Global supply chains and social relations at work: Brokering across boundaries

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Citation: REINECKE, J. ...et al., 2018. Global supply chains and social relations at work: Brokering across boundaries. Human Relations, 71(4), pp. 459-480.

Additional Information:

- This paper was accepted for publication in the journal Human Relations and the definitive published version is available at https://doi.org/10.1177/0018726718756497

Metadata Record: https://dspace.lboro.ac.uk/2134/33292

Version: Accepted for publication

Publisher: © The Authors. Published by Sage.

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Global supply chains and social relations at work: Brokering across boundaries  

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Human Relations, 71(4) April 2018

Abstract

Global supply chains are not just instruments for the exchange of economic goods and flow of capital across borders. They also connect people in unprecedented ways across social and cultural boundaries and have created new, interrelated webs of social relationships that are socially embedded. However, most of the existing theories of work are mainly based at the level of the corporation, and not on the network of relations that interlink them, and how this may impact on work and employment relations. We argue that this web of relations should not just be seen in economic, but also social terms, and that the former are embedded and enabled by the latter. This article argues for the value of focusing on the role of brokers and boundary workers in mediating social relations across the global supply chain. It develops four approaches that lie on a spectrum from structural perspectives focused on brokers who link otherwise unconnected actors to more constructivist ones focused on boundary workers performing translation work between domains.

Keywords

Boundary work, global governance; global production networks; global supply chains, GSC, global value chains; social relations at work, socio-economics
Introduction

Over a decade ago, Henderson and colleagues (2002: 444) argued that the global production network had superseded the transnational corporation as the most effective form of industrial organization. According to recent data, they have also become the biggest: Global supply chains make up 80% of world trade and 60% of global production (ITUC, 2016). In this context, it may be surprising that most theories of work are mainly based at the level of the corporation. At the same time, much of the research into supply chains has focused on issues of economic inter-firm power relationships pursued by scholars from international political economy and economic geography. These are of course important issues. However, the effect of inter-firm relationships on social relations has been of lesser importance. Thus, this Special Issue seeks to bring focus onto these social processes: It is time to take the global supply chain as unit of analysis, and understand it not just as a chain of economic transactions but as also a web of social relations where social as well as economic influences are important. Hence, this Special Issue is a call for a “social turn” in studying global supply chains and for focusing on the social relations in which economic relations are embedded. As the classic literature on socio-economics alerts us, economic transactions are socially embedded, even as many social transactions have an implicit or explicit economic dimension (Granovetter, 1985; Wood, 2015). A more explicitly social approach can be pursued from two vantage points: one oriented to understanding how global supply chains affect social relations at work and the employment contract, and the other to understanding the social relations at work that create, mediate or govern global supply chains.

Global supply chains are not just instruments for the exchange of economic goods and flow of capital across borders. They also connect people in unprecedented ways across culture, class, age, gender, race, ethnicity, citizenship and religion and have created new, interrelated webs
of social relationships. Supply chains have become sites for interaction between individuals who are themselves socially embedded in the norms, institutions and values inherent to distinct geographical origins, professions, business regimes and cultures. This has not only changed the landscape of global production but also the world of the social relations involved. Through the globalisation of production, a fashion shopper or chocolate lover in the UK can become connected to a garment worker in Bangladesh or a cocoa grower in Ghana. And she may be outraged by sweatshop or child labour involved, and challenge retailers’ purchasing practices in relation to their suppliers in developing countries.

Yet, the most prevalent theoretical accounts of global supply chains see them primarily as chains of economic transactions, where structural positions of economic actors and the logic of transaction costs shape how these chains are governed (Gereffi et al., 2005) as if the “invisible hand” of the market worked its magic to arrange supply chains. But creating these new economic and social connections requires active interventions across the supply chain. These interventions pull in two countervailing directions. On the one hand, global supply chains lift economic production out of national governance systems. Geographical and social distance obscures the social relations of production and increases alienation of producers from their products, with potentially adverse effects on social relations at work. On the other hand, one can also observe ongoing efforts of recalibrating the social relations underpinning production, and of trying to re-regulate and re-embed economic relations in social ones.

To understand how new social connections emerge that connect people and domains across the upstream and downstream end of global supply chains, and how these connections are mediated, this article, and more broadly the Special Issue, examine supply chain brokerage across boundaries. The more catholic term of “global supply chains” is used in line with the
terminology employed in the global policy debate such as the International Labour Organization (ILO, 2016). The Special Issue also welcomed submissions which used varied and competing analytical approaches such as global value chains (GVC), global production networks (GPN) or other approaches. The argument of this article is that global supply chains are not only chains of economic transactions but that these are also underpinned by connections between social actors facilitated by the work of social brokers. Thus, focusing on the role of brokers in linking, bridging and translating across social relations in global supply chains takes seriously the notion that economic relations are embedded and enabled by social relations. To develop this argument, this article locates contributions in the Special Issue alongside the extant literature. The result is the development of four approaches that lie on a spectrum from structural perspectives focused on brokers who link otherwise unconnected actors to more constructivist ones focused on boundary workers performing translation work between domains. Finally, we outline some areas for future research.

Why social relations in global supply chains?

