DISSERTATION

ENHANCING WORKPLACE STANDARDS IN COTTON GARMENT MANUFACTURING: ANALYZING FAIRTRADE AND GLOBAL ORGANIC TEXTILE STANDARDS IN INDIA

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ABSTRACT

ENHANCING WORKPLACE STANDARDS IN COTTON GARMENT MANUFACTURING: ANALYZING FAIRTRADE AND GLOBAL ORGANIC TEXTILE STANDARDS IN INDIA

Historically, the cotton garment trade has been characterized by internationally exploitative relationships. Within this context, voluntary certifications have sought to improve the working lives of cotton factory garment workers around the world. This study focuses on the case of India, which is a major global producer of cotton garments with substantial problems in ensuring sound workplace standards for workers. It examines the development and role of voluntary certification as transnational multistakeholder governance frameworks that seek to advance sustainable development in international trade.

This research uses qualitative methodology to examine the role of voluntary standards from the perspective of managers, analyzing the complexities in the adoption and implementation of two well-known voluntary standards, namely, Fairtrade International Textile Standard and Global Organic Textile Standard within garment factories in India. It highlights the evolutionary growth of these standards in India, their potential and contribution to sustainable production and manufacturing, and the role of responsible leadership in global trade. By highlighting how voluntary certifications are operationalized in real world settings, this study contributes to the growing literature on the purpose and impact of voluntary standards in garment factories in India.

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Every PhD story is a unique experience. This one is about resilience.

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Introduction

The global garment industry is spread throughout the world. Although production takes place in low-wage South Asian countries like India, the cotton garment trade has historically been characterized by exploitative international commercial ties where power and influence are centered in the United States and Europe (Lopez-Acevedo & Robertson, 2016; Prentice et al., 2018). Moreover, while India, Pakistan, and Sri Lanka share a common colonial history, it is noted that their labor histories are different, and that they occupy distinct niches within the global garment industry. Bangladesh is known for its low-cost labor and specializes in high-volume production (Zajak, 2017; Prentice et al., 2018). In contrast, Sri Lanka presents itself as a producer with established labor standards and a commitment to ethics (Ruwanpura, 2016; Goger, 2013; Prentice et al., 2018). The garment industry in India is typified by outsourcing, with production being subcontracted to home-based workers, informal businesses, and smaller units (Tewari, 2008; Mezzadri, 2017; Prentice et al., 2018). The COVID-19 further exacerbated problems for the garment industry as it led to factory closures, supply chain disruptions and financial losses putting immense pressures on factory management to address a destabilized industry (PwC Report, 2021).

In this context, voluntary certifications aim to enhance the working conditions of cotton garment workers worldwide. This study focuses on India, a key global producer of cotton garments, where ensuring adequate workplace standards remains a significant challenge (Singh, 2017). It examines managerial perspectives and challenges in the implementation of two major voluntary certification systems: Fairtrade International and the Global Organic Textile Standard (GOTS). Fairtrade International is a global non-governmental organization committed to addressing historically entrenched inequalities in conventional global trade. GOTS, the world's leading certification for organic textile production, is one of the most widely adopted voluntary standards in India's cotton garment sector in terms of both size and scale of operations. This study focuses on middle management, since it is they who are responsible for converting these regulations and standards into changes on the factory floor. The unique positioning of middle level managers between industry, international brands, NGOs, and civil society associations makes them critical actors for navigating voluntary certification requirements and practical realities in an industry where economic survival competes with ethical commitments.

Fairtrade International has been instrumental in alternative global trade for bringing transformative change and ensuring worker rights in the workplace (Raynolds, 2018; 2022). Fairtrade International relies on an independent body, FLOCERT for the certification of its standards. Cotton was introduced in Fairtrade in 2004 and the Textile Standard for the garment sector was released in 2016. The Fairtrade Textile Standard is applicable to hired workers in the textile supply chain that process Fairtrade cotton and other sustainably produced fibers (FTI, 2022). Fairtrade International has developed its Textile Standard to respond to increasing concern over hired labor issues. Yet, there is little empirical research on Fairtrade's impact in India's garment manufacturing industry (Arora et al, 2019; Singh, 2017).

GOTS too, has risen from within a global alternative movement to develop a global organic textile standard. Following years of pursuing their own textile standards, the International Association of Natural Textile Industry (IVN) in Germany, the Soil Association (SA) in the UK, the Organic Trade Association (OTA) in the US, and the Japan Organic Cotton

Association (JOCA) in Japan came together and established GOTS in 2006. For textile products to receive GOTS certification, they must include at least 70% organic fibers (Ward and Mishra, 2019).

India has the highest number of GOTS certified factories: starting with the first factory in 2008, 1500 factories were associated with GOTS in 2016 (Ward and Mishra, 2019). Safe and hygienic working conditions are assured by GOTS country representatives in India (Ward and Mishra, 2019). This research seeks to examine how voluntary standards such as Fairtrade International and GOTS improve the long persisting workplace issues in cotton garment manufacturing in India.

For many years, India's cotton textile industry has had a significant impact on the nation's history, shaping both its economy and international trade. In fact, the global integration of trade across the Atlantic and Indian Oceans had important consequences for both India and Europe and bolstered India’s economy while also influencing global trade and advancements in garment manufacturing (Riello, 2022).

India's textile industry is one of its main drivers of economic expansion and employs the world’s second largest workforce. The cotton sector contributes 4.5% to global textile trade and exports to over 100 countries (Invest India, 2025). It has 45 million people in employment and is valued at $174 billion. India is aiming to increase its value to $350 billion by 2030 (Invest India, 2025). To enhance the industry’s competitiveness, the government has initiated the PM MITRA Park Scheme that is investing INR 4,445 crores for streamlining garment production from spinning to manufacturing. The Indian government believes it can grow by 15-20% in the next five years, capitalizing on its capacity to manufacture the entire textile value chain in India (Invest India, 2025). Ministry of Textiles (n.d.). Table 1 and 2 below illustrate the historical trend of cotton production and cotton product exports over recent years. Reflecting its importance for the Indian economy, cotton has also been referred to as "white gold" (Singh, 2017). Tables 1 and 2 mentioned below demonstrate India's cotton production and exports trends over the last seven years. Following these tables, one can discern the production trends that are organized country wise as well as with respect to time period starting from 2017 till 2024.

Table 1: Global Cotton Production Trends Over the Past Seven Years (Quantity in Million Metric Tonnes)

Countries	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
World	**27.00**	**25.21**	**26.04**	**24.61**	**25.06**	**24.43**	**24.12**
India	6.29	5.66	6.21	5.99	5.29	5.72	5.53
China	5.89	6.04	5.80	5.91	5.73	5.98	5.60
USA	4.56	4.00	4.34	3.18	3.82	3.15	2.63
Brazil	2.00	2.01	2.78	3.00	2.36	2.55	3.20
Pakistan	1.80	1.67	1.46	0.96	1.27	0.84	1.42
Source: International Cotton Advisory Committee (ICAC). (2024, September 4). *Cotton This Month*. Committee on Cotton Production and Consumption (COCPC). (2024, June 24). *Meeting Report*. India. Ministry of Textiles (n.d.)							

Table 2: Global Cotton Exports: Trends Over the Past Seven Years (Quantity in Million Metric Tonnes)

Countries	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
World	**9.14**	**9.15**	**9.12**	**10.76**	**9.70**	**8.35**	**9.87**
USA	3.64	3.23	3.38	3.56	3.15	2.78	2.56
India	1.15	0.74	0.80	1.32	0.72	0.27	0.48
CFA Zone	1.06	1.16	1.07	1.19	1.31	0.88	1.04
Brazil	0.91	1.31	1.95	2.42	1.74	1.45	2.70
Uzbekistan	0.22	0.16	0.10	0.10	0.03	0.01	0.02
Source: International Cotton Advisory Committee (ICAC). (2024, September 4). *Cotton This Month*. Committee on Cotton Production and Consumption (COCPC). (2024, June 24). *Meeting Report*. India. Ministry of Textiles (n.d.)							

As to the most recent data, around 11% of the world's raw cotton exports in 2022 came from India. In 2022–2023 and 2021–2022 it accounted for 1.25 and 2.55% of total exports, respectively (IBEF, 2024). Moreover, the textile and garment industry are responsible for 2.3% of India's Gross Domestic Product (GDP) (CII, 2023). India houses over 1400 major textile companies while it has 1.5 million small and medium enterprises (SMEs) functioning in the sector (Gartex India, 2025). This information points to the extensive size and importance of India's garment manufacturing sector that is the cornerstone of India's industrial landscape while being vital as a source of employment and economic growth.

This research aims to clarify the role middle managers play in implementing voluntary standards like Fairtrade International and GOTS and what manager roles and the challenges they encounter reveal about the potential of these programs to address key workplace challenges in the Indian garment industry.

Workplace Issues in India's Cotton Garment Industry

Despite India's growing exports and ambitious industrial plans, the garment sector continues to face persistent workplace issues. The industry is frequently criticized for labor code violations, human rights abuses, and unfair wage structures (Clean Clothes Campaign, 2021; Fair Wear Foundation, 2020; Anner, 2019; Mezzadri, 2017). Unionization remains almost entirely absent in key industrial centers such as Delhi, Tirupur, Chennai, and Bangalore (Kumar, 2014). Most workers earn only minimum wages, struggling to make ends meet, while women are disproportionately relegated to low-paid, "unskilled" tasks (Kumar, 2014). In extreme cases, reports also suggest the presence of forced labor and child workers (Phillips, 2013).

Garment factories operate under immense pressure to deliver rapid production turnarounds, leading to exploitative work conditions. Unstable employment arrangements and inadequate wages create economic insecurity for workers both inside and outside the factory (The Hans India, 2022). A key concern is the role of buyer intermediaries, often described as the "Achilles heel" of corporate codes of conduct (Barrientos, 2008). These intermediaries use financial and operational control mechanisms to lock factories into sweatshop-like conditions (Neu et al., 2012; De Neve, 2014). Kumar (2020) argues that global production networks have evolved even beyond the traditional sweatshop model, as multinational corporations operate as *monopsonies*—exerting overwhelming buying power over fragmented suppliers and workers. This research focuses on middle-level management to examine the practical implementation of voluntary standards. Since these managers are responsible for translating corporate policies and international sustainability initiatives into their daily factory operations, they can reveal critical insights into the real-world experiences of balancing compliance and production. It is these managers who are expected to enforce voluntary standards while simultaneously guaranteeing productivity and profitability.

Workers in India's textile sector face significant wage deficits, earning only 23% of their basic living costs (WRC, 2013; Anner & Dutta, 2019). Precarious employment, forced labor, excessive overtime, and high work intensity remain widespread. Even in major production hubs like Delhi and Bangalore, voluntary standards have done little to improve labor conditions due to rampant informalization and workforce flexibilization (Mezzadri, 2012). The rise of *just-in-time* production and fast fashion has intensified competition, forcing manufacturers to meet tight deadlines with razor-thin profit margins, which also sometimes means incurring losses (Bhardwaj & Fairhurst, 2010; Anner & Dutta, 2019; Prashar, 2025).

Voluntary standards are often promoted as tools for ensuring sustainability in global supply chains, particularly as consumers demand more ethical production (Schmitz-Hoffmann et al., 2014). However, competition between standard-setting organizations raises concerns about a potential "race to the bottom" in labor and social conditions (Fransen and Burgoon, 2017). In many cases, voluntary standards fail to increase wages beyond the legal minimum, calling their transformative potential into question (Bennett, 2018). Additionally, firms frequently relocate production to lower-cost regions, limiting the effectiveness of voluntary initiatives (Kumar, 2020). After three decades of research, scholars increasingly argue that voluntary standards alone have proven inadequate in addressing sustainability challenges (Dietz et al., 2022; Grabs, 2020; Schleifer, 2023; Marx et al., 2024).

This study aims to clarify the role of middle managers in implementing voluntary standards in the Indian garment industry. It identifies the role of managers and the challenges they encounter while implementing voluntary standards in their organizations. In doing so, it reveals the potential of these voluntary standards for making changes and transforming industry practices. The research addresses the following questions:

R1: What are the defining characteristics of voluntary standards, particularly Fairtrade International and GOTS, in the Indian cotton garment manufacturing sector?

R2: How do middle level managers implement voluntary standards and influence workplace conditions in the garment companies in which they work?

R3. What challenges do middle managers face in implementing voluntary standards and enhancing labor conditions in these settings?

R4. What does the research reveal about the potential of these voluntary standards for improving workplace conditions in India’s cotton garment manufacturing industry?

It is vital to investigate the role of middle level management in the implementation of voluntary standards in India's garment factories since some question the adequacy of these voluntary programs to bring any transformative change in the garment industry.

First, understanding the central characteristics of voluntary standards, particularly Fairtrade International and GOTS, in the Indian cotton garment sector (RQ1) is essential for contextualizing their role in the industry. The prior discussion highlights the dominance of multinational buyers, the informalization of labor, and the lack of union representation. These factors are important in shaping how voluntary standards operate. By analyzing the scope, enforcement mechanisms, and limitations of these standards, the study will assess whether they effectively address key labor concerns or merely serve as compliance mechanisms without substantial change.

Second, understanding the role of middle management (RQ2) is critical as they constitute an important link between top management and workers, playing a crucial role in actual implementation of voluntary standards, aligning business practices with them, and maintaining production targets. This significant structural positioning and cardinal role in translating policies into daily practices makes them critical actors in assessing the potential of sustainability standards for making on the ground improvements in workplace conditions in garment manufacturing.

Third (RQ3), the implementation of voluntary standards and sustainability initiatives strongly depends on the ability of middle level management to balance sustainability expectations with business objectives. Financial incentives, market access, and customer expectations all play a role in the decision to embrace voluntary norms, which is not solely ethical given the economic constraints factories face from global competition, fast fashion, and price-sensitive consumers. Examining these elements will clarify if certifications are employed as instruments for real labor reforms or just as a means of obtaining contracts in India's fiercely competitive garment sector. As a critical link between higher level management and workers, middle managers face resistance of workers, pressure from upper management and walk the tight rope of meeting production and compliance targets. This analysis help reveal the systemic barriers and strategies needed to strengthen labor protections and meaningful engagement with voluntary standards.

Lastly, the structural obstacles that impede the efficacy of voluntary standards are identified through analysis of the primary managerial issues of workplace standards implementation (RQ4). Issues with the garment business include buyer-driven cost-cutting, excessive overtime, and pay repression, all of which impede significant labor changes. Gaining an understanding of these obstacles will help determine whether more regulatory actions are required and whether voluntary initiatives can improve worker outcomes. Since managers are primarily responsible for adopting and implementing voluntary standards within their organizations, this viewpoint is crucial. Understanding the potential and limitations of voluntary standards for improving workplace conditions in India’s cotton garment manufacturing industry is important for policy makers as well as industry stakeholders.

Methodology

The dissertation utilizes a qualitative research approach, combining desk research, interviews, and stakeholder engagement.

Understanding Voluntary Standards and Certification Frameworks (RQ1 & RQ2)

To examine the key characteristics of voluntary standards in the Indian cotton garment sector (RQ1) and compare workplace standards under Fairtrade International and GOTS, this study uses documentary and discourse analysis. Documentary evidence, including reports, institutional frameworks, and policy developments, offers insights into the historical sustainability trends (Prior, 2003; Flick, 2014).

Discourse analysis proves particularly valuable in assessing how corporations, NGOs, and policymakers shape sustainability narratives within voluntary standards, where framing plays a crucial role in influencing consumer behavior and regulatory adoption (Flick, 2014). Additionally, the study investigates the organizational websites of Fairtrade and GOTS to analyze how these institutions publicly articulate their mission, values, and policies (Marres & Moats, 2015). Digital content analysis further uncovers branding strategies and evolving sustainability narratives in certification programs (Hine, 2015).

A discourse analysis approach is essential for understanding how knowledge, meaning, and social realities are constructed through dominant narratives. Hardy et al. (2004) argue that discourse extends beyond language—it is a social practice that shapes reality, influencing how individuals and organizations engage with the world. Discourse actively molds social structures and power dynamics rather than merely facilitating communication (Keller, 2010; Wenner & Heidler, 2025). By analyzing how language constructs meaning, power, and legitimacy, discourse analysis reveals how shared ways of speaking and thinking reinforce stability in global production networks (Levy, 2008; Arnold & Hess, 2017; Wenner & Heidler, 2025).

Stakeholder Perspectives on Certification Adoption (RQ3)

Understanding why garment factories choose Fairtrade International or GOTS certification (RQ3) requires examining their motivations. This research was conducted in two phases. In the first phase, data collection combined deductive (literature-based) and inductive (emerging from new information) strategies (Fereday & Muir-Cochrane, 2006; Timmermans &

Tavory, 2012). Semi-structured interviews were conducted, providing a structured yet flexible framework to explore new insights (Barriball & While, 1994).

Interviews were conducted online via Zoom and Microsoft Teams, leveraging the advantages of speed, accessibility, and cost efficiency (Janghorban et al., 2014). Online desk research supplemented these interviews to validate and triangulate findings (Morgan, 1996). In total, 45 managers were interviewed, followed by focused discussions with 14 participants to explore key issues in greater depth. Informal conversations with managers at conferences and public events provided additional, often sensitive, insights on caste, gender, and government agencies.

Managerial Challenges in Implementing Workplace Standards (RQ3)

To investigate the structural barriers hindering the effectiveness of voluntary standards (RQ4), the second phase of research focused on managerial challenges. Two large-scale garment manufacturing factories in the National Capital Region (NCR) of Delhi were selected as case study sites to provide in-depth insights into leadership practices and sustainability strategies.

Case study research (Johansson, 2007) is particularly useful for understanding complex organizational behaviors in specific contexts. The selected factories supply international brands and have experience with sustainability certifications. The site visits at these factories allowed for direct interaction with managers and firsthand observations to have a deeper understanding of their viewpoints on voluntary standards.

This phase involved a total of 25 managers, 12 from Factory 1 and 13 from Factory 2. Using purposive sampling, the manager selection ensured that there was diversity across departments, including supply chain management, human resources, production, compliance, and sustainability. The managers interviewed offered a thorough understanding of the procedures used to make decisions about voluntary standards. Moreover, using semi-structured interviews allowed for flexibility in discussing challenges, benefits, and leadership roles in promoting and strategizing sustainability initiatives.

By illuminating the opportunities and difficulties of coordinating company strategy with sustainability objectives, this study advances our knowledge of how managers view and apply voluntary standards. By addressing these factors, companies can use ethical production methods and responsible leadership to provide long-term value for all parties involved, from consumers to factory workers.

