

Supply Chain Accountability, COVID-19, and Violations of Workers' Rights in the Global Clothing Supply Chain

Abstract

Purpose – This study aims to contribute to the debate on the efficacy of softer regulations to prevent violations of workers' rights in the global clothing supply chain.

Design/methodology/approach – This study draws on value trap and adverse incorporations as a theoretical lens to understand the reasons behind the continued violations of workers' rights. The empirical findings are based on an analysis of 24 semi-structured interviews with workers and owners. Extensive documentary evidence to track the plight of workers in Bangladeshi clothing factories during the pandemic.

Findings – Our study demonstrates how imbalances in supply chain relationships allow retailers to take advantage of the pandemic. We find that some retailers worsened the working conditions by cancelling orders, demanding discounts on old orders, and forcing suppliers to agree to a lower price for new orders. Large brands and retailers' responses to the COVID-19 pandemic remind us that softer regulations, such as third-party audits, are likely to be ineffective given the power imbalance at the heart of the supply chain.

Originality/value – Drawing on studies on adverse incorporations, value-trapped supply chains, and the plight of workers during the COVID-19 pandemic, the study offers a broader understanding of the continued violation of workers' rights and the efficacy of softer regulations.

Practical implications - The study presents a case for regulatory frameworks and intense stakeholder activism to encourage large retailers and brands to behave responsibly. This is especially important when a supply chain is value-trapped and workers are adversely incorporated and unprotected.

Keywords: COVID-19, Supply Chain Accountability, Soft Regulations, Stakeholder activism, Clothing industry, Workers' rights, Human Rights, Value Traps, Adverse incorporations, Bangladeshi workers, Supply chain relationships

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1. Introduction

The COVID-19 pandemic had a devastating impact on the global economy. According to the World Trade Organisation (WTO, hereafter), the world merchandise trade and GDP fell by 5.3% and 3.8%, respectively, in 2020, leading to approximately 255 million job losses worldwide (WTO, 2021). The global clothing supply chain is no exception. Following the outbreak, many large retailers cancelled orders and stopped paying their suppliers. This resulted in the partial or complete shutdown of thousands of suppliers in manufacturing countries. According to one report, large retailers offloaded their costs onto 40 million vulnerable and poor workers worldwide during the COVID-19 pandemic, leading them into poverty, exploitation, and abuse (Bloomer, 2020). Thus, questions such as how to prevent violations of workers' rights in the global clothing supply chain and how to make retailers more accountable to workers in the supply chain, have gained impetus (Anner, 2022; Bloomer, 2020).

Previous studies have evaluated various interventions, including voluntary regulations and stakeholder engagement, to hold retailers accountable (Evans, 2019; Gallhofer et al., 2011; Rotter et al., 2013). Softer approaches such as non-mandatory regulations, trust, and stakeholder activism have been considered to hold retailers accountable for supply chain workers (Free, 2008). Many retailers have adopted voluntary compliance and monitoring mechanisms (Amengual & Chirot, 2016). These mechanisms are supposed to encourage small suppliers to invest in structural improvements and inspection regimes for workers' safety, transferring the responsibility solely to small suppliers. Nevertheless, large retailers' attempts to protect workers and small suppliers through third-party audits have led to little or no improvements in workers' conditions (Ahlquist & Mosley, 2020; Bair et al., 2020; Locke, 2013). The poor working conditions of garment workers worldwide, including in Bangladesh, have been demonstrated in the literature (Ahmed & Uddin, 2022; Pike, 2020; Handfield, 2020).

The plight of workers during the COVID-19 pandemic has shed light on the debate surrounding the efficacy of softer regulations. The debate has focused on how retailers should assume more and direct responsibility for protecting the rights of the workers in the supply chain (Anner, 2022; Kuruvilla et al., 2020). This study advances the debate in several ways. First, we demonstrate how softer regulations cannot prevent workers' rights violations in global supply chains. We aim to explain how retailers treated workers' rights during the pandemic by drawing on accounts of suppliers and workers from the Bangladeshi clothing industry.

Second, the oppression and violation of workers' rights pre-dates the COVID-19 pandemic. In the UK, Hammer and Plugor (2019) have demonstrated how the fast-fashion supply chain engenders labour precarity even under non-pandemic conditions. Considering clothing factories in poorer countries, we argue that workers' conditions are worsening because retailers are unlikely to take responsibility for supply chain workers, especially during a pandemic. However, previous studies on enabling conditions that perpetuate workers' rights violations remain limited and need further scrutiny. In this context, the article draws on value traps and adverse incorporation to better understand the continued violation of workers' rights and the efficacy of softer regulations.

Third, drawing on empirical accounts and the relevant literature, the study proposes how retailers can be held accountable. We do not wish to claim that softer regulations have no success protecting workers. However, structural problems such as value traps within the supply chain and resulting adverse incorporation in poorer countries continue to impact unprotected workers and working conditions. Recently, mandatory regulations requiring retailers to ensure safe working conditions in the supply chain have received some attention (Evans, 2019). In France, the Corporate Duty of Vigilance Law was enacted in 2017 to ensure that large French companies develop and implement risk maps of their entire supply chains. Nevertheless, mandatory regulations remain controversial for Anglo-American retailers and brands.

The remainder of the study is organised as follows. Section 2 reviews the literature on retailers' strategies for softer interventions. Section 3 explains the concepts of adverse incorporation and value traps as means to enable continued workers' rights violations. Section 4 describes the research design and context of clothing factories in Bangladesh. The empirical findings are reported in Sections 5 and 6. Section 7 reflects on continued violations of workers' rights and some concluding remarks are provided in Section 8.

2. Retailers' Strategies for Softer Interventions

The literature demonstrates that rules (soft or hard) are critical for ensuring retailers' accountability to their stakeholders (Evans, 2019; Gallhofer et al., 2011). Softer regulations, such as voluntary compliance with BSCI (Business for Social Compliance Initiative), otherwise known as private regulations, have been severely scrutinised by scholars. Large retailers seem to adopt three main strategies to respond to soft regulations such as BSCI. First, they transfer responsibilities to small suppliers, who must bear the cost of compliance (Lewthwaite-Page, 1998). Knudsen (2012) has found evidence suggesting that retailers utilise their power to enrol small suppliers to opt-in for voluntary compliance and transfer the compliance costs to puffing suppliers. Retailers might incentivise suppliers with an excellent track record of compliance and accountability, for example, through enlarged purchase orders to cover the increased compliance costs. However, Amengual et al., (2019) have found that suppliers with better or improved conditions form 'the missing middle' who experience no improvements in their purchase orders despite higher compliance costs and better accountability.