To the extent that global supply chains link disembodied commodities across borders, they are prone to what Karl Marx called “the fetishism of commodities”. Marx theorized how the market exchange of commodities obscures the social relations of production. The tendency towards commodity fetishism is exacerbated by the increasing complexity and fragmentation of productive activities across geographic space, which allows brands and retailers to distance themselves from the labour process (Merk, 2009). As human labour becomes embodied and objectified in the material form of commodities, the social relation between people assumes the “fantastic form of a relation between things” (Marx 1887, 34). As things get detached from social relations, commodities become decontextualized and detached from the social ties which would otherwise transcend the singular event of the market exchange. In sum, in global supply
chains, relationships between people are even more likely to be masked as relationships between disembodied commodities. Thus, more scholarship is needed to uncover the role of social relations underpinning global economic exchange.

The conventional literature on global value chains (GVC) has generally privileged economistic explanations of commercial relationships between firms. Gereffi and colleagues’ (2005) influential framework offers an analysis of structural relations in supply chains based on an actor’s economic power (Gereffi, 1994; Gereffi et al., 2005). It identifies dominant lead firms and explains their ability to extract economic rents and impose conditions in terms of their oligopolistic position in relation to a fragmented global supply base. While this offers important insights into coordination across firm boundaries, it explains coordination in terms of commercial dynamics: transaction costs economics, the complexity of inter-firm relationships and asset specificity. By neglecting the role of social relations within which the economic relations are embedded, the GVC literature “abstracts in principle from any social or institutional influence” (Barrientos, 2013: 46). But as Granovetter (1985: 487) famously argued, even in market-based contexts, economic activity is inherently “embedded in concrete, ongoing systems of social relations.” Consequently, this article aims to go further and foregrounds the role of social relations in global supply chains and the diverse actors making up supply chains both at the upstream and downstream end of supply chains, and connecting both ends. We first explore where and how social relations may come into our analysis of global supply chains.

First, rather than viewing organisations as relatively closed systems, or single sites within which contestation plays out, global supply chains focus attention on transnational, inter-organisational and inter-stakeholder relationships. This provides a fruitful novel context in
which to study social relations at work. Classic studies of social relations at work (Edwards and Scullion, 1982) have generally focused on the organization as unit of analysis, which is a relatively closed system. However, due to the way in which global supply chains have spatially and organisationally fragmented work (Grimshaw et al, 2005) they implode the boundaries of single organisational entities. This focuses attention what happens between organisations.

Global supply chains have opened up new sites of bargaining, contestation and struggle across countries (Coe et al., 2008; Levy, 2008; Barrientos, 2013). Changing consumer awareness in the North creates space both for trans-national civil society networks to campaign for labour rights in the global South, as well as for workers to mobilize allies overseas to support their grassroots social struggles (Merk, 2009). Thus, although becoming more spatially distanced and fragmented, global supply chains also link, maybe paradoxically so, the domains of production relations with consumption relations (Donaghey et al., 2014). Global social connections thereby add an extra-local dimension to workplace relations.

Second, global supply chains have had profound impacts on social relations at work. Seen as an advanced form of ‘footloose capitalism’, they have created new employment opportunities for millions of workers in developing countries, changed the nature of work, but also exacerbated exploitative conditions through downward pressure (Donaghey and Reinecke, 2018). This has wide-ranging impact on employment practices such as training, prevention of discrimination and trade union representation (Webster and Bischoff, 2011). The use of ‘cost-effective’ practices such as downsizing, outsourcing and contingent labour (Wright and Lund, 2003) has incurred social costs and increased levels of precarious work (Kalleberg, 2009) as well as affected worker identities (Cohen and El-Sawad, 2007). Concerns have been raised regarding the role of migrant labour (Frenkel and Yu, 2015), the use of domestic versus foreign labour (Jiang and Milberg, 2013), the balance between permanent and temporary work, and the
impact of outsourcing and offshoring on terms and conditions more broadly. As illustrated in South-East Asian ready-made garment industries, global supply chains have led to significant shifts in gender relations at work (Barrientos, Kabeer and Hossain, 2004; Gunawardana, 2018). While female employment has improved women’s economic participation, provides regular income and can thus enable greater autonomy for women workers, the feminisation of the workforce also reflects the exploitation of women’s greater willingness to endure low wages and long working hours and unsafe conditions at work (Evans, 2017; Munir et al’s paper, this volume).

Third, by viewing global supply chains as embedded in social relationships rather than purely as chains of economic transactions, attention is drawn to the role of institutional norms and expectations beyond the narrow commercial sphere. For instance, MNCs at the retail end may originate from multiple jurisdictions which bring with them different institutional and cultural expectations into a single supplier site. Munir et al (this volume) highlight the role of NGOs and intergovernmental organisations in altering social relations and observes that “it is a mistake to assume that GPNs act as a simple transmitter of these (brand-led) pressures”. Attempts to turn women into labourers encountered strong resistance from local norms of being a woman in Pakistan. Thus, local and global NGOs worked to change the norms of what being a woman means in the Pakistani context to legitimise female labour in the emerging garment industry. Soundararajan, Khan and Tarba’s (this volume) demonstrate how sourcing agents in the Indian knitwear industry not only connect global buyers and local suppliers so as to enable economic transactions to take place across borders, but in the process of doing so they also shape and actively transform social relationships. Zhu and Morgan’s paper (this volume) examine the role of differing institutional expectations and how they shape the implementation
of corporate codes of conduct. Seemingly uniform and standardized buyer codes take on very different meanings based on the implicit institutional expectations ascribed to them.