Theory and literature review

The changing dynamics of global trade and exploitation of workers

Trade liberalization and a much more interdependent global economy with multinational production networks is an outcome of decades of unrestricted globalization (Yeung, 2021). Emanating from dependency and world systems theories, a global value chain perspective (GVC) (Gereffi, 1994) was developed to study the impact of multinational corporations in global trade (Amin, 1976; Frank, 1967; Wallerstein, 1974). The global garment industry being labor intensive and involving low-cost manufacturing became established in developing countries while a smaller group of buyers, brands and retailers positioned in US and Europe set prices and determined margins of this system (Gereffi, 2002).The COVID-19 pandemic deepened these structural inequalities in the garment industry in India causing significant disruptions in manufacturing and financial distress for manufacturers as many buyers canceled their orders during the crisis (Arania et. al. 2022). A global production networks (GPN) emerged over time to incorporate additional actors, introducing a region-focused approach and an evaluation of the state's participation in these shifting trade dynamics (Henderson et al., 2002; Hess & Yeung, 2006; Coe & Yeung, 2015) (Gereffi, 2019; Horner & Alford, 2019).

In this type of global garment manufacturing and trade, the operations are undertaken through segmented production networks that span across commodity markets and geographical locations across the world. These operations include every aspect of the process from cotton cultivation, fabric, and garment production to marketing and use. Utilizing a political economy framework, Hammer (2023) highlights how lead firms in the garment industry exploit suppliers and workers through a strategy of "exhausting and switching." Multinational brands impose tight deadlines, low prices, and high-quality demands, leading to the exhaustion of labor due to intensive work, low wages, and precarious conditions. When rising costs, labor unrest, or regulations threaten profitability, these firms shift production to new suppliers or lower-cost locations, perpetuating exploitative labor practices. Moreover, local political economies and social relations such as informal employment and hierarchies based on caste, gender and religion further contribute to the dynamic (Mezzadri, 2017, Anner, 2019). These power imbalances and asymmetries in the production networks limit the worker’s ability to escape this exploitation (Hammer and Riisgaard, 2015). Referring to “predatory” purchasing practices by Anner (2019), power rests with lead firms as they control pricing and compliance demands but shift the responsibility on suppliers and manufacturers to improve labor conditions and ensure responsible production. Competing for contracts manufacturers in supplying countries cut costs at workers’ expense (Pickles *et al,* 2016). Meanwhile, governments in these manufacturing hubs weaken labor protections to attract foreign investment, fueling a “race to the bottom”. As a consequence, brands can be found shifting production from China to Bangladesh to Vietnam or India, reinforcing cycles of exploitation (Saxena, 2014). Bair and Werner’s (2011) “disarticulation perspective" points to how these power relations shape inclusion and exclusion of manufacturers, suppliers, workers and whole regions in uneven development and inequality patterns embedded in global capitalism.

Extreme events such as the Rana Plaza building collapse that led to the death of more than 1000 workers in Bangladesh have pushed corporations to address the safety and working conditions of workers. Corporations have joined programs such as the Bangladesh Accord, Bangladesh Alliance and the International Accord for Health and Safety in the Textile and Garment Industry, which involve brands, retailers, trade unions and local factories, yet improvements for workers are unclear. The Accord went beyond the one-sided approach of the CSR movement by involving brands, unions, and suppliers in legally binding agreements. It was followed by the Sustainability Compact for the Bangladesh Ready-Made Garment Sector, involving the government of Bangladesh, International Labor Organization, USA and Canada. However, instead of acting as a private governance model that could support public governance through the Compact, the Compact ultimately weakened the Accord as it was state-led and voluntary rather than legally binding (Bair et al. 2020).

Multistakeholder initiatives and challenges

Studies point out that corporate behavior in multistakeholder requires careful attention as a problem of business management (Huber and Schormair, 2021). Researchers point out how compliance measures through multistakeholder initiatives are doing little to resolve structural problems (Kabeer and Mahmud, 2004). The genderless enactment of labor codes is flawed for misrepresentation and non-representation of women workers, problematic especially when considering that the garment industry employs largely women workers (Alamgir and Alakavuklar, 2018). While female labor predominates in the garment industry, assumptions regarding the feminization of labor has been criticized for taking a "unidimensional" and "overly deterministic" view of production relations (Raynolds, 2002).

Corporate reforms have been seen with a critical eye since production and export systems make it very difficult to accommodate ethical principles with core structural reforms. As Athreya (2022: 19) asserts, "while on the one hand suppliers were told to apply ethical codes of conduct to their operations, on the other hand they continue to face a feast-or-famine situation, gravitating between insufficient and excessive orders." NGOs have criticized corporate social responsibility (CSR) for being one-sided but have also reproduced some of the focus on corporate codes, consumers, and the emergence of a social auditing industry (Palpacuer, 2017; Reinecke and Donaghey, 2015; Esbenshade, 2004; Hammer, 2023). There is a fundamental tension between a technical focus on workplace standards for capturing market gains through an ethics-based approach and civil society's emphasis on a transformative change in economic organizations, such as garment factories. This tension weakens voluntary factory codes, raising questions about their utility and purpose. Auditors of voluntary programs are found to rarely act independently from sponsor's interests, workers are schooled to offer ready responses, tick off response to compliance is pursued and even false records are presented (Barrientos and Smith, 2007; Crane at al., 2017; Mezzadri and Srivastava, 2015; Locke et al, 2009; Prentice et al 2018).

For prominent global brands such as Nike, Ikea, Home Depot, voluntary certifications are a way to respond to "naming and shaming" from activists and build reputation for attracting socially responsible investment (Bartley, 2018). Evidence from Bangladesh suggests that garment factories succumb to the multinational stakeholders dictating terms for social performance of these organizations. Bair et al. (2020) draw attention to the tension between the influence of transnational corporations, domestic state capacity, and labor rights movements in their study on Accord. Although private initiatives like the Accord improved conditions in garment factories, they were limited by their voluntary nature and reliance on multinational corporations. Industry groups and political elites opposed efforts to strengthen public regulation (Bair et al., 2020). While some improvements in labor conditions have been made, Islam and Deegan (2008) point out that a "western perspective" on worker welfare has been imposed in Bangladesh with the "power difference" effecting the way voluntary certification function. Some question whether any transformative change can occur with a "passive compliance strategy" (Belal and Owen, 2007). Further, findings from Bangladesh suggest that local contextual factors and producer organization's own social position and subjectivities are important in framing views and empowering workers. Organizations may lack the tools and accounting mechanisms to report to voluntary certifications such as Fairtrade (Belal and Owen, 2007). Börjeson and Bostrom (2018) suggest that small enterprises are taking a reflexive responsibility approach to continuously evolve to prevent social and environmental risks, sharing responsibility with voluntary certifications such as Bluesign and GOTS to close the power gap between small and medium enterprises and more powerful retailers and buyers in global trade.

Research is needed to understand why Indian cotton garment factory managers adopt voluntary certifications and why they adopt certain certifications over others. Existing research around the world suggests that companies adopt certifications largely to improve corporate branding and company image, rather than a commitment to reforms. Existing studies reveal the necessity of analyzing the motivation and ideological perspectives of organizations that adopt and commit to voluntary certifications in cotton garment manufacturing in India and why the exploitation of garment workers may persist. Voluntary certifications are purpose driven and are seeking to reform trade. It is important to understand why voluntary certifications are being adopted, how the standards are implemented on ground and what the challenges are for achieving transformative changes in worker rights and welfare.

The complex and fragmented nature of global garment production, as explored above highlights the deep power asymmetries embedded in supply chains. In this context, voluntary certifications have emerged as a response to rising concerns over labor conditions and sustainability. However, their effectiveness remains debatable, particularly in the cotton garment industry in India. Chapter two outlines the defining characteristics of voluntary standards, particularly Fairtrade International and GOTS, in shaping governance, power dynamics, and labor conditions in India's garment sector.

Impact of Trade Liberalization and Global Production Networks

Literature has captured the significant change and impact of trade liberalization on the cotton garment sector as major companies in industrialized nations are found shifting production to low-cost countries like India (Gereffi, 1994; Bhardwaj & Fairhurst, 2010; Dash & Majumder, 2020). Due to these developments, the supply chains have become more complex and opaquer, leading to heavy reliance on informal labor, subcontracting, and dangerous working conditions (Mezzadri, 2012; Dash & Majumder, 2020). The transition from linear global value chains (GVCs) (Gereffi, 1994) to more dispersed and interconnected global production networks (GPNs) (Henderson et al., 2002; Coe & Yeung, 2015) has raised concerns over labor rights, compensation, and working conditions (Coe & Hess, 2013; Selwyn, 2012). A network perspective is needed to understand and study the social and economic structures that shape commodity relations this way (Polanyi, 1957; Raynolds, 2009). Recent studies call for a deeper examination of the internal dynamics of GPNs to assess their uneven development outcomes (Yeung, 2020).

Political Economy of Standards: Power, Discourse, and Regulation

In order to examine how voluntary standards, influence governance in India's garment industry, the first chapter employs a discursive study of relational power (Ponte & Sturgeon, 2014; Wenner and Heidler, 2025). Interactions between lead companies, suppliers, governments, and civil society players define governance in global production rather than a single power structure (Henderson et al., 2002; Clapp & Fuchs, 2009; Mayer & Phillips, 2017; Mikler, 2018; Bartley, 2022). Drawing on Foucault's idea of power as a decentralized force, this chapter looks at how words justify governance systems and uphold as well as represent industry standards.

It has been found that voluntary certifications like Fairtrade International and the Global Organic Textile Standard (GOTS) are essential for enforcing environmental and labor standards in India. However, the implementation of these certifications is still shaped by state policies, local disparities, and corporate influence (Raj-Reichert, 2022; Luetchford, 2011; Dannenberg, 2012; Bartley, 2022; Graz, 2022). While voluntary standards seek to promote ethical production, it is critical to remember that their effectiveness is often constrained by compliance mechanisms that prioritize corporate interests over transformative labor reforms (Bartley, 2022). Through managerial interviews, the first chapter examines motivations of factory managers for adopting certifications and how these standards influence compliance enforcement.

Furthermore, research on Fairtrade highlights the importance of linking consumer choices with worker livelihoods while questioning whether knowledge and power circulate equitably within certification networks (Goodman (2004). To foster meaningful change, voluntary standards must go beyond ethical consumption narratives and challenge dominant economic structures. This chapter of the dissertation, therefore, critically examines how discourses surrounding voluntary certifications influence governance, labor representation, and sustainability in India's cotton garment industry.

The aforementioned discourse ties with chapter two to highlight that the limitations of conventional corporate governance methods in tackling labor rights and environmental issues are made explicit by the systemic injustices and exploitative labor practices that are ingrained in international garment manufacturing networks. Furthermore, although voluntary codes of conduct and corporate social responsibility (CSR) efforts have grown in popularity in reaction to public criticism, their efficacy is still in doubt because of lax enforcement and competing financial incentives. Voluntary sustainability standards have become more well-known as an alternate strategy for striking a balance between corporate interests and social and environmental obligations as global consumers place a higher value on cost effectiveness than ethical considerations. Yet, it their ground impact and transformation warrant further exploration of their effectiveness in addressing persisting problems of the industry.

Sustainability and Corporate Responsibility in the Garment Industry

According to Blowfield and Frynas (2005), Dahlsrud (2008), emerging concerns on self-regulation by corporations shows that there is an increasing demand for accountability from them. Carroll (1999) reasoned that there is a need for a corporate social responsibility (CSR) strategy, and it is the companies' duty to ensure that their actions conform to the norms of the society. Major brands like Nike, H&M, and Adidas have been known to pledge transparency in unethical sustainability practices in response to public concerns, however, in the critics' eyes, these steps are merely superficial attempts to enhance working conditions without deep commitment to work towards real changes and meaningful impact and transformations (Bennett, 2017; Zimpelmann et al., 2022).

Shared Value Approach through Voluntary Sustainability Standards

The Corporate Shared Value (CSV) model, as described by Porter and Kramer in 2006, is gaining popularity as it allows companies to earn revenue while simultaneously having a social impact. CSV is now integrated into sustainable business models (SBMs) which go beyond mere compliance and serve to equitably distribute value across supply chains. Nonetheless, after these prescriptions, there still exists a gap concerning how managerial choices influence sustainability outcomes, which has led to demand for research at the nexus of purpose and business strategy (Muñoz et al. 2017).

Through the global supply chain, voluntary sustainability standards have emerged as powerful tools in furthering ethical labor and corporate practices. Some scholars argue that these initiatives improve the working conditions of employees (Distelhorst & Locke, 2018; De Neve, 2014), but problems still remain such as insufficient law enforcement, corporate loopholes, and little to no worker representation (ILO, 2015; Mezzadri,2017). Additionally, with the proliferation of voluntary standards, debates have picked up about their effectiveness, motivations behind their adoption, and their long-term impact on responsible manufacturing (Mezzadri, 2017). As businesses seek to balance economic goals with social responsibility, the role of voluntary standards in shaping sustainable practices remains a critical area for further exploration.

The above limitations of corporate social responsibility (CSR) and voluntary governance mechanisms from chapter two highlight the complexities of regulating global garment supply chains. The impact of such mechanisms can only be understood in terms of how their adoption motivates them, how far-reaching their implementation happens to be, and how effective they are towards changing workplace relationships.

This follows into a further discussion in chapter three regarding how voluntary standards may contribute to sustainable production and leadership responsibility in the garment sector.

While these standards are often framed as tools for organizational improvement, studies have highlighted that factory managers frequently view them as strategies for survival, responding to external pressures rather than driving internal reform (Delmas & Montiel, 2009; Mitchell et al., 1997; Simpson et al., 2012). In this regard, existing literature has focused heavily on institutional factors influencing the adoption of voluntary standards, and less attention has been given to firm-level operations and worker-centric improvements (Simpson et al., 2012; Bennett, 2017). Yet, internal capabilities, technical expertise, and leadership within factory organizations play a crucial role in the effective implementation of sustainability standards (Orlitzky et al., 2003; Ansari et al., 2010; Short & Toffel, 2010). Ethical failures in compliance mechanisms highlight gaps in leadership and corporate social responsibility (Manz et al., 2008). While shared leadership has been proposed as a model for greater transparency and accountability (Pearce et al., 2014), its implementation remains challenging due to conflicting interests among stakeholders (Waldman, 2014; McWilliams & Siegel, 2001; Siegel, 2009).

The success of voluntary standards depends on their adoption at the organizational level, where senior management plays a key role in aligning sustainability goals with business priorities (Kakabadse et al., 2005; Waldman & Galvin, 2008). The role of responsible leadership in sustainability governance is increasingly seen as a collaborative rather than a top-down approach, requiring active engagement from governments, civil society, and industry actors (Stahl et al., 2013; Voegtlin, 2012).

In the Indian cotton garment sector, subcontracting networks and informal employment make regulatory enforcement particularly difficult (Anner & Dutta, 2019). Small and medium enterprises struggle with compliance due to resource constraints, while larger firms face stricter regulatory scrutiny (Unni & Bali, 2002). The prevalence of migrant labor further exacerbates vulnerabilities, leading to exploitative conditions such as debt bondage and restricted mobility (ILO, 2017). As voluntary standards become more integrated into public policy, governments are increasingly leveraging private-sector initiatives to enhance regulatory effectiveness (Marx et al., 2024; Grabs et al., 2021; Cashore et al., 2021). Chapter three examines the extent to which voluntary standards can transform labor conditions, emphasizing the role of organizational resources, knowledge, and leadership commitment (Barnett & King, 2008). It argues for a holistic governance approach, where factory managers, brands, regulators, and workers collaborate to drive meaningful improvements.

The three chapters together highlights the need for system leaders to foster dialogue, prioritize long-term sustainability, and establish governance frameworks that balance economic and social values (Senge et al., 2015; Simpson et al., 2012). Without structural reforms, it warns that voluntary standards may function merely as compliance tools rather than genuine catalysts for ethical change in global garment manufacturing.

The structure of the dissertation

This dissertation examines the development and role of senior management in the on-ground implementation of voluntary certification as transnational multistakeholder governance frameworks that seek to advance sustainable development in international trade. While trade brought the world closer and led to economic gains, it also generated environmental and social concerns (UNCTAD, 2023). Voluntary standards were developed in response to growing customer demand for sustainable and ethical products (O'Rourke, 2012). Voluntary standards define the social and environmental characteristics of production and products in various domains such as raw material, agricultural commodities, and textile products (Marx and Wouters, 2014). Multistakeholders and sectoral organizations oversee these standards, which manufacturers voluntarily adhere to in order to gain market share, enhance risk management, and enhance their reputation (Partiti, 2022).

This dissertation's first chapter serves as a basis for comprehending the distinctive qualities of voluntary standards in the garment manufacturing industry in India. By giving a historical overview of India's cotton clothing industry, it looks at how voluntary standards like Fairtrade and the Global Organic Textile Standard (GOTS) have helped it change from a sector with little regulation to one that is driven by sustainability.

Chapter two engages a deeper reflection over the economic significance of India's cotton garment industry highlighting challenges related to workplace conditions, outsourcing and market competitiveness. It allows for a more detailed examination of how middle level managers perceive the engagement of voluntary standards with the operating realities of the garment industry.

Chapter three expands on Chapter two's discussion of the structural issues facing this sector by assessing managerial perspectives on whether voluntary standards can be a workable way to enhance working conditions in factories that produce garments made from cotton. The study ends by making suggestions for how voluntary standards might be reinforced for a more socially and ecologically conscious cotton clothing industry, drawing on factory case studies and managerial viewpoints.

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CHAPTER TWO: THE RISE AND CURRENT OPERATIONS OF SOCIAL AND ENVIRONMENTAL CERTIFICATIONS IN THE COTTON GARMENT INDUSTRY IN INDIA

Introduction

In the interest of advancing sustainability, ethical engagements, and product quality, voluntary standards are becoming prominent. The role of voluntary standards in the cotton garment industry is a crucial area of research in the cotton garment industry in India as they help garment manufacturers in meeting the demands of the global markets and changing consumer expectations. With an emphasis on Fairtrade International and GOTS, two prominent certification schemes influencing the cotton garment industry in India, this chapter explores the characteristic features of voluntary standards in this sector. It examines how these proliferating standards function within Indian garment factories by understanding their evolution and structure as well as the extent to which they influence managerial decision-making and strategies for compliance. To follow their progress, the study uses official websites, reports, and documentary evidence. Furthermore, knowledge gained from senior manager interviews, conference talks, and seminar contacts offers a more thorough comprehension of the salient features and new developments of India's voluntary standards environment.

Voluntary standards have emerged as a crucial transnational governance instrument for global trade sustainability throughout the last 20 years (Nadvi, 2008; Auld, 2014; Marx et al., 2024). As these standards acquire legitimacy, they have been found to promote accountability, trust, and corporate transparency while helping with international trade. These programs, which are usually referred to as eco-labels, private standards, or certification programs, are intended to encourage sustainability in global value chains (Lambin & Thorlakson, 2018; Schüßler et al., 2019). According to some scholars, they are among the most revolutionary institutional designs of the last few decades (Cashore et al., 2004), significantly altering global commerce and ethical business practices (Bartley, 2007; Gulbrandsen, 2010; Chaturvedi et al., 2021). Yet concerns over “super-exploitation” of workers in global garment trade remain (Selwyn, 2019). This chapter will first trace the evolution of the textile industry by noting key developments from government, corporations, and civil society. It will then highlight India’s current positioning within the global cotton trade, illuminating key industry trends and challenges, and explore managerial perspectives regarding the current state of the industry, focusing on how managers interpret, implement, and navigate the competing demands of voluntary standards. The chapter ends with a discursive analysis of the key claims made by Fairtrade India and Global Organic Textile Standards, regarding framing of sustainability, accountability, and ethical business approaches.