Second, retailers exploit regulatory loopholes and ambiguity to evade effective compliance (Monciardini et al., 2021) and use voluntary compliance as a vehicle for legitimacy (Li & Haque, 2019). Third, denying responsibility is a common strategy used by retailers to defend their position (Dann & Haddow, 2007; Mackenzie, 2018). Dann and Haddow (2007, pp. 225-

230) have highlighted various excuses given by multinationals to deviate from fulfilling their responsibilities, for instance, ‘pragmatic calculation’ (p. 226) of losing market share, no illegal conduct or ‘abiding by law’ (p. 228), and ignorance.

A range of literature has examined other softer approaches, such as trust (Free, 2008) and morality (Ha-Brookshire, 2015), to ethicise supply chain relationships. Mora-Monge et al. (2019) have found that web-based supply chain actors perform better in cooperative environments built on trust than in coercive environments. Lee et al. (2019) have suggested that retailers may set up coalitions to increase their leverage for addressing labour issues related to suppliers in poorer countries. However, trust may not be effective or valuable when workers’ welfare is at stake. Swift (2001) has argued that trust is insufficient as an accountability tool unless endorsed by the ‘voices of wider stakeholders.’ This suggests a relational form of accountability based on ‘the tacit sense of moral propriety that develops among business associates and colleagues over time’ (Painter-Morland, 2007, p. 515). Free (2008) has found that buyers take ‘self-interested actions,’ reducing trust to a captive discourse that results in ‘distrust and cynicism’ in the buyer-supplier relationship. Infusing shared development goals into the supply chain may boost mutual accountability, commitment, and trust among supply chain actors in the apparel industry (Chowdhury et al., 2022). Pereira, Silva and Hendry (2021) have found that, during the COVID-19 pandemic, suppliers developed initiatives to support the local communities in sustaining the supply chain without any initiative from the buyers of Brazilian coffee. However, this phenomenon is rare, especially in the clothing supply chain.

The role of stakeholders' engagement in scrutinising and holding retailers accountable has also been noted in the literature (Rotter et al., 2013). Park-Poaps and Rees (2009) have concluded that influential stakeholders may force a company to adopt ethically responsible policies. Oka (2018) has identified the rising phenomenon of brand advocacy, where retailers pressure a producing country’s government to take pro-worker actions, such as respecting

activists' rights and raising minimum wages. Analysing news feeds and actions of 73 leading fashion firms, Hartmann (2021) has argued that big retailers positively respond to direct media exposure by adapting better strategies for vigilant and sustainable supply chain relationships. Anner (2022) has observed the power of voluntary campaigning - a broader coalition of members of civil societies, garment workers, suppliers, academics, and media – who made the buyers pay off US \$21 billion worldwide.

However, as discussed before, soft interventions in the supply chain have produced limited success in improving working conditions (Ahlquist & Mosley, 2020). Few studies have focused on providing broader explanations of continued violations of workers' rights, especially in clothing factories in poorer countries. This study aims to fill this gap. The notion of a 'value trap' reflecting the power of retailers and adverse incorporation is utilised to shed light on the inefficacy of soft/voluntary regulations.

3. Adverse Incorporation and Value Traps

Power imbalances and value traps have been noted in the supply chain literature to demonstrate how retailers take advantage of their market power, particularly in poorer nations beset with regulatory loopholes, lack of scrutiny, weak state mechanisms, and compliant labour markets (Crane, 2013). Venkatesh et al. (2020) have studied small sub-suppliers and revealed that retailers put enormous price pressures on small suppliers, driving them to ignore or not comply with the regulations. Retailers play a critical role in shaping value distribution along the supply chain (Amaeshi et al., 2007). The usual functioning of global production rests on constructing and utilising labour in a way that delivers maximum flexibility to suppliers, limits labour's ability to negotiate in production relations, deflects institutional isomorphism intended to eradicate unethical behaviours, and maximises returns on capital. These built-in mechanisms based on the bottom-up value trap operate through 'adverse incorporation' (Phillips, 2013;

Phillips & Mieres, 2014). We argue that retailers' associated networks or syndicates trap skilled labourers at meagre wages to extract surplus value.

Phillips (2013) has argued that 'the theory of adverse incorporation reveals the types and degree of relational processes of immiserising of workers inflicted by "particular kinds of power relations" in which the processes of impoverishment count rather than the "residual conditions" of poverty' (pp.175–176). Given the conditions of adverse incorporation, poor workers (in agriculture, garments and household support sectors) are forced to prioritise their short-term practical needs, intensifying their vulnerability to exploitative conditions, including forced labour, which leads to impoverishment (Phillips, 2013). Unregulated outsourcing, compliant labour market, toothless labour inspection systems, and global supply chain complexities desist voluntary compliance to reach out to poor workers (Phillips, 2013). The peculiarity of the sector, market structures, social categorisation, and political contexts determines the specific form, impact, and types of adverse incorporations engaged in the supply chain (Phillips, 2013). This leads to the expansion of insecure and exploitative work in poorer countries, characterised by highly vulnerable and disenfranchised labour. The market volatility during the COVID-19 pandemic enhanced the risk of exploitation for vulnerable workers and halted (often drew back) the progress achieved in abolishing modern slavery in the clothing industry (Alamgir et al., 2022; Cole & Shirgholami, 2021).

The combined influence of value traps and adverse incorporations can potentially contribute to the debate on the efficacy of softer regulatory frameworks in supply chain relationships. First, it offers insights into the underlying conditions of largely ineffective softer regulations in the global supply chain, which have been exposed during the pandemic. Second, it expands the scrutinisation of retailers and their associates in inducing labour-related misery and pressuring social sections (LeBaron & Phillips, 2018), which leads to the analysis of the

residual conditions instead of the processes of poverty (Phillips, 2013). These aspects are examined in light of empirical accounts.

4. Research Methods

The study focuses on global supply workers in Bangladesh. The clothing industry in Bangladesh has a 6.4% share of the total clothing export market. This sector employs 3.6 million (out of 4.4 million) women workers, 70% of them being under 30 (Heath & Mobarak, 2015). The fieldwork began in March 2020. Data collection continued until the manuscript submission. Our study is based on primary and publicly available data.

[INSERT TABLE 1 ABOUT HERE]

Using our research networks in Bangladesh, we conducted 24 interviews (three owners, one senior financial manager, and 20 workers). A local NGO connected us with workers willing to be interviewed. Following the approval of the study by the ethical committees of our institutions, we set the interview protocols. These included securing informed consent from the interviewees, sharing the project information and data management plan, and explaining the aim and objective of this project and their rights to participate in the study. We also explained how we would ensure the anonymity of their responses.