Fourth, global supply chains are also a site of a Polanyian double movement of re-embedding economic relations into social relations (Polanyi, 1944). In a market led movement, manufacturers have moved to new sites, generally to take advantage of lower levels of social standards regulation. However, this has led societal actors, including NGOs, trade unions and even some multinational corporations themselves, to establish counter-movements that create new restraints on market actions. Thus, the drive towards outsourcing disembeds economic relations from established social relations, such as institutional frameworks in which trade unions are recognised for collective bargaining. But new forms of social activity including the rise of consumer activism and global labour solidarity have emerged as attempts at re-embedding anonymous economic relations into the social fabric (Donaghey et al, 2014; Bartley and Egels-Zandén, 2015). Social solidarity across people in supply chains has facilitated the formation of cross-border networks of labour, women or expat organisations (Barrientos, 2013; Kaine and Josserand, this volume). Civil society activity has been associated with the rise of private standards which have facilitated the promotion of ethical sourcing practices, and introduced a level of societal checks and balances on the exercise of corporate power (Gilbert, Rasche and Waddock, 2011; Levy et al., 2016). Hence, the attempts by dominant economic actors to force down labour costs can be, at least partially, countered by transnational networks of workers and civil society actors, who mount pressure on dominant parties to promote better standards.

In sum, global supply chains as a form of economic organisation present contexts which go beyond established patterns of economic and social organisation. This calls for theoretical
perspectives to understand not just coordination of economic relations but also coordination of social relations.

The missing link? Brokering across boundaries in global supply chains

One of the consequences of the creation of new social connections spanning national boundaries is that these connections require coordination, maintenance and governance. Moreover, they may bring into collision often-disparate social worlds. The concept of brokerage is useful for understanding the intermediation roles that supply chain actors perform in facilitating, coordinating and influencing social relations. The traditional definition of brokers in the organizational and social networks literature describes brokerage as a mechanism “by which intermediary actors facilitate transactions between other actors lacking access or trust in one another” (Marsden, 1982: 202; Granovetter, 1973; Burt, 2004). Brokerage is seen as a particular structural pattern, such as structural holes, in which a third party connects two otherwise disconnected actors. More recently, however, scholars have argued for a broadened approach to brokerage by moving towards an understanding of the multi-faceted brokerage process in which third parties facilitate and alter the interactions of other actors (Obstfeld, Borgatti, and Davis, 2014). Such a broadened definition goes beyond transactions and economic exchanges to include the brokering of social relations, or patterns of social engagement (Obstfeld et al., 2014). Brokering then includes a broad range of social activity, including influencing and managing social relations by parties that may either be intermediaries between unconnected actors, or facilitators in dense networks with already existing ties. Based on these arguments, a modified definition of supply chain brokerage is proposed here and sees brokers as actors who carry out the role of creating, managing or influencing linkage points in global supply networks, and who have the capacity to mediate and alter social relations in the process. As such, brokers can act in many ways across the upstream and downstream end of
global supply chains, but may also to so to advance their own agenda and direct interests. For example, brokers could be sources of increased pressure on workers (Crang et al., 2013) or organisations which seek to improve social standards. Three key activities of brokers are 1) linking actors across the global supply chain and thereby creating social relations; 2) mediating these social relations in ways that may influence, intensify or otherwise alter them; and 3) their ability to alleviate or exacerbate existing power imbalances in value chains.

Myriad actors at multiple levels may carry out brokerage roles and thereby connect the diverse range of actors that make up global supply chains. These include supply chain managers (Burt, 2004), factory managers (Morgan and Zu, this volume), national governments (Henderson et al, 2002), labour-supply brokers (Barrientos et al, 2011), sourcing agents (Soundarajan et al., this volume), intergovernmental agencies such as the ILO (Thomas and Turnbull, this volume), the United Nations Global Compact (Rasche, 2012), the Global Reporting Initiative (Levy, Brown and de Jong, 2010), multi-stakeholder organizations (Reinecke and Ansari, 2015) or meta-organizations such as ISEAL Alliance (Loconto and Fouilleux, 2014), NGOs (Munir et al., this volume), and even individuals (Kaine and Josserand, this volume). Brokers may be statist, market orientated, or, indeed, occupy a position in the growing space between state and market (Wood and Wright, 2015). Their commonality is that they bridge across the downstream and upstream end of supply chains. Much of what has been written about what can be seen as supply chain brokerage focuses on the role of labour actors such as unions and NGOs (Cumbers et al, 2008; Williams et al, 2014). For instance, some Global Union Federations span consumers and producers because they have local union affiliates in both sourcing destinations and buying countries. The focus however has been on how institutions which emerged as national context bound actors adapt themselves to the transnational supply chain context (Niforou, 2015) or how they work with groups like NGOs around labour issues
(Bartley and Egels-Zandén, 2015; Reinecke and Donaghey, 2015). However, the nature of supply chains means that frameworks for understanding the various capacities which different actors bring to the social relations are in need of development. The point here is that brokers may intervene in the social processes of work at various points in the supply chain and this carries with it important questions surrounding who carries out what actions.

**Perspectives for studying social relations in supply chains**

To date, the conceptual underpinning of the analysis of social relations in global supply chains has been underdeveloped. Four conceptual perspectives are outlined here that can help understand the role of supply chain brokers in mediating social relations. The first approach of Global Production Networks, which has been widely adopted to analyse supply chain governance, is used here as an analytical basis to understand the role of supply chain brokers. Vice versa, the three other perspectives draw on explicit theories of brokerage or boundary work and are here brought into conversation with global supply chain scholarship. See table 1.

