Foreword

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The garment industry is one of the hallmarks of economic globalization in the late 20th century, and it is the industry that provided many of the seminal insights for the global value chain (GVC) approach to development, which today is the pre-eminent paradigm used by international and national policy-makers, academic researchers and practitioners. Based on key experiences in the global garment industry, the concepts of governance structures –

including the distinction between buyer-driven and producer-driven value chains (or commodity chains, in earlier variants of the approach) – as well as various typologies and trajectories of industrial upgrading, were introduced into the international business and development literatures.¹

Given the rapid growth in international trade that prevailed from the 1970s until the onset of the global recession of 2008–09, many developing economies utilized export-oriented industrialization based on global garment production networks as a way to generate jobs, foreign exchange earnings, and numerous capability enhancements and technology spillovers among local garment firms to fuel their economic growth.

With the phase-out of the Multifiber Arrangement (MFA) in 2005, which utilized quotas to provide market access for many garment-exporting nations to the large United States and European Union markets, and the global recession of 2008–09 that led to trade slowdowns and a renewed emphasis on inward-oriented development strategies, the global garment industry has continued to be a pacesetter for globalization trends. While the biggest country exporters, such as China, Bangladesh, Vietnam and India, have now amassed commanding shares of global garment exports, the top lead firms in the garment GVC are streamlining their supply chains, and focusing on the largest and most capable suppliers that are geographically well positioned across the world's major regional centres of supply and demand. In terms of the GVC framework, these shifts are reflected in renewed attention to the interplay between GVC dynamics of governance and upgrading, and the role of firms' strategies² among the leading suppliers for the garment GVC, which

are typically located in large developing economy production centres, such as China, Bangladesh and Vietnam.

All of these currents are captured admirably in this new volume, *Upgrading the Global Garment Industry: Internationalization, Capabilities and Sustainability*, edited by Mohammed B. Rana and Matthew M.C. Allen. The chapters in this volume offer a variety of detailed case studies of major garment-producing countries, including Bangladesh, Vietnam, China, India, Pakistan, Sri Lanka and Ethiopia. What distinguishes this volume from the plethora of other studies on the global garment industry is its firm-level focus. While some attention is given to lead firms in the garment GVC such as H&M, the largest emphasis by far goes to the supplier firms in the garment-exporting nations, which tend to be underrepresented in GVC research and other publications because access to key firms is often difficult and time-consuming, and qualitative case studies are hard to square with the model-building and quantitative methodologies preferred by many academic journals. However, good case study research can indeed contribute to theory formation, concept development and hypothesis testing if the work is grounded in ongoing scholarly and policy-relevant debates, which is true for most chapters in this book.

A strategic analysis of supplier firms in the garment GVC typically requires in-depth interviews with high-level managers who can explain how and why the firm evolved as it did, accommodating relevant contextual factors at both the domestic and international levels. Fortunately, a majority of the chapters in this volume contain detailed firm-level case studies that permit us to understand how garment suppliers have navigated the complex institutional, political and societal terrain within the exporting country, and also the inter-firm relationships they must establish with the global buyers in advanced-country markets. In addition, the authors address many of the contested or emerging issues related to internationalization, capability building and sustainability through the experiences of the developing country suppliers they analyse. These topics include: whether (and under what conditions) supplier relationships with multinationals enhance their efforts to upgrade; how suppliers grow and internationalize their production (and related upstream and downstream) activities to foreign countries; the extent to which the upgrading and internationalization of these firms helps to improve employees' working conditions, environmental outcomes and sustainable garment production; and different ways that garment suppliers in developing economies can create dynamic capabilities and avoid "lock-in" to particular stages in the upgrading ladder.

While this volume provides useful insights for international business and development scholars, its scope is necessarily bounded, which raises broader issues for future researchers. Most of the developing countries that play

a significant role in the global garment industry are actively engaged in trying to diversify their economies toward a broader array of industries within and beyond the manufacturing sector. The digital transformation associated with the Fourth Industrial Revolution is pervasive across all industries and nations,³ and e-commerce is already altering upgrading strategies and governance structures for both large and small garment suppliers.⁴ Finally, the impact of the novel coronavirus of 2020 has been devastating for key garment exporters, such as Bangladesh.⁵ Notwithstanding the wide range of issues that will continue to shape the future of the global garment industry, this volume makes important contributions to understanding the role of developing-country garment suppliers in the current era, which make it a valuable resource to scholars, policy-makers and practitioners alike.

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3. UNCTAD, *World Investment Report 2017: Investment and the Digital Economy*, Geneva: United Nations Conference on Trade and Development, 2017.
4. Fuyi Li, Stacey Frederick and Gary Gereffi, "E-Commerce and industrial upgrading in the Chinese apparel value chain," *Journal of Contemporary Asia* 49(1), 2019: 24–53; and Fan Lulu and Boy Luethje, "Taobao villages: Rural e-commerce and low-end manufacturing in China," *East-West Wire*, July 31, 2020, available at: <https://www.eastwestcenter.org/news-center/east-west-wire/taobao-villages-rural-e-commerce-and-low-end-manufacturing-in-china>.
5. Mark Anner, "Abandoned? The impact of Covid-19 on workers and businesses at the bottom of global garment supply chains," Penn State Center for Global Workers' Rights, March 27, 2020, available at: <https://www.workersrights.org/wp-content/uploads/2020/03/Abandoned-Penn-State-WRC-Report-March-27-2020.pdf>.