We developed two interview guides (one for workers and the other for the rest), relying on McGrath, Palmgren & Liljedahl's (2019) work. In the workers' interview guide, we posed questions about how they survived the pandemic, paid their rent, and bought food. Did they receive financial support from the government? Semantic validation (see Giarelli and Tulman, 2003) was performed (individually and collectively) using pattern-matching and comparisons with research objectives, research questions, and theoretical constructs (see also Uddin, Popesko, Papadaki & Wagner, 2021). We further enhanced the validity of the interviews by consulting a few colleagues who have previous experience in conducting interviews. After three interviews, we adjusted the interview guide (McGrath et al., 2019). We added a few

questions to understand workers' psychological trauma from sudden unemployment, loan burden, child education, and their uncertain future. We were careful to ensure the workers' well-being. When they became emotional during the interview, we took breaks and reminded them that they could stop talking to us anytime. However, all workers wanted to share their stories and make their voices heard.

Next, we formulated questions for owners and managers, focusing on how they avoided loss during the pandemic. What actions had they taken to prevent losses? How do they overcome financial obstacles? Does it impact their relationship with the buyers and workers? We also asked them about the negotiation process with the retailers. These questions were semantically validated, individually and collectively. After the first interview, we adjusted our interview guide to understand the value-trapped supply chain and how it affects the manufacturers in Bangladesh. Unlike workers, the owners were composed during the interview. However, they expressed their distress about financial loss. The duration of the interviews ranged between 12 and 50 minutes. All interviews were recorded except three. We transcribed the interviews verbatim and translated them into English.

The interviews were supported by publicly available data, including peer-reviewed journals, technical reports, published interviews, newspaper reports, and organisational webpages (see Table 1). We applied Boolean operators in our search (e.g., COVID-19 and Bangladesh Garment Industry) to maximise the search outputs from databases and Google. Our main goal was to capture the voices of various stakeholders, including workers, civil society, factory owners, and their association- Bangladesh Garment Manufacturers and Exporters Association (BGMEA), in the context of the COVID- 19 pandemic. We were keen to learn how and why retailers cancelled the orders, decided not to pay their workers, or asked for discounts. We also investigated the ongoing after-effects of the crisis, for example, how workers have suffered and what remedies they have received (including help from the

Bangladesh government) to survive the plight inflicted by retailers. Finally, we referred to the Twitter feed of various NGOs, such as the Clean Clothes Campaign to stay updated about the changes in retailers' decisions.

We used 'thematic analysis' (Braun & Clarke, 2006) to analyse the interview transcripts, secondary documents, and observational notes from social media using NVivo. Following the coding framework and semantic or latent meanings (Braun & Clarke, 2006), we developed the first-order codes in NVivo. The emergent codes (e.g., order cancellation, retail outlet closure, payment withheld, asking discount, denying payment, factory closure, redundancy, unemployment, layoff, no wage payment, partial wages, unpaid leave, and many others) helped us in recognising the participants' sensemaking of the COVID-19 pandemic. We revised the coded documents twice to ensure the relevance of the codes that are not interchangeable or redundant (Braun & Clarke, 2006).

Afterwards, we searched for relevant themes to capture the important aspects related to the research questions and objectives. Researchers should not immediately reject the emergent themes because they can be defined or combined with other themes while ensuring their boundaries. Therefore, each theme is meaningful and independent but coherently connected. We ensured that the themes provided a meaningful bridge between the data, research questions, and objectives (see Table 2).

[INSERT TABLE 2 ABOUT HERE]

Later, we reviewed and revised the themes while maintaining coherence and accuracy within the dataset (Braun & Clarke, 2006). Braun and Clarke (2006) have suggested that themes should be articulately named and defined, which might pique the interest of the readers of the analysis. Therefore, we named the final themes as *the human cost of cancelled orders*,

the strategies of retailers, and the power of activism in a pandemic. The final step of the thematic analysis is producing the report, which is ‘concisely, coherently, and logically without repetition’ (Braun & Clarke, 2006) presented in the next section.

5. Actions of Retailers, Workers’ Voices, and Stakeholders’ Activism

We developed an analytical framework by examining the literature on retailers’ strategies for softer interventions, a combination of adverse incorporations and value traps, and our findings (see Figure 1). This helps us better understand the continued violation of workers’ rights and the efficacy of softer regulations.

[INSERT FIGURE 1 ABOUT HERE]

By March 2020, global brands and retailers had cancelled \$24 billion worth of orders worldwide, mainly from Bangladesh, Cambodia, Sri Lanka and Vietnam (Kelly, 2020a). Millions of factory workers were sent home, often without legally mandated wages or severance pay (Worker Rights Consortium, 2020). Many of these vulnerable workers live in countries like Bangladesh, where labour is unprotected by retailers, suppliers, labour laws, or state agencies. All UK retailers that cancelled orders were committed to preventing modern slavery in their supply chains. Their published current slavery statements state that they had taken steps for the prevention of slavery by doing business with firms that comply with various codes on working conditions and human rights, particularly for suppliers in high-risk countries such as Bangladesh.

5.1. Human Cost of Cancelled Orders

Cancelled orders further pushed the workers into human rights abuses. For instance, all the workers in our dataset revealed that they stopped receiving their full wages, including overtime from the factories they worked in. This is also reflected in a comment by Kalpona Akter, founder of the Bangladesh Centre for Worker Solidarity: ‘For every ten workers who lost their

jobs, only one is being hired after the reopening of the factories. This is putting the lives of thousands of workers and their families at risk because they have not earned for the last three to four months.’ Nazma Akter, the Head of the Sommilito Garments Sramik Federation, said that they had come across cases where laid-off workers had been rehired by their former factories but on worse terms: ‘It has been difficult for workers because new orders have been hard to come by.’ Furthermore, ‘Even workers who have jobs now are worried about losing them because of the pandemic’s second wave in Europe.’ (Karim, 2020).

Many received only 65% of their regular wages (excluding overtime), ranging between BDT 5,000 and BDT 8,500 (\$60 to \$100) from their factories. Some of them lost their jobs. These changes have adversely affected their daily lives for a considerable amount of time. The fieldwork revealed many stories of despair. Often, they borrowed money from people, including local money lenders with higher interest rates (e.g., 20-35%), to feed themselves. Many of them said they were forced to reduce their consumption of food. Before COVID-19, they somehow managed to have three meals a day which became impossible during the pandemic. A worker who produces ready-made garments (RMG) for Primark and H&M said:

‘Before the Coronavirus, my father and I earned enough to buy food for our family [four members]. However, Coronavirus destroyed everything. My father lost his job. The factory I work in was closed for one month and seven days. I only received 60% of my regular salary [no overtime payment]. With this income, three meals were not possible anymore.’