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*Insert Table 1 here*

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**Global production networks: Brokers as governance actors**

While the literature on global production networks (GPNs) does not explicitly offer a concept of brokerage per se, it provides important insights into how social actors can leverage the production-related dynamics underpinning supply chains. This provides an analytical basis
to understand how on the one hand, structural configurations impact labour agency and on the other hand, how the commercial power of dominant lead firms provides leverage for brokers at the intersection of the commercial and social realm.

GPN scholarship departs from the criticism of the GVC approach (Gereffi, 1994; Gereffi et al., 2005) as overly focused on inter-firm power relations, with little emphasis on the broader social context in which firms operate (Rainnie et al., 2011; Barrientos, 2013). In contrast, the GPN approach was developed by economic geographers who argued that the GVC approach was silent on the spatial relationships contained within production processes (Dicken, 2003; Henderson et al, 2002). Thus, the approach is favoured by those who argue that production is carried out through networks of commercial and social actors organised across space and with a stress on power asymmetries and political contestation in the production process (Levy, 2008; Barrientos, 2013). The GPN approach is built around the idea that capturing of wealth and value arising from these networks is contestable through the GPN (Hess and Yeung, 2006; Levy, 2008). Importantly, GPN scholars recognise the social embeddedness of economic actors (Coe et al, 2003; Rainnie et al, 2011) but do so as a means of understanding material considerations. Economic transactions of global supply chains are enabled and influenced by social ties, such as networks of personal relations as well as underpinning institutionalised norms and beliefs. While initially being relatively dispassionate towards the role of labour and particularly organised labour, the issue of labour has been reintroduced to the GPN framework in recent years (Cumbers et al, 2008; Rainnie et al, 2011; Fichter, Helfen and Sydow, 2011). For example, Rainnie and colleagues (2011) highlight that the socio-political underpinnings of the GPN approach make it more inherently open to understanding brokerage in the form of labour activism than the GVC approach.
In terms of supply chain brokerage, the GPN approach helps understand the commercial levers that are available to brokers, which is particularly important in relations to labour governance. At the level of the global supply where governance actors lack recourse to the regulatory authority of the sovereign state, it becomes increasingly important to examine linkages between the economic power of lead firms versus the labour power of workers and purchasing power of consumers and how these are leveraged to establish systems of private labour governance (Hassel, 2008; Donaghey et al., 2014). The leverage of commercial power explains the ability of brokers to sanction or at least threaten to sanction non-compliant actors, which is critical to create effective governance. Thus, while brokers often seek to mediate relationships, when they act as regulators, brokerage attempts are backed up by the knowledge that there is a possibility of economic sanctions, or even, coercive action. As is well established, multinational buyers leverage their position as lead firms and the threat of ending supply contracts as a way to enforce codes of conduct. An advanced model of this is the Bangladesh Accord on Fire and Building Safety. Along with two Global Union Federations, over 200 signatory brands have pooled their purchasing power and established a quasi-autonomous legal entity to improve workplace health and safety. While the Accord advises, discusses and negotiates with supplier factories, ultimately its brokerage role is bolstered by its members’ collective commitment to terminate relationships with non-compliant suppliers (Donaghey and Reinecke, 2017). But what pushes lead firms into adopting code of conducts or signing collective agreements in the first place (cf. Fransen and Burgoon, 2014)?

By going beyond the firm-centric approach and considering actors at both the extreme upstream and downstream end – workers and consumers – analysis can be focused on how exploiting critical leverage points yields new sources of power and how they can be used to establish new forms of global labour governance: labour power and consumption power
Labour power focuses on the ability of workers or their unions to organise and put pressure potentially on employers, which typically low in many production contexts. The notion of consumption power provides insights into the commercial leverage that consumer-oriented civil society organisations have sought to exploit by targeting the reputational risk of lead firms (Donaghey et al., 2014). For instance, it can explain the ability of labour rights campaigns and NGOs to leverage the dominant position of lead firms. By positioning themselves at the interface of worker and consumer rights, these actors can leverage the interplay of social and dynamics – consumer awareness as a driver of reputational risk – to pressure dominant lead firms.

Consumption power may also re-enforce labour power. Workers themselves have recognized that successful organizing under conditions of spatially fragmented production systems often requires them to expand the terrain of struggle outside the workplace. By including consumers as potential allies in pro-worker struggles, workers can “jump scale” and “bridge space” to gain leverage over employers (Merk, 2009: 606). Worker rights NGOs facilitate the mobilization of consumers and their purchasing power to increase the agency of workers at the upstream end of supply chains. The Workers’ Rights Consortium, an independent labour rights monitoring organisation, exemplifies this model of leveraging consumption power. By mobilising college students from its 175 college and university affiliates, it puts pressure on collegiate brands (lead firms) to combat sweatshops and protect the rights of workers in their supply chains. In the aftermath of Rana Plaza the Workers’ Rights Consortium played a vital role in pressuring lead firms to sign the Bangladesh Accord on Fire and Building Safety (Reinecke and Donaghey, 2015). Once brands and retailers have made commitments to labour rights, local unions can then leverage them, albeit with varying success (Bartley and Egels-Zandén, 2015).
In sum, the GPN approach opens up space for analysing brokerage processes at the intersection of social and economic dynamics. This provides an analytical basis for examining how non-commercial brokers such as NGOs target lead firms’ mainstream commercial practices by exploiting different leverage points opened up within GPNs to protect labour rights and improve working conditions. Yet because of its important concern with the structure of the network, theorising what types of actions occur in the specific workplaces is beyond the scope of the GPN approach. While the GPN approach is valuable to scholars seeking to understand the interaction of economic, social and spatial relations, it provides less value to those who seek to understand other aspects and outcomes from supply chain structures. The next three possible approaches outlined have as their focus the specific workplace and its relationship to the wider supply chain.

