The Role of Intermediaries in Governance of Global Production Networks: Restructuring Work Relations in Pakistan’s Apparel Industry

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The Role of Intermediaries in Governance of Global Production Networks: Restructuring Work Relations in Pakistan’s Apparel Industry

Introduction

The past few decades have witnessed a significant transformation of the global economy as economic activity has become more spatially dispersed, yet simultaneously integrated within global production networks (GPNs) (Bair 2008). Competitive pressures have also intensified, due to the global recession and a decline in protectionism, which has generated diverse responses from international and local capital, including suppliers’ efforts to upgrade into “full package” capabilities (Bair and Gereffi, 2003), relocating to low-cost locations, and expanding reliance on contingent workers (Anner, 2015). Research from a GPN perspective highlights how these dynamics lead to the restructuring of labour and workplace relations (Cumbers, Nativel, and Routledge, 2008). Given the centrality of this phenomenon to the lives of millions in the developing world, more research is needed on how GPNs are (re)constituted and (re)stabilised following changes in global competitive structures. In particular, the neglected role of intermediaries in linking global pressures with local transformations in workplace relations demands greater attention.

In this vein, we focus upon the role of multilateral agencies and other intermediaries in translating global competitive dynamics into local responses, as we examine how workplace relations in Pakistan’s apparel manufacturing sector were transformed as a result of the Multi-Fiber Agreement’s phase-out in 2005. Drawing from a four-year study, we consider how this precipitated an economic crisis and unleashed processes of contestation among local Pakistani and global actors pursuing divergent priorities with differential access to resources. In particular, we examine the role and significance of multi-lateral and non-governmental organizations as intermediaries that acted to facilitate the restructuring of Pakistan’s apparel sector and, more specifically, their influence in the development of strategies to overcome social and cultural impediments to restructuring. We argue that the diagnosis of the crisis and proposals for change were inspired by a particular economic imaginary, conceived as a system of discourses and practices that “give meaning and shape to the economic field” (Jessop, 2010: 344), that incorporated inter alia the formalization and feminization of factory work, the professionalization of management, and female empowerment. Our attentiveness to this multifaceted imaginary reflects the embeddedness of economic practices, such as the feminization of factory work, in particular discourses and relations of power.

We locate this restructuring process within the global production network (GPN) framework, which builds on global value chain (GVC) insights but attends more closely to the dynamic, multi-scalar, and relational aspects of production systems in the context of complex economic, cultural, and political formations. The GPN approach acknowledges the ‘strategic coupling’ between global and local actors, structures, and processes, and considers the implications of the spatial and cognitive
chasm between developing countries and the industrialized world. For Cumbers (2015: 139) “the key contribution from the GPN formulation … is the use of a networking concept to theorize power and relationality within a global economy.” These power-invested social relations are deeply gendered, so that restructuring production frequently entails the re-imaging of workplace gender relations, along with associated discourses and practices in the wider society (Barrientos, 2014; Werner, 2012). The GPN frame thus valuably expands our analytical horizons to encompass state agencies and civil society actors such as multilateral organizations, the focus of our study (Coe, Dicken, and Hess, 2008; Levy, 2008).

We employ insights from the GPN literature to articulate key linkages between the Pakistani production node and global pressures, the dynamic interactions among actors, and the interplay of economic, political, and cultural forces. Specifically, our study examines how a network of actors shaped the GPN by intermediating global competitive pressures and local changes in workplace relations, and developing programs to overcome local frictions and resistance. More specifically, we examine how certain intermediaries played a key governance role by converging on a particular ‘solution’ that combined and enacted imaginaries of modernization and female empowerment when seeking to realign the local factory regime within the changing GPN.

In the next section, we locate our analysis in literatures on GPNs, global governance, and the gendered division of labour. We then outline our methods and approach to analyzing our data before presenting the findings derived from our case study of the Pakistani apparel sector. Our findings attend to the shift from casual work to salaried employment but focus on the campaigns of the United Nations Development Programme (UNDP) and, later, the International Labour Organization (ILO) to recruit women into salaried employment. The discussion section then elaborates the significance of our findings.

Overall, the paper contributes in several ways to our knowledge of the (re)structuring of work relations within GPNs in developing economies. First, it highlights the role of intermediaries in GPN governance by examining how their varied imaginaries shaped the restructuring of workplace relations as part of a response to the post-MFA crisis in Pakistan’s apparel sector. To date, these non-corporate actors have received limited attention, and then primarily for their role in standard-setting and supporting labour (Anner, 2015; Reinecke and Donaghey, 2015). Second, in attending to the influence of imaginaries and their tensions with local cultural practices, we illuminate the interwoven cultural, political, and economic dynamics of GPNs (Hudson, 2008; Levy, 2008). Finally, we contribute to the understanding of GPNs as gendered systems (Barrientos, 2014; Werner, 2012), emphasizing, for example, the tensions between imaginaries of female empowerment and docility.

**GPNs, Intermediaries, Imaginaries and Gender**

**Intermediaries in Global Production Networks**
The ambitious promise of the GPN framework is “to conceive of the firm as a relational network embedded in wider networks of social actors and institutions” (Coe et al., 2008: 277), and so move beyond the narrow firm-centric constructs in the GVC literature (Thompson, Parker and Cox, 2015: 47). Nevertheless, much GPN analysis has retained a firm-centric perspective (Bair, 2005; Hughes, McEwan, and Bek, 2015; Neilson et al., 2014). As Coe et al. (2008: 284) note, “The production network literature is especially silent on the other major actors: labour, consumers and civil society organizations. Yet, each of these plays a fundamentally important role in how GPNs work” (2008: 284).