Their father died because of COVID-19. The greatest regret of their life is that they could not provide the necessary medical treatment and good food to their father in his last days. Similarly, many workers revealed that the closure of factories forced them to reduce their food consumption (or could not provide enough for their family members).

A survey jointly conducted by the South Asian Network on Economic Modelling and Microfinance Opportunities found that 51% of workers had been sending money to their families before the COVID-19 crisis. However, 18% of them were no longer able to send

money owing to the pandemic (New Age, 2020). Moreover, we found that workers did not only stop sending money to their families living in villages but also struggled to meet their own daily expenditures. For instance, although many workers received partial wages, it was not nearly enough to pay their rent and bills. A worker described:

‘Our family has eight members, and we lived in two rooms that cost us 7,000 Taka [\$82] per month. When the factory closed, we [she and her husband] did not receive our total wages and overtime payments. We all moved into one room to save money. Living with eight people in a tiny room made us feel - we were domestic animals living in a cowshed.’

Another worker explained:

‘The price of essential commodities like rice, cooking oil, onions, and many others jumped almost twice during the lockdown. With these 60% wages, how will I pay rent and bills and buy essential foods? I saw factory owners’ proudly say on TV that we are paying the workers even during the lockdown. However, no one said anything about the food prices.’

The remaining workers shared similar experiences, which had intensified during the factories’ closure.

5.2. Avoiding Strategies of Retailers

Previous studies have focused on how retailers respond to regulations to avoid responsibilities for maintain the working conditions in their supply chains. Strategies such as transferring the responsibilities upon small suppliers (Lewthwaite-Page, 1998; Knudsen, 2012), using loopholes and ambiguity to evade effective compliance with soft regulations (Monciardini et al., 2021), and deploying excuses such as ‘pragmatic calculation,’ ‘ignorance,’ and ‘lack of ability to prevent,’ have been noted in the literature (Dan & Haddow, 2007; Mackenzie, 2018). These strategies are examined in the next section.

Seeking out regulatory loopholes

It is noted in the literature that retailers look for regulatory loopholes and ambiguity to justify their actions (Monciardini et al., 2021). This strategy is deployed to justify cancellations and

rebates from clothing factories in Bangladesh (and elsewhere). Major retailers withdrew \$2.9 billion worth of sales orders and put another \$3 billion worth of orders from Bangladeshi suppliers on hold (Alam, 2020). A survey reveals that over half of the garment manufacturers in Bangladesh that supplied Western retailers had to cancel orders that were already manufactured or were in progress (Worker Rights Consortium, 2020). Many retailers have cited *force majeure* clauses in their contracts to justify breaking their obligation to pay for the orders in production. Without going into controversial legal interpretations, some legal analysts believe that, according to Article 7.1.1 of the Vienna Convention for International Commercial Contracts, *force majeure* claims may be misinterpreted (Anner, 2020). One legal expert commented: ‘the biggest problem faced by our textile industry right now is not the coronavirus. Rather, a short term in a sales contract initially created to protect contracting parties is now being misused by foreign buyers as a deadly weapon to avoid liability.’ (Raha, 2020).

[Insert Table 3 here]

As shown in Table 3, most retailers cancelled the orders in production and others gave partial or no commitment to provide the wages for finished products that were already on their way to stores. Worse still, many retailers and brands, including Arcadia Group (Topshop, Dorothy Perkins and Miss Selfridge), Edinburgh Woollen Mill (Peacock, Jaeger, Austin Reed, Jacques Vert, Country Casuals, Windsmoor, Baumler of Germany, Bonmarché, and Ponden Home), GAP, and Bestseller demanded rebates of up to 70% from Bangladeshi suppliers (Guilbert et al., 2020). Some asked suppliers to wait another four months for payments on orders they had already delivered (Bloomer, 2020). The same was revealed in our interviews with a factory owner:

‘At the beginning of the pandemic, especially on or after 20th March 2020, European buyers gradually pressured us by cancelling orders or differed payments from 30 days to 60 days where the performance obligations were fulfilled, and products were shipped. Most of our buyers asked for 25% to 30%, and some even extended to 60%.’

Many retailers provided no explanations but informed their suppliers of their intentions. Kohl's cancelled \$150 million worth of orders, among which, around \$50 million were from Bangladeshi suppliers. This was just weeks before paying out \$109 million in dividends to shareholders. A Kohl's spokesperson said: 'The temporary closure of all 1,159 Kohl's stores caused us to reduce our inventory to align with anticipated sales significantly. As a result, we decided to cancel orders with some of our suppliers where we had the contractual right to do so.' (Sainato, 2020).

Debenhams, which used to annually purchase more than \$120 million worth of mainly high-end garment items from 40 suppliers in Bangladesh, demanded a 90% discount. In May 2020, Debenhams, now under administration, owed a staggering \$66 million to its vendors in Bangladesh. Of this amount, clothing items worth \$26 million were lying in UK ports and another \$40 million-worth products were on factory floors, awaiting shipment (Mirdha, 2020). According to Amit Mahtaney, the chief executive of Tusker Apparel Jordan in India, which has factories in Bangladesh, 'We have also experienced demands for cancellations for goods that are ready or work in progress, or rebate for outstanding payments and goods in transit. They also asked for 30 to 120-day extensions on previously agreed payment terms' (Oi & Hoskins, 2020). As one factory owner mentioned, 'We do not have any bargaining power with the buyers. Buyers want it all without any consequences on their shoulders.' Another owner explained:

'In the past, they [buyers] used to keep goods uncleared at the ports for several weeks or months. During the pandemic, they exploited this malpractice more than ever to delay payment. We demanded suppliers' monetary contribution to our fixed cost several times but received no positive response or promise. We were all affected by it, but at least a word of assurance would be a big step.'

As the COVID-19 pandemic continues, major retailers have failed to fulfil their promises. It is claimed that the recovery of Bangladesh's clothing export business has been made harder by retailers, as shown in Table 3, who continue to demand price cuts on as much as 90% of existing orders. Siddiquir Rahman, a supplier to international retailers including H&M and GAP, said: 'We anticipated orders could look up before Christmas, but that did not happen' (Rama, 2020). This is odd what H&M's statement reported: it would "stand by" its commitments to suppliers in all countries, 'by taking delivery of already produced garments as well as goods in production if delivered within a reasonable timeframe.' (Hossain, 2020).

