, depending on demand, to get a Tk.500 (approx. £5) attendance bonus. For one day of late attendance, Tk.300 is deducted, and if this happens twice, no bonus is paid.

### **5.3. Lack of autonomy and workplace rights**

Long, tedious, and irregular working hours without adequate breaks have dire consequences for workers. Many reported having stress-related illnesses, including depression, headaches, ulcers, chronic leg pain, and fatigue. Yet they could not contemplate negotiating and bargaining collectively for regular fixed working hours, or demanding redress for working-hour abuses. As one worker put it:

Factory supervisors are connected to labour contractors, local thugs and industry police. On the way to home or factory, hired thugs of factory management may harass you or ask for money or threaten physical assault, bringing false allegations such as theft of factory valuables; If managers complain, industry police come to the slums to interrogate us about trade union membership and give threats of arrest for conspiracy against the management. We have cards (trade union membership), but we keep them secret. In case of accidents, we can use them. (Machine operator from factory C, female)

Workers fear being blacklisted if they complain about overtime, night shifts, or hourly targets. Anyone listed in the industry police records will not get a job anywhere because these records are circulated to the factories.

Coercive measures not only include the usual punishments described earlier; managers also attempt to restrict workers’ freedom. For instance, workers’ national ID cards are often taken away from them so that they are unable to use them to access public services or get other jobs elsewhere. Another common approach to coerce them into meeting managers’ demands is to retain a portion of their salaries in arrears (including overtime) on a continuous basis. Workers are unable to leave their jobs without risking loss of these documents or salary payments. One manager opined: “regular work is so painful for these poor people, if they just earn some money they will not return to work until they finish it and are left with nothing to eat” (Line manager, factory A). Without denying the above complaints and allegations, managers said that they are forced to use coercive measures. As one manager put it: “In the line set-up, if one worker is absent, the whole process will be delayed; so we rely on coercive measures even if we understand the female operators’ difficulties” (Production manager, factory B). Production managers characterised these as “disciplinary control measures”,



arguing that otherwise the workers would switch factories, be absent or refuse to do overtime, making it difficult to control them.

## 6. Limits to addressing forced labour practices

Supply-chain interventions are intended to enable global companies to prevent modern slavery, or at least give an appearance of proactiveness to wider stakeholders. Third-party audits and disclosures of these audits are seen as the most reported measures by the U.K. companies to prevent slavery in their supply chains. Do U.K. corporations see these abuses in their audit reports? Our fieldwork reveals that U.K. corporations are able to see at least a hint of such violations, despite managerial attempts to hide them. This again contributes to the complexity of the continuum of exploitative practices.

Dodgy documents and bookkeeping make it difficult for auditors to spot exploitation. Our interviews revealed that workers are often coerced into lying to auditors to convince them, so far as they can, about code compliance and labour standards. Official records of working hours are often manipulated. Workers punch their cards at 5 or 7pm for the official records, only to return to work late into the night with no break. Salaries, legal overtime, and other benefits are printed on the system-generated pay slips, while unofficial overtime pay is deliberately scribbled on them afterwards.

The interviews with owners, managers, and workers, documentary reviews, and onsite visits reveal that the auditors issue a formal audit report, which grades the factories according to their assessment. These graded audit findings are shared with the factories and their global partners. While managers exert significant efforts to hide code violations, audit reports do appear to flag up such violations, such as discrepancies in work schedules, time records, and overtime payments, no entry in the maternity register and absence of age verifications, etc. In such cases, the factories are required to submit Corrective Action Plans (CAP). All CAPs, full audit reports, factories' planned actions, the people in charge, deadlines, and budgets allocated to address the audit findings are required to be uploaded onto an online portal within 60 days of the audit (BSCI 2014). U.K. corporations are able to access the online reports before engaging with the supply chain. Though less detailed than the findings of the present study, the CAPS reveal forced overtime, unavailability of fire safety equipment and weak grievance management mechanisms as recurring concerns. The CAPs also blame perpetuation of the violations on lack of resources, in terms of funding, manpower, and time, and articulate this as an issue to be addressed in the longer term.