Beyond this firm-centric orientation, scholars have recently attended to labour both as an agential subject as well as an object of governance in GPNs, with a focus on labour’s bargaining power, strategies, interests and identities in relation to firms and other actors (Bair and Ramsay, 2003; Newsome, Taylor, Bair, and Rainnie, 2015). Research has illuminated, for example, how labour organizations, often in alliance with sympathetic NGOs and multilateral organizations such as the International Labour Organization (ILO), have sought to improve wages and conditions, sometimes promoting voluntary labour and sustainability codes of conduct (Anner and Evans, 2004; Reinecke and Donaghey, 2015). One key insight is that the fate of workers is only loosely coupled with that of their companies: economic upgrading for suppliers can accompany social downgrading for workers (Barrientos, Gereffi, and Rossi, 2011; Palpacuer, 2008). Outcomes of restructuring depend not only on structural relations of market and political power (Cumbers, 2015; Lakhani, Kuruvilla, and Avgar, 2013; Selwyn, 2013), but also on capital-state relations (Neilson, Pritchard, and Yeung, 2014; Yeung, 2014) and strategies of control and resistance (Thompson, Parker, and Cox, 2015).

Not only are states and multilateral agencies important intermediaries in GPNs, they have also frequently adopted the GVC framework as a development tool. Pointing to work on East Asia and South Korea, Neilson (2014: 4) suggests that the “state plays an intermediary role in facilitating the strategic coupling of domestic economic actors with global lead firms.” Neilson lends a critical perspective to this role, noting that “recent ‘value chains for development’ applications appear to be perpetuating a neoliberal development agenda, which is facilitating the enhanced penetration of multinational capital into the economy and lives of the rural and urban poor” (Neilson, 2014: 38). Neilson further observes that, in their efforts to ‘move up the value chain’, states often invest in supporting innovation, but may also constrain wages and labour regulation (Neilson et al., 2014). This suggests that states may play a central role in reorganizing local production systems. Our study illuminates this role by showing how states may collaborate with multilateral agencies to enhance their capacity and legitimacy.

The role of intermediaries in GPN governance can fruitfully be theorized by examining how multi-level networks of actors structure particular arenas such as labour standards (Prakash and Hart, 1999). These efforts have been characterized as Multi-Stakeholder Initiatives (MSIs), such as Fair Labor Association (Reinecke and Donaghey, 2015), and as “political corporate social responsibility
(PCSR), involving “an extended model of governance […] where private actors such as corporations and civil society organizations play an active role…” (Scherer and Palazzo, 2011: 901). Global governance that mobilizes networks of actors has been broadly embraced for its promise of wider participation and enhanced capacity to solve common problems (Keck and Sikkink, 1998). Reinecke and Donaghey (2015), for example, demonstrate how a coalition of unions and consumer–based NGOs lobbied companies to agree to a set of labour standards following the 2013 Rana Plaza disaster.

More critical perspectives on global governance, that are attentive to asymmetric interests and power, suggest that new modes of governance are more closely aligned to processes of privatization than democratization (Cutler, 2006; O’Rourke 2006: 899; Willke and Willke, 2008). Influential intermediaries, in this view, are likely to represent cosmopolitan professional elites with a global conception of interests and ideologies, constituting part of the ‘global managerial class’ (Murphy, 2008), or a ‘transnational historical bloc’ (Gill, 1995) who function to secure neoliberal hegemony. GPNs thus represent a ‘transnational space’ (Morgan, 2001:125), inhabited by transnational elites and institutions sharing common economic imaginaries. This critical perspective points to the limitations of voluntary multi-stakeholder governance mechanisms for labour (Locke, 2013; Meardi and Marginson, 2014). Several studies of NGO projects in Sialkot’s soccer ball cluster illustrate the unintended consequences of international donors and NGOs interacting with national governments and firms in a complex, unfamiliar local context (Fayyaz, Lund-Thomsen, and Lindgreen, 2015; Khan, Munir, and Willmott, 2007). These actors, as GPN intermediaries, bring particular worldviews to bear that, wittingly or not, tend to reflect the concerns and perspectives of Western consumers and companies, with potentially negative outcomes for labour. Bair and Werner (2015:120) caution that GPN analysis “is not simply a matter of ‘extending’ the network to include additional non-firm actors and institutions” but, rather, should examine how the functioning of GPNs “contributes to the reproduction of capitalist accumulation along existing and new contours of uneven development” (Ibid. 121).

Towards a Cultural Political Economy of GPNs

Our attention to the role of economic imaginaries in shaping GPN restructuring suggests the importance of paying more attention to the semiotic and cultural dimension of GPNs. (Hudson, 2008). As Coe, Dicken and Hess (2008: 280) contend, “GPNs are … very much more than economic phenomena: they are also fundamentally social, cultural and political systems which is why a critical cultural political economy of GPNs is needed”. A cultural political economy (CPE) framework (Jessop, 2010) can better appreciate how a network of intermediaries exercise their ‘moral and intellectual leadership’ (Gramsci, 1971: 215) to mobilize imaginaries around a particular project. Imaginaries are semiotic systems that provide a shared sense of meaning and motivating vision, which can inform collective calculation and action toward an ‘imagined economy’ (Jessop, 2010: 344; Levy...
and Spicer, 2013: 660). The ‘sharing economy’ and ‘clean energy economy’ provide relevant examples. Such imaginaries anticipate and invite a significant restructuring of economic, social, cultural and political arrangements, and hence are often highly contested. Jessop (2010:345) describes how the struggle “to articulate strategies, projects and visions oriented to these imagined economies” requires the mobilization of a broad alliance of actors, including multilateral agencies, business associations, trade unions, civil society organizations, consultants, and the media.

In the context of GPN governance, economic imaginaries constitute the contested ideational terrain on which intermediaries pursue restructuring projects. A cultural political economy approach to GPNs suggests that these imaginaries necessarily have interlinked economic, cultural, and political components that, for example, relate to modern production systems and the role of women. These imaginaries represent and give shape to the identities, interests, and worldviews of intermediaries. In the case of the restructuring of Pakistani textile production, we will elaborate on how the personnel structures and coordination processes of key multilateral agencies served to align their economic imaginaries with global elites. Simultaneously, the intermediaries deployed imaginaries strategically to enroll other actors in support of the restructuring project and to overcome resistance. These economic imaginaries are therefore of central importance for understanding how the intermediaries involved in GPN governance converged on particular diagnoses of the crisis and prescriptions for adapting Pakistani production to the changing global context.