**Brokerage across structural holes: Brokers as connectors**

The classic perspective on brokerage originates in the social network literature and focuses on network brokers. Brokerage connects actors or group of actors, and thereby spans “structural holes” between groups that are otherwise disconnected (Burt, 2004). Their ability to create and mediate connections creates an information advantage in detecting and developing rewarding opportunities: “brokerage across the structural holes between groups provides a vision of options otherwise unseen” (Granovetter, 1973; Burt, 2004: 349).

One can easily imagine how brokering social connections in social networks may be highly relevant to understanding the organisation of social relations in global supply chains. A key feature of supply chains is the spatial distance it creates between the producers of goods and their ultimate consumers (Coe et al, 2004). Rainnie and colleagues (2007: 116) highlight the issue of location and argue that “the production of commodities at significant distance from their final consumers means that few, if any, such consumers will be able to inspect the
conditions under which the commodities they consume were produced”. This points to the role of brokers to connect and create relations in “structural holes” between otherwise disconnected actors across the supply chain. Their positions within a supply chain or production network allows them to spot global supply chain opportunities that are not available to others. In fact, Burt (2004) himself studied 673 managers who ran the supply chain in 2001 for one of America’s largest electronics companies. Managers who brokered connections across the supply chain enjoyed competitive advantage in seeing good ideas and develop social capital from translating beneficial information across groups.

In global supply chains, a number of brokers have emerged who create connections and make information available that may otherwise be obscured by the complexity and distance of global supply chains. But unlike Burt’s brokers who create benefits mainly for themselves, many supply chain brokers seek to create “a chain of social connectedness” between consumers and producers (Schrempf-Stirling and Palazzo, 2013: 10) in ways that heightens consumer responsibility and enhances workers’ agency. In the absence of a direct relationship between producers and consumers, brokers including unions, NGOs and workers’ rights campaigns expose the living and working conditions of workers to consumers – combat the obscurity of supply chains and expose potential malpractice down their supply chains. International accountability standards, codes of conducts and other auditing or traceability schemes aim at enhancing transparency across the supply chain, allowing consumers to know where their products come from or under which conditions it was produced (Gilbert et al., 2011; Egels-Zandén and Hansson, 2016). Consider the Fairtrade label – an early pioneer in creating a social and moral connection in what may otherwise be anonymous supply chains. Fairtrade makes the producer and her conditions visible at the point of sale and reminds consumers of the social relations underpinning economic exchange (Reinecke, 2010). Here, the labelled or otherwise earmarked product serves as the tie connecting producers and consumers. Or, labour rights
NGOs working locally can leverage workers’ agency by connecting them directly with global brands. Bartley and Egels-Zandén (2015) show how global unions can connect workers at the upstream end with actors and their resources at the downstream end. This role performed by labour rights NGOs has been evident in numerous contexts including Chinese toy manufacturers (Egels-Zandén, 2009), Nike’s shoewear supply chain (Locke, 2013), Indian and Bangladeshi garment workers (Jenkins, 2013; Donaghey and Reinecke, 2017).

The example of Viet Labor – a loosely connected grass-roots organisation of the global Vietnamese diaspora – that Kaine and Josserand’s (this volume) present is an example *par excellence* of how brokers create connections at structural holes, or here, governance gaps. Viet-Labor connects members of the Vietnamese diaspora in support of Vietnamese migrant labourers such as in Malaysia or Thailand. National identity provides the “weak tie” that can be leveraged as social glue to create connections with “unconnected” workers, such as unskilled migrant labourers in the informal economy, or industries that are less exposed to Western scrutiny who have fallen between the cracks of governance interventions and cannot access support from unions, NGOs or benefit from corporate CSR practices. For instance, Kaine and Josserand document how Viet Labor provides access to information that may otherwise be inaccessible due to language or literacy barriers, such as educating vulnerable migrant workers at risk of exploitation or abuse about their labour rights according to local laws. As connectors, brokers play a key role in making connections between actors that are otherwise unconnected and making information available.

**Brokerage across cultural and institutional domains: Brokers as translators**

Many brokers span not just structural holes in social networks but bridge the divergent social worlds, with varied cultural and institutional norms, underpinning those network holes.
For instance, Zhu and Morgan (this volume) highlight the institutional gaps at the intersection of global supply chains and local institutional environments and find that local factory managers played a crucial role in bridging these gaps when implementing the codes of conduct of their Japanese clients. This cultural and institutional brokerage view moves away from structural notions of bridging positions and embraces a more dynamic view that sees brokers as actors with specific social skills necessary to translate norms and practices across shifting fields. Rather than seeing brokers as actors in a relatively durable field position, brokerage occurs in rapidly evolving networks (Obstfeld et al., 2014) and in transitional situations of social interaction, such as “interstitial spaces” in which actors from different fields interact (Furnari, 2014, 2016). In transient social situations, brokers can act as “catalysts” to sustain and foster interactions among others and assist in creating shared meaning (Furnari, 2014).