Competition limits the bargaining power of suppliers who mostly rely on corporate buyers for production orders. In the lean production context, with substantially lower costs resulting from switching suppliers, big corporate buyers often secure the prices they want by playing off suppliers against each other. A representative of a corporate buyer in Bangladesh revealed during an interview with Reuters:

It's not so much the fault of the brands as the employers who are under-cutting each other. If people are under-cutting each other, of course we take advantage of that – so prices are going down and down and down. (Reuters 2013)

Notably, since the Rana Plaza disaster, the prices paid by corporations have declined by 13 per cent (Anner 2018). The factories in this study are not the only ones to have suffered from the sourcing squeeze. According to a recent study by the ILO (2016), 25–53 per cent of factories in major garment-exporting countries, including Cambodia, Pakistan, Indonesia, India, and the Philippines, failed to pay even the legal minimum wage. According to one manager: “Buyers look to shave off the lead time to increase the bottom line. For us, a shorter lead time means more frequent orders, more revenues.” Factory owner-managers complained about “tough negotiations” during the pre-production stage over quality and price, which cut down the lead time. One owner justified regular overtime, a common area of non-compliance, as follows:



Double-shift (day and night) work is regular. We are handicapped. We do not get bulk and repeat orders. With the shortest ever lead time, buyers keep on making changes until the last minute. No concession for any delay; we have to air freight. (Owner of Factory B)

Anner (2018) reports that lead times declined by 8.14 per cent on average between 2012 and 2015. The push for shorter lead times exacerbates the need for more flexible working hours, temporary staff, and informalisation of working arrangements. Managers argue that they cope with the changing situation by increasing overtime, intensifying the work process, often by imposing strict disciplinary measures.

Under CSR-based compliance systems, the burden of compliance falls on the small suppliers, even though a typical supplier controls only a meagre five per cent of the retail cost of most garments, including the cost of labour (Fair Wear Foundation 2012). To the local suppliers, the audit and compliance process is unfair and disproportionate to the margins they obtain. They are forced to squeeze labour and overhead costs, which has a knock-on effect on cost recovery with regard to labour standards. In addition to the ever-increasing fixed-cost commitment driven by compliance pressures, the buyer-driven “fast-fashion” business model intensifies quick turnaround, quality, and cost pressures, making violations of labour standards not just likely but inevitable in certain situations.

For some, corporate buyers’ insensitive demand for compliance forces them to embrace the easy route of superficial compliance. Audit and monitoring systems are apparently construed as more of a publicity stunt by powerful buyers like U.K. corporations, with little or no commitment to bringing about improved working conditions in suppliers’ facilities. This was reflected by an owner:

Rana Plaza was a severe blow for the “Made in Bangladesh” tag. Many small and medium factories closed for non-compliance. The misery is, with a continuous price drop, buyers demand better labour standards. They need compliance audits, safety certificates for their business interest. We bear the cost and hassle of compliance only for them to get orders. No support, let alone price adjustment, comes from their side to implement those standards. (Owner of Factory A)

Factory owners insist on the importance of shared responsibility and development of a business case for improving labour standards, which they say is currently lacking. It is argued that they are price takers, and that a little compromise on profits by buyers would go a long way in helping them to achieve compliance. Thus while global buyers have called on Bangladeshi factories to improve safety standards and wages, they resist paying higher prices to help compensate for the increased costs (The New York Times 2017).

## 7. Concluding remarks

Returning to the question posed earlier, this paper has sought to demonstrate the gap between U.K. corporations’ disclosures in modern slavery statements, and continuum of exploitation through forced work practices in global supply chains. In addressing these issues, the study makes a major contribution to policy debates on transparency disclosures, compliance, and modern slavery. This is elaborated below.

First, the *Modern Slavery Act 2015* does not seem to have had any significant impact on slavery practices in U.K. firms’ supply chains. Workers continue to be subjected to exploitation, not only departing from the code of compliance, but also violating human rights and laws in the settings in which they operate. These are manifested in the factories’ day-to-day activities. Restricting freedom of movement by holding wages in arrears, retaining national ID cards, preventing unionisation, engaging in violence, and instituting compulsory overtime are some of the measures adopted in the factories studied. Clearly, workers are in no position to seek support from the state or labour unions.