Pushing down the responsibility

Previous studies have highlighted that retailers often use the narratives of 'pragmatic calculation,' 'abiding by law,' and 'lack of ability' to deny their responsibility towards supply chain workers. This is reflected in Primark's public statement:

'Covid-19 has had a devastating impact on our whole industry, not least our suppliers. At Primark, we will have lost some £2bn in sales this financial year and had an £800m net cash outflow while most of our stores were closed.'

Bangladeshi suppliers are very small and have limited access to capital to survive such sudden withdrawal of orders. One factory owner explained their desperate plight: 'We have imported fabrics and other necessary products for making garments. Now there is a huge backlog. How will we survive?' (Alam & Kurtenbach, 2020). Another owner commented:

'Factories are likely to empty of orders from April onward and are not in a position to pay salaries to workers. We understand it is difficult for buyers, but they must understand that garment manufacturers are currently the weakest link. Workers are the responsibility of retailers as well. They have better access to liquidity and governments offering much bigger rescue packages.' (Paton, 2020)

Most suppliers paid for all materials and had no liquidity to pay their workers. Banks were locking their accounts, leaving them with no financial liquidity to pay utility bills or wages, which was revealed during the interviews. One financial manager mentioned: 'it is

nearly impossible for small factories to survive in this dire condition. Hundreds are already out of business or closing as they are not getting any orders from their buyers. The ones that survive until 2022 are due to the overwhelming orders from the large factories who sub-contracted some of their orders.’ One factory owner said: ‘I cannot sleep at night. I have 2,000 workers, but they all support another 10,000 family members. What will I tell them about their jobs and their pay?’ (Kelly, 2020b). Another supplier to Peacocks in the UK said: ‘We have had to temporarily close our factory for the health and safety of our workers, but we are facing ruin because retailers are cancelling orders that we have already produced, and if they do not pay, I cannot pay the workers.’ (Kelly, 2020b).

A spokesperson for EWM Group (which also owns brands such as Jane Norman and Peacocks) said: ‘This is not what we would ever normally wish to do, but the current circumstances are such that it is a necessity.’ (Guilbert et al. 2020). Primark’s CEO issued a similar statement:

‘The current situation has been so fast-moving. We could not have foreseen that over 12 days, our stores in every country we operate have had to close.....We have large quantities of existing stock in our stores, our depots, and in transit that is paid for, and if we do not take this action now, we will be delivering stock that we simply cannot sell. We recognise and are deeply saddened that this will affect our entire supply chain. This is an unprecedented action for unprecedented and frankly unimaginable times.’ (Paton, 2020)

Bangladeshi suppliers understand the precarity of their positions in the supply chain. However, they feel powerless because they have to continue work with the retailers when the pandemic is over and resisting them is futile.

According to the BGMEA, around 300 small supplier businesses were shut down because of a lack of work orders. Over 1,000 suppliers struggled to receive new orders during the early period of the pandemic. Some had to lay off their workers. Experts recommended that the government develop a support policy, such as tax waivers, for small and medium-sized units.

Smaller and larger suppliers have suffered from buyers' non-payment. Many were unable to access funds given the strict terms of the government's stimulus packages (Mirdha, 2020). A factory owner expressed his frustrations with the market system that gives buyers every right to protect themselves. He said:

'We acknowledge that the regulations have improved labour and safety working conditions, but it is one-sided. The current regulations serve the buyers best as if suppliers reap all the profits and benefits from workers, and buyers are the saviours. If you closely observe, the buyers hold the key to everything. They are the winners, regardless of whatever happens, even in the pandemic.'

Workers from a factory that produces RMG for H&M feared losing their jobs after management announced that factory operations would be suspended during November and December 2020. The factory said it would pay workers' basic salaries during this time, but the workers feared they would be fired and lose their pay. Factories that were operational at the start of the third quarter of 2020, whether they had remained operational throughout or reopened, were reportedly not operating at their pre-pandemic capacity. Around 43% of clothing factories were working with less than 50% of their pre-pandemic workforce because apparel exports to significant destinations, such as the European Union and the USA, declined by nearly 35% in the first half of 2020. Only 3.9% of suppliers had retained their entire workforce. Around 20% of suppliers had retained 30 to 39% of their workforce from before the pandemic, according to a report by International Labour Organisation (ILO, hereafter) (ILO, 2020a).

Taking advantage of the Pandemic: Distrust and Cynicism

Previous studies have argued that 'trust' is not a helpful accountability tool (Swift, 2001; Free, 2008). This has been demonstrated in the actions taken by the retailers. It was argued that buyers would take 'self-interested actions' when necessary. Our interviews with suppliers revealed that suppliers had to accept all demands from retailers. Cancelled orders were sold at

reduced prices. Suppliers had to sell raw materials such as fabrics and dyeing materials to other manufacturers at a discounted price or exchange where it was feasible.

We also find that some retailers took advantage of the pandemic by asking for price reductions for new orders or threatening to stop new orders. Prices of products fell by over 5% in September 2020 alone and interviews with 20 large exporters revealed that suppliers were quoting terms that were 8% to 10% less than before the pandemic (Ovi, 2020). One exporter claimed: ‘Retailers always tended to bargain for lower prices—it is a common practice. But during the pandemic, they went one step further.’ Another supplier explained that a buyer who used to pay \$1.20 for a pair of cotton pyjamas is now asking for \$1.10 a pair. The constant price reduction, often below the production cost and lower than the world average, has led to the worsening conditions of Bangladeshi workers (ITC, 2022). A financial manager commented:

‘The buyers’ persuasion of squeezing the suppliers’ money knows no bounds. The government reduced an export-oriented interest rate by 1% so that the suppliers could make space to breathe. As soon as our buyers knew about it, they asked for a price reduction of 1%. It is like developing countries financing big retailers.’

This would eventually have impacted workers because employers kept cutting their working hours, wages, and jobs if the price cuts continued. Confronted with this scenario, the BGMEA called for retailers to adopt responsible buying practices (Cleanclothes.org, 2020, reported on 9 November). It became clear to the suppliers that large retailers had not considered the workers, demonstrating a complete disregard for the ethos of responsible sourcing. Safeguarding working conditions is not a key concern for many major retailers. All owners and senior financial managers interviewed by us claimed that safeguarding working conditions is not essential when facing market pressure from buyers. Therefore, working conditions and workers’ safety take the backseat when market pressures are high.