Shared meaning is critical to the extent that global supply chains connect different fields and their underlying social worlds, and hence involve institutional diversity (Zhu and Morgan, this issue; Lane and Wood 2009). Brokers operating at the intersection of social worlds have to understand, reconcile and translate across “distinct rules of the game” that characterize the respective field (Rao, Morrill and Zald: 2000: 252). The density and quality of the ties between brokers and other players in the value chain will mould the relative autonomy of different players, and how much – and how – social relations infuse market ones (Lane and Wood, 2009). Brokers do not only exploit “structural holes” and associated knowledge gaps in social networks but are socially skillful actors who can leverage the “creative friction” at the intersection of colliding and competing social worlds (Stark, 2009, p. 29). The interaction with different social worlds enables the production of new knowledge, new practices and new institutional configurations.
In global supply chains, brokers operate where disparate social worlds are brought into confrontation and where clashes occur such as between different business regimes and their underpinning institutional domains (Zhu and Morgan, this volume). For instance, multi-stakeholder initiatives bring into dialogue different stakeholder perspectives and interests, but also connect numerous local networks that are themselves embedded in a wider global network (Rasche, 2012). For instance, for Fairtrade to be an effective broker between the disparate worlds of Western buyers in consumer countries and marginalized producers in developing countries, the organization came to realize that it also had to engage in temporal brokerage to translate across different temporal orientations associated with each world (Reinecke and Ansari, 2015). The Fairtrade certifying body focused on time-bound performance outcomes (e.g., elimination of child labor) to satisfy supermarkets and consumers. The Fairtrade standards body advocated fostering long-term systemic change in poverty-stricken contexts, such as capacity building to benefit future generations. Here, brokers are not just simple “connectors” that leave interactions unchanged. Instead, by translating across disparate social worlds they may fundamentally intervene in social relations and alter the parties they connect.

In Munir et al’s (this volume) study, civil society actors have entered the terrain as intermediaries between capitalist institutions and local culture. When local and global women’s rights NGOs attempted to increase women employment in Pakistan, they encountered resistance from local norms. In order to render female labour amenable to capitalist exploitation they had to become translators between these different worlds and their normative underpinnings. They did so by adapting their discourse so as to generate greatest buy-in from each audience to whom the message was being sold. The employment programmes were sold to managers as being about raising productivity. To the female workers, they were sold as a mechanism of empowerment. This opens questions about when the boundaries of translational brokerage blurs with what could actually be manipulation.
Since the practices that are being translated are never faithfully replicated in the new setting they are transposed to, translation can also change practices or lead to the creation of new unexpected results. In their study of Chinese IT service providers, Zhu and Morgan (this volume) find that Chinese mid-level factory management do not just implement codes of conduct of their clients in a uniform way. Instead, local factory managers become unexpected cultural and institutional brokers between institutional norms and business regimes. They take into account institutional expectations associated with the national business system of buyers and adapt them to match lead firms’ expectations. As a result, the way practices were adapted was contingent on the interplay of institutional configurations. Similarly, Helfen, Schuessler and Stevis (2016) study the role of Global Framework Agreements in translating European labour relations practices in the United States, where collective representation rights are institutionally weak. Comparing German and Swedish MNCs they find that home country institutions play a central role in the way Global Framework Agreements are translated into local labour practice.

Finally, global supply chain brokers are often themselves constituted by multiple stakeholders or constituents. Brokerage may then also involve brokering amongst multiple constituencies. Thomas and Turnbull (this volume) study how the traditional global regulator for labour rights, the International Labour Organization (ILO) struggles to engage with the implications of the re-organisation of production into global supply chains. The ILO had previously fulfilled this regulator role by brokering between its tripartite constituents, employers’ associations, nation states, and trade unions (Baccaro and Mele, 2011). However, new constellations of actors, particularly the role of MNCs challenges this model of labour governance, which proves to be increasingly ill-suited to ensure decent work for marginalized workers. Employers and the governments of many developing member states are reticent to address decent work in global
supply chains. Studying the “inner workings” of ILO policy making in its Geneva headquarters, Thomas and Turnbull (this volume) trace how the ailing broker tries to reform itself from being ‘a moral commentator’ to ‘a determined actor’ in global labour governance. They find that the Rana Plaza disaster created an opportunity for the Director General and the workers’ group in the ILO to put global supply chains on the agenda of the International Labour Conference in 2016; paving the way for new forms of public/private and horizontal/vertical governance of global supply chains.

The cultural and institutional brokerage perspective highlights that brokers play an active role in translating across social worlds and their underpinning cultural and institutional norms. It is worth highlighting that brokers themselves often have interests which differ from those of the parties who have direct economic interests in the supply chain itself. A key issue arises as to how messages are translated and in whose interests.

**Boundary work: Brokers as boundary workers**

The final perspective on “boundary work” provides a valuable framework for studying the crossing, erecting or bridging boundaries in global supply chains. Boundary work has been described as both the work to establish, define, negotiate and maintain the barriers that promote separation as well as the work to establish junctures that enable connecting (Quick and Feldman, 2014). While the traditional notion of network brokerage originates in a structural perspective, boundaries are seen as a symbolic and meaning-ridden social distinctions that establish categories such as social and collective identity, class, race, and gender, professions and spatial boundaries (Lamont and Molnár, 2002). For instance, in science studies, boundary work initially was concerned with the problem that scientists had of creating a boundary or demarcation between science and non-science to legitimize epistemic authority (Gieryin, 1983). But boundaries can also serve as interfaces that facilitate exchange, bridging, inclusion,
and co-production between communities. More generally, boundaries act as “tools by which individuals and groups struggle over and come to agree upon definitions of reality” (Lamont and Molnár, 2002: 168).