Background

Early 1990s saw the implementation of voluntary standards in South Asia, the same period when cotton production expanded in India. India is presently the world’s leading producer of conventional and organic cotton with more than 75% of the global organic production area (Willer et al., 2021; Voora et al., 2023). Despite emphasizing environmental sustainability, organic certification was found to be lacking in strong social criteria, such as protections against child and forced labour (Voora et al., 2023). In 2004, Fairtrade certification was adopted in India's cotton industry to correct this discrepancy. In addition to guaranteeing minimum prices, Fairtrade mandates premiums that are allocated for community development initiatives and farming cooperatives (FTI, 2025). India's position as a global leader in ethically produced cotton further solidified in 2015 when over 73% of its Fairtrade-certified cotton growers also gained

Organic certification (Ward & Mishra, 2019; Voora et al., 2023). In addition to Organic and Fairtrade, GOTS certification imposes additional sustainability norms, such as limitations on chemicals, water conservation, and labour protection. For instance, GOTS-certified factories are required to disclose to their workers the difference between their present wages and the living wage in the area (Voora et al., 2023).

While India dominates the Fairtrade, GOTS and Organic cotton markets in South Asia, the adoption of voluntary standards in neighboring nations is still low. Pakistan has very little organic and Fairtrade cotton, and neither certification has been very popular in Bangladesh or Sri Lanka (Daya, 2021; Mancombu, 2021). These differences across nations states in adoption of voluntary standards raises more general concerns about how private regulations from other countries are incorporated into local settings. Bartley (2022) emphasizes the need to investigate how global regulations take root in particular industries and locations, and he urges for research into how situated practices are used to construct conformity with such standards (Bartley, 2022; Graz, 2022).

Moreover, systemic exploitation of labor in garment industry in India has not ended with voluntary standards, despite their potential. Indian garment factories continue to be plagued by poor working condition, forced labor, high occupational health, and safety risks across all stages of production and manufacturing of garments (OECD, 2017; Alexander, 2022). Improvements in labor conditions, workplaces, ethical sourcing networks and tightening regulations can boost sustainability and improve India’s global competitiveness as India’s cotton garment sector reaches a critical phase of growth and development. It is important therefore, to pay close attention to the engagement between voluntary standards and garment factories in India for future impact and potential of this collaboration.

Theoretical Background and Literature Review

Impact of trade liberalization and global production networks

Due to trade liberalization, the cotton garment industry has undergone transformation with lead firms in advanced countries outsourcing manufacturing to low cost developing countries with more relaxed labor regulations (Gereffi, 1994; Bhardwaj & Fairhurst, 2010; Dash & Majumder, 2020). This structuring of global trade has led to the development of complicated and opaque supply chains that span across several nation states, especially in India, that usually undertake manufacturing work by relying on home-based workers, unlicensed subcontractors, informal labor as well as by proving poor workplace conditions (Mezzadri, 2012; Dash & Majumder, 2020).

Given this transition from linear global value chains to more fragmented and interconnected global production networks (GPNs) (Henderson et al., 2002; Coe & Yeung, 2015), concerns over wages, working conditions, and labor rights persist, shaping ongoing debates on worker agency and governance in the garment sector (Coe & Hess, 2013; Selwyn, 2012). According to Raynolds (2009), the shift to a network perspective is pertinent as it emphasizes the interconnected web of social and economic actors that shape and sustain commodity relations. This approach acknowledges that market activities are not purely economic but are also embedded within social institutions (Polanyi, 1957; Raynolds, 2009). Additionally, a network approach challenges the structuralist tendencies of many commodity studies by incorporating social constructionist perspectives, that recognizes the symbolic nature of commodities (Appadurai, 1986; Raynolds, 2009). More recently, calls have been made to open the “black box” of production networks and evaluate the network dynamics and their uneven outcomes for development (Yeung, 2020).

Political Economy of Standards: Power, Discourse, and Regulation

This study uses a discursive analysis of relational power to explore how voluntary standards frame and institutionalize multipolar governance structures (Ponte & Sturgeon, 2014). Such an approach does not assume a singular dominant power structure, but emphasizes the dynamic interplay among lead firms, suppliers, state agencies and civil society organizations and NGOs. Earlier discussions of GPN have been influenced by the framework of distributive power, which is spread dynamically among varied actors (Henderson et al., 2002). With this approach, this chapter explores the rise and current operations of voluntary standards in the garment industry in India.

Foucault (1972) conceptualizes power as dispersed relations of force operating at multiple levels in a decentralized manner. Discourse, in this way is understood not merely as a tool for representation but an instrument of power that shapes social norms, identities, and governance structures. Adopting this perspective addresses Levy's (2008) critique that GPN analysis underemphasizes the role of ideologies and discourses in legitimizing governance models and shaping development outcomes.

As Wenner and Heidler (2025), show relational discursive power reveals subtle, hidden, or even intentional forms of influence (Dallas, Ponte & Sturgeon, 2019). It is central to the standardization process, shaping how problems are perceived and discussed among multiple stakeholders (Bartley, 2022). Raj-Reichert (2022) underscores how power operates dynamically, emerging as an effect of social interactions that connect geographically distinct sites, which captures the complexity of global production networks. This is particularly relevant for voluntary standards, which function differently across regions (Luetchford, 2011; Dannenberg, 2012). To comprehend the social construction of compliance through localized practices, it is critical to fully understand voluntary standards in specific situations (Bartley, 2022; Graz, 2022). A critical approach to discourse analysis should be problem-oriented, with a focus on current social issues in the cotton garment supply chain (Fairclough, 2013).

This study further draws from the political economy of power discussions in global production networks, reconfigured but still shaped and influenced by nation-states, corporate influence, and structures of inequality (Clapp & Fuchs, 2009; Mayer & Phillips, 2017; Mikler, 2018; Bartley, 2022; Wenner & Heidler, 2025). It examines the evolution of transnational private regulation, particularly the Global Organic Textile Standard (GOTS) and Fairtrade certification in India's garment industry. Managerial interviews are conducted to explore how large manufacturers think about implementing voluntary standards. The evolutionary trajectory and role of the Indian state in compliance enforcement, and the broader implications for workers and manufacturers is also addressed.

Using a culturally infused political ecology framework, Goodman (2004) examines how fair trade constructs a moral economy by linking livelihood struggles to consumer choices. His work highlights the political, ethical, and spatial dimensions of Fairtrade networks, emphasizing how cultural and economic processes shape perceptions of fairness while also questioning whether knowledge circulates equitably within these networks. His work reiterates the point that for Fairtrade to remain impactful, it must expand inclusivity, stand in opposition to dominant economic structures, and foster global citizenship that goes beyond consumer identity. This requires moving beyond a narrow focus on ethical consumption toward broader political and economic transformations.

It is the endeavor of this chapter critically to examine the political nature of alternative development and voluntary standards, focusing on how discourses shape representation, knowledge circulation, and meaning making in cotton garment production. By tracing the evolution and application of voluntary standards, it explores their interpretation in India and integration into global production networks.

Methodology

The methodological approach of this chapter is qualitative research, integrating content analysis, interviews, and stakeholder engagement to examine the emergence and operations of social and environmental certifications in India's cotton garment industry.

Documentary evidence and reports are critical instruments for understanding institutional frameworks, policy developments, and historical sustainability trends (Prior, 2003; Flick, 2014). Using discourse analysis is a suitable method for how corporations, NGOs, and policymakers construct sustainability narratives, particularly in voluntary standards, where framing influences consumer behavior and regulatory adoption (Flick, 2014).

In addition, organizational websites of Fairtrade and GOTs have been examined to provide valuable insights into how institutions publicly construct their mission, values, and policies (Marres & Moats, 2015). It has been found that analyzing digital content helps uncover discourses, branding strategies, and shifting narratives in sustainability and certification programs (Hine, 2015).

A discourse analysis approach is critical as it can be used to examine how knowledge, meaning and social realities are constructed and sustained through dominant discourses. In Hardy et al.'s (2004) work discourses are not just about language but are considered a social practice shaping reality, influencing how individuals and organizations engage with the world. They have been found to actively shape social structures and power dynamics beyond mere communication (Keller, 2010; Wenner & Heidler, 2025). By examining how language constructs meaning, power, and legitimacy, discourse analysis reveals how shared ways of talking and thinking reinforce stability in global production networks (GPNs) (Levy, 2008; Arnold & Hess, 2017; Wenner & Heidler, 2025).

Goodman’s work (2004) provides valuable context for this study by analyzing Fair Trade through a political ecological framework, which illustrates how moral economies influence consumer perceptions and corporate strategies. His research delves into the moral discourses of social justice, labor rights, and sustainability by providing important new perspectives on how voluntary standards influence consumer behavior and business responsibility. Goodman’s work is useful for this study in highlighting how sustainability is framed, validated, and integrated into international trade processes by placing India's cotton garment industry inside the broader Fairtrade discourse and that of voluntary standards.

In addition, Doyle, Farrell, and Goodman (2020) analyze sustainability branding, showing how corporations shape consumer behavior through climate-conscious narratives. Their study of Project Sunlight highlights biopolitical strategies that position consumers as change agents, a key perspective for understanding how framing of voluntary standards in India takes shape in the cotton garment industry. Integrating this framework, the study explores how ethical branding legitimizes voluntary standards and promotes voluntary standards in the global textile market.

Another method adopted in this study is the use of interviews with senior managers to provide a critical stakeholder perspective, capturing experiential knowledge and decision-making processes which are often missing in formal documentation (Rubin & Rubin, 2012). This method facilitates an in-depth exploration of voluntary standards, shedding light on implementation challenges and institutional motivations (Brinkmann & Kvale, 2018). Qualitative interviews are widely used in the social sciences to understand how actors navigate regulatory landscapes and sustainability frameworks (Denzin & Lincoln, 2018).

The analysis of the self-presentation of GOTS and Fairtrade International's Marketing Organization in India, Fairtrade India offers important insights into the development and dissemination of sustainability narratives in the cotton garment industry. The presentation influences industry norms, regulatory frameworks, and consumer perceptions through certification requirements, branding and ethical messages. The findings suggest ways in which voluntary ethical certification can bolster India's garment and textile sector's aspirations to become more competitive in the global market space, which is increasingly focused on sustainability.

Evolution of India's Textile and Garment Industry: A Multi-Stakeholder Perspective

Understanding the evolution of India's garment and textile industry is necessary to examine the interactions between national regulations, multistakeholder standards, and voluntary standards like Fairtrade and GOTS. India's textile sector has changed from being highly regulated by government to prioritizing compliance and sustainability.

Key trends and developments from the Government

Prior to the 1990s, the Indian government had implemented worker legislation such as the Factories Act (1948), but these were not strictly enforced and did not take social and environmental problems into consideration. As reflected in Table 1, India has enhanced its regulatory framework since the 1990s. Sustainability and regulatory compliance have been India's main priorities since the 2010s. Responsible production was encouraged by laws such as the Extended Producer Responsibility Act of 2011 and the National Action Plan on Climate Change established in 2008. While the 2020 labour law revisions sought to enhance worker welfare, the 2014 Make in India campaign promoted sustainable manufacturing. These are two noteworthy projects that highlight the importance of environmentally conscious corporate practices. The construction of enormous textile parks in 2023 and the India-EU Sustainability Agreement in 2022 can be to be associated with circularity. They are critical for the development infrastructure needed for sustainable manufacturing and trading relationships. Table 3 captures some of the key trends and development from the government of India and traces their evolution through a critical timeline.

Table 3: Key trends and developments from the Government

1990s–2000s: Globalization and Enhanced Regulatory Framework	
1991	India initiated economic liberalization reducing trade barriers and encouraging foreign investments (Ray, 2025).
1999	India launched Technology Upgradation Fund Scheme to enhance competitiveness (Ministry of Textiles, 2024).
2000	The National Textile policy presented India's strategic vision targeting increase in exports and modernization of production facilities (Kar, 2012). Scheme for Integrated Textile Parks launched to provide in house textile units with modern facilities (DSIR, n.d.).
2005	Multi-Fiber Arrangement terminated international textile quotas, exposing Indian textiles to global competition (MacDonald, 2006).
2010s–Present: Emphasis on Sustainability and Regulatory Compliance	
2008	National Action Plan on Climate Change (NAPCC) launched targeting sustainable industrial practices influencing the textile sector (MST, 2024).
2011	Extended Producer Responsibility (EPR) initiated that assigned producers the responsibility for the entire lifecycle of their products (Taneja, et al. 2025)
2014	Make in India initiative launched to mark India's shift in mindset from "Minimum Government" to "Maximum Governance". It aims to encourage sustainable manufacturing and transform India into a global design and manufacturing hub (Make in India, n.d.).

2020	Unified and updated labor laws to improve worker welfare and streamline compliance (More and Jadhav, 2023). The government approved ₹3 lakh crore ($40 billion) in collateral-free loans as part of the Atmanirbhar Bharat Package (Self-Reliant India Initiative) to help MSMEs, notably textile businesses, improve economic recovery and self-reliance (Ministry of Finance, 2020). Emergency Support for Migrant and Garment Workers Pradhan Mantri Garib Kalyan Yojana (Prime Ministers Poor Welfare Scheme) –The government launched a ₹1.70 lakh crore relief package to support the poorest sections of society during the COVID-19 crisis (NPI, 2024b).
2022	India-EU Sustainability agreement is set to promote circular economy and sustainable supply chains in the textile industry (Choudhury, 2025).
2023	The government plans to establish seven mega textile parks, providing common infrastructure for sustainable production, including green energy and recycling facilities, along with subsidized land and power to support textile manufacturers (NPI, 2024).

Key trends and developments from Corporations and Manufacturers

Indian textile producers have historically prioritized cost reduction. They did not give ethics and responsible manufacturing much thought and global buyers had few ethical sourcing requirements, leaving practices up to producers (Bhar, 2016; LeBaron et al., 2017; APEC, 2007). However, with globalization the 1990s experienced several significant changes. As the need to comply with international expectations grew, many companies started to get international certifications. Sustainability had attracted a lot of attention by the 2010s. Responding to it, manufacturers embraced environmentally friendly methods such as growing cotton organically and recycling water. For example, Indian manufacturers have invested in certifications such as Fairtrade, SA8000, and GOTS because of international brands' emphasis on ethical sourcing.

There are a total of 76,000 garment factories in India (DSIR, n.d), of which 3669 are certified by GOTs constituting 4.8% factories in India (GOTS Annual Report, 2023). Fairtrade International has certified approximately 100 garment factories and organizations, which is 0.13% of the total factories in India to promote the adoption of sustainable production in India's cotton garment sector (FTI Annual Report, 2023). While there are fewer organizations certified by Fairtrade, in comparison to GOTS, it is important to note that sales of Fairtrade certified cotton products in India increased by 270% (Annual Report, 2023). It is expected to expand further in the Indian market, given that its textile pilot is estimating 339 target participants (FTI, 2025a) and 40% of Fairtrade International's certified cotton value chain is located in India. Globally, Fairtrade International has impacted 2 million farmers and workers while GOTS is associated with 4 million employees worldwide (GOTS, n.d). Given that the textile industry is the largest employer in India and has 45 million employees with $34.4 Billion worth of textiles and apparel exported in 2023-2024 (Invest India, 2025), there are major changes needed to take place in India's garment sector before certification is warranted.

In 2020, the COVID-19 pandemic exposed more weaknesses in the supply chain and exacerbated the issues and structural problems. It led to devastating impact on the garment industry in India. This global crisis and the problems it created for the industry has prompted businesses to consider becoming more robust and transparent. In this regard, they intend to use blockchain technology and artificial intelligence to enhance ethical sourcing and tracking in the textile sector by 2025 and onwards. Manufacturing companies and managers are aiming to leverage India's strengths in the IT sector for this innovation. India's future is closely tied to these developments. Table 4 captures these developments among corporations and manufacturers below.

Table 4: Key trends and developments from Corporations and Manufacturers

1990s–2000s: Globalization and Increasing Compliance Requirements	
1991	Indian manufacturers gained access to global markets as India implemented economic reforms (Ray, 2025).
1995	The Agreement on Textiles and Clothing (ATC) replaced the Multifiber Arrangement (MFA) setting timeline for trade liberalization (WTO, n.d.).
1995	As disposable incomes rose, Indian consumers shifted towards branded clothing, prompting international brands to enter the market and intensifying domestic competition while improving quality (Bhattacharjee (2018).
1999	Garment manufacturers experienced significant workforce expansion, emerging as major employers as their workforce grows beyond 2.7 million (Johny and Thomas, 2024).
2000	The Indian government permitted 100% FDI in textile and garment manufacturing, attracting global players and encouraging local manufacturers to form joint ventures with foreign brands (Advisors, 2016). Despite growth, a significant segment of manufacturers operated within the informal sector, utilizing subcontracting and temporary labor to enhance flexibility and reduce costs (Anner and Dutta, 2019).
2005	Post-MFA dynamics led to intensive integration of Indian garment manufacturers into global supply chains (Ananthakrishnan and Jain-Chandra, 2005). Global buyers began to exert influence over manufacturing practices, emphasizing quality, labor, and environmental standards, leading to Indian manufacturers responding accordingly (Ananthakrishnan and Jain-Chandra, 2005).
2010s–Present: The Growth of Social and Environmental Responsibility in India's Textile and Garment Sector	
2010	Indian textile manufacturers increasingly adopted eco-friendly practices such as water recycling and organic cotton production (Goyal, 2023).

2012	Indian manufacturers increased their attention to sustainability and labour rights in order to comply with the more stringent rules of conduct established by global brands. In order to make sure that their production facilities respect the rights of workers, social communities, and local upliftment, manufacturers made investments in certifications such as Fairtrade, SA8000, Sedex (Supplier Ethical Data Exchange), Sustainable Apparel Coalition's Higg Index, and Global Organic Textile Standard (GOTS) (Goyal, 2023).
2013	India's approach to corporate social responsibility (CSR) underwent a dramatic change with the passage of the Companies Act, 2013, which required businesses that met certain financial requirements to devote at least 2% of their average net profits over the previous three years to CSR initiatives (Dharmapala and Khanna, 2018).
2015	In order to reduce water pollution and improve sustainability, Indian garment manufacturers have implemented Zero Liquid Discharge (ZLD) systems in textile centers such as Tiruppur, in line with government policies that support the UN SDGs (Hook et al. 2019; Niti Aayog, 2015).
2020	The Effects of COVID-19 on the Textile Sector: According to Jackson et al. (2020), the epidemic caused significant disruptions resulting in supply chain failures, factory closures, and mass layoffs in India. Meanwhile, worldwide purchasers' cancellation of orders sparked calls for more equitable trading practices.
2022	Improving Environmental, Social, and Governance (ESG) Guidelines: Indian clothing manufacturers responded to the increased demand for sustainable fashion by implementing ESG frameworks to draw in investment and guarantee international compliance (Zandt, 2023).
2023	Expansion of sustainable textile parks: With India's announcement of Mega Integrated Textile Regions and Apparel (MITRA) Parks to promote green manufacturing, textile manufacturers expand investments in organic cotton, plant-based dyes, and carbon-neutral production (NPI, 2024).
2025	Leveraging AI and Blockchain for supply chain transparency: Indian textile manufacturers integrate AI and blockchain to improve traceability and verify ethical sourcing, responding to global retailers' demand for real-time tracking of supply chain emissions and labor conditions.