5.3. The Power of Activism in Pandemic

While private or voluntary regulations failed to stop some retailers from following responsible sourcing, activism has had some impact (Oka, 2018; Park-Poaps & Rees, 2009; Rotter et al., 2013). For instance, to eliminate modern slavery from the West African cocoa industry, global companies such as Kraft and Mars provide material support to poor cocoa farmers (Yeatman, 2012). In our case, initially, small suppliers used their connections to raise their voices against the retailers for unilateral cancellations. News media outlets such as Guardian, the New York Post, and Le Monde immediately picked up the stories and reported the severe consequences of the cancellations. In this context, a social movement called the ‘PayUp Campaign’ gained impetus. Within a few months, the ‘PayUp Campaign’ attracted substantial public interest. This significantly impacted retailers, at least some of them, to change their minds about cancellations (Anner, 2022).

NGOs such as Worker Rights Consortium, Clean Clothes Campaign, IndustriALL Global Trade Union, International Trade Union Confederation (ITUC), and other organisations also played an important role in changing the courses of action of retailers during the pandemic. In March 2020, Worker Rights Consortium (along with the Penn State Center for Global Workers’ Rights) ran a vigorous campaign against the retailers when cancellations of orders began to emerge. Since April 2020, it has been publishing the list to name and shame retailers which unilaterally cancelled orders that have already been produced and shipped. They also reached out to companies and demanded explanations for such behaviours. At the same time, the BGMEA and local NGOs joined these campaigns and appealed to the companies not to abandon these workers during the pandemic. Failing to receive any response from Edinburgh Woollen Mill, the BGMEA initially appealed and later threatened to blacklist the brand (TBS Report, 2020). The president of the BGMEA uploaded a YouTube video pleading with retailers to consider the human costs and said:

‘Our situation is apocalyptic! The cancellations and hold instructions from Western fashion retailers are pushing us to insolvency, with massive open capacity and raw materials liabilities.’ (Paton, 2020)

In April 2020, the ILO (jointly with brands, employers’ organisations, and financial institutions) started an initiative called ‘COVID-19: Action in the Global Garment Industry’ to help manufacturers in paying wages of workers, accelerating their access to credit, unemployment benefits, income support, no or low-interest short-term loans, tax abatement, duty deferral, fiscal stimulus, and others forms of support (ILO, 2020c). Equally, the international news media played a significant role in supporting these campaigns. The Guardian, the Associated Press (AP), and Reuters have extensively reported stories of abandoned workers and their plight during the COVID-19 pandemic. Reuters kept (until 19 May 2020) the ‘Factbox’ table updated to show which companies had cancelled orders, decided not to pay, or demanded discounts.

Following these coordinated campaigns, in late March 2020, H&M and Inditex (Zara) were the first retailers to revise their decisions and agreed to accept and pay for already produced and shipped products. By mid-April 2020, Kiabi, M&S, PVH, Targets, and VF promised to pay for all finished and in-production orders (Bloomer, 2020). Primark also partially revised its decision and agreed to pay the \$460 million worth of order it had initially cancelled. At the end of May 2020, C&A promised to pay 90% of its orders that were initially reneged. In early July 2020, Levi Strauss & Co and Gap Inc. revised their decisions and agreed to pay in full without asking for any discounts. In early September 2020, Primark changed its decision and decided to pay the full amount after the product had left the port in 30 days. Finally, at the end of October 2020, changing the previous decision, C&A confirmed that it would provide the full pay for all remaining orders that were in production or finished.

Similarly, H&M said that it was pausing new orders and re-evaluating plans. However, according to agreed-upon terms, it was going to pay suppliers and accept the delivery of orders that were already under production or finished. This was further confirmed in their statement, ‘This is in accordance with our responsible purchasing practices, and not only in Bangladesh but in all production countries.’ While the collective activism had successfully brought some changes, many retailers refused to reinstate the charges and receive rebates from the small suppliers, as Table 3 shows. At the same time, workers were unable to reclaim their unpaid wages.

6. Value Traps and Adverse Incorporation

The study discusses why softer regulations and activism failed to protect workers’ rights in the supply chain. As the pandemic unfolded, workers faced equally difficult choices between exclusion (job losses) and adverse incorporation (Phillips, 2013). In Dhaka, Bangladesh, many workers received only \$94 per month when the living wage is at least \$177. Thus, workers had to live in poverty even when they were employed. They were adversely incorporated when orders come in, leading to time pressures, piecework, and verbal and physical abuses in the workplace. During the pandemic, order cancellations led to their exclusion, along with job losses, no severance packages, and no social or financial safety nets. This is reflected in the workers’ voices. A worker who lost their job when a buyer cancelled the order, described:

In March 2020, suddenly, we [around 500 workers] were told that the buyers [he did not know the buyers’ names] cancelled all the orders and denied paying a single penny. ‘So, the owner is unable to pay our wages. Also, he must shut down the factory until further notice. I felt like dropping from the sky. Consequently, I was forcefully evicted from the room I lived. I went to my village and remained unemployed for three months. It was a tough time for my family and me.’

Another worker, who produces RMG for Walmart, said:

‘I ran away from my home to escape the violence [she was unwilling to share with us] and came to Dhaka in 2015. I got a job in a garment factory. Since then, I have been living my life independently. However, Coronavirus unveil the ugly truth of my life. I

lost my job and had no money to pay my rent and bills. I was forced to call my family and ask for help. I did not call in the last five years. However, Coronavirus changed everything. I always thought that the garment factory would always be there so I could earn money for as long as possible. I never realised how dependent we [workers and owners] are on these buyers. Indeed, we live on buyers' mercy.'

Adverse incorporation is better than fear of exclusion for workers unprotected by the state and trade unions. Health and safety are perhaps the last things on workers' minds when the loss of livelihood is at stake. A worker said:

'Sometimes I wish to die so that I can escape all the suffering. I would have all the sympathy of my family. However, being unable to earn money and provide food for the family is the most insulting thing in a man's life. So, I never feared this stupid virus and joined work on the first day.'

Conversely, another worker, Sajedul Islam, said: 'We are afraid of the coronavirus. We heard many people are dying of this disease. However, we do not have any choice. We are starving. If we stay at home, we may save ourselves from the virus. However, who will save us from starvation?' (Adegees, 2020).

Maintaining the recommended two-meter physical distancing guidelines is challenging for factories. We understood from the workers' responses that they were not allowed to enter the factories' premises without face masks. Their body temperatures were regularly checked at the entrance. A sufficient amount of hand sanitisers and soaps were provided, which were never offered before the pandemic. Factory managers constantly reminded workers to wear masks, wash their hands, and maintain social distancing. However, it was challenging to maintain the distance because of the narrow and overpopulated shop floors. The factories' authorities followed strict guidelines for the first three to four months. Many interviewees revealed that factories are not follow the guidelines anymore. No hand sanitisers and soaps are provided, no

frequent announcements are made to practice social distance, and few managers and workers wear masks inside the factories.