Global supply chains have been enabled by and further contributed to breaking down boundaries of production systems and trade barriers. Overall, the process of globalization and transnationalisation have increasingly deterritorialised firms, work and production systems, and hybridized designation of origin from “made in” to “designed in” or “assembled in”. Global supply chains cross the territorial borders of states, political boundaries of citizenship and legal regimes, and cultural boundaries of national business systems and communities. Yet, crossing does not remove boundaries between legal regimes, cultures or institutions.

Boundary work includes boundary spanning practices such as the creation of boundary objects (Star and Griesemer, 1989), which establish a shared reference point that facilitates coordination across boundaries while leaving flexibility to accommodate different social worlds and maintain distinct identities. As such, boundary work can serve as a means of rendering one world meaningful from the perspective of another, which can help people take the cognitive leap between domains that have a particular meaning (Star and Griesemer 1989). Many supply chains management practices such as the creation of code of conducts, standards and certification systems serve as boundary objects that translate legal, cultural and moral norms and expectations from one world (consumers in the North) into another world (producers in the global South) (Reinecke and Ansari, 2015). In studying the relationships between corporate retailers and Fair Trade organizations, Nicholls and Huybrechts (2016) highlight the development of boundary-spanning discourses which allow for multiple interpretations to co-exist, such as sustainability as a nexus of economic and social value creation narratives. These facilitated alignment of conflicting logics and helped sustain inter-organizational relationships
over time despite conflicting worldviews and power asymmetries. Similarly, the creation of multi-stakeholder platforms, such as the Ethical Trading Initiative in the UK, illustrates the co-creation of a shared space at the boundary of where supply chain stakeholders intersect. By coming together, different stakeholders learn each other’s language, develop understanding from each other’s perspective, share knowledge and practices. Boundary spanning then creates potential for boundaries between stakeholder interests and perspectives to be crossed and shared interests to be pursued.

While bridging some boundaries, boundary work in global supply chains may also entail establishing boundaries as well as “territorial negotiations and disputes among a variety of self-interested parties” (Nippert-Eng, 1996: 564). For instance, to comply with US security and customs regulations, shipments of garments for US buyers are meticulously segregated in factories through spatial and material fences. Similarly, while code of conducts, standards and certification systems allow bridging “vertical” boundaries between actors in the supply chain, they also establish borders “horizontally” between legitimate and illegitimate actors. ISEAL Alliance, the global association for social and environmental standards seeks to erect boundaries to distinguish legitimate from illegitimate standard-setting organizations (Loconto and Fouilleux, 2014). Similarly, the Bangladesh Accord defines categorical boundaries in ways that draw distinctions between factories that qualify for supplying to Accord brands and those that fail to do so (Donaghey and Reinecke, 2017). Finally, boundary work can also involve redefining boundaries. In Kaine and Josserand’s (this volume) study, by connecting Vietnamese workers across the globe the grassroots network Viet Labor redraws the boundaries of national identity.

Moreover, many of these boundary objects are porous and do not perfectly translate across the
disparate worlds of suppliers and buyers and require further interpretive work by boundary workers. Soundararajan, Khan and Tarba (this volume) study such symbolic brokers who work across power, linguistic and cultural boundaries. Their study of sourcing agents in the Indian knitwear garment export industry finds that while they are officially appointed as brokers to facilitate trading relations between global buyers and local suppliers, in practice, they become self-declared boundary works who span the institutional, cultural and physical boundaries. They bridge across linguistic and cultural differences as well as power differentials between large, powerful Western buyers and small, largely dependent suppliers to enable constructive interaction between buyers and suppliers and to improve working conditions in a meaningful way. For instance, Soundararajan and colleagues examine how the Indian sourcing agent translated a buyer’s requirements regarding working conditions into a simplified manual in the local language (Tamil). Far from being peripheral actors, sourcing agents are often much better positioned than the lead firms to facilitate meaningful implementation of standards in supplier facilities, and hence fulfil important roles of labour governance, even if inadvertently.

In sum, boundary works plays a key role in the governance of working conditions in global supply chains. By focusing attention on boundaries themselves, this perspective not only highlight boundary spanning activities but also the drawing and redrawing of boundaries.

*Future research: Understanding social relations brokerage in global supply chains*

In recent years, there have been numerous calls for the development of research that goes beyond debates around inter-firm governance structures (Rainnie et al, 2011; Cumbers et al, 2008). What this special issue aims to do is to bring more attention onto those actors who are brokers between different parts of the supply chains and analyse how they affect social relations at work. Throughout the article of this special issue, brokers from many different aspects are outlined: factory managers, labour rights NGOs, multinational corporations,
unions, intergovernmental agencies to name a few categories. In this section, two potentially fruitful areas of future research are outlined, though it is in no way exhaustive, that concern (1) the legitimacy of actors to be brokers, and (2) the capacities that enable these actors to perform brokerage roles.