Second, the concept of value-trap slavery explicates important underlying reasons for continued slavery. The supply chain is trapped in a vicious cycle of meeting buyers’ demands for shorter lead times and strict delivery standards, accompanied by compliance pressures. According to local

stakeholders, all these have brought an acute dimension to factories' approaches to cost recovery which increases the inevitability of exploitations, in some instances driving it underground. Reforms such as the Modern Slavery Act and social auditing appear to bring transparency but, as Gold and Heikkurinen (2018) argue, actually turn out to be counterproductive to preventing such practices. As the findings of this study suggest, corporations' business models, lack of shared responsibility, and taking advantage of industrial disasters to squeeze suppliers drive workers further into the abyss of exploitation and misery, while the corporations receive plaudits for their compliance.

Although there is no clear or easy remedy to this problem, the conditions that generate such a continuum of exploitation, go beyond that of modern slavery, and should be at the centre of any policy reform. International responses, such as mandated transparency disclosures under the *Modern Slavery Act 2015*, must deal with the challenge of building stakeholder awareness and increasing vigilance to the underlying conditions that produce slavery. It is argued here that the dominant neoliberal logic of transparency disclosures is often framed without due regard for the apparent lack of any business case for social compliance at the supply chains. At the same time, there is limited knowledge at the policy level of the value of transparency disclosures on slavery in terms of their impact on exploitative conditions. Thus, it is imperative not only to make disclosures more robust through due diligence, but also to encourage global clothing giants to contribute to the compliance process and develop their capacity to fight modern slavery at the lower end of the supply chain.

## Note

1. Target 8.7 of the SDGs is to eradicate forced labour, end modern slavery and human trafficking by 2030 (United Nations, 2015).

## Disclosure statement

No potential conflict of interest was reported by the authors.

## Notes on contributors

**Shaila Ahmed** is a Lecturer in Accounting at Essex Business School, University of Essex. She holds a PhD in Accounting from University of Essex. Her research interest lies in critical accounting, corporate accountability, governance and sustainability practices, modern slavery and labour control in the global supply chains. She has published research papers in journals such as *Accounting, Auditing and Accountability Journal*, *Accounting Forum* and *Critical Perspectives on International Business*.

**Professor Shoba Arun** is Professor of International Sociology in the Department of Sociology at the Manchester Metropolitan University, United Kingdom, with research interests on global social identities and inequalities with a keen interest in migration studies and actively publishing in many academic journals, book and blogs. She is a Senior Fellow of the Higher Education Academy and member of the British Sociological Association and the Global Studies Association, UK. She serves on the Editorial Board of the *Work, Employment and Society Journal*. Her latest book, *Development and Gender Capital in India: Change, Continuity and Conflict in Kerala* (Routledge, 2017) adopts a feminist Bourdieusian approach to the gendered economy and society of the Indian state of Kerala in the global south. She has just completed her role as UK Lead and PI for the Horizon 2020 Project on MICREATE- Migrant Children and Communities in a Transforming Europe, see [www.micreate.eu](http://www.micreate.eu). She is also Director of the Research Centre for Applied Social Sciences, and co-convenes the Migration and Interdisciplinary Global Studies Research Cluster.