Many civil society groups have reported the severity of their working conditions, blaming imbalances in supply chain relationships without effective mechanisms to hold retailers responsible and accountable. According to Jenny Holdcroft, the Assistant General Secretary of IndustriALL, a global union representing 50 million workers in 140 countries:

‘The history of the garment industry has not shown change to be very likely. The industry's power dynamics allow retailers to get away with self-centred behaviour. We need to raise standards across the sector ... and stop the bottom feeders from doing business.’ (Guilbert et al., 2020)

Two local activist groups revealed the workers’ situation. Kalpona Akhter, the founder of the Bangladesh Centre for Workers Solidarity, said:

‘We have a cruel reality here. They will go hungry, their families will suffer, and their children and parents will suffer from a lack of food and medicine. The global brands will lose a fraction of their profit, the owners will also lose their share, but the workers will be left without food and medicine.’ (Alam & Kurtenbach, 2020)

According to Nazma Akter, the executive director of the Awaj Foundation:

‘These workers now do not know how they will take care of their families in the coming days—how they will manage costs for food, rent and other necessities. They cannot even imagine what they will do if they or a family member needs medical treatment for COVID-19. The meagre income these workers earned was barely enough to cover their living costs, and as a result, they have little to no savings set aside to deal with a crisis such as this.’ (Fashion Revolution, 2020)

Limited state-led support was offered during the pandemic. Factory owners have welcomed the bailout of the packages but claimed that they were too little and too late. They also showed little interest in taking out loans to pay workers’ wages and many did not maintain proper salary sheets to enable them to receive the bailout (Mirdha, 2020). One factory owner said:

‘The government’s interest-incentive loan for workers’ wages is another challenge for many of us. We had to submit our payroll in the ERP (Enterprise Resource Planning) to show the authenticity of the wage bill as the system keeps historical data.’

The financial support from the government did not trickle down to all workers. This is partly because small factories do not maintain an official payroll and have many unregistered workers. Workers are also needed to have a bank account to receive wage support. Many of these workers do not have bank accounts and cannot receive government financial aid. The informality of the workforce further harnesses workers’ misfortune and impoverishment (Phillips, 2013).

During the early period of the pandemic, an ILO report suggested that less than 20% of Bangladeshi suppliers could continue to pay staff wages for more than 30 days; therefore, 4.4 million workers had to pay the ultimate price (ILO, 2020b). In the modern slavery index produced by risk analytics company, Verisk Maplecroft, India and Bangladesh are in the ‘extreme risk’ category for the first time, joining China and Myanmar in a group of 32 countries with the worst risk of slave labour. This highlights a surge in the risk of modern slavery in Asian manufacturing hubs, which is set to worsen with the economic impact of the pandemic, increased labour rights violations, and poor law enforcement (Apparel Resources, 2020).

It is clear from the aforementioned evidence that the retailers and their associates have adopted strategies to protect themselves in response to the declined sales of apparel, high fixed costs, and floored revenues. To ensure high returns to capital, large retailers have exploited the non-binding provisions of their contracts by cancelling orders, asking for price cuts, or extending payment terms and conditions, eventually evading payment during the time of crisis. Having failed to assess the long-term impact of their behaviours, especially with breached contracts, the large retailers have established the process of disenfranchising workers and causing impoverishment. Given that these workers earn hand to mouth, delaying payments

from the retailers to manufacturers means days of starvation and nights without shelters, resulting in very low returns to workers - a basic strategy of adverse incorporation. Mandatory attendance at work with very little or no financial support, scarce medical supplies, and paramount duties and responsibilities made the workers' lives more miserable during the pandemic. Such value traps provide flexibility to employers that risk workers' lives without any definite promise of remuneration or fair compensation.

Lack of proper explanations for cancelling orders, closure of business without adequate notice, and blatantly asking for discounts of as much as 90% show the power imbalance and vulnerability at the bottom of the supply chain created by the retailers, sowing an environment analogous to modern slavery. The redundancy or temporary suspension of 2.28 million workers by 96.1% of suppliers who either suspended or significantly reduced their capacity, shows how price cuts and supply flexibility can increase value capturing and reduce workers' share of value. The threat to the insolvency of suppliers is caused by their upfront payment for materials and other essentials; the working capital is tied to the stock of raw materials and nearly finished products. Such behaviours force many factories to close down for an uncertain period and adversely incorporate other groups of society (e.g., landlords, food suppliers etc.). Therefore, adverse incorporation and value traps protect the funds of the investors at the top of the supply chain, nullifying any hope to reduce workers' vulnerability in supply chains. This also leads to the redistribution of limited resources and consequently shoulders an equitable share of responsibilities in a pandemic.

7. Discussions

The COVID-19 pandemic has driven down global demand for RMG. This has undoubtedly given rise to financial challenges for retailers. Many of them responded by cancelling orders and demanding rebates on products that were already in transit from suppliers. We acknowledge that retailers have taken substantial hits, but the effect on workers has been

extreme. Millions of workers in Bangladesh have lost their jobs, most have not received their due salaries, and some have been forced to return to work under harsher conditions.

The plight of clothing workers is not new (Siddiqui & Uddin, 2016), but the pandemic has exposed large retailers' hollow commitment to protect workers' rights. Previous studies have documented retailers' strategies for soft regulations and limited success (Bartley, 2018; Locke, 2013). Our study found that big retailers deployed similar strategies during the pandemic. We have demonstrated how retailers utilised loopholes and ambiguity to evade effective compliance with rules, transferring the responsibility towards supply chain workers and taking advantage of the situation of small suppliers. Retailers employed narratives such as 'being pragmatic' or 'lack of ability' to deflect the responsibility for the poorer working conditions. However, we found that even more aggressive strategies were employed by retailers taking advantage of the pandemic situation. Some retailers have been worsening the working conditions by forcing suppliers to agree to a lower price for new orders.

We claim that the limited success of soft regulations must be understood because it introduces vicious cycles of value traps and adverse incorporation in the supply chain. Therefore, it would therefore be no surprise if, under the pandemic condition, retailers were to take steps that entail severe consequences for workers. Suppliers usually operate on paper-thin margins in a value-trapped supply chain (Islam et al., 2021). Retailers squeeze suppliers, leading them to pressurise workers, taking advantage of weak socioeconomic conditions (Lewthwaite-Page, 1998). Prior to the pandemic, these suppliers were already restricting workers' freedom of movement by holding wages in arrears, retaining national ID cards, preventing unionisation, engaging in violence, and instituting compulsory overtime (Ahmed & Uddin, 2022). During the pandemic, workers' conditions worsened. They were adversely incorporated and excluded, often through forced resignations (Cleanclothes.org, 2020).