**Legitimacy**

Future research is needed to understand what legitimizes actors to take on brokerage roles. Without doubt, economic actors in the supply chain such as manufacturers, workers and consumers have legitimate economic interests in the supply chain. There are few who would argue that a factory owner does not have a legitimate role in the supply chain. However, many brokers of social relations are self-appointed and claim to act on behalf of those with a legitimate interest. In his formulation on the European Union, Fritz Scharpf (1999, see also Mena and Palazzo, 2012) distinguished between what he labelled as “input legitimacy”, where legitimacy requires that the democratic claims and those making them should authentically represent the parties concerned, and “output” legitimacy, where the outcomes represent the wishes of those involved in the process. For instance, unions can base their claims to input legitimacy on union membership in the workplace. This endows them with a democratic mandate to negotiate on behalf of workers even across the supply chain as in International Framework Agreements. But in many supply chain contexts, union representation is low. Buyers often choose sites of production because of low labour costs, which are often a result of weak systems of worker representation. In the Bangladeshi garment industry unions have less than 5% density, which raises question as to unions’ input legitimacy. On what basis can Global Union Federations, who may have little to no membership in a certain production context, make claims to represent workers?
Moreover, can brokers such as labour rights NGOs based in countries thousands of miles away claim input legitimacy based on representing the interests of workers or consumers? Should those who buy from multinational buyers be entitled to voice their dissent or should they have the binary choice of exit or loyalty? Labour rights NGOs and activist groups typically act as “solidaristic proxies on behalf of other beneficiaries” such as workers or consumers without enjoying a mandate to do so (Koenig-Achiburgi and Macdonald, 2013: 517). Consumer movements claim that their consumption decisions as citizen-consumers can endow actors with a quasi-democratic mandate to create traceability, transparency or comply with certain product standards on behalf of consumers. For instance, the Fairtrade or organic labelling organisations may claim to draw their legitimacy from the fact that consumers make conscious choices to buy labelled products, or vote with their wallet. But the extent to which consumer demands align with the interests and demands of workers is rarely explored. The question of legitimacy of supply chain brokers is one which deserves more attention.

**Capacities**

Another opportunity for further research is the need to better understand what enables supply chain actors to take on brokerage roles, and what capacities and capabilities these actors bring to a given context. And how do these capacities and capabilities shape the nature of the supply chain? The core explanation in both the social network and GVC perspective would point to the broker’s structural position in a social network that endows brokers with an advantage. Network brokers occupy structural positions that allow them to locate holes and bridge across multiple groups. A range of supply chain brokers are indeed structurally positioned at the interface of other actors within a production network. Sourcing agents can be seen as natural brokers. Their location at what may otherwise be structural holes in the network enables them to use their information advantage to mediate between buyers and suppliers.
But many other brokers do not occupy advantageous structural positions within the supply chain, and may have to actively establish an institutional position. Table 1 draws on existing literature about what is viewed as enabling brokers. However, what this actually means in the supply chain context is worthy of much closer examination.

A central issue thus to understand is that brokers bring different capacities to an arena. There are however emerging arguments in this area. For example, In Reinecke and Donaghey’s (2015) analysis of the Bangladesh Accord they outline four types of capacity – representational, institutional, mobilising and expertise – which enabled the effective formation of an alliance between global union federations and labour based NGOs. In addition, interesting insights can be taken from the papers in this volume. Kaine and Josserand (this volume) highlight how an organisation of expatriates became a key actor in terms of representing workers using cultural and demographic ties. Thomas and Turnbull’s article highlights how the shifting political constellations within the International Labour Conference enabled the ILO to bring onto the agenda the prospect of developing a labour standard in the area of supply chains. The capacity to marshal knowledge and expertise is a central theme outlined by Soundararajan et al (this volume). They highlight that acquiring knowledge about the relevant fields and actors is an essential condition for brokers such as sourcing agents to do effective boundary work in practice. In contrast, intermediaries may also act as gatekeepers, limiting the flow of information between different levels of supply chains, and leaving those at the most basic level of production in a particularly vulnerable position.

**Conclusion**
Global supply chains are a central part of modern capitalist societies. While conventional approaches have focused on the coordination of economic relations across geographical space, this article calls for a more balanced approach that accords due attention to the social relations of production, and other non-market dimensions. Rather than viewing supply chains in terms of disembodied economic transactions, they are made up by social relation between concrete people, including consumers, workers, managers, civil society actors and other intermediary actors. By shifting perspective from economic transaction to social interaction, we are able to better appreciate the work that goes on in creating, sustaining and bridging relationships between people including the societal norms, cultures and institutions they inhabit. This highlights the role of brokers and boundary workers between parties and domains in determining the nature of social relations at work. While attention on this aspect has grown in recent years, we hope this special issue can help to open up new debates around the nature of the role of actors and their effects on and how they are affected by social relations within global supply chains.

**Funding**

This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.
References


Table 1: Four perspectives for studying the role of brokers in mediating social relations in supply chains

<table>
<thead>
<tr>
<th>Perspective/dimensions</th>
<th>Global production networks</th>
<th>Structural holes</th>
<th>Cultural brokerage</th>
<th>Boundary work</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is being connected?</td>
<td>Production actors and stakeholders</td>
<td>Information</td>
<td>Culture / institutions</td>
<td>(Symbolic) boundaries</td>
</tr>
<tr>
<td>Why do social relations matter?</td>
<td>Asymmetries in economic power relations, reputational risk</td>
<td>Filling structural holes, social capital, Information asymmetries</td>
<td>Plurality of social and cultural norms and institutions</td>
<td>Meaning, Symbolic, cognitive and social distinctions</td>
</tr>
<tr>
<td>What enables brokers?</td>
<td>Ability to leverage commercial dynamics, including reputational risk</td>
<td>Ability to leverage a position of structural advantage</td>
<td>Social and cultural skills, relational work, institutional entrepreneurship</td>
<td>Being multi-lingual, understanding from each other’s perspective</td>
</tr>
<tr>
<td>Brokerage role in global supply chain</td>
<td>Brokers as governance actors</td>
<td>Brokers as connectors</td>
<td>Brokers as translators</td>
<td>Brokers as boundary workers</td>
</tr>
</tbody>
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