Gendered GPNs

The division of labour across the varied geographies and activities of GPNs is notably gendered, particularly so for the textile sector. This gendered division of labour is crucial in structuring the cultural political economy of GPNs and serves as a resource for the globalization of capital (Benería and Roldan, 1987; Elson, 1999). The ‘feminization of labour’ (Standing, 1989), generally associated with low pay and harsh conditions, is premised on the comparatively weak political and social status of many developing country women, and their cultural portrayal “as docile, cheap to employ, and able to endure boring, repetitive work” (Acker, 2004). Since the late 1980s, scholars with a sensitivity to the varied encounters with globalization have paid increased attention to the emancipatory possibilities of formalized employment in developing countries, noting that factory life potentially offers women a measure of economic and social autonomy, and enhanced skills and status (Pyle and Ward, 2003; Runyan and Marchand, 2000). Development agencies have integrated this perspective into a discourse of female empowerment.

Here we do not enter the ‘exploitation versus emancipation’ debate associated with the feminization of employment. Rather, our research focus is on how, in the context of the Pakistani textile industry, these contradictory imaginaries regarding the appropriate economic, social and cultural role of women informed the strategies and projects of intermediaries as they sought to mobilize other actors and overcome resistance in the transformation of local workplace relations.
More fundamentally, how did these intermediaries serve to link the interests and worldviews of global elites with the restructuring of the textile GPN, following the post-MFA disruption to the trade regime?

Our study echoes earlier research that examined how structural changes in global competitive dynamics shape the gendered division of labour, as it intersects with class and ethnicity (Barrientos, 2014; Sachs and Alston, 2010). Hsiung (1996), for example, demonstrates how local manifestations of gender relations shaped how women were absorbed into Taiwan’s factory system. It is not only the balance of male/female workers that changes, but the very construction of gender in relation to the workplace (Collins, 2003; Sachs and Alston, 2010). Ruwanpura and Hughes (2016) illustrate how female workers’ subjectivities were constructed through contradictory discourses of empowerment and subservience. As Werner (2012: 407) argues, “gendered labor is not simply hired; it must also be produced by managers, owners, workers, and the state through discourses and practices that shape expectations and assumptions about what kinds of labour are valued in production and what kinds of bodies are suitable for that work.” Our study highlights the role of intermediaries in producing gendered labor, by weaving and deploying gendered discourses in the restructuring of labor relations. We now describe the methods of our study and then elaborate our findings.

Methodology

The selection of Pakistan’s garment manufacturing industry as a paradigmatic case study of the restructuring of work relations in GPNs is auspicious for three reasons. First, Pakistan underwent substantial changes in the configuration of its production system much later than other major apparel exporting countries, where production had already been substantially formalized and feminized (Joshi, 2002), thus offering a more contemporary case. Second, the Pakistani apparel sector was largely home-grown rather than the product of foreign investment, as it had developed from local, small-scale origins and in congruence with the local cultural context (Murayama, 2008). This facilitated the study of changes in production and cultural systems in response to global pressures. Finally, one of the authors has significant experience with this industry, enabling access to sources and meetings.

Our study draws on multiple sources of data (Eisenhardt, 1989; Yin, 1989) to develop a narrative based on insights from direct observation supplemented by seventy-one interviews, two extensive surveys of the industry with respect to female employment, and hundreds of campaign documents. Analysis of these sources enabled us to examine the nature of discourses and strategies in the restructuring process. Table 1 provides an overview of data collected.
Interviews. We conducted semi-structured interviews with 71 respondents representing various industry participants, i.e. manufacturers, buyers, consultants, contractors, labour, regulators and developmental agencies. These interviews yielded insights into their perceptions of industry developments, the need for change, and hurdles encountered. Our theoretical sample, informed by discussions with UNDP staff, included seven firms that hired at least 50% women as stitchers, and four firms that had been in existence at least ten years that had not made this shift. Firms selected were from Karachi and Lahore, the two largest apparel manufacturing hubs in the country. We did not sample firms from the other major location, Faisalabad, as our initial interviews suggested that the processes of restructuring in all three locations were broadly similar.

Workshops and Seminars: We attended three workshops between 2010 and 2012, two organized by UNDP and one by the ILO. Both focused on the promotion of female employment in the apparel industry. This enabled us to speak informally with diverse stakeholders and test emergent ideas and interpretations. We also reviewed transcripts from other UNDP seminars between 2007 and 2011 on various industry issues.

Internal Documents and Published Reports: We collected published documents on the apparel industry from various sources, including UNDP, ILO, USAID, Oxfam, Clean Clothes Campaign, Working Women Worldwide, International Textile Apparels and Leather Workers’ Federation, Pakistan Institute of Labour Education and Research, and Government of Pakistan. We also accessed some internal UNDP documents. Articles in the press, posters and brochures were additional information sources on trends and changes in the sector. We paid particular attention to the framing of issues and interests in meetings, the media and public campaigns.

Surveys: We made use of two extensive surveys. The first (Makino, 2012), from the Institute for Development Economics, Japan, sampled 107 households in which at least one woman worked in the apparel industry, and 369 households whose women did not. The second survey (Haque, 2009), sponsored by UNDP, related to female labour force participation in about 150 firms in the apparel industry. The surveys provided insights into the cultural, educational, and economic conditions that affect the decision to work, and the impact of factory employment on the status and wellbeing of women.

Our inductive analysis iterated between data, existing literature and emerging theory (Locke, 2001). In this process of ‘gradual abstraction’, we clustered raw data into categories and themes. We coded passages from interviews and secondary data by selecting phrases and descriptions offered by participants (Langley, 1999). These passages included, for example, comments about work regimes, women workers, working hours, market pressures, and multilateral organizations. Clustering produced broad categories that provided the basis for developing our narrative (Eisenhardt, 1989).
Triangulation of sources (e.g. interviews, seminars, and reports) was instrumental to the process of refining and strengthening the emerging categories and themes (Glaser and Strauss, 1967).

In order to warrant the validity and reliability of our data, we relied on two techniques. First, two authors coded the data, and categories were discussed and modified until agreement was strong. Second, we ran our analytical narrative by informants (Nag, Corley, and Gioia, 2007) to ensure that our interpretive scheme made sense to those involved in this process. Our findings from the coding process corroborated our overall analysis of key dynamics.