Key trends and developments from NGOs, international associations, and civil society groups

From NGOs, international associations and civil society perspective, India's labor rights and sustainability movements in the textile sector have evolved significantly over the decades. Before the 1990s, local NGOs, trade unions, and movements sought to improve worker conditions and environmental awareness, though their reach remained limited (Spodek, 1994; Ishizaka, 2013). Strikes like the 1982 Great Bombay Textile Strike exposed poor wages and labor exploitation in garment factories (Lieten, 1982).

With economic liberalization in the 1990s, international scrutiny increased. NGOs and global organizations highlighted child labor and labor rights violations, prompting reforms such as the Apparel Export Promotion Council's child labor elimination programs (1999) and the rise of ethical sourcing initiatives. International campaigning, such as the Clean Clothes Campaign in the 2000s helped propel the opening of India's first factory to receive GOTS certification in 2008. Fair labour practices and sustainability have gained popularity during the 2010s. ILO studies (2015) and research like "Behind the Showroom" (2014) revealed persistent labour rights issues. Fairtrade India was established as a not-for-profit company as part of the global Fairtrade International network, emphasizing the sale of Indian-produced goods within the Indian market and advocating for ethical trading (Fairtrade Advocacy Office, 2013. In 2016 the Fairtrade Textile Standard was launched in India (Fairtrade NAPP, 2018) and an Indian factory was in 2019 the first factory to be certified under this new standard (Wright, 2020). The industry's move towards sustainability and worker welfare is reflected in India's rise to become the country with the largest number of GOTS-certified factories in 2021. Table 5 captures these key trends and development among NGOs, international associations and civil society groups and sees how they have evolved.

Table 5: Key trends and developments from NGOs, international associations, and civil society groups

1990s–2000s: Policy Reforms and NGO Activism: Growing International and Local Advocacy	
Mid 1990s	Economic liberalization drove textile sector growth but raised labor and environmental concerns, prompting NGOs and international organizations to expose child labor and push for ethical sourcing (Human Rights Watch, 1996).
1999	Apparel Export Promotion Council initiated programs to eliminate child labor through monitoring and rehabilitation efforts. (AEPC, n.d.)
2000	International NGOs like the Clean Clothes Campaign highlighted issues such as labor exploitation in India's textile hubs (Kane, 2015).
2008	First GOTS certified garment factory is established in India (Ward and Mishra, 2019).
2010s–Present: Sustainability and Worker Rights in Focus	
2012	Ethical Trading Initiative with its members and local stakeholders dedicated efforts towards eliminating exploitative practices in the garment industry in South India (Ethical Trading Initiative, 2024). The Fair Wear Foundation initiated efforts to map social dialogue in India's apparel sector, addressing labor rights violations and promoting better working conditions (Pratap, 2021).
2013	Fairtrade India was established as a not-for-profit company, becoming part of the global Fairtrade International network. Shifting beyond the traditional South-North trade model, it emphasizes the sale of Indian-produced goods within the Indian market (Fairtrade Advocacy Office, 2013).
2014	The "Behind the Showroom" report by the International Federation for Human Rights (FIDH) exposed human rights violations in India's garment sector (FIDH, 2014).
2015	There is an intensified focus on labor conditions. The International Labor Organization (ILO) conducts studies uncovering widespread labor law violations in India's garment sector, including concerns such as forced labor and insufficient wages (O’Reilly et al. 2015).

2016	The Fairtrade Textile Standard was launched in India (Fairtrade NAPP, 2018), gaining momentum in Fair Trade initiatives by influencing sourcing policies and promoting ethical trade practices.
2019	Indian factory is the first factory to be certified under Fairtrade Textile Standard (Wright, 2020).
2021	The Asia Floor Wage Alliance (AFWA) released its "Money Heist" report highlighting governments' failure to address global humanitarian crises with brands shifting risk onto garment workers and suppliers (AFWA, 2021). India becomes the country with the largest number of GOTS certified factories in the world (Stuttgart, 2021).

India's textile and garment industry has evolved from minimal regulation to a sustainability-driven sector, with voluntary standards playing a key role in ethical production and market access. However, the extent to which such standards can lead to genuine ethical and sustainable changes remain contested, given the current economic and structural changes within the industry.

Positioning India in the Global Cotton Garment Manufacturing Trade: Sustainability Concerns and Certification Uptake

Major global and local textile standards and certifications in garment and textiles in India.

Table 6 outlines the main categories of sustainability standards and certifications in the textile industry as framed by a recent report by Centre for Responsible Business (CRB, 2024).

Table 6: Categories of sustainability standards and certification in the textile industry.

Organic standards and certification	Supported by standards like GOTS and Organic Content Standard (OCS), organic textiles ensure soil health, limit harmful chemicals and promote eco-friendly products from farm to garment.
Standards and certification for recycling	Recycled textile certifications like Global Recycled Standard and Recycled Claim Standard redirect waste, transforming materials from

	post-consumer and post-industrial sources, driving environmental commitment and value preservation.
Environmental standards and certification	Standards like the OEKO-TEX, bluesign and Zero Discharge of Hazardous Chemicals (ZDHC) enhance environmental stewardship, boosting efficiency, reducing contamination risks and promoting sustainable practices such as wastewater treatment, renewable energy and closed-loop recycling.
Business and Human Rights (Social) Standards and Certification	Social certifications like Fairtrade, Fair Wear Foundation and SA8000 improve textile production by empowering workers ensuring fair wages, reasonable hours, safe conditions, and preventing exploitation, discrimination and child labor.
Source: Centre for Responsible Business (CRB). (2024). *Mapping of Landscape for Certifications* for the Indian *Textile Sector with* Special Focus on Increasing Export Competitiveness of MSMEs.	

Table 7 lists major global and local textile standards and certifications drawing on a report mapping the landscape for certifications for the Indian textile sector CRB (2024). Importantly, it misses noting the latest developments in Fairtrade International's textile initiatives such as the launch of the textile standard and its implementation in India (Fairtrade NAPP, 2018).

Table 7: Major global and local textile standards and certifications in India

Certification and Audit Scheme	**Description**
Global Organic Textile Standard (GOTS)	Ensuring textiles organic integrity from raw material harvesting to eco-friendly socially responsible manufacturing.
Better Cotton Initiative (BCI)	Promotes improved cotton farming standards in 23 countries, including India.
Sustainable Apparel Coalition (SAC)	It provides the Higg Index, empowering brands and retailers to address their social and environmental performance, rather than functioning as a certification scheme.
Fairtrade	Promotes the balanced and equitable growth of small-scale producers and agricultural workers.
Bluesign	Promotes sustainable textile production, ensuring products are eco-friendly and safe for workers and consumers.
Zero Discharge of Hazardous Chemicals (ZDHC)	Aims to remove hazardous chemicals from textile and footwear production.

Cradle to Cradle certified	Focuses on eco-friendly design, materials and production.
OEKO-TEX Standard 100	Ensures ecological safety of textile products throughout production.
ISO 14001	Aids organizations in enhancing their environmental performance.
ISO 9001	Focuses on quality management meeting the needs of customers and stakeholders.
WRAP (Worldwide Responsible Apparel Production)	Certifies that a factory abides by local and international laws for ethical and environmentally responsible production.
Sedex Members Ethical Trade (SMETA)	A social audit covering labor standards, health and safety, environment and business ethics.
Textile Exchange Organic Content Standard (OCS)	Provides third-party verification of a final product's organic content.
Textile Exchange Recycled Claim Standard (RCS)	Checks for the presence and amount of recycled material in a final product.
Sustainable Fibre Alliance (SFA)	Focuses on the safety and welfare of goats and herders in the cashmere industry.
Fair Wear Foundation	Focuses on improving labor conditions in the garment industry.
SA8000	Focuses on social accountability in the workplace.
Textile Exchange and Responsible Wool Standard (RWS)	Aims to ensure the welfare of sheep and the land they graze on.
Leather Working Group	Assesses and certifies leather manufacturers environmental performance and compliance.
Source: Centre for Responsible Business (CRB). (2024). *Mapping of Landscape for Certifications* for the Indian *Textile Sector with* Special Focus on Increasing Ex- port Competitiveness of MSMEs.	

Government initiatives and regulatory framework

Government programs promote traceability and performance evaluation prior to offering incentives, even though they do not require voluntary certifications (CRB, 2024). India's textile industry formally complies with international and national certification requirements for sustainability and quality by adopting them. However, what happen after adoption is a matter of concern as fundamental breaches of worker rights remain in the industry. The Textile Committee under the Ministry of Textiles oversees standardization and quality control, while the Bureau of

Indian Standards (BIS) sets industry benchmarks (Ministry of Consumer Affairs, 2019). The National Accreditation Board for Certification Bodies (NABCB) under the Quality Council of India (QCI) ensures global compliance by accrediting certification agencies (Ministry of Consumer Affairs, 2019). Founded in 2016, the Indian National Platform on Private Sustainability Standards was initiated by the Quality Council of India (QCI) to facilitate dialogue between the government, industry stakeholders, and voluntary sustainability standards (VSS) organizations. Its goal is to maximize the sustainable development benefits and market access opportunities of private sustainability standards while addressing challenges and implementation costs, particularly for small and medium-sized enterprises (SMEs) (UNFSS, n.d.). The initiative has received recognition from the UN Forum on Sustainability Standards (UNFSS) for being the first national platform dedicated to addressing voluntary sustainability standards. It focuses on overcoming barriers to sustainable practices and strengthening the global competitiveness of Indian textiles (UNFSS, n.d.).

India's textile strategy emphasizes responsible production and aligns with the Prime Minister's *'Minimum Government, Maximum Governance'* approach (Make in India, n.d.). Supporting the sector through the Five Fs—Farm, Fiber, Factory, Fashion, and Foreign (Economic Times, 2024; Ministry of Textiles, 2022), the government launched Kasturi Cotton India on World Cotton Day, October 7, 2020) to strengthen global branding, traceability, and self-reliance under the *Atmanirbhar Bharat* (Self-Dependent) initiative. These efforts reflect the interplay between global voluntary standards and national regulations, highlighting India's role in shaping sustainable textile practices (Ministry of Textiles, 2015).

Industry perspectives on voluntary standards

Speaking at a national mega event (Bharat Tex, 2024), Alok Mishra, Senior Vice President and Group Head of Sustainability for Welspun, a leading textile corporation in India stated,

> "*The world is looking up to sustainability and India being one of the largest manufacturers wants to grab this opportunity*".

He further emphasized that the aspirational pull of the Indian manufacturers is making them push themselves to embrace voluntary standards as a challenge that is worth pursuing and overcoming.

> However, "*the need for doing business differently*" as stated by a factory manager (M3), "*is not by choice, but by force if we have to survive in the next few years*."

Senior management also expressed the fact that trade and sustainability cannot be divorced or disconnected from one another. According to Sundar M. Senthilnathan, Head of Public Affairs, H&M India (Bharat Tex, 2024),

> "*There is a plethora of regulations coming down on us, 150 and above. They will cover every aspect of product from design to post consumer use. From Eco design to greenwashing regulations to due diligence. These are here to stay and will not be taking a backseat."*

While voluntary standards are being approached for meeting sustainability concerns, it is important to recognize that the intention to engage with such standards is primarily out of an economic orientation for gaining a competitive edge over others. Pramit Chanda, Global Director Textiles and Manufacturing, IDH stated (Bharat Tex, 2024),

> "*Sustainability and voluntary standards are tickets to the game, not the game itself.*"

In this statement, it is evident that sustainability through voluntary standards is one of the ways to grab an "economic" opportunity. Senior management in the garment manufacturing sector believe that voluntary standards are critical for meeting the sustainability agenda for a strong global competitive presence.

It is seen as a "*disruptor that will propel us to becoming more competitive globally*" (M8).

As Sundar M. Senthilnathan further stated (Bharat Tex, 2024),

> "*We cannot have men in supervisory roles and women in the shop floor. Women need to be in supervisory roles, as simple as that. It will put us in bad light if we continue to have that.*"

Reputational risks associated with negative branding remain strong, justifying and rationalizing the attention to the global operating space. India clearly has its eye on global developments in the world today.

Challenges and support for SMEs in certification compliance

India's textile industry's small and medium-sized businesses (SMEs) need a lot of help navigating the intricacies of international certifications like GOTS and Fairtrade. Financial limitations and restricted access to resources cause many SMEs to struggle with compliance, which hinders their ability to participate into international sustainable supply chains (Apparel Resources, 2024). Chandrima Chatterjee, Secretary General, Confederation of Indian Textile Industry states,

> "*In the textile space there are some front-runners, but they constitute just 5 % of the total. A lot of hand-holding will be needed for others*" (ISSS, 2024).

While government schemes exist for small and medium enterprises (CITI India, 2025), they do not reach the smaller organizations (Kabiraj, 2022).. Bigger players and organizations are now discussing joining hands with their smaller suppliers at all tiers to train them about global requirements and expectations. The Apparel Export Promotion Council (AEPC), the official body for apparel exporters in India, has launched the Apparel Industry Sustainability Action (AISA) to drive sustainability adoption among MSMEs. The initiative provides hands-on support through demonstrations and tailored solutions (Safaya, 2022). In addition, the Dindigul Agreement, Asia's first legally binding pact on gender- and caste-based violence in the garment industry, unites brands like H&M, Gap Inc., and PVH Corp. with suppliers, unions, and labor groups. This ensures strong labor standards and worker protections against harassment and balancing to gender hierarchy in employment (Tafreschi, 2023).

Fairtrade India’s Sustainability Clinic supports MSME textile factories with tailored, localized solutions for sustainability. Its Tamil Nadu pilot in South India has engaged 200+ factories in Tiruppur (Fairtrade India, 2025). Fairtrade International's pilot connects Indian producers with German consumers through a flexible certification model. Subcontractors contributing <5% of product value use alternative compliance measures instead of a full audit, ensuring broader participation while maintaining Fairtrade standards while making it less burdensome for smaller entities (Fairtrade International, 2025). Recognizing that administrative complexities and financial burdens can impede these operations, GOTS too launched the Controlled Supply Chain Scheme pilot in 2022 to simplify certification for small textile operators. It enables groups of facilities with 20 or fewer workers to obtain collective GOTS certification (GOTS, 2022).

Additionally, Indian consumers are increasingly prioritizing responsible production and consumption in the garment industry, driven by growing awareness and sustainability concerns (Badhwar, 2023). A 2023 Rakuten India survey found that 56% of consumers engaged in sustainable shopping, while research by Francis and Sarangi (2022) indicates that Indian millennials are particularly focused on the environmental impact of their purchases over social and economic factors. India’s textile industry is embracing voluntary standards, driven by government incentives, market competition, and growing consumer demand for sustainability (CRB, 2024). This shift underscores the industry's formal commitment towards balancing economic growth with social and environmental responsibility.

India’s potential as a global economic leader is strongly tied to its dominance in the textile sector, with several key strengths. India possesses almost the entire value chain for garment production, from raw material (cotton) to finished products, giving it a solid foothold in global textile markets (Invest India, 2025). India’s strength in the IT sector is seen as a critical enabler for the future of garment manufacturing (Badhwar et al., 2023). In 2021, India's leading textile company, Welspun, introduced Wel-Trak 2.0 Blockchain, one of the most extensive traceability and ESG transparency initiatives (Apparel Resources, 2021).

Strengthening Global Representation in Standard-Setting

There is a growing recognition by the Indian government and industry leaders for the need for India to actively participate in adopting international certifications. Representing India’s voice on global platforms is crucial to shaping the trajectory of trade and economic development. The Indian National Strategy for Standardization (INSS, 2018) highlights the importance of engaging in international standard-setting to ensure that national priorities are considered and integrated. Such involvement is vital for aligning global standards with India’s interests and strengthening its competitiveness in international markets. Rohit Kansal, Additional Secretary, Ministry of Textile, Government of India speaking at the India and Sustainability Standards Summit (2024) was quoted saying,

> “*All of us know fair trade, we also need fair conversations. The Global South, being the producer of textiles needs a seat at the table with the Global North, who are the consumers of these products. Moreover, we need to talk to each other. Each cluster needs to speak with the others, these conversations will uplift all clusters. We need to inform the world of our heritage of sustainability”*.

Representing the industry, Dr Aparna Dhawan, Head and Senior Counsellor, Confederation of Indian Industries (CII) speaking at the same forum echoed the sentiment by stating,

> “*Voluntary standards need to be complemented by mandatory standards. We need to develop Indian standards that have global acceptance so that there is no compliance burden”.*

The Role of Fairtrade in India's Garment Supply Chain

The evolution of Fairtrade

Fair trade began as solidarity initiatives in the 1960s, evolving into a movement against global inequality and poverty (Wenner and Heidler, 2025). Grounded in justice, equity, and sustainability, it challenges the profit-driven economy. While early initiatives remained niche, product certification in the late 1980s and Fairtrade International's founding in 1997 brought fair trade to mainstream markets (Wenner and Heidler, 2025). However, this growth made it difficult to strike a balance between its basic principles and the demands of the market for quality, pricing, and competitiveness (Kister & Wenner, 2023).

Fairtrade India was established in Bangalore, India, in 2013, with a mission to promote and market Fairtrade-certified goods to Indian consumers (Fairtrade Advocacy Office, 2013). The Fairtrade Textile Standard, which aims to raise wages and working conditions in textile production, is one of the international standards developed by Fairtrade International (Fairtrade International, 2025). As per Abhishek Jani, CEO of Fairtrade India, around 20 brands and around 400 businesses are associated with Fairtrade in India (Fairtrade India, 2022). Fairtrade International and Fairtrade India work together to promote ethical trade and improve labor conditions in the local garment sector. Fairtrade International funds its programs primarily through licensing fees, supplemented by grants and partnerships. Companies using the FAIRTRADE Mark pay a licensing fee, while grants from government agencies and NGOs, including the European Union, the German Federal Ministry of Economic Cooperation and Development (BMZ), and the German Agency for International Cooperation (GIZ), support specific programs and projects. Certification costs are paid by producers to FLOCERT, its independent certifier. As a self-funded non-profit, Fairtrade International reinvests its income to advance fair trade and support producers worldwide (Fairtrade International, 2025).