Large retailers' lack of accountability and commitment to human rights and responsibility to workers have been exposed during this pandemic. The power imbalance has dictated the application and interpretation of *force majeure*. Influential retailers have taken unilateral decisions and cornered small suppliers. It is now evident that imbalanced supply chain relationships allow retailers to reduce risks and transfer their costs to manufacturers and workers. The COVID-19 pandemic reminds us that retailers do not have direct relationships with the millions of workers in their supply chains—a narrative they would like to deny. The study has demonstrated how the underlying conditions, such as the value-trapped supply chain, have led to adverse incorporations. This is particularly visible in poorer countries such as Bangladesh, beset with regulatory loopholes, lack of scrutiny, weak state mechanisms, and compliant labour markets.

Finally, we comment on various interventions for improving working conditions, including trust, regulations, and stakeholder activism. We argue that these interventions are ineffective, given the power imbalance at the heart of the supply chain (Schleper et al., 2015). Disrupting this imbalanced relationship requires a fundamental change in the vicious cycles of value trap and adverse incorporation in the supply chain. Amengual et al. (2019) have suggested a flexible supply chain in which coordination between compliance and sourcing should be matched to reward suppliers with good records. In reality, compliant suppliers are hardly rewarded. This is compounded by the fact that retailers find better utility in shifting suppliers to countries with less stringent rules (Ahlquist & Mosley, 2020).

Trust (Free, 2008) and morality (Ha-Brookshire, 2015) have been proposed to ethicise supply chain relationships. The unilateral withdrawal of orders by retailers during the pandemic certainly questions the trust-centric model (Swift, 2001). It also reveals a hollow system in which suppliers cannot control the institutional or financial firepower to refrain buyers from exploiting the workers. Previous studies have advocated robust stakeholder engagements

(Yeatman, 2012). Our data strongly support stakeholder activism in drawing reputation-sensitive buyers around the negotiation table. Several retailers backtracked from cancelling orders to fully paying for them after the initiation of stakeholder activism. However, such initiatives are insufficient in enabling widespread and sustainable changes.

Whether robust regulatory frameworks encourage large retailers and brands to behave responsibly has been debated (Evans, 2019). The COVID-19 pandemic has further exposed the fragility of corporations' commitment to human rights, making a case for a more robust regulatory framework. Pike's (2020) analysis of the 'Better Work' program suggested that the combination of influential buyers, legitimacy, and ILO expertise exhibits the possibility of stringent labour standards. In poorer countries, adverse incorporation is facilitated by the weak role of the state (Ahmed, S & Uddin, 2022; Venkatesan, 2017). This is partly because states that depend on export income are reluctant to unravel scandals due to the fear of losing their international competitiveness and foreign investment (Evans, 2019).

Furthermore, we argue that the lack of strong regulations incentivises large retailers to deny responsibility for human rights abuses in the supply chain network. Arguing for a legislative framework for the global supply chain, Evans (2019) has drawn parallels with other global governance issues, such as bribery acts in the UK and USA, which criminalise transnational bribery. Campaigns for stronger regulations for the global supply chain are ongoing in Europe and the USA. In France, the Duty of Vigilance Law requires large retailers (minimum of 10,000 multinational and 5000 local employees) to develop and implement risk maps of the entirety of their supply chains. In infringement cases, victims, trade unions, and NGOs can use civil litigation to secure compensation for damages. However, the implementation and enforcement of the Duty of Vigilance Law, remains weak because of the separation principle (i.e., legal principle of separation) of the law. It also helps retailers to

outsource goods without accepting any legal responsibilities that shift the burden of proof to the victims and not the companies (see Schilling-Vacaflor, 2021).

Nonetheless, there is a case for a more robust regulatory framework but with the power of activism. Even without strong regulations, broader stakeholder pressure is visible in our case. Activism played a critical role in bringing about French law. We do not wish to be overambitious by relying only on such engagement. Evans (2019) has demonstrated that sustained activism by French campaigners, growing international support, the nature of French political culture, and a centre-left government led to a robust legislative framework. France's Duty of Vigilance Law requires firms to actively engage with stakeholders to uphold human rights and environmental issues by practicing active vigilance.

Moreover, engagement with proactive stakeholders is essential. Without the pressure of mandatory global regulations, it might be impossible to identify, assess, evaluate, and avert the exploitations caused by outsourcing, subcontracting, informality, income poverty, and lack of education among the workers.

8. Conclusion

First, we return to the earlier question regarding how softer regulations cannot prevent violations of workers' rights in global supply chains. We have documented, adding to the existing list of retailers' responses to softer interventions, retailers' aggressive strategies for taking advantage of the pandemic situation. They have forced the suppliers to agree to even lower rates for the new orders, disregarding responsible sourcing. Second, the study explains the continued violations of workers' rights, which pre-date the COVID-19 pandemic. The evidence suggests how small suppliers in Bangladesh find themselves in a value-trapped supply chain. This leads to the adverse incorporation of workers in the supply chain, given the poor regulatory enforcement structure in poorer countries. The combined influence of value traps

and adverse incorporation offers insights into the underlying conditions of the largely ineffective softer regulations in global supply chain relationships. Their ineffectiveness has been exposed in the pandemic conditions and has contributed to the debate surrounding their efficacy. Third, the study presents a policy implication by shedding light on how retailers might be held accountable. The study makes a case for mandatory legislation coupled with strong stakeholder activism. Strong regulative protections can prevent big retailers from transferring their responsibility and cost to small suppliers, which subsequently protects the workers' rights. We acknowledge that more research is needed on the actual operations of mandatory laws, enforcement, and engagement of wider stakeholders. Regardless of the format, this study, like other studies (Schilling-Vacaflor, 2021), calls for 'bringing the state back' to rigorously monitor and implement laws that protect the human rights of workers at the bottom of the global supply chain.

Finally, we acknowledge that direct interviews with big retailers would have allowed us to confront the aggressive strategies adopted by retailers. The failure to do so was mainly caused by a shortage of time, resources and a lack of access to these retailers. We had to rely on published data, retailers' commentaries on cancelling orders, and other means. We also acknowledge that the combined analysis of value traps and adverse incorporation with broader institutional conditions would have added depth to the explanations of conditions that enable workers' rights violations.

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