**Case Study – Restructuring the Pakistani Apparel Sector**

Since 1974, the Multi-Fiber Arrangement (MFA) regulated global trade in textiles and apparel with a quota system (Staritz 2011). Pakistan was guaranteed a specified share of global exports in specific categories, such as cotton T-shirts, and emerged as a major supplier to many leading American and European brands. The 1994 Agreement on Textile and Clothing began to phase out MFA quotas, with a ten-year transition period (Lopez-Acevedo and Robertson, 2012), freeing large retailers from geographic sourcing constraints. This benefitted the big apparel retailers and their customers, largely based in Western Europe and the United States. However, developing country manufacturers found themselves under immense pressure, as apparel prices fell by 20.2% for knitwear and 26.8% for woven products in EU-15 countries between 2000 and 2009 (Staritz, 2011: 39). With almost 40% of its manufacturing workforce and 60% of its exports dependent on the sector, Pakistan was very vulnerable to the effects of trade liberalization (Frederick and Staritz, 2011). The Pakistani government convened a series of discussions with business and multilateral agencies to address fears that the industry might collapse in the face of competition from countries such as China and Bangladesh, where manufacturers were better placed to offer lower costs, faster delivery and better supply-chain auditability. These pressures were exacerbated during the early 2000s due to power shortages, poor infrastructure and deteriorating security (Zaidi, 2005).

In response, factory owners attempted to spearhead two major changes in Pakistan’s apparel sector. The first of these involved shifting from a system that relied on casual male workers who were paid piece-rates under informal contracts to a more industrial, salaried model with a detailed division of labour and managerial supervision. The second change involved recruiting female workers who received a minimum wage at approximately half the average pay of the males they replaced. These changes encountered considerable hostility and resistance, to the surprise of factory owners, who then mobilized other agencies – notably, the state, multilateral organizations, and local community leaders - to promote and legitimize the desired restructuring. This led to the doubling of female employment from 10% of the total of 700,000 workers employed in the apparel industry in 2004 (USITC, 2004) to
20% of the workforce by 2009 (Haque, 2009). Table 2 outlines key events that were salient in this process.

Table 2 About Here

The structures and processes of multilateral agencies are significant in shaping their role in these initiatives, because they provide insight into their perspectives and templates as they mediate between global pressures and local projects. The two key agencies in the Pakistani case were UNDP and ILO, both of which are UN-affiliated. UNDP Pakistan, following the UN personnel system, has three levels of staff: the first tier comprises country directors and deputy country directors, who are expatriate international civil servants and whose code of conduct entails “an obligation to understand and exemplify [a] wider loyalty” to the UN system and goals (ICSC, 2013: 4); a second tier of senior staff are Pakistani but with global credentials and experience; the third tier is the local staff who implement programs. These programs flow out of the UN’s broader Common Country Assessment (CCA) framework, and have to be coordinated with the UN Development Assistance Framework (UNDAF), which takes into account national priority issues as well as international frameworks, such as the Millennium Development Goals. The ILO develops Decent Work Country Programs (DWCP) to complement and broaden UNDAF commitments (ILO, 2011), building bridges across states, workers and employers in an effort to reconcile labour standards with development plans. These two agencies were already funding various projects in Pakistan and enjoyed considerable legitimacy and centrality in policy-making networks. Overall, their personnel structures and coordination across agencies and programs ensured that their strategy for Pakistan was informed by dominant global conceptions of development paths, best-practice production systems, and appropriate gender relations. We now describe the dramatic changes that these intermediaries facilitated in response to the crisis in Pakistan’s apparel sector.

Formalization and Feminization of the Work Regime

The traditional apparel manufacturing system relied on informal contracting of male casual workers who were mobile across factories and decided their own pace of work without close supervision. They regarded themselves as self-employed skilled workers who enjoyed a measure of independence and stability. The piece-rate system was attractive for factory owners, who benefitted from its flexibility and offset the comparatively high piece-rate wages by minimizing the cost of benefits (e.g. pensions, healthcare). A production manager described the typical piece-rate worker as someone who “moves around various organizations for work”. He added that “he questions our instructions. This is because he considers himself karigar [skilled-master].”

The end of MFA destabilised this production system. Large buyers pointed to the lower cost of garments sourced from Sri Lanka, Bangladesh, India and China, where production was
predominantly performed by salaried females under conventional managerial supervision (SMEDA, 2000). As 2005 approached, the government announced Textile Vision 2005, a policy to stimulate large-scale investment in modern machinery. A series of state-sponsored programs was introduced, such as ‘Technical Upgrading of Apparel Industry’ and the ‘Industry Support Program’, to provide financial and technical support aimed at modernizing the sector and improving its competitiveness.

To implement these programs, larger factories recruited professional managers, MBA graduates, and foreign consultants. In addition to cost pressures, large buyers were also increasingly concerned about quality, delivery schedules, and compliance with labour standards, which all resonated with the promotion of more formal management systems. As one Operations Manager said, “the problem with the industry is that it [needs] better planning and management.” A shift toward a hierarchical, salaried structure was viewed as key. One HR manager reflected that: “with a piece-rate setup there is little we can do because the workers are not on our payroll. In salaried employment, we have a major role to play. We need to work on employee training and retention, to develop the loyalty.”

The intended transition to salaried line-work encountered resistance from the existing male workforce who dissented, for example, by slowing their pace of work. One manager stated that male workers “have learned certain skills and they consider themselves masters. They do not want to change. If we want to improve our process, they do not cooperate.” Confronting this difficulty, factory owners and the government, aware of the largely female workforce in competing countries, identified the introduction of large numbers of women workers as the means of ensuring the smooth transition to a salaried, Taylorized regime. Within the local social and religious context, women were viewed as more compliant. Reflecting upon their suitability, a production manager commented:

“Females are more obedient. They do not question your decisions. We need those workers who use their brain less and listen to our instructions more. Females naturally listen and follow even if they do not agree. Females are ideal choice for salaried employment.”

Women were also viewed as lacking awareness of their legal rights. One General Manager remarked, “A female never goes to court. She will accept your decision without any protest”. Indeed, a survey of labour courts in major cities of Pakistan showed that not a single case was filed by women (Hisam, 2007).