The role of Fairtrade India in ethical trade

While Fairtrade International sets global standards, Fairtrade India plays a crucial role in adapting them to India's unique garment sector challenges, such as informal labor, wage disparities, and environmental concerns (FIDH, 2014; Ethical Trading Initiative, 2024). Local representation is important so that the standards align with regional socio-economic conditions, caste-based inequalities, and labor rights issues specific to India (WRC, 2013; Anner & Dutta, 2019; Mezzadri, 2012). Research highlights that Fairtrade India adapts strategies to engage domestic consumers and businesses, fostering sustainable supply chains within the country (Fairtrade Advocacy, 2013). Additionally, studies on voluntary sustainability standards emphasize the importance of local implementation for effective impact, as seen in India's garment sector (CRB, 2019; OECD, 2021).

Fairtrade messaging: Indian versus international perspective

In terms of understanding the alternative model and what counts as ethical conditions of trade, Fairtrade International explains Fairtrade as

> "*Fairtrade changes the way trade works through better prices, decent working conditions and a fairer deal for farmers and workers*." (Fairtrade International, 2025b).

By contrast, Fairtrade India explains Fairtrade as, "*with Fairtrade you have the power to change the world every day with simple, easy steps*" (Fairtrade India, 2025b).

In terms of its model and approach, Fairtrade India describes it as

"*a simple way through which each one of us can support millions of farmers and workers who make and grow our food and clothes*" and that "*it is an alternative approach to conventional trade*" (Fairtrade India, 2025f).

Fairtrade India explains its origins as being associated with expanding the "*Fairtrade Movement in India*" (Fairtrade India, 2025g).

Fairtrade International relies on a structuralist explanation of change in international trade for bringing economic and social justice. By contrast, Fairtrade India keeps the focus on consumer and individual agency for awareness about its initiatives, products and the domestic market that has these certified goods. It is a more localized message. Therefore, Fairtrade India states,

> "*Make the right choice while using the power of your wallet. It is the one thing that will ensure economic sustainability & trade justice for all, while demonstrating your commitment to farmers and workers*" (Fairtrade India, 2025c).

Such a framing is critical from the perspective of political consumerism, where moral, social, and political beliefs of people impact their market transactions and exchange (Micheletti et al., 2004). The "voting with dollars' approach similarly describes individual political agency and participation through purchasing practices with its broader impact on trade dynamics at an institutional level to support improved labor standards and environment stewardship. Such a representation reaffirms that social and economic changes, as per Fairtrade India's endeavors, may enable group action from the consumers.

Fairtrade and the ill-informed consumer: Bridging the knowledge gap

The theme of the ill-informed consumer is strong in Fairtrade India's website as videos that provide insights into what is Fairtrade are found to be educating consumers about the dire condition of workers who manufacture clothes or farmers who produce cotton and food (Fairtrade India, 2025d). One such film, "Do you understand Fairtrade better than a 10-year-old?" is an example where an attempt is being made to bridge the knowledge gaps in understanding Fairtrade, especially to a wide consumer base that may not be fully aware of the complexities of ethical sourcing, manufacturing, and exchange (Fairtrade India, 2022). A similar initiative is the "Meet Fairtrade Farmers" video stories on the Fairtrade India website that is again curated to provide information on how Fairtrade impacts farmers in their lives.

Importance is being given to the people who make the clothes. As one of the consumers of Indian Terrain Fairtrade initiative mentions in the video, “whenever I will take out my t-shirt, all those times, I will remember all (farmers) of you.” The video ends with the statement, “sustainability is the best style statement you can make”. The Indian origin and base of this brand is further used to evoke a patriotic appeal and pride in being from India. Moreover, India’s launch of Karturi Cotton with the objective of creating premium value for cotton grown in India is noteworthy again (Economic Times, 2024). By bringing these social, cultural, and ethical aspects of these products and their manufacturing processes, Fairtrade India undertakes an approach towards branding that is in opposition to the traditional commodity fetishism perspectives where commodities are portrayed as “fair” and are set apart from competing goods (Hudson & Hudson, 2003; Marston, 2012).

Fairtrade Mark: A Badge of Sustainability and Social Commitment

A single label can be interpreted as a shorthand version of the socially, just, environmentally sound sustainable story that Fairtrade is seeking to guarantee to consumers (Martson, 2012). The Fairtrade Mark is an internationally registered trademark owned by Fairtrade International. According to Fairtrade India, by using the Fairtrade Mark

> “*Businesses get to differentiate themselves in the market. Especially in India, it helps them develop a position as a champion of sustainability while pioneering in their commitment towards the farmers and the environment*” (Fairtrade India 2025e).

Fairtrade India can be seen using the Fairtrade Mark as a strategic instrument for organizations and businesses to provide credibility and appease consumers, rather than being only a certification. The customer trust with the social and environmental realities of production is importantly critical for the restoring transparency of the supply chains and counteracting traditional commodity fetishism.

Fairtrade India's Strategy: Strengthening Local Awareness Within a Global Framework

Fairtrade India has introduced programs to better communicate Fairtrade's mission and vision to local universities, schools, and workplaces through its Fairtrade Campus Programme (Fairtrade India, 2025i), Fairtrade India's School Programme (Fairtrade India, 2025j), and the Fairtrade India Workplace Programme (Fairtrade India, 2025k). These efforts seem to be directed at raising local awareness towards sustainability issues. Fairtrade India, in adhering to internationally recognized Fairtrade International standards has shown commitment to Fairtrade towns but also envisoned these initiatives as addressing Indian stakeholders and consumers more directly (Fairtrade India, 2025l). Fairtrade India is not equating Indian consumers with international consumers but rather it is trying to build a localized movement within India while maintaining the overarching connections to the broader and more global Fairtrade framework.

Fairtrade as a Business Approach

In terms of its business approach, Fairtrade India presents itself as offering a strategic business advantage emphasizing that ethical ways of doing business is not only a matter of moral choice but can also be a competitive business strategy (Fairtrade India 2025r). The discourse asserts that those businesses need to align themselves with Fairtrade's approach for long-term sustainability and relevance in the market. In this discourse of change and economic justice, Fairtrade India constructs itself as a critical agent giving a potential solution by establishing standards and ensuring transparency, traceability, and responsible supply chains.

In using phrases like *"Are your buyers and customers asking for greater transparency?"* and *"Fairtrade helps businesses answer these questions"*, a rhetorical approach is being used to present Fairtrade as a logical choice.

Moreover, the Fairtrade Mark is positioned as another market advantage when it is recognized for its use in 125 countries that communicates brand legitimacy (Fairtrade India 2025r). Typically, larger companies are export oriented and target production and certification to sell to international customers. However, increasingly smaller, and medium size enterprises are also utilizing engaging with Fairtrade India and selling products with the Fairtrade Mark in India's domestic markets. Example brands include nonasties, soul space (Fairtrade India, 2025r).

Fairtrade India presents The Fairtrade Minimum Price as a "safety net," again reinforcing the role Fairtrade can play in mitigating market failures and challenges for the more vulnerable small producers (Fairtrade India, 2025c). The Fairtrade Premium is constructed as democratic and driven by community spirit, that allows workers and producers to decide on its use whether for schools, clinics, or equipment. Fairtrade India's narrative also strongly aligns Fairtrade with living wage discourse, pointing to its significance and impact for economic justice and long-term sustainability in trading relationships and exchange (Fairtrade India, 2025c). Fairtrade India's website promotes Fairtrade brands (Soul Space, No Nasties) as not just ethical but also making a fashionable and modern statement. Further, a binary framing of responsible vs. non-responsible brands is set to develop a distinction that incentivizes businesses to align themselves with Fairtrade's agenda. Fairtrade India for example uses phrases like "making you look good while they do good" reinforce ethical consumption as something that is desirable and reflects an aspirational choice of the consumers (Fairtrade India, 2025s).

Tackling workplace issues: A call for collective action

Fairtrade India highlights on its website that globally, 736 million people live in poverty (Fairtrade India, 2025p) and millions of children are forced into labor as there is a highly complex supply chain that is hard to trace (Fairtrade India, 2025m). Child labor is prevalent in India since companies prioritize cheap, unregulated labor over ethical processes of manufacturing and production. The role of managers in mediating these concerns is a complicated one. Rather than assume that ethical manufacturing is going to be an inherent outcome, this research identifies the extent to which Fairtrade certification influences managerial decisions. In doing so, it identifies both the limits and potential of voluntary standards in the growth of ethical and sustainable business practices. Fairtrade India acknowledges that prohibiting child labor through standards alone will not be sufficient, arguing that Fairtrade tackles these workplace issues by collaborating with governments, NGOs, and local communities to establish monitoring systems and youth-focused interventions that emphasize education as well as advocacy (Fairtrade India, 2025m).

Fairtrade India acknowledges that gender inequality remains a systemic issue worldwide, that limits opportunities and potential for women multiple aspects of their lives. The organization claims that it works to rebalance these power structures by providing empowering leadership training, capability enhancement, financial support, and equitable decision-making, for women to achieve economic independence and social equity (Fairtrade India, 2025o).

Fairtrade India highlights the persisting issue of modern slavery that affects 40.3 million people globally. Focusing on the exploitation of workers in cotton manufacturing Fairtrade India attempts to address and overcome the challenges of forced labor by enforcing strict standards, education, and collaboration, so that organizations are investing in fair labor practices and safe working conditions without any form of coercion (Fairtrade India, 2025q).

While highlighting the critical issues that affect India such as poverty, gender, forced labor, Fairtrade strategically also emphasizes their global nature intertwining them with global economic structures. Moreover, in its mission to combat these issues, it makes its commitment clear to the UN's 17 Sustainable Development Goals (SDGs), recognizing that systemic change requires coordinated and collaborated efforts from multiple stakeholders -governments, businesses, and civil society (Fairtrade India, 2025n).

The Role of The Global Organic Textile (GOTS) Standard in India's Garment Supply Chain

The evolution of GOTS as a global standard

As per GOTS website (2025), GOTS's emergence was an attempt to harmonize organize textile standards into a globally recognized one as there were numerous standards in the earlier niche organic cotton sector. Experts and organizations came together to streamline non-negotiable points to bring them together. It therefore has a requirement for certification bodies to drop any own organic textile standard to be approved for GOTS certification. As a result, 11 other standards were replaced by GOTS which included, EKO Sustainable Textile Standard, Standards for Organic Textiles-Ecocert (France, Organic Fiber Standards -Oregon Tilth (USA) and many others. The decision to combine different standards into one and strive for uniformity is critical to assess how global frameworks with an all-encompassing approach covering different stages of production and in geographically dispersed regions are important for supporting this convergence.

GOTS as a Benchmark for Sustainability

As you navigate through the GOTS (2025) website, it takes you through the "*behind the scenes journey to the heart of the Global Organic Textile Standard (GOTS)*" that represents 4 million employees working in GOTS certified factories around the world. Utilizing video portraits, eight individuals are seen to be giving unscripted and candid account of how they have been impacted by GOTS. GOTS (2025) makes an assertion that it speaks for credibility by setting clear, transparent, and comprehensive "*benchmark for organic textiles*". It states that they choose to avoid vague terms like "*sustainable fashion*." It needs to be noted that the term "*benchmark*" in this manner, reflects a sense of standardization and hierarchy. It projects that GOTS is a definitive measure against which other standards can be assessed and compared. It further presents itself as the world's leading standard and asserts that it provides assurance of ecological and social responsibility through its independent certification system that it emphasizes covers the entire supply chain. This way of framing provides a sort of reinforcement of GOTS's authority in the standards landscape by implying that other sustainability standards lack substance in comparison. Such a construction also presents an image of GOTS as a globally dominant and widely recognized standard. Such use of text and language provides a way to legitimatize its status as an industry leader in this field.

In providing a wide range of products from clothing to home textiles, GOTS asserts that it is a globally acclaimed certification that makes for ethical trade to empower consumers and keep them informed of the sustainable choices they can make (GOTS, 2025). It is clear of its website descriptions, that GOTS describes its standard as the most stringent certification as compared to other standards in textiles. The Standard is stated to be "*more demanding than comparable leading sustainability standards*" (GOTS, 2025d). In this way, GOTS uses a style of framing and choice of words that are closely bound to ethical consumerism in claiming to "empower consumers to make informed, sustainable choices." GOTS idea of empowerment reflects that is a certification that makes consumers active agents of change, thereby supporting the prevailing narrative that associates political activism with conscious consumerism.

GOTS in India: Driving Global Standards in Sustainable Textiles

Since 2022, India has become a global leader in GOTs certified facilities and accounts for about 25% of the 13,549 GOTS certified facilities across the world, with primary Indian hubs in Tamil Nadu, Maharashtra, and Gujarat (Annual Report, 2023). As per GOTs Annual Report (2023), Regional Representatives have a critical role to play in the promotion of sustainable business practices which help in the development of the strategic partnerships of the organizations that undergo its certification processes. For South Asia, GOTS Regional Representative has been responsible for strengthening the engagement of GOTS in India. The representative has collaborated with many stakeholders including government bodies, has co-hosted conferences and guided major global brands such as H&M, C&A, Celio and others to navigate their sustainability journey. With his efforts in industry events, advocacy, and outreach programmes for knowledge building and in contributing to nationalist discourses, the regional representative for GOTS has been instrumental in driving ethical and sustainable textile production in India (Annual Report, 2023).

In its framing of India as a critical player in sustainability initiatives, GOTS tries to place itself from within a developmental and nationalist focused discourse that is in line with the broader narratives of India's progress with economic modernization and it's balancing this success with environmental responsibility. With recognition of its impact and growth in key hubs of India such as Tamil Nadu and Maharashtra, GOTS reinforces a spatialized understanding of sustainability that associates its certification as being central to India's move forward with its textile sector. This spatially focused framing is reflective of the fact that sustainability is not an abstract global ideal but one that is embedded in practice. In this way, GOTS builds a perception of its standard and certification processes being a catalyst for economic and environmental transformation of local regions. In emphasizing that its regional representatives collaborate with major brands across the globe and participate in knowledge creation, GOTS constructs a discourse that hinges on institutional legitimacy and strategic influence. By highlighting its contribution in co-hosting important conferences for the textiles and the organic industry, GOTS again presents itself as a knowledge producer that is contributing to sustainability dialogues within India.

These representations and social constructions attempt to strongly reinforce how voluntary standards are not mere enforcement mechanisms for compliance but can actively participate in the development of sustainability discourses within multistakeholder networks.

Consumer empowerment through ethical trade

The Global Organic Textile Standard (GOTS) is positioned as the "gold standard" in a brief video that also presents it as a "realistic solution" and a "necessary" certification for sustainability in the textile industry (GOTS, 2025b). In this way, this presentation of GOTS as a rigorous, impartial as well as an all-encompassing standard cast it as being different from "vague" sustainability claims of other standards in the textile industry. Such a stance further is made to solidify its claim of authority and legitimacy. The reference is also made towards ILO norms upon which GOTS has set up its social criteria. This helps to align the standard with globally acclaimed labor rights frameworks. However, GOTS fails to make the connect with Indian consumer base, like Fairtrade India does as specific content on its website is not designed for Indian consumers directly. Moreover, major textile manufacturers with GOTS certification predominantly focus on international markets of Europe and North America, while few small and medium enterprises target domestic markets alongwith international trade (Annual Report, 2023). GOTS also narrates its deep commitment to consumer empowerment and trust with its reassurance that the consumers ae safe from harmful chemicals due to the high social and environmental conditions it stipulates through its standards. Moreover, utilizing phrases such as "*If you want it all*" GOTS constructs itself as the only sustainable choice, further implying that other non-certified products may be incomplete or inadequate. In addition, it is also important to note how GOTS frames ethical consumption. By stating, "*plus they look great*", GOTS presents its businesses offering a lifestyle choice that balances moral responsibility with aesthetic appeal thereby making fashion more aspirational for these consumers. A binary opposition continues to emerge between GOTS certified and non-certified commodities suggesting that these other claims maybe not verified, credible and even misleading. In this video, GOTS strategically shifts the onus onto consumers for actively seek out GOTS products and commodities thereby framing it in line with broader neoliberal discourses in which ethical consumption is presented as a personal responsibility than a solely industry-driven change. Such a framing posits consumers as the change making agent, an empowered participant that can use the label verification and database tracking system designed to enhance market transparency. It again, reinforces the idea that an empowered and well-informed consumer can mold corporate behavior demanding compliance and not simply seeking regulatory enforcement of standard (GOTS, 2023).

GOTS and market legitimacy: Global trade and governance

GOTS presents itself as a governing institution that transcends fragmented national laws, offering a universal certification standard that mitigates regulatory inconsistencies and trade barriers. By setting strict environmental and social criteria, it is stated to provide a normative benchmark that aligns with governmental policies, NGO demands, and consumer expectations**.** As it states in its philosophy,

> "*In contrast to mere national laws, our standards provide a consistent and global framework and help to overcome barriers to international trade. Likewise, they facilitate*

their users' compliance with legal requirements and even empower them to prove their ability to exceed those" (GOTS, 2025c).

From the perspective of garment manufacturers and businesses, the discourse that GOTS brings through its website is that of a strategic instrument for risk management, credibility, and market differentiation. It is an assurance against damage to reputation and aligning industry sustainability initiatives with investor expectation as well as recent regulatory developments. It is stated to enhance supply chain efficiency which in turn can reduce compliance costs by providing a standardized and globally leading framework, as against undertaking it independently for social and environmental accountability. GOTS reports charging 150 Euros as annual fees per certified facility while making use of public funding for more expansive projects (GOTS, 2023b).

GOTS' convergence with government regulations, for example, the US organic textiles legislation or the NGO led chemical prohibitions such as the Greenpeace's restricted chemicals, is meant to underscore its role as a public and private governance bridge. It further bolsters the arguments that see co-dependency of state regulation and voluntary certification schemes as important (GOTS, 2023c).

As the above discussion highlights, GOTS is focused on emphasizing that it is a structured and certifiable standard that is transparent and can be measured. Its claim that it is a

"*Mandatory Third-Party certification*" and the requirement that "*all material entering the GOTS supply chain is documented, tested, and verified*" strategically places GOTS as a neutral governing body (GOTS, 2025d).

While it asserts that is independent from economic interests, its dependence on public funding for its expansive projects can be indicative of a hybrid form of governance where non-state actors assume regulatory roles that were normally held by governments. The assertion that

"*GOTS consists solely of mandatory criter*ia" repeatedly presents it as having authority as a leading global standard, that enhances business credibility (GOTS, 2025d). Yet, it can also imply a commodification of ethics, where adherence to sustainability standards such as GOTS can serve as a market strategy rather than a fundamental transformation of industry practices (Ponte, 2019; Shamir, 2008).

Conclusion

The rise and current operations of voluntary social and environmental certification in India's cotton garment industry reflect a growing importance of sustainability and ethical production in global trade and exchange. The evolution of these certifications in India points to strategic alignment of India's textile industry with global sustainability standards through a combination of government regulations, industry adoption of voluntary standards and SME supporting programmes.

