

Chapter 16

Unethical Outsourcing and Marketing of International Clothing, Fashion Brands, and Global Supply Chains: A Case Study of Bangladesh's RMG Industry

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ABSTRACT

The exploitation of workers in global supply chains (GSCs) has been strengthened over the past 40 years, mainly since the emergence of globalization and neoliberalism. A primary ethical concern of outsourcing and marketing is labour exploitation in developing countries. In Bangladesh's RMG industry, workers are often paid low wages and forced to work long hours in unsafe conditions. Many international clothing brands have been criticized for outsourcing their production to factories that violate labor rights. As a result, unethical outsourcing and marketing of the global supply chains from Bangladesh's RMG industry has left millions of RMG workers in dire straits. Furthermore, this chapter focuses on theoretical interpretations and finds that globalization and neoliberalism exposed modern slavery in the global supply chain networks. Hence, this chapter suggests that international clothing and fashion brands must ethically outsource from a country like Bangladesh.

INTRODUCTION

The supply chains have contributed to modern slavery by degrading labor standards and work practices worldwide (New, 2015; Ishaya, Paraskevadakis, Bury & Bryde, 2023). In addition, the inherent difficulties of monitoring highly fragmented production processes also make developing countries and their

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workers vulnerable to labor exploitation (see Alamgir & Banerjee, 2019; Saxena, 2022). Understanding from the current scholarship of the situation of global supply chains denotes that the growing social issue of modern slavery is becoming more extensive in the academic discourse. More specifically, the current research reveals that in Bangladesh and its extensive informal economic sectors, RMG workers have been severely exploited since the 1980s, the period of the industry's inception (Rahman, 2019; Crinis, 2019; Prentice, 2021).

Bangladesh's RMG industry employs more than six million workers who mainly migrated from the country's rural villages and took jobs from mostly non-compliant RMG factories at low wages (Rahman & Yadlapalli, 2021; Ullah, 2021). Most importantly, the precarious thing is that RMG workers often faced brutal death and injury in the Tazreen Fashions factory fires, and the Rana Plaza building collapsed (Syed & Ikra, 2022; Ullah, 2022a). These disastrous factory accidents were caused by the ignorance of the Government of Bangladesh and RMG factory owners to ensure workplace safety for RMG workers (Hasan, 2022; Moazzem, Preoty & Khan, 2022). At the same time, international apparel and fashion brands continued to outsource to developing countries like Bangladesh and its exploited RMG industry without ethical behaviour and providing no appropriate financial support to RMG workers (Siddiqi, 2019; Rahman, 2019; Huq, 2022; Saxena, 2022).

From this, Bangladesh's RMG industry faces ethical dilemmas in its supply chains, particularly with Western and European ones. This book chapter will focus on the unethical outsourcing of global clothing and fashion brands from a developing country such as Bangladesh. Scholars focused on global supply chains and negative publicity for many firms in the low-tech clothing, footwear, and toy industries — sweatshop labour. This book chapter's arguments on ethical outsourcing of supply chains transcend other essential issues of how globalisation and neoliberalism had severely squished the Corporate Social Responsibility (CSR) of global clothing and fashion brands and how they exploited RMG workers in Bangladesh since the 1980s when globalisation and neoliberalism came into force. Importantly, this book chapter will also look at the critical juncture of the literature review to understand how international treaties and organisations support extending globalization and global exploitation, mainly in the GSCs (see New, 2015; Ishaya, Paraskevadakis, Bury & Bryde, 2023).

The organization of this book chapter is as follows. Following the introductory section, this book chapter first understands the characteristics of international clothing and fashion brands and GSCs in the context of globalisation and neoliberalism. The second section will present the Objectives and research questions of the study. The third section will develop the theoretical arguments from the heuristic analysis—for example, the critical discourse for ethical and sustainable supply chain practices. The fourth section presents the literature reviews, drawing heavily on the modern RMG industry's growth that came through the rise of many international treaties and organisational development, such as NAFTA and WTO.

In addition, the fourth section also presents an analysis of the characteristics of international clothing and fashion brands and global supply chains and dilemmas of RMG workers in Bangladesh during globalisation and neoliberalism. The fifth section outlines the methodological choice of the book chapter. Following the methodological section, the next section, which is the empirical data presentation, will be in section six, and data analysis and critical discourse will be in section seven. Finally, it suggests how GSCs, and international clothing and fashion brands can become more ethical in outsourcing and marketing from less regulated developing countries, such as the RMG industry in Bangladesh, where workers are paid the world's lowest minimum wages with no or very meagre social benefits after analysis some empirical data from Bangladesh.

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