The hiring of female workers itself generated resistance, however, from local families and communities. Factory work in Pakistan had historically held negative cultural connotations, closely resembling the Sri Lanka case (Lynch, 2007). Being a ‘factory girl’ carried a stigma that damaged the social status and marriage prospects of single females. One young unmarried factory worker lamented that men “do not like marrying a factory girl…They think we spend more time outside and may be
mixing with other men.” Women were also obliged to seek the permission of male family members before entering employment, which was frequently refused (Makino 2012: 15). The extent of the stigma was apparent from our interviews with women who had chosen not to send their daughters to factories. A typical response was: “In general, I think females should not work in factories…The working environment is very polluted and corrupt. One’s honor is everything. Women have to bear a huge cost for being a factory girl.”

A UNDP survey on female employment in the apparel industry confirmed the prevalence of these concerns. It reported that 62% of workers and supervisors would not send their own daughters or sisters to work in a factory (Haque, 2009: 80). A young CEO, recently back from the US after completing a Master’s degree, observed that:

It was a surprise for us. We thought we had a large unemployed workforce, especially women, who lacked any working opportunity. But our experience was altogether different. We established a new factory to work with a female salaried workforce. When we came to recruitment, there was no workforce to start production… For the initial six months we had no-one.

This reluctance was insufficiently anticipated by many factory owners and managers who assumed that economic necessity would provide an adequate incentive (Grünenfelder, 2013). Faced with resistance from women, manufacturers endeavored to present more positive images of factory work. One senior factory manager described his efforts to target low-income families: “We advertised through banners, pamphlets and cable TV. We ran a special drive to distribute pamphlets door-to-door in localities containing mostly Urdu low-income families”. But even this did not produce the required numbers of females. The UNDP, which was already funding various projects related to apparel and other sectors in Pakistan, recognized an opportunity to intervene.

The UNDP Campaign to Recruit Women

UNDP subscribed to a potent imaginary that equated female empowerment with salaried employment, which, it was argued, would enhance the competitiveness of the Pakistani apparel sector and provide women with marketable skills and financial independence. To advance this agenda, UNDP initiated GENPROM (Gender Promotion in the Garment sector through Skills Development), a project focused on training in three cities, Lahore, Karachi and Faisalabadand (UNDP, 2006). It mobilized a broad network of stakeholders for this project, including the state, other multilateral agencies, business, and women and their families. UNDP reached out to donor agencies that included the UK’s Department for International Development (DFID), Swiss Agency for Development and Cooperation (SDC) and the Norwegian Agency for Development (NORAD). These agencies were also motivated by a powerful imaginary that linked women’s entry into the formal workforce with gender equity and economic development.
UNDP also approached apparel manufacturers to join GENPROM, and approximately 60 agreed. Their presence steered the project in the technical direction of enhancing business management rather than a social mission to empower women. First, they recommended that UNDP hire Kurt Salmon Associates (KSA), a leading US-based consulting firm that brought industrial design to Pakistan in 1996, to manage the project. UNDP engaged KSA to study the Pakistani apparel sector, appointing an employee of the manufacturers’ association to lead the project. KSA’s report affirmed that the survival of the sector required professional modern management and a productive, inexpensive labour force; to that end, “trained women workers will be a paramount asset to the clothing industry” (UNDP, 2006: 9).

UNDP ran a series of workshops and training sessions, mostly conducted by KSA, for businesses to build capacity to meet productivity challenges. The trainings focused on techniques such as TQM and lean management. Women were portrayed as an integral feature of professionalization, with the workshops emphasizing the benefits of female salaried employment in the industry. A UNDP project officer explained their activities:

We have brought in world-renowned consultants to train middle-management to run a salaried setup. First, we train the middle-management of a participating factory on scientific management principles. We call these managers, the master trainers. Later on, these master trainers, under the supervision of consultants, establish a worker training centre in a factory, which we call STU [Satellite Training Unit]. Through this training centre each factory can train fresh female workers based on scientific principles.

In participating factories, KSA consultants assessed the women’s suitability for work using Scientific Management principles, for example, by testing for hand-eye coordination, finger dexterity, and colour blindness. Those who met specified standards were trained systematically, moving from basic stitching to fabric exercises. Female workers were also trained in industrial discipline in class sessions that emphasized the importance of punctuality and care for their tools and machines. Female workers were then assigned to production tasks, and further training was given to raise productivity levels. The overall training process took 2-3 months, on average, during which the trainee operators received government stipends equivalent to $41/month, significantly below the minimum wage. Upon graduation, trainees entered regular production work at minimum wage.

The Pakistani government played a key role in this project, providing substantial funding and convening multilateral agencies and employers. The government subsidized the training of female stitching machine operators (MINTEX, 2006) by providing stipends to operators (both males and females) under training, and it reimbursed consultant and trainer expenses. In response to cost concerns from factory owners, the government cut female workers’ pension contributions paid by employers by 50%; it also kept the minimum wage relatively low. During this time period, a proposal
by a committee of the Senate to raise the minimum wage was rejected following strong representations from business organizations.

In its efforts to overcome cultural barriers and recruit women into the training programs, UNDP developed an aggressive public relations campaign. It distributed banners and pamphlets around industrial areas, and prepared a documentary in which women praised the financial and other benefits of factory work. Conferences and ceremonies were arranged at which renowned political and business figures expressed highly positive views about the program, promoting a positive image of factory work where women were portrayed as happy, safe, and contributing to family income. GENPROM advertisements in working-class localities emphasized the opportunity for women to earn a stipend while training for a guaranteed job. GENPROM also invited families and village heads to visit training centres (UNDP, 2012), because most women needed permission to work in factories. GENPROM staff used these visits to reinforce the message that factories are safe and respectable places for young women to work. Local NGOs, most prominently the Sun Development Foundation (SDF), also participated in this campaign.