This chapter contributes to the literature on the role of voluntary standards as powerful governance mechanisms for improved sustainability practices and their broader institutionalization in promoting industry accountability, transparency, and responsibility (Lamblin et al. 2014; Marques and Eberlein, 2021; Schleifer and Fransen, 2022). It builds on existing political economy theory about the limits of the social compliance regime for workplace improvements (Soederberg, 2007; Taylor, 2011; Esbenshade, 2012; Fransen, 2012; LeBaron, 2020). It highlights how voluntary standards provide managers with a framework with which to manage business and societal concerns, identifying key industry challenges and avenues for addressing them. However, as interviews highlight, industry adoption of voluntary standards is motivated by a desire for market access rather than transformative reform or any intrinsic ethical commitment. The Indian government's launch of the Indian National Platform on Private

Sustainability Standards for instance, demonstrates a proactive approach in this direction where state and non-state actors are coming together for transnational governance (UNFSS, n.d.). The Indian government "Minimum Government, Maximum Governance" (Make in India, n.d.) approach suggests reduced government scrutiny and a stronger reliance on industry driven governance mechanisms for export competitiveness which balance environmental and social responsibility through the encouragement of multistakeholder voluntary standards (Ministry of Textiles, 2015; CRB, 2024). These developments shift greater responsibility on middle level management in implementing voluntary standards and shaping workplace issues, compliance frameworks, ethical sourcing and manufacturing reforms.

Non-state forms of governance remain critical as state-based regulation is often limited in transnational politics (Bernstein and Cashore, 2004). Senior management and industry leaders increasingly acknowledge that voluntary standards are necessary for market access and are a strategic move to remain competitive. But the growing regulatory landscape with over 150 sustainability related regulations creates financial and administrative challenges, especially for SMEs (Bharat Tex, 2024). Collaborative initiatives from leading textile and garment manufacturers, industry associations such as the Apparel Industry Sustainability Action (AISA) (Safaya, 2022) and Fairtrade India’s Sustainability Clinic provide crucial support to smaller suppliers and manufacturers. Such developments fall in line with the need for voluntary standards to be more inclusive (Auld et al, 2016; Depoorter and Marx, 2023). Moreover, GOTS convergence with government regulations, for example, the US organic textiles legislation or the NGO led chemical prohibitions bolster the argument that co-dependency of state regulation and voluntary is critical (GOTS, 2023c). At the same time, GOTS stance on its standard transcending national laws needs and calling them as “mere” laws needs scrutiny as it may point towards an image of universality, which may downplay risks associated with local socio-economic contexts (Bartley, 2022; Graz, 2022).

The last two decades have seen proliferation of voluntary standards such as Fairtrade and Global Organic Textile Standard in India (CRB, 2024; Nadvi, 2008; Auld, 2014; Marx et al., 2024). These certifications are crucial in India's positioning as a leader of responsibly produced organic and Fairtrade certified cotton garments. While both exist to create more sustainable and ethical practices and processes in the textile and garment industry, Fairtrade focuses on social justice, while GOTS leans towards environmental sustainability (Ward and Mishra, 2019).

GOTS' self-presentation as a robust governance mechanism with its reliance on market-based consumer action and competitive differentiation does not challenge the fundamental power structures of the global textile industry, rather reinforces a neoliberal logic that has been highlighted in the political economy literature (Banerjee 2018, Sharma and Soederberg, 2020). GOTS Regional Representatives work closely with major brands- H&M and C&A- which can lead to concerns about corporate influence over its impact and claims (Annual Report, 2023). This is important because voluntary standards need to better understand the power imbalances where small suppliers are found to be vulnerable under multinational buyers in developing countries (Grabs and Ponte, 2019). Additionally, by positioning itself as the "gold standard", GOTS branding (GOTS, 2025) can be under scrutiny for being only a marketing tool rather than a truly transformative initiative for transformation of industry practices (Soederberg 2009). GOTS risks oversimplifying the complexity of voluntary standards failing to acknowledge the diverse regulatory environment, varied socio-economic conditions of manufacturing regions and the differing priorities of stakeholders from within the textile industry. Greater interdependence in governance mechanisms with multistakeholder engagement, harmonization of standards and regulatory alignment for GOTS, has been seen to be critical for effective implementation of diverse stakeholders- national regulators, international organizations, and private standard setters (Newman and Farrell, 2016). However, challenges persist in ensuring that this certification truly integrates local regulatory needs. As this research highlights, effective implementation of voluntary standards requires careful balancing of managerial concerns.

Fairtrade India's positioning as a movement for social justice and business driven approach to ethical trade finds a stronger local expression through its initiatives in Indian universities, schools, and workplaces (Fairtrade India, 2025i; Fairtrade India, 2025j; Fairtrade India, 2025k). This analysis shows how Fairtrade India represents Fairtrade International's global principles from within a localized framework. However, this localized adoption of global frameworks within India's existing economic and political structures highlights the broader issues in voluntary standards, that of balancing global legitimacy with regional and local realities which impacts their efficacy (Bartley, 2022; Graz, 2022). Moreover, describing Fairtrade as a "simple way" to make a difference in the lives of garment workers fails to recognize the difficulties managers face when they adopt multiple standards (Bharat Tex, 2024).

To conclude, this discussion of the evolution of voluntary and standards in the garment industry in India emphasizes the need for more integrated governance frameworks that ensure sustainability efforts are impactful and equitable for all stakeholders, especially small and medium manufacturers in developing countries. As managers are critical actors in this network, their concerns and challenges are important to note and respond to. While the governance frameworks need to be in alignment with global norms, they must also accommodate the realities of India's textile industry, local issues, market conditions and economic constraints.

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CHAPTER THREE: NAVIGATING COMPETITION AND COOPERATION: VOLUNTARY STANDARDS IN INDIA'S COTTON GARMENT INDUSTRY

Introduction

India is a major player in the global cotton garment trade due to its significant cotton production and thriving textile industry (Prakash et al 2020). The textile sector is critical to India's economy as it generates substantial value and is the country's largest employer (Shukla and Nayyar, 2019). India produces massive volumes and range of cotton garments for the national market and is responsible for 23 % of the global cotton garment industry (IBEF, 2024). Cities such as Bangalore, Mumbai, New Delhi and Tirupur are the main centers for cotton garment manufacturing in India (Annapoorani, 2023).

Notwithstanding its achievements, the garment industry nevertheless faces major labor-related challenges characteristic of other manufacturing countries involved in the global cotton trade (Barrientos et al. 2011, Marsley, 2019; Plank et al. 2014; Marslev et al. 2022). Poor working conditions, low wages, precarious work arrangements, limited collective bargaining, forced labor, health and safety hazards and worker exploitation are the critical persisting issues of this industry (Dutta, 2021; Ramamurthy, 2021; Prasad, 2021; Annapoorani, 2023; Mishra et al, 2023). This chapter examines the role of voluntary standards in alleviating these labor issues for the garment manufacturing industry.

Cotton garment manufacturing has expanded globally, with supply chains becoming complex and opaque through this spread. Lead firms outsource production to low-cost countries with weaker labor standard to minimize their costs (Bhardwaj, V. and Fairhurst, 2010). However, these global value chains tend to disproportionately benefit firms and investors in the Global

North (Brewer, 2011; Daviron and Ponte, 2005; de Bakker et al. 2019; Raynolds and Bennett, 2015; Bennett and Grabs, 2024).

Competitive pressures frequently lead to manufacturers experiencing losses and narrow profit margins (Bhardwaj & Fairhurst, 2010). The rapidly growing fast fashion industry demands rapid turnaround times, further intensifying the pressure on manufacturers. Even though India supplies some of the world's leading apparel brands, including Gap, Levi Strauss, H&M, and Nike, wages in the garment sector remain incredibly low (Dutta, 2021). Moreover, the sector deals with problems such as such as excessive absenteeism, staff turnover, and low retention rates, which raises the expense of training and developing new hires for these manufacturing units, leading to increased costs for employers.

Emergence of Voluntary Standards

Voluntary standards are designed to enhance sustainability in global trade and manufacturing (O'Rourke, 2012), and can help foster transparent and cooperative relationships between suppliers, buyers, and factory management (Locke & Romis, 2010). In response to the high-profile cases of inhumane working conditions in global manufacturing factories, such as the Rana Plaza collapse in Bangladesh in 2013 (Barua et al., 2021) and the Sumangali Scheme in South India (Mehta, 2011), efforts to address labor rights and workplace conditions have accelerated since the 1990s. Under the Sumangali Scheme in India, young women are promised a one-time payment of roughly US $500 to $1000 for three years of labor. However, it has often led to their exploitation at work (Fair Labor Association, 2012). Recent reports of abuse of garment workers in Indian factories questioned buyer and brand responses to the COVID-19 pandemic. According to Alysha Khambay, Head of Labor Rights, Business and Human Rights Resource Centre,

> "*The COVID-19 pandemic only exacerbated this abuse as suppliers faced increasingly unstable relationships with fashion brands which cancelled orders, delayed payments and squeezed suppliers even further to protect profits – all without any consideration for the workers whose daily lives they were affecting. The fashion industry's prioritization of short-term profit, combined with inadequate government regulation and damaging patriarchal norms, has brought us to this point. It's time for brands to be held legally accountable for the treatment of women workers who make their clothes and profits and take urgent action to tackle GBVH in their supplier factories*" (Business and Human Rights Centre, 2022:1).

In India, voluntary standards are rising to prominence within a discussion of sustainability and responsible business practices in industry associations, public platforms, government events and corporate platforms. Sustainability was recently highlighted in India's Global Textile Expo, Bharat Tex in 2024 (Bharat Tex, 2024) where Ms. Jasmer Dhingra, Director- Program India from IDH-the Sustainable Trade Initiative stated,

> "*Textiles constitute the cornerstone of India's economic fabric and is going through a transformative journey with systemic shifts within which sustainability is finding its way into every aspect of the textile supply chain*".

Workplace issues are integral to these debates over sustainability and central in conceptualizing responsible business production and consumption in present times. This chapter explores how this vision is understood by the middle level managers of garment factories in India that are adopting voluntary standards like Fairtrade International and GOTS. The study examines how middle level managers implement voluntary standards and influence workplace conditions in the garment companies in which they work. It provides a comprehensive analysis of the operating realities and managerial implementation challenges of cotton garment manufacturing in India from within which these managers function. By examining these managerial perceptions, pressures and challenges, this study helps reveal the potential of voluntary standards in bringing forth change and better working conditions for multiple stakeholders in India.

Theory and Literature Review

To be able to thrive in the increasingly competitive global market, businesses are being required to be more sustainable and socially responsible (Blowfield and Frynas, 2005; Dahlsrud, 2008). Corporate Social Responsibility (CSR) is defined as, "the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society (Carroll, 1999:270). To address the growing reputational concerns and public criticism, many business organizations have started voluntarily implementing self-regulatory mechanisms (Bright et al. 2020). In 2017, Human Rights Watch called on the world's 72 major textile brands, including significant one for India, to embrace the Transparency Pledge. Since then, brands like C&A, H&M, Nike, and Adidas have integrated this pledge, which promotes uniform supply chain transparency (Zimpelmann et al. 2022, into their CSR efforts. However, there has been strong criticism of the increasing reliance on self-regulation as it can be insufficient to bring about meaningful and impactful changes in corporate behavior (Bennett, 2017; Bartley, 2018; Ponte, 2019; Zimpelmann et al. 2022).

Recently, a corporate shared value (CSV) approach (Porter and Kramer, 2006) focusing on creating shared value that benefits both businesses and society is gaining ground in the business world. It promotes strategic partnerships that generate profit while addressing social and environmental issues. Sustainable business model (SBM) embeds CSV principles for business organizations to go beyond compliance, leveraging innovation and collaborative partnerships to meet pressing global issues surrounding workplace conditions. It goes beyond CSR to create value and profits for businesses as well as social and environmental value for the wider stakeholders for equitable value distribution and sustainability across the supply chain. In addition to financial value, improving employment and livelihood conditions become focus points of organizations adopting this approach (Sarango-Lalangui et al. 2018). But under what conditions do managers make sustainable business decisions to be more responsible? Research calls have been made to explore in depth the relationship between “purpose and purposeful organizing” (Muñoz et al. 2017: 4). Lund Thomsen (2020) supports a manager-centered perspective to highlight the challenges faced by managers in implementing voluntary standards. But these developments seem limited at present as there is no comprehensive view on how organizations should work to embed sustainability and a broader value orientation in their business models (Bocken et al, 2014).

In the last two decades, voluntary standards and certification programs have emerged as widely used tools for advancing sustainability goals, significantly impacting workers' incomes, and influencing the livelihoods of “at least” tens of millions of workers worldwide (Bennett, 2018:26). By using voluntary standards to reorganize work and by focusing on improving capabilities of workers along with participatory and transparent approaches between manufacturers and buyers, an alternative strategy is emerging (Kolben, 2004; Langford et al 2023). Voluntary standards aim to balance business goals with social issues, requiring collaboration with governments and local communities (Porter and Reinhardt, 2007). This interdependence implies that voluntary standards are a strategic move to solve socio-cultural problems as “business problems” (Porter and Reinhardt, 2007). However, research reveals that managers have not yet identified a win-win strategy to respond to socio-economic challenges at hand (de los Reyes Jr. et al., 2017). A shared value is created when businesses collaborate in multistakeholder networks, suggesting that governments, NGOs, and local communities will all have to work in alignment and coordination with managers to improve workplace conditions.

This research finds that improvements have come in garment industry practices when managers have found support from other key actors and agencies.

There is evidence to suggest that ethical governance interventions have started improving workers' lives in the Indian garment industry (Stålmarker & Stahl, 2002; Nadvi and Waltering, 2004; De Neve, 2014). Long-term buyer-supplier relationships can enhance labor standards compliance (Distelhorst & Locke, 2018). Nevertheless, studies have shown that in Delhi factories there is lack of union representation, corporate loopholes and weak law enforcement that hinders the progress in improving working conditions (Stålmarker & Stahl, 2002). Ethnographic research conducted in Tirupur further reveals that there is a mismatch between factory operations and worker expectations (De Neve, 2014). Moreover, risk of forced labor and exploitation are increased due to low pay, excessive overtime, and unstable finances (ILO, 2015; Mezzadri, 2017; Le Baron et al., 2022). There is scope for further research to understand the effectiveness of these initiatives to improve working conditions in the cotton garment manufacturing industry. There is limited research on managerial perspectives regarding sustainability in India, even though it has been found that labor standards are primarily driven by the way work is organized and managed at the workplace level (Locke and Romis, 2010). Addressing these debates and gaps, this paper examines how businesses leverage voluntary standards in global value chains to enhance social responsibility, create shared value, and ensure long-term viability in garment manufacturing.

Moreover, while voluntary multi stakeholder initiatives are being adopted, there also seems to be a wide variety of them today. "The nice thing about standards is that there are so many to choose from" (Kelty 2008:143; Timmermans & Epstein, 2010). There is plethora of standards that have risen to prominence and have provoked debates over the particularities of these codes and for whom and for what purposes they have been designed. But which ones do organizations adopt and why?

Methodology

The research was conducted in two phases. The first phase combined deductive (based on literature) and inductive (expanding on new information) strategies (Fereday and MuirCochrane, 2006; Timmermans and Tavory, 2012). Semi-structured interviews were conducted as they facilitate a thematic structure and allow for flexibility in context and in new information arising from interviews (Barriball and While 1994). The interviews were conducted online via zoom and Teams as online meetings have the advantage of speed, convenient access, and low costs (Janghorban et. al, 2014). Existing data on voluntary standards was collected through online desk research to further validate and triangulate the data (Morgan, 1996). In the first phase, 45 managers were interviewed first and then, 14 of them had a focused discussion on pertinent issues. Informal conversations with managers at conferences and public events yielded sensitive and candid information about caste, gender, and government agencies. The interviews were conducted in Hindi and English as the author is fluent in both. All data has been treated anonymously as it allows for honesty, opinion, and diverse perspectives (Kang et al. 2016). Every participant was informed of the researcher's intention and purpose of the research. While no personal identifying information was collected, the paper draws on personal statements made in the public domain.

The data was analyzed with open coding of participant interviews. The open codes were generated inductively, using empirical research as guide. The open codes were organized into themes that reflected the literature and the research questions. The codes led to emerging themes. The codes and themes were economic value creation (profitability, cost savings, market differentiation, innovation); social value creation (community engagement, employee welfare, equity and inclusion, consumer well-being) and environmental value creation (sustainability, resource efficiency, circular economy, and climate action). In addition, the other codes and themes were stakeholder engagement (customer relations, supplier relations, partnerships) ethical considerations (corporate governance, transparency, and compliance) challenges and barriers (financial constraints and regulatory challenged) outcomes and impacts (long term sustainability, reputation and brand value and competitive advantage). Each theme had a narrative (Stigliani and Ravasi, 2012) that was reviewed and discussed with participants to confirm it. Data was collected from 45 participants before reaching "category saturation" after which no new information was received (Strauss and Corbin, 1998). The table 8 below summarizes the first phase methodology for this study.

Table 8: Phase one of research

Methods of Data Collection	**Participants**	**Sampling Technique**	**Number of Participants /Gender**	**Years of Experience *Yrs= years M= Males; F=Females**		
	Managers		25	1-2 yrs	2-4 yrs	Over 4 yrs
		Purposive Sampling	18 Males 7 Females	3M 1F	6M 2F	9M 4F
Interviews	Consultants		20	1-2 yrs	2-4 yrs	Over 4 yrs

		Snowball Sampling	12 Males 8 Females	1F	2M 5F	10M 2F
Focus Group Discussions	Managers		10	1-2 yrs	2-4 yrs	Over 4 yrs
			8 Males 2 Females	0	2 M 1 F	6 M 1 F
	Consultants		4	1-2 yrs	2-4 yrs	Over 4 yrs
			4 Males	0	3M	1M

In the second phase of research, two garment manufacturing factories in national capital regions (NCR) of Delhi were chosen as case sites to provide in depth insights into leadership practices and sustainability strategies. Case study research (Johansson, 2007) is ideal for understanding complex phenomena within specific contexts. The factories selected are large scale enterprises that operate with international brands and have experience with sustainability standards and certifications. Site visits were undertaken to get firsthand insights to interact with managers and understand their valuable perspectives on engagement with voluntary standards at their respective factory organizations.

Between the two factories, a total of 25 managers—12 from Factory 1 and 13 from Factory 2—were interviewed. Purposive sampling was used in participant selection to assure diversity of middle managers from supply chain management, human resources, production, compliance, as well as sustainability. These managers provided a very important and comprehensive understanding of the various managerial responsibilities behind the development of shared value as they had actively participated in discussions on the implementation challenges in decision making processes in embracing voluntary standards and working with them. Hence, they are key actors to consider for their viewpoints.