## ORCID

Shaila Ahmed  <http://orcid.org/0000-0002-0725-5968>

Shoba Arun  <http://orcid.org/0000-0003-2950-3157>

## References

- Anner, M. 2018. *Binding Power: The Sourcing Squeeze, Workers' Rights, and Building Safety in Bangladesh Since Rana Plaza*, 1–43. Center for Global Workers' Rights (CGWR).
- Barrientos, S., U. Kothari, and N. Phillips. 2013. "Dynamics of Unfree Labour in the Contemporary Global Economy." *The Journal of Development Studies* 49 (8): 1037–1041.
- Begum, A., and S. M. Solaiman. 2016. "Rana Disaster: How Far Can We Proceed with CSR?" *Journal of Financial Crime* 23: 748–768.
- Boiral, O. 2013. "Sustainability Reports as Simulacra? A Counter-Account of A and A+ GRI Reports." *Accounting, Auditing & Accountability Journal* 26 (7): 1036–1071.
- BSCI. 2014. *BSCI System Manual, Version 2*. Brussels: Foreign Trade Association, Business Social Compliance Initiative (BSCI).
- Christ, K. L., K. K. Rao, and R. L. Burritt. 2019. "Accounting for Modern Slavery: An Analysis of Australian Listed Company Disclosures." *Accounting, Auditing & Accountability Journal* 32 (3): 836–865.
- Crane, A. 2013. "Modern Slavery as a Management Practice: Exploring the Conditions and Capabilities for Human Exploitation." *Academy of Management Review* 38 (1): 49–69.
- Crane, A., G. LeBaron, J. Allain, and L. Behbahani. 2019. "Governance Gaps in Eradicating Forced Labor: From Global to Domestic Supply Chains." *Regulation & Governance* 13 (1): 86–106.
- Fair Wear Foundation. 2012. *Climbing the Ladder to Living Wages*. Amsterdam: Fair Wear Foundation.
- Gold, S., and P. Heikkurinen. 2018. "Transparency Fallacy." *Accounting, Auditing & Accountability Journal* 31 (1): 318–337.
- The Guardian. 2018. "Abuse Is Daily Reality for Female Garment Workers for Gap and H&M, Says Report." <https://www.theguardian.com/globaldevelopment/2018/jun/05/female-garment-workers-gap-hm-south-asia>.
- Human Rights Watch. 2015. *Whoever Raises Their Head Suffers the Most: Workers' Rights in Bangladesh's Garment Factories*. London: Human Rights Watch.
- ILO. 1930. *Forced Labour Convention* (No. 29). Geneva: International Labour Organization.
- ILO. 2014. *Profits and Poverty: The Economics of Forced Labour*. Geneva: International Labour Organization.
- ILO. 2016. *Weak Minimum Wage Compliance in Asia's Garment Industry*. Bangkok: ILO Regional Office for Asia and the Pacific.
- ILO. 2018. *Ending Forced Labour by 2030: A Review of Policies and Programmes*. Geneva: International Labour Organization.
- Jenkins, J., and P. Blyton. 2016. "In Debt to the Time-Bank: The Manipulation of Working Time in Indian Garment Factories and 'Working' Dead Horse." *Work, Employment and Society* 1 (1): 1–16.
- LeBaron, G., and A. Rühmkorf. 2017. "Steering CSR Through Home State Regulation: A Comparison of the Impact of the UK Bribery Act and Modern Slavery Act on Global Supply Chain Governance." *Global Policy* 8 (3): 15–28.
- The New York Times. 2017. "Protests in Bangladesh Shake a Global Workshop for Apparel." <https://www.nytimes.com/2017/01/22/business/bangladesh-protest-apparel-clothing.html>.
- Phillips, N. 2013. "Unfree Labour and Adverse Incorporation in the Global Economy: Comparative Perspectives from Brazil and India." *Economy and Society* 42 (2): 171–196.
- Reuters. 2013. "Special Report: How Textile Kings Weave a Hold on Bangladesh." Accessed December 10, 2016. <http://www.reuters.com/article/2013/05/03/us-bangladesh-garments-special-report-idUSBRE9411CX20130503#5rBWbG9SESlvvlx8.97>.
- Siddiqui, J., and S. Uddin. 2016. "Human Rights Disasters, Corporate Accountability and the State: Lessons Learned from Rana Plaza." *Accounting, Auditing & Accountability Journal* 29 (4): 679–704.
- Sikka, P. 2011. "Accounting for Human Rights: The Challenge of Globalisation and Foreign Investment Agreements." *Critical Perspectives on Accounting* 22 (8): 811–827.
- Skrivankova, K. 2010. *Between Decent Work and Forced Labour: Examining the Continuum of Exploitation*. York: Joseph Rowntree Foundation.
- Steinfeld, R. 2009. *Coercion/Consent in Labor*. Working Paper No. 66. Oxford: Centre on Migration, Policy and Society, University of Oxford.
- UK Government. 2019. *The Independent Review of the Modern Slavery Act : Second interim report*.
- United Nations. 2015. *Transforming our World: The 2030 Agenda for Sustainable Development*. <https://sustainabledevelopment.un.org/post2015/transformingourworld>.