UNDP employed complementary discourses as it orchestrated the network of actors associated with GENPROM. Internally, and for other donor agencies, the project engaged an imaginary that emphasized poverty alleviation, development, and empowerment of women. For example, UNDP’s 2010 Women’s Day Newsletter recounted the story of a female worker who had escaped desperate poverty and could now fulfil her dream of becoming a doctor. One report described the project as:

...imparting a relevant skill successfully to poor women, a skill that is in demand in the apparel industry, resulting in the employment of women and providing them income. These women come from impoverished households… Outputs of the GEN-PROM contribute to the country’s employment and poverty alleviation strategy as well as promotion of gender equality (UNDP, 2009: 2).

In contrast, for the women and their communities, the campaign emphasized respectability and safety as much as income opportunities, but not gender equity. Absent from the campaign was any reference to the impact on family income of the displacement of male workers, who had been earning twice the pay of women. A UNDP officer told us: “I see it this way… let’s assume that the average income of operators we have trained is Rs. 5,000, and multiply it with number of operators we have trained [checks on calculator]. It is more than Rs. 44 million [about $450,000] worth of income that we have generated.” And for its commercial stakeholders, the UNDP imaginary narrowed as it dropped the empowerment narrative and instead privileged traditional stereotypes of women as inexpensive and obedient. Promotional material emphasized women’s suitability due to ‘nimble fingers’ and ‘non-political’ attitudes. A UNDP employee commented:
We are actually providing a better trained and much more disciplined work force. Females have less political and ethnic conflicts and firms can control them easily. I remember, one day CEO of X company visited to observe female workers. Most of the workers were sitting idle… When I met the CEO next day for his feedback, I was surprised to hear that he was very happy. He liked the discipline of these workers. There was no work and still they were sitting silently on their machines, waiting for work. He said “This is the kind of discipline that I want in my work force. This is just because of your training”.

By selectively framing its narrative, UNDP wove the network of actors together with a composite imaginary encompassing development, production efficiency, and female employment. Overall, GENPROM was considered a substantial success. By the end of 2010, over 10,000 women had been trained in more than 60 apparel factories, with 95% of them entering paid employment for the first time (UNDP, 2012). UNDP claimed that “[t]he project has been designed to benefit all stakeholders. Training promotes greater efficiency in the apparel industry and addresses the production needs of participating companies and the economic requirements of women beneficiaries” (UNDP, 2010: 59). An evaluation report stated: “In some Satellite Training Units (STUs)… 50-60 percent of the production line is now run by women” (UNDP, 2009: 5). One UNDP project officer commented on how the project had exceeded its own objectives by unleashing “an overwhelming response from the employers”.

ILO Builds on UNDP Process

Following UNDP’s lead, the ILO initiated a similar project to promote Gender Equality for Decent Employment (GE4DE). The Canadian International Development Agency provided most of the funding, and ILO partnered with the Pakistan Readymade Garment Technical Training Institute, a training arm of the Manufacturers Association, for stakeholder consultations, training workshops and placement in factories (ILO, 2011). A former UNDP manager was hired to design and implement the project. Several ‘stakeholder workshops’ were held which included some representatives of labour, academia and civil society; but they were predominantly composed of employers’ representatives, and we observed that their interests were strongly represented, while women workers were generally hesitant to speak. When workers’ representatives voiced concerns regarding pay and benefits, a well-rehearsed response from employers was: “We are facing every kind of crisis. There is raw material crisis, energy crisis, and law and order crisis. If we are running our factories in these conditions, it is a blessing for you.”

Low wages remained central to the new production strategy, and ILO also reached out to families and communities to mobilize women, emphasizing income and respectable working conditions. This echoed the UNDP campaign, but the ILO project also addressed gender-sensitive issues in the workplace such as safety, childcare and toilet access. One recruiter commented:

I contacted many other females who had never worked before, they mainly belonged to poor families and were students in high schools... I tried to convince them that they could earn...
money to support their family. I assured them that they will get good working environment and better facilities like food and transportation. I offered to bring their parents to show them the working environment.

For employers, ILO made a business case for integrating female workers that went beyond UNDP’s emphasis on low-cost and pliability. ILO’s ‘Show and Tell’ program, conducted in collaboration with the Employers Federation of Pakistan, more explicitly linked gender equity to production efficiency (ILO, 2012: 22). In this program component, 32 apparel manufacturers visited selected best-practice apparel manufacturing firms. These visits included interactions with employees but focused on discussions with management to understand the business rationale and challenges of the new workplace regime (ILO, 2012). Managers in these best-practice firms told visitors that the women workers enjoyed transportation, maternity leaves, and a separate canteen and toilets, and that this generated high levels of loyalty, discipline, and productivity (ILO, 2012). At the end of these visits, participants were asked to sign a non-binding commitment to promote gender equity practices in their own organizations. In this way, ILO developed a more coherent imaginary that attempted to resolve, at least discursively, any tensions between efficiency and gender equity.

Discussion

Our study casts the reorganizing of workplace relations in the context of the complex, mutually constitutive interactions between international and local actors across global production networks. It illuminates how international agencies and corporations shape the conditions of local production nodes, while local actors sustain and transform GPNs. These actors are interdependent but the relations of power through which they interact are asymmetrical. Our study has examined how intensifying global competitive pressures in the global apparel sector and local relations in Pakistan - social, cultural and economic - were intermediated by multilateral and state agencies, NGOs, and other actors. Specifically, it has shown how, despite the varied interests and institutional locations of those involved in the reforms of the production process, there was a degree of convergence in the imaginaries that animated the reforms: the formalization and ‘modernization’ of work by employing professional managers and salaried workers on Taylorized assembly lines, and the recruitment and ‘empowerment’ of women workers, replacing costly, recalcitrant male contractors.

The feminization of the workforce was imagined by the intermediaries in terms of the replacement of an outmoded regime based upon casual, piece-rate male workers by a feminized, salaried, Taylorized production system under managerial discipline. Women were viewed as more pliable and willing to accept these conditions, even at about half the pay of their male counterparts. However, the initial reform efforts, conducted mostly by employers, failed to attract the large numbers of unskilled female employees required to replace the costly and uncooperative men. This,
we have argued, was because the employment in factories of women, who were embedded in
traditional communities, violated cultural norms and carried a stigma for them and their families.