In this study, the data was primarily gathered through semi-structured interviews, a qualitative methodology which allows for flexibility in exploring participants' viewpoints and experiences related to the key research questions of a study. Interview questions addressed these issues such as the challenges associated with implementing voluntary standards, the benefits, and drawbacks of creating shared value, and the role of leadership in promoting these initiatives and strategizing about them. The table 9 below summarizes the phase 2 research methodology for this study.

Table 9: Phase 2 of research

Methodology	**Description**
Research Design	Qualitative case study approach to examine managerial perspectives on shared value creation and voluntary standards.
Case Selection	Two garment factories selected: - Factory 1: Large-scale, NCR Region, focused on workplace standards. (GOTS, Fairtrade International Certifications) - Factory 2: Large-scale, NCR Region, focused on workplace standards (GOTS certification)
Participant Selection	25 managers interviewed: - Factory 1: 12 managers; 8 males, 4 females - Factory 2: 13 managers; 10 males, 3 females

	Purposive sampling to include a range of managerial roles (such as production, compliance, sustainability).
Data Collection	Semi-structured interviews, 30-45 minutes. Conducted in-person at factory sites and company offices.
Data Analysis	Thematic analysis using inductive and deductive coding. Cross-case analysis to identify patterns and differences between factories
Reliability	Triangulation with the two phases of research along with secondary analysis help validate the data.

The role and key characteristics of voluntary standards in India's cotton garment industry

India's textile industry is expected to reach $350 billion by 2030, with investments of roughly $10.8 billion expected over the next three to five years through the Production Linked Incentive (PLI) scheme and the Prime Minister's Mega Integrated Textile Region and Apparel (PM MITRA) Park (Suneja, 2024). With this aggressive growth strategy, it is becoming more widely recognized that sustainability will be essential to India's future. "Our vision is clear- to make India a global leader in sustainable textiles"- stated Mr. Pabitra Margherita, Minister of State for Textiles, Government of India while speaking at a sustainable textile summit in the capital city of New Delhi (PHDCCI, 2024). In this direction, voluntary standards are increasingly being recognized for their potential to align with the legal requirements of major export markets, ensuring compliance with regulations on fair labor practices (Zimpelmann and Wülbers, 2022).

At this critical juncture, voluntary standards are being seen as an alternative way for businesses to enhance their workplace conditions while also supporting social development objectives. This study examines the implementation of two specific voluntary standards deemed significant in India-GOTS (Global Organic Textile Standard) and The Fairtrade Textile Standard- as part of a larger management system that aims to improve workplace conditions in India's garment sector (OCS, 2024; ARVO, 2024). It highlights the growing role of businesses and managers in both economic and social spheres, moving beyond corporate social responsibility to a shared value approach that benefits a wide range of stakeholders. The goal is to offer a deeper understanding of the tensions, challenges, and contradictions with these standards as instruments for tackling sustainability issues, as expressed by managers who oversee their use and implementation.

Fairtrade International has been instrumental in alternative global trade for bringing transformative change and ensuring worker rights (Raynolds, 2018; 2022). Fairtrade International relies on an independent body, FLOCERT for the certification of its standards. Cotton was introduced in Fairtrade in 2004 and the Textile Standard for the garment sector was released in 2016. The Fairtrade Textile Standard is applicable to hired workers in the textile supply chain that process Fairtrade cotton and other sustainably produced fibers (FTI, 2022). Fairtrade International has developed its Textile Standard to respond to increasing concern over hired labor issues. Yet, there is little empirical research on Fairtrade's impact in India's garment manufacturing industry (Arora et al, 2019; Singh, 2017).

Raynolds (2018) highlights how Fairtrade International's labor certification differs from other major certifications. The study points out that Fairtrade *institutionalizes* a more robust model for beyond compliance goals (such as granting workers access to audit reports, worker engagement in framing of labor policies and many more stringent and mandatory requirements for social well-being) than other programs. Fairtrade enterprises are unique since they keep social mission at the core of their operations, including in situations when a tradeoff between social and profit objectives cannot be avoided (Sahan, 2019). Yet, like other certification programs, Fairtrade faces critical challenges in *implementing* its goals (Raynolds, 2022).

Fairtrade International launched its Textile Standard in the cities of Tirupur and Indore in India 2016 with the intention of enhancing sustainability and ethical practices in garment manufacturing (Fairtrade NAPP, 2018). Building on its advancements, in 2020, the Indian garment manufacturer Purecotz Eco Lifestyles became the world's first sewing factory to receive Fairtrade certification under the Textile Standard (Henkel, 2020). In 2022, Brands Fashion, a long-standing Fairtrade partner, was also honored with the Fairtrade Award for exemplifying leadership in promoting fairness and sustainability in the fashion industry (Henkel, 2020).

Like Fairtrade, GOTS too has risen from within a global alternative movement to develop a global organic textile standard. Following years of pursuing their own textile standards, the International Association of Natural Textile Industry (IVN) in Germany, the Soil Association (SA) in the UK, the Organic Trade Association (OTA) in the US, and the Japan Organic Cotton Association (JOCA) in Japan joined forces to establish GOTS in 2006. For textile items to receive GOTS certification, they must include at least 70% organic fibers (Ward and Mishra, 2019). India has the highest number of GOTS certified factories: starting with the first factory in 2008, 1500 factories were associated with GOTS in 2016 (Ward and Mishra, 2019). These 1500 GOTS factories employ approximately 400,000 workers. Safe and hygienic working conditions are assured by GOTS country representatives in India (Ward and Mishra, 2019). In 2020, GOTS had 2994 factories that were certified (Apparel Resources, 2021). The GOTS program includes both environmental and social priorities and has a massive size and scale of operations. The social component under GOTS is based on the International Labor Organization's labor standards.

GOTS harmonizes multiple standards into one global label, focusing on ecological and labor requirements across the textile supply chain. (GOTS, 2024). It references organic farming standards endorsed by IFOAM Organics International (IFOAM Organics International, 2024). GOTS identifies its driving motivation as both people and the environment (GOTS, 2024). It serves as a guide for businesses to navigate changing legislation, social and environmental demands from across the world (Buz, 2024). Claudia Kersten, Managing Director of Global Standard stated that

> "*At GOTS' core is providing solutions. GOTS was always instrumental for pioneers in the textile industry to voluntarily demonstrate their commitment to sustainable value chains, as a risk management tool and for operational efficiency*" (Buz, 2024).

The core components of GOTS as described on their website include organic fibers, labelling, all processing approach, and third-party certification as well as ecological and social criteria (GOTS, 2024).

Fairtrade, and the Global Organic Textile Standard (GOTS) are seen by businesses to perform a critical role in terms of reorganization of work in the garment industry, encouraging transparency, ethical decision-making, and safe working conditions. Both standards give priority to traceability within the supply chain that ensures accountability, as is evident in Di Bella India (2025), a GOTS and Fairtrade-certified company which has an audited supply chain, energy-efficient machinery, and a 100% solar-powered manufacturing facility that operates on zero-liquid discharge dyeing plants, which reinforces its commitment to sustainability.

In addition, both the standards intend to foster collaboration and participatory approaches among producers, manufacturers, retailers, and consumers, strengthening the credibility of their certifications and promoting shared responsibility for sustainability initiatives. Their efforts like the Pro-Sustain project in India open markets for fair trade products and build consumer awareness (Switch Asia, 2012). The UK-based retailer, Marks & Spencer, works closely with Fairtrade and GOTS and collaborates with NGOs such as WWF, Oxfam, and UNICEF to implement sustainability programs across its supply chain (Pringle, 2015; Marks and Spencer, 2020). It is to be noted that Global Organic Textile Standard (GOTS) and Fairtrade standards are similar which raises their scope for cooperation between them. They share a similar vision of ethical socially responsible manufacturing processes in the garment industry. Both are geared towards ensuring that fair labor practices are guaranteed, including safe working conditions, fair compensation, and the prohibition of child labor. In both these standards, independent audits provide credibility which aims in building and retaining consumer trust and transparency. Additionally, Fairtrade and GOTS are global standards, and this worldwide recognition affords them accountability and in tackling against greenwashing in the textile sector (Fairtrade International, 2024; GOTS, 2024). Table 10 provides a comparison between these two standards.

Table 10: Innovations in management, structure, and strategies of an organization

Innovations in Management, Structure and Strategies of an Organization		
Key Priorities	**Fairtrade International**	**GOTS**
	Examples:	
Reconceptualizing Value	-Social mission at the core of business operations.	-Prioritizing human health over short-term profits.
	-Fairtrade certification assures ethical conduct.	-Commitment to sustainable environmental practices.

	-Improving everyday life and community welfare	-Training as a key element in capability enhancement.
Reorganizing Work	-Promoting transparency with documentary traceability.	-Strengthening sustainable decision-making processes
	- Ensuring safe, hygienic working conditions.	- Strengthening sustainable decision-making processes.
Participatory Approaches	- Empowering workers with tools to unionize.	- Harmonizing standards into a unified global label.
	- Strengthening relationships between stakeholders.	- Promoting consumer awareness for ethical choices.

While the table highlight similarities between GOTS and Fairtrade, it also notes some differences. These standards differ in their primary focus. GOTS is more centered on ensuring organic textiles are manufactured under strict environmental guidelines, with organic material and sustainable and resource efficient manufacturing processes. By contrast, Fairtrade can be seen prioritizing worker welfare, fair compensation, gender parity and fair labor practices. It has a strong focus on the social dimension of sustainability, unlike GOTS that focuses more on chemical regulations add citation. In this manner, the Fairtrade Textile Standards is more explicit about its worker focused social mandates- it stipulates that the payment of living wages be done within six years of certification add citation. It uses global benchmarks like the Anker Methodology to calculate wages based on regional living costs. A Fairtrade Premium is also given by Fairtrade-certified factories, which employees can use for education, community service, or to augment their pay. Additionally, it aggressively promotes collective bargaining and unionization to guarantee equitable salaries (Fairtrade International, 2024). On the other hand, GOTS emphasizes equitable compensation by mandating certified facilities to pay at least industry-norm or legal minimum wages. As evidenced by its Version 6.0 (2020), while GOTS does not explicitly mandate living wages, it encourages progressive wage improvements. Moving towards living wages is the aim of this version whereas Version 7.0 (2023), is concentrated on bolstering accountability and due diligence measures. But there are differences in how these objectives are implemented, particularly in places like India where GOTS does not include living wage criteria (GOTS, 2024).

The two standards are different in their certification procedures also. GOTS does required booking-keeping and on-site inspections directly to make sure that failure at any point in the supply chain is tracked and responded to and does not result in losing the certification status. Fairtrade certification is undertaken by FLOCERT, which is an independent organization, and mandates that record-keeping and trade transparency be maintained by all certified factories. From a consumer standpoint, Fairtrade certification communicates garments being manufactured under fair labor practices, with worker well-being and fair wages, while GOTS certification communicates that its garments are free from hazardous chemicals and satisfy environmental safety standards (Fairtrade International, 2024; GOTS, 2024).

As part of the worldwide Fairtrade system, Fairtrade India operates as a Fairtrade Marketing Organization (FMO). Fairtrade International oversees licensing the FAIRTRADE Marks, whereas FMOs oversee marketing and promoting Fairtrade in their respective areas. Increasing knowledge of sustainable consumption, working with companies to create transparent supply chains, and helping farmers and workers access more equitable market possibilities are the main objectives of Fairtrade India in India (Fairtrade India, 2024; Fairtrade International, 2024). This idea of shared responsibility is encapsulated by Fairtrade India, which says:

> "*Fairtrade's approach includes mobilizing the actors in the textile supply chains to partner towards sustainable and fair industry practices for the ultimate benefit of workers that make it possible*" (Fairtrade India, 2024b).

For instance, their partnership with Indian Terrain, a clothing brand from India, is helping to increase the visibility of sustainable fashion in their local markets (Business Standard, 2020). Sustainable and responsible manufacturing is critical due to the lack of safety mechanisms that exist in garment factories, as brought to light by frequent fires, health risks and safety issues (Fairtrade India, 2024b). It is estimated that 45 million workers in India's garment and textile industry suffer from work-related injury (Nagaraj, 2017).

The Global Organic Textile Standard (GOTS) does not operate as a decentralized national office system. However, it does have representative offices in a number of different nations and areas. To support brands and companies, promote sustainable textiles, and execute GOTS policies, it has formed a system of regional representatives in important markets, such as India. Ganesh Kasekar is the GOTS Representative for South Asia since November 2020, and he is in charge of Bangladesh, Sri Lanka, Pakistan, and India (GOTS, 2024). By emphasizing GOTS's advantages in enhancing market access and adherence to sustainable practices, he has been helping to increase its impact in India (Kasekar, 2024). At least five Indian businesses that used fake certification documents have been banned by GOTS under his direction (TexFash, 2024).

Drivers behind managerial adoption of voluntary sustainability standards in the garment industry

The similarities and differences between the two standards can be captured as below in table 11 and 12:

Table 11: Similarities between GOTS and Fairtrade International

SIMILARITIES	
Socially Responsible Practices and Ethical Approach	By ensuring moral and socially conscious production practices, both standards guard against worker and environmental exploitation.

Fair Labor Practices	Both standards ensure that workers are treated fairly, which includes fair treatment of workers, safe working conditions, fair pay, and no child labor.
Supply Chain Oversight	Independent auditing is an essential part of both standards for compliance.
Consumer Trust	Voluntary standards communicate trust and transparency to the consumers.
Global Standards	They are well known throughout the world and play a vital role in preventing the industry from becoming greenwashed.

Table 12: Differences between GOTS and Fairtrade International

DIFFERENCES		
Criteria	GOTS	Fairtrade
Focus	Guarantees that textiles are organic and manufactured under strict environmental guidelines.	Guarantees workers are given fair wages, rights and manufacturing is undertaken in socially responsible manner.
Certification Scope	Covers manufacturing, organic origin and sustainability in processing. Strong emphasis on organic material use.	Fairtrade prioritizes fair wages, gender equality, worker welfare and elimination of child labor. Encourages sustainable farming but less focused on chemical regulations.
Worker Welfare	It includes social standards such as worker safety, but primary focus remains organic integrity.	It emphasizes living wages, Fairtrade premium, worker empowerment and fair agreements with workers with the ability of workers to organize and have democratic voting.
Auditing and Verification	Labelling necessitates bookkeeping in accordance with established standards and on-site inspections. The finished garment cannot be marked as GOTS certified if there is a failure at any point in the supply chain.	FLOCERT, an independent organization with strict requirements for industrial operations that violate Fairtrade's social, environmental, and economic standards, is responsible for certifying products as Fairtrade. It requires traceability through record-keeping as well as

		transparency in trade relations.
Consumer Impact	Certification assures garments are free from harmful chemicals with environmental safety.	Certification assures worker well-being, fair wages, and manufacturing under ethical labor practices.

Voluntary Standards Are Becoming Essential

According to the managers interviewed, voluntary standards and sustainability are closely related when it comes to achieving social, economic, and environmental objectives. Despite the fact that these criteria are voluntary, managers believe they are necessary for ethical business operations. According to a six-year-experienced female compliance manager (M3) of a clothing manufacturing facility,

> *"There is certainly a change in consumer's expectation from brands. There is a sense of urgency to act towards sustainability and fashion. Also, we do not have the resources to keep using for a linear form of production. It is not an alternative; it is our duty as a global organization to respond to changing demands and expectations from the market to continue doing well".*

Business and Sustainability Are Interconnected

Another senior male manager (M20) heading sustainability and compliance operations at global manufacturing organization with over two decades of experience stated,

> *"Trade and sustainability are increasingly connected, we cannot see them independent of each other, we can debate over the merits and demerits of various approaches to it, but it is here to stay."*

Managers also acknowledge the evolving expectations from consumers and the urgency to act in line with sustainability. Such transformations are not just an alternative but are being considered a duty for global organizations to meet market demands. The voluntary nature of this engagement is therefore, up to question as managers see voluntary standards as expected though not mandatory. To quote a female manager (M12) with 10 years of experience, "*the need for* *doing business differently is no more a choice, it is by force, and it will be for survival if you do not follow it in the next couple of years."*

Managers see engagement with voluntary standards as beneficial for business as it enhances reputation, supply chain performance and economic returns. There are also benefits associated with better staff retention, community support and legal compliance. Leading sustainability initiatives for his organization for over 8 years now, a manager (M11) commented,

> *"Poverty will for example, affect your business. Disregard of basic safety procedures and codes can lead to catastrophic results and huge losses. Sustainability can be really good for business. It will lead to staff retention, social license, and support from community for business will be there. Employee retention will be good along with productivity and employee satisfaction. Time and cost will be saved. Easier to engage in voluntary standards than not do them at all as reputation is at stake and huge losses can happen. Moreover, avoiding environmental issues, labor issues can also lead to legal penalties as some of them are legal mandates as they say falsehood flies, but truth comes limping behind".*

A Holistic, Tech-Driven Approach Is Needed

Managers recognize the social and environmental value of business operations and strategically assess the broader impact and risks involved. Many managers focus on India's strengths in IT and digital infrastructure as critical in these strategies. As a senior manager (M9) commented,

> "*Industry needs to set up automation wherever possible and industrialize our digital facilities. India's huge role in digital public infrastructure, AI analytics and our hundreds of startups with the many young minds can contribute in a big way*".

> According to another interviewee (M22), "*Regulations and standards are no Mount Everest, but we need holistic engagement with sustainability otherwise we may miss critical components of it. It is a very wide work in progress from agriculture to production to consumption to reuse and recycling. Just by managing workers, we have not done the job. Till now most activity has been unsustainable. Sustainability will not happen till we take care of all aspects of it, have thought about them, mapped them, and planned for them. All that work is pending. We need to think about it seriously. Most of us are thinking in isolation. The retailer is thinking differently, the buyer and producer are thinking differently, government is also thinking differently. Unless we create a*

> *framework for how we define the path forward, the way to go, benchmark it, we will miss the bus*."
>
> In the words of another manager (M2), "*regulations are ticket to the game, not the game itself. It is not the end but will enable us to get us there*". Adding further (M4), "*every aspect of supply chain must be considered and interwoven together, we need not only trace the source of material with blockchain for example, but we also need governance practices in place so that we do not get a bad mark on us*".

These statements suggest that for managers implementing voluntary standards and enhancing sustainability as necessary for doing business, they are enablers for competitiveness, legitimacy, and risk management.

Creating shared values via voluntary standards and sustainability

The business literature argues that economic organizations can achieve shared value by adopting a collective approach that involves coordinated and complementary efforts. As Porter and Kramer (2011) explain, shared value is created when businesses create economic value that is aligned to societal needs, redefining markets. Businesses are argued to improve operational efficiency by being resource efficient, redefining productivity in their practices and supporting strong local ecosystems by investing in training and providing fair workplace conditions. Managers suggest that efficient networks operating within an integrated system can address core challenges in the garment industry effectively. It is important therefore, to understand this process of value creation and understand the connection of voluntary standards with sustainability that involves operating business, keeping in mind the perspectives of a wide range of stakeholders with varied interests. To capture these developments, Figure 1 summarizes this business and management perspective on the shared value framework, including collective approach and orientation, complementary and coordinated efforts and communication networks- as key pathways for creating shared value.