Authoritative and well-resourced intermediaries were hired to challenge and lower the
barriers to ‘modernization’. They commended an imaginary in which the old system of production
was framed as parochial and outmoded; and male workers were portrayed as quarrelsome, unreliable,
and having unrealistic expectations of earnings. A large-scale public education campaign was
launched to challenge established convictions about the degrading and abusive nature of factory work,
and to propagate a progressive socio-economic imaginary that emphasized the safety and
respectability of work for women in modern, efficient factories under professional management. A
parallel campaign that targeted factory managers extolled the economic benefits of employing
women; the UNDP highlighted the obedience and low-cost of women, though the later ILO program
linked efficiency to gender equity.

By teasing out the role of intermediaries in framing and facilitating the restructuring of local
production within a GPN, our study has made three substantive contributions:

The Role of Intermediaries. First, our study has elaborated the role of intermediaries in the
reform of GPNs, with reference to the governance of workplace relations. The reforms of Pakistani
production have been situated within the context of the apparel GPN, which generates and mediates
economic, cultural, and political pressures upon local actors, though not in a linear or uncontested
manner. Post-MFA competitive pressures intensified while the major branded Western retailers raised
their expectations for improved logistical performance and better compliance with labour and
environmental standards. It is a mistake, however, to assume that GPNs acts as a simple transmitter of
these pressures. Rather, we found that the pressures were mediated by both international and local
actors who developed response strategies based upon their particular interests, agendas and associated
imaginaries, with implications that reverberate around the GPN.

Existing studies of non-firm actors in GPNs have mainly addressed how NGOs ally with
labour and consumers as a progressive force in global governance networks. In our case, the most
influential and well-resourced intermediaries, the UNDP and ILO, along with various consultants,
infused their programs with a broadly neoliberal orientation of cosmopolitan elites to international
development, an orientation that fused imaginaries of female empowerment with notions of
modernization, formalized production and professional management. The agencies’ role in facilitating
these global-local cultural and economic linkages were, in part, related to their hierarchical personnel
structures, with senior positions occupied by Western expatriates or those with international
experience. Also significant was the synchronization of local development plans across UN agencies
and with broader projects such as the MDGs and ILO’s ‘Decent Work Agenda’. Ostensibly pragmatic
and progressive programs therefore tend to reflect the ideologies, norms and expertise of transnational
professional elites (Gill, 1995; Morgan, 2008). The ‘Decent Work’ agenda, for example, has attracted criticism from activist labour advocacy groups for prioritizing competitiveness over workers (Meardi and Marginson, 2014; Selwyn, 2013). Nor has the Pakistani state been a neutral actor, as it too has emphasized low labour costs as key to competitiveness.

Constructing a broadly shared agenda among the various actors was neither straightforward nor uncontested. UNDP and ILO played a leading role in coordinating the network and framing its narrative. This entailed deploying different, even contradictory, accounts to stakeholders with varied preferences and perspectives: emphasizing development for state agencies, low costs and pliant females for the factory owners, female empowerment for the multilateral agencies, and safety and income for the women’s families and communities. In accord with Jessop’s (2010) cultural political economy approach, the multilateral agencies played a key strategic role in articulating projects as they mobilized support for steps to stabilise the regime in alignment with the wider GPN. They brought their respective mandates as well as political and social capital to the campaigns, with funding from various international donors. Nonetheless, their considerable efforts did not weave the various discursive threads into a seamless, coherent imaginary: constructing “relations of equivalence” did not eliminate antagonisms (Laclau and Mouffe, 1985). The struggles to restructure the workplace regime exacerbated some underlying tensions and contradictions, such as those between the promise of female emancipation and expectations of obedience, or between the goal of poverty alleviation and the displacement of higher-paid male workers. The process of aligning the actors to support the emerging workplace regime entailed artful juggling or suppression of these frictions, rather than resolution (Levy and Scully, 2007). These inconsistencies were not directly addressed at meetings or workshops, though the ILO, by tying gender equity more explicitly to worker loyalty and productivity, tried to ameliorate some of the tensions between imaginaries of competitiveness and female empowerment.

The multi-faceted dynamics of GPNs. The second contribution of the study is to highlight the interwoven economic, cultural, and political dynamics of GPNs across spatial scales. The disruption to the global competitive environment reverberated throughout the GPN, but no specific path for Pakistan was inevitable. The intermediaries drew from globally dominant imaginaries to advocate changes to the Pakistani apparel production system. However, due to asymmetries in political and market power, the burdens of realignment were not equitable. The abolition of MFA impacted negatively upon Pakistani producers, and notably upon male workers who lost their jobs. And, the competitive strategy of feminizing the workforce to reduce costs and enhance managerial control was premised on the lower socio-economic status and weaker market power of women workers. When the strategy encountered resistance, the intermediaries launched a campaign to overcome the cultural hurdles, rather than explore alternative development paths more congruent with local values. The campaign sought to establish a new “value regime” (Levy and Spicer, 2013), combining changes not
only to the material relations of production but also to the local structure of gendered social relations. Our study illustrates how, as (Jessop, 2010: 348) has observed, the “emergence and consolidation of a new economic regime… depends critically on institutional innovation intended to reorganize an entire social formation and the exercise of political, intellectual, and moral leadership.”

Gender in GPNs. Our third, related contribution is to provide a gendered lens on social relations at work in the context of the wider GPN. The recruitment of women into the ‘global factory’, though animated primarily by an economic logic, involved the production of new cultural values to align better with the more formalized system of economic value production. We have shown how this did not occur in a deterministic fashion. The various intermediaries collaborated to challenge the traditional patriarchal family, religious norms, and the value of household work by invoking imaginaries linking female opportunity and emancipation with modern production. This shifted the gendered division of labour, and more subtly altered the construction of gender, as men and women took on new roles and identities (Barrientos, 2014; Werner, 2012).

The longer-term impacts on women’s incomes and status is difficult to estimate, not least because our study did not address this question, but it did reveal some material and discursive tensions and inconsistencies. The project to mobilize women was couched in terms of empowerment, but promoted to factory owners and managers in terms of female obedience and low wages. The feminization of labour was a strategy pursued by global and local male elites who sought little input from the women themselves; the male workers, despite their skills and experience, were redefined as unreliable troublemakers. Advocates of female employment argued that it would reduce poverty, a case premised on calculations that ignored both the displacement of higher-paid men and the value of domestic work. This consequence would come as no surprise to feminist economists who have argued that women’s economic contributions are routinely undervalued (Waring, 2003). Indeed, the move to low-wage, relatively unskilled women could be considered social downgrading for the workforce (Anner, 2015). The obvious beneficiaries of the transition in Pakistan were the intermediaries and consultants who conducted recruitment campaigns, the factory owners and managers who extended their control over production, the governmental and development agencies who could take credit for the regeneration of Pakistani production, and of course Western affluent consumers who can purchase low-cost apparel.

The restructuring of the industry was widely portrayed - by business, policymakers, and multilateral agencies – as unequivocally positive and ineluctable in the post-MFA context. Our study has questioned this economically deterministic account by showing how seemingly necessary workplace reforms evolved through political processes of contestation in which imaginaries developed and articulated by intermediaries succeeded in attracting women workers into factories.
when the efforts of local factory owners and managers proved fruitless. Marginalized in this process of reform were more activist NGOs as well as the displaced men and the new female recruits.

Conclusion

Our study of Pakistan’s apparel industry has demonstrated that multilateral agencies, serving as intermediaries in GPN governance, facilitated dynamic interactions between the larger forces of the GPN and local economic and cultural contexts. In countering cultural resistance to the introduction of female workers, they invoked a modernizing imaginary comprising poverty alleviation, competitiveness and female empowerment to organize and animate a network of actors in the realignment of Pakistani production with the shifting GPN. This realignment engendered material and discursive tensions and contradictions, which were masked and managed by juggling conflicting narratives to different stakeholders, attempts to reconcile the discourses of equity and efficiency, and the marginalization of some local voices.

As facilitators of a broader, global liberalization project, the intermediaries have acted as midwives for restructuring GPNs, linking global economic pressures and discourses with changes to the Pakistani apparel sector. These reforms, though presented as rational and progressive, have been most closely aligned to the interests and imaginaries of international and local elites, with adverse implications for developing countries, their firms, and their workers. While GPNs and their local contexts are mutually constitutive, asymmetries of power facilitate the dissemination of imaginaries that result in the burdens of economic and cultural adjustment falling disproportionately on weaker actors, reproducing inequalities. We believe that our study opens up some valuable avenues for future research on the role of intermediaries in different organizational and economic contexts. Given that these imaginaries are subject to contestation, further studies might explore, for example, the role of organized labour in alliance with local NGOs in challenging the neoliberal orientation of development projects, or examine pressures upon multilateral agencies to incorporate more reflexive processes to enhance their sensitivity for local cultural and economic context. Our study focused on local restructuring, but further research is warranted on how these shifts, in turn, reshape the larger GPN.
References


Joshi G (2002). Garment industry in South Asia Rags or riches. New Delhi: ILO.


Makino M (2012). What motivates female operators to enter the garment industry in Pakistan in the post-MFA period?: Institute of Developing Economies, JETRO.


### Table 1. Data Summary

<table>
<thead>
<tr>
<th><strong>Type and Time Period</strong></th>
<th><strong>Source</strong></th>
<th><strong>Themes</strong></th>
</tr>
</thead>
</table>
| **Archival- Internal Documents and Published Reports, News articles and coverage (2009-2012)** | - Published documents from various sources such as UNDP, ILO, USAID, Oxfam, Clean Clothes Campaign, WWW (Working Women Worldwide), ITWGF (International Textile Garments and Leather Workers’ Federation, PILER (Pakistan Institute of Labour Education and Research) and Government of Pakistan.  
- Internal documents of UNDP, such as quarterly and annual reports  
- Articles in the popular press and posters and brochures, TV and press coverage of UNDP activities. | - Insights into the discursive elements of the social and economic imaginaries that informed the restructuring projects. |
| **Primary Interviews with industry stakeholders including manufacturers, buyers, consultants, contractors, labour, regulators and development agencies (2009-2011)** | - 71 interviews including 12 top managers, 12 middle managers, 29 workers, 5 labor contractors, 2 consultants, 2 Government officials, 1 buyer representative and 8 development agency officials. | - Insights into key themes listed in detail in Table 2. |
| **Workshops and Seminars (2010-2012)** | - Attended three workshops conducted by UNDP and ILO respectively on the promotion of female employment in the garment industry.  
- Seminar transcripts conducted by UNDP on various industry issues. | - Instrumental in revealing the relative influence and representation of various actors, their interests and discursive strategies, and linkages across organizations. |
| **Surveys** | - Two recent surveys by Makino (2012) and Haque (2009) focused on female labour force participation in the garment industry, sponsored by IDE-JETRO and UNDP respectively. | - These surveys highlighted attitudes toward female workers, an important part of the cultural context. |
Table 2. Salient Global and Local Events

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>1974</td>
<td>Multi-Fibre Agreement (MFA): International quota restrictions on apparel exports from developing countries.</td>
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<tr>
<td>1995</td>
<td>The WTO Agreement on Textiles and Clothing (ATC): ATC replaced MFA, providing a ten-year transition to complete phase out of quotas.</td>
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<tr>
<td>2002</td>
<td>Balancing Modernization and Rehabilitation (BMR) in Value Chain: Program of heavy capital investment in Pakistani production.</td>
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<tr>
<td>2004</td>
<td>USAID sponsored Skilled Based Industrial Literacy Program: Program to train female workers and improve productivity of Pakistani producers.</td>
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<tr>
<td>2005</td>
<td>Abolition of Quota Regime</td>
</tr>
<tr>
<td>2006</td>
<td>GENPROM: UNDP project to promote female employment.</td>
</tr>
<tr>
<td>2010</td>
<td>Promoting Gender Equality for Decent Employment (GE4DE): ILO intervention to facilitate women’s access to labour markets.</td>
</tr>
<tr>
<td>2012</td>
<td>Skill Development Program: Joint initiative of Pakistan Ministry of Textiles, ILO and CIDA to provide skilled workforce, especially women.</td>
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</tbody>
</table>