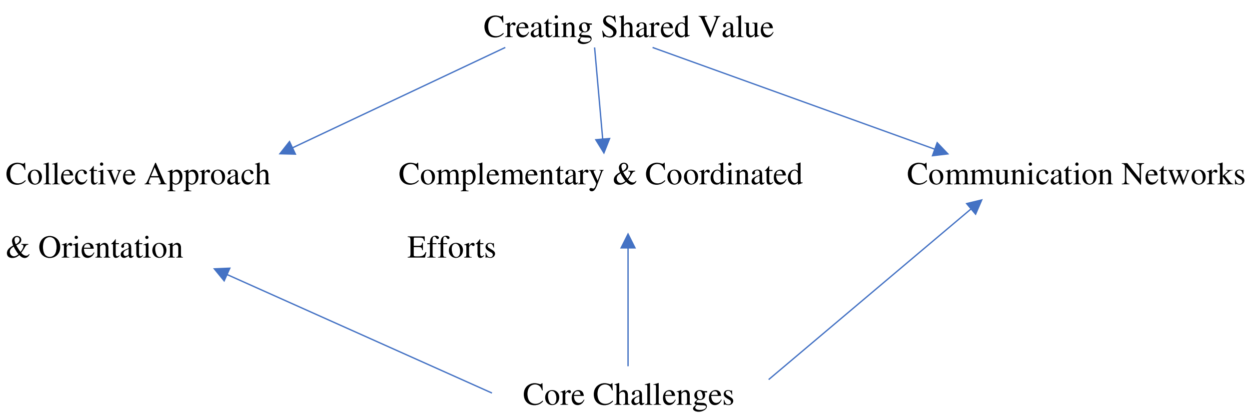

Figure 1: Creating shared value

A Collective Orientation and Approach

Senior management often focuses on individual organizational goals rather than a shared understanding or collective orientation (Bloom et al, 2013; ILO Report, 2015). Interviews suggest that voluntary standards are seen to as helping individual enterprises increase their economic advantage and success. As one consultant (C5) commenting on the rise of voluntary standards asserted,

> *"Sustainability is seen as an advantage in competition. Medium enterprises have reached top international players because in terms of pricing, costing and product innovation, they saw sustainability as an advantage in competition. One is to do bare minimum compliance as a requirement, but for growth one needs to have a competitive strategy to get successful".*

> For seasoned managers (M21) as well, *"sustainability is an opportunity for growth as the world is looking at us with it. It is a global opportunity for the industry to seize for India. We just need the right level of transparency and traceability and think of ways to market us. It is not just about winning but winning together."*

> In a similar vein, another manager (M16) claimed, *"regulation, standards are important from social governance angle as they will result in good HR practices, good communication channels and will help us get differentiated from other countries".*

Although voluntary standards help incorporate social and environmental values in garment manufacturing, managers primarily adopt them based on economic benefits and returns.

Voluntary Standards as Global Uniform Frameworks

Global standards provide a structured framework for measuring social impact, driving workplace improvements, and strengthening competitiveness in the garment industry. They are also making organizations realize gaps in their practices. As a manager stated that they perceive the organization's social responsibility through voluntary standards which has led them to better financial returns and market share, making the businesses highly competitive in global trade.

> As quoted by one manager (M14), *"people are doing voluntary standards or reporting as they want to increase their rating and position globally. But engaging with them is eye-opening because they get to realize where they are lacking in terms of global standards and mandates".*

> Similarly, a consultant (C9) also commented, "*having some sustainability logos on websites for adherence to standards is more of a marketing strategy but if that strategy does lead to transformations, it can be seen as making vital changes to the work life of garment worker*".

This research finds that managers view voluntary standards as integral to garment manufacturing, with social benefits viewed as a secondary advantage that ultimately supports business interests. Ultimately, while voluntary standards are often adopted for competitive and economic reasons, their implementation can drive meaningful social improvements in the garment industry. However, senior managers in large organizations there is scope for more work in implementing meaningful change.

> As a male manager working for the last 8 years (M6) in a garment factory lamented, "*there is room for major work to be conducted to effectively address any of these issues that concern sustainability, they may very well be the potential disruptor that will propel us to make changes. It is the right time and right discussions we need to have*".

Complementary and Coordinated Efforts

Organizations must inform internal and external stakeholders about their projects in order to generate shared value. However, a lot of managers find it difficult to coordinate their work with government objectives for the sector, and companies frequently fail to execute important government programs that are necessary for economic resilience.

Interviewees report that many manufacturing firms, especially small and medium enterprises in India do not meet basic government requirements. As one consultant (C3) stated with 6 years of experience in multiple small and medium organizations in different cities of India stated, "*factories fail to pay even the minimum wage and workers are struggling with hunger and are in dire need of help.*" Government reforms such as the increase in "variable dearness allowance (VDA)"in April 2020, a mandatory cost of living increase which adds to the legal minimum wage is an important complementary step that works to ensure better wages for workers. Following the exposure of Shahi Exports' labor violations in VDA, conditions in large-scale factories have improved, though many small-scale factories continue to flout legal regulations, facing systemic barriers to fair value distribution. Shahi Exports that produces garments to major brands like Walmart, Nike and is one of the largest producers, owes more than $10 million to workers (Worker Rights Consortium, 2022). Gender reforms need a more thorough improvement as interviews reveal gender discrimination that create barriers for working women.

> Another female consultant (C6) with three years of industry experience stated, "*Gender parity is still an issue as many job opportunities still prefer male candidates. While some organizations are bottom heavy with women; lack of female leadership is a growing concern. With women, safety factors come in. A women's marriage, pregnancy ages are kept in mind to calculate how many paid leaves will be given. Compliance has been helpful in ensuring that certain percentage of women are included. We need a compliance to culture and these issues to be addressed by government and society as well. Till that doesn't happen, these problems will persist*".

Challenges to Coordination of Efforts using Voluntary standards

Interviewees explained that voluntary standards are helpful in resolving issues that are under the factory's direct strategic control. However, there are social factors that are characteristic to societies and require a regional focus to truly resolve the barriers that factories face in improving workplace conditions. Corruptions runs deep in the Indian system and many complementing initiatives of the Indian government fail to make an impact because there are no government inspections and checks in place and those that do happen, can be managed with bribes and other favors. Moreover, managers felt that as minimum wages are set up by state governments for their respective states in India, if one state gives more benefits, workers will move to the state that provides the best terms of employment.

> A disgruntled interviewee (M19) commented, *"state policies are not aligned with industry and have outdated laws. If one state gives more benefits, worker will move to the state that provides best. Moreover, corruption exists deep in the government. Even with 100% implementation, money packets are expected from organizations".*
>
> According to the managers the role of government should be to provide infrastructure, education, health, and technology. One manager (M13) stated, "*a strong political will is needed and local leadership is critical. Industry also has human rights.* As one factory manager (M1) from the Southern part of India stated, *"China can export more because they have cheap labor. Government intervention and schemes are "freebies" which makes labor unavailable for the industry. Moreover, government policies are a problem. Factories run for 24 hours, but states prohibit women working late night as in Telangana and Tamil Nadu. Here, women will get less opportunities and factory cannot run to its full potential".*

The focus group discussion with managers from various garment manufacturing factories was helpful in encouraging open dialogue through which managers compared strategies, industry wide issues and potential solutions in making voluntary standards more effective. Echoing the sentiment expressed in the focus group, a manager (M2) stated,

> "*Government schemes work against the industry. For example, if government gives 15 kgs of wheat free to workers, workers will consumer 5 kgs and sell the rest for liquor. Workers will work only for their basic needs. If they don't have money, they will work.*

> *Minimum wages serve best and are logical. India has a large population and there will always be people who will be ready to work for less. However, state to state differences matter as Tamil Nadu will pay more than Himachal Pradesh and workers will be available where wages are higher".*

Effective implementation of complementary initiatives is crucial, as their absence weakens the impact of both government actions and voluntary standards. As another discussant revealed (M2), "*we need effective public policy to recalibrate incentives. The incentives already exist, but recalibration is needed to transform the industry*".

While individual interviews did not reveal managers explicitly discussing the practice of keeping workers at minimum wage, group discussions provided a different perspective. In these discussions, managers and factory owners expressed that maintaining wages at the government-mandated minimum helps sustain profitability. Although voluntary standards advocate for living wages that exceed the minimum wage, open conversations with managers indicated a preference for adhering strictly to the legally set wage levels.

Size and Scale of Operations

Interviews with managers, government officials and industry experts suggest that large scale organization due to their scale and operations, are leaders in driving social within the garment industry. These organizations are implementing voluntary standards and achieving major social changes. Larger manufacturers appear better able to implement voluntary standards because they are operating in global markets with international partners, that often insist on adherence to voluntary standards as a prerequisite for business. Large organizations such as Shahi Exports, despite lapses, finally did make wage payments following outcry for non-compliance demonstrating their capacity to respond to standards (Kelly, 2022). Managers argue that factories are moving away from just do no harm to making a positive social impact, particularly regarding migrant labor and forced labor. As one manager (M7) with 5 years of experience quoted,

> "*I have seen some real changes in the social segment, especially related to diversity and inclusion", as to comply you must show the numbers, induct women for example. Some organizations also have LGBTQ quotas and physically handicapped people are also being employed. These are good developments".*

The insights were supported by another manager (M15) representing a bigger company by size and scale of operations,

> *"The certifications are helpful in formalizing the workforce. Not everything can be fake and not authentic. A basic salary, training in safety, health benefits to all. They require some amount of work to be done and they track incremental changes too. These are important in channelizing some national targets as well such as Arogya Setu (Indian government's health initiative) for insurance. You do good towards national goals and sustainability goals as well."*

Another Senior Manager (M18) assured that, "*bigger and larger companies are taking more responsibility and labor is highly empowered in them. They are empowered in performance; they are empowered in governance, and you will see HR policies that are as per global expectations. Old ways of HR practices where men were in supervisory roles and women on the shopfloor will not work anyway, it will put us in bad light*".

As per seasoned manager with 20+ years of experience (M25), "*India offers opportunities for impact of scale. We have the numbers, the volumes and now the intent, when we look at our impact, it will be at an amplified level as our small steps will also make a big impact, but we need everyone to be on board.*"

Broadening the perspective, senior managers recognize India's strengths in its vast workforce and production capacity that can amplify the impact of small steps. The small changes made by large organizations have an amplified effect, benefiting both the organization and local communities. It highlights the need for collective industry wide participation to achieve meaningful social and economic change, that can be spearheaded by large organizations due to their scale. However, doing such an expansion requires and necessitates the creation of strong communication networks. Without coordination of efforts, the intention will not translate into intended outcomes.

Communication Networks

There is rising recognition in the Indian garment manufacturing sector that all stakeholders including government, industry, NGOs, and civil society must communicate to build trust and coordinate steps to improve workplaces. India focused on textiles, sustainability, and resilience during the Bharat Textiles Expo debut in February 2024. Important conversations on ESG, regulations, and sustainability in the sector were held (Bharat Tex, 2024).

Ms. Prajakta L. Verma, Joint Secretary, Ministry of Textiles, stressed the importance of a collaborative approach in the knowledge session on *Future of Textiles: ESG and Sustainability* at Bharat Tex. She highlighted government efforts in mapping industry initiatives and raising awareness for SMEs. While corporate leadership is encouraged, Pramit Chanda, Global Director at IDH, noted that many SMEs, crucial to India's garment sector, remain absent from such discussions (Bharat Tex, 2024). He stated, "*those who need an understanding of what needs to be done, are not here at this table*". The reference was made to small and medium organizations. In India garment manufacturing is characterized by a significant proportion of small and medium clusters with informal employment and multi-layered manufacturing and production (Mezzadri, 2024). Interviews with managers revealed that compliance data is gathered only from the larger factory segments and misses to capture the home workers and smaller unites engaged in manufacturing activities.

> As one manager (M23) quoted, "*you could say around 20 per cent of female workers help with the various manufacturing activities of different organizations and their work is not shown in the documents. There is a dire need to focus on digital traceability as India's supply chain is extremely diverse and complicated".*

My interviews suggest that open dialogue is essential to address these challenges collaboratively. SMEs struggle with high costs, complex paperwork, and audit expenses, including auditor travel and accommodation. While demand for certified products is growing, large firms cannot meet it alone, shifting the burden to smaller organizations. The interviews revealed that the smaller firms are key links in accessing the unorganized labor market. Gross and Kharate (2017) estimate that India's garment industry employs over 45 million people, with a significant portion in informal jobs. Mezzadri (2016) emphasizes that labor informalization sustains sweatshop conditions by ensuring a steady supply of low-cost workers.

> "*It is getting more and more difficult for small enterprises by putting them in a pool of compliances but the key to the success of these global economic and social criteria is through local partnerships*"- (M18)**.**

A manager from a small and medium enterprises commented (M14),

> ***"****It is common for brands to have expectation from supplier organizations to have VS, be socially and environmentally responsible but when it comes to collaborating, not many are doing it. This is a big gap".*

With both Fairtrade and GOTS, it is quite explicit what is being valued- products on offer, economic gains, safe working conditions, no discrimination, and no workplace issues for workers. The businesses benefit from selling to global buyers with a framework for a fairer economy that does justice to workers and leads to economic gains such as Fairtrade premium, with risk mitigation. Each of these benefits represent what is being valued in the process of associating with voluntary standards. Other stakeholders beyond customers, employees, and suppliers are also impacted such as disadvantaged communities as well as future generations. The shared value approach and framework exists and did find support in the interactions with managers.

However, it is important to consider under what conditions does valuing processes take place. Businesses function from within various complicated systems and institutions that impact the valuing process and define business models that aim to stakeholders through social transformation and change. A shared approach cannot function if the larger socio-cultural and political context is not supportive of the change. As Rajan and Bhagat (2021) outline internal migration is a pervasive feature of the Indian economy and society and often what happens outside the factory never gets formally expressed. In addition, managers expressed dissatisfaction with lack of support to small and medium enterprises. Moreover, managers see worker issues and workplace problems in the factory as business opportunities to further the economic value generated by embracing positive changes. The perception of workplace issues as business opportunities often leads to a focus on economic value, rather than addressing the deeper social transformation needed. For change, this change in mindset is critical.

Conclusion

As per the findings of this chapter, voluntary sustainability standards like Fairtrade and GOTS are essential to building a more ethical and ecologically conscious supply chain as India's textile sector strives to reach its ambitious $350 billion target by 2030 (Suneja, 2030).

Garment managers and companies can certainly actively support social and environmental goals and establish themselves as leaders in the global initiatives for sustainable and fair production processes by adhering to voluntary standards like Fairtrade and GOTS, which go beyond simple compliance (Raynolds, 2018). While ethical labor practices, transparency, and customer trust are shared by both standards, their areas of emphasis are different. As emphasized in the chapter, while Fairtrade places a higher priority on worker empowerment, fair wages, and social justice, GOTS places more emphasis on ecological sustainability, organic integrity, and adherence to ILO labor requirements. However, both standards use stringent certification procedures to guarantee supply chain accountability. Yet, Fairtrade sets itself apart by requiring progressive wage increases and providing a Fairtrade Premium for better resource allocation for workers.

This study explores how middle level managers implement voluntary standards like Fairtrade and GOTS, address competition and cooperation, and influence workplace conditions in the garment companies in which they work. Managers appear to assess the desirability of GOTS and Fairtrade certifications based on particular market demands, whether those demands are for social equity, fair wages, and worker empowerment or more ecological and organic aspects of clothing. This is because GOTS and Fairtrade certifications are believed to increase brand value and consumer trust and brands demand them accordingly. Depending on whether they place a higher priority on social responsibility, environmental sustainability, or both, these distinctions affect managers' judgements about certification.

Notwithstanding their differences, GOTS and Fairtrade can fruitfully work together to create synergistic partnerships allowing them to provide more comprehensive and integrated certifications, much to the relief of managers. Clothing can be Fairtrade-labeled to ensure fair labor practices and equitable trade, as well as GOTS-certified for organic materials and production techniques. Since both standards seek to change the garment industry towards more ethical and sustainable practices, their lobbying efforts are complementary. Managerial interviews disclose efforts to standardize these guidelines, which successfully enhance industry practices, policy, and customer awareness. This integration is best demonstrated by companies such as Dibella India (2025), which source organic cotton certified by GOTS and also maintains Fairtrade standards across their manufacturing processes.

Managers recognize voluntary standards as essential for responsible business practices, aligning with literature that positions them as key governance mechanisms (Bartley, 2018; Cashore et al., 2004; Gereffi, 2001; Ponte, 2019). This study finds that the managerial adoption of standards in India’s garment factories is driven by corporate responsibility, market differentiation, and regulatory compliance. As was found with this work, while voluntary, these certifications can be increasingly perceived as expected rather than optional, with non-compliance posing reputational and economic risks to the industry (Vogel, 2010; Anner, 2012; LeBaron et al., 2017). As managers highlight in their interviews, sustainability is no longer just an alternative but a business imperative to meet the evolving consumer expectations. There are still implementation gaps even though Fairtrade has enhanced working conditions and raised worker voices (De Neve, 2014; Raynolds, 2018).

My research finds that managers see voluntary certifications from a business perspective as Corporate Social Responsibility (CSR) and Corporate Shared Value (CSV) approaches. This research highlights how businesses perceive the integration of sustainability into on ground operations to remain competitive and simultaneously also tackle social and environmental concerns coming from diverse stakeholders (Carroll, 1999; Porter & Kramer, 2006). However, findings indicate that managers usually see these standards and perceive of them as economic tools rather than ethical commitments.

Despite the push for supply chain accountability, labor violations persist. Many Indian garment factories fail to meet minimum wage requirements, with small factories often falling short of compliance, as also suggested by research on this issue (ILO, 2015; De Neve, 2014; Le Baron et al., 2022). Strengthening the enforcement of these standards, promoting their adoption, and encouraging industry-wide cooperation are essential approaches to ensure that these initiates have a long-term impact. As managers have emphasized in this study, to achieve the vision for shared value, coordinated efforts across both the public and private sectors are necessary. There is a need to have integrated systems and efficient networks designed to address the sector's most pressing challenges (Ghosh, 2008). Managers argue that supporting and complementary policies that focus on infrastructure, education, and technology investments are essential for helping them implement voluntary standards and enhance their broader impact beyond the economic domain.

This chapter finds that managers implement voluntary standards within the context of the cooperative tactics and competitive dynamics of India's cotton garment industry. It is evident that voluntary standards like GOTS and Fairtrade offer industry managers useful avenues to satisfy consumer and buyer demands. However, for their effective implementation, they need to be approached from a collaborative perspective that includes businesses, industry, the government, and civil society. Through bridging implementation gaps, fostering more robust collaborations, and closer standard alignment between GOTS and Fairtrade, the textile sector can more effectively shift towards a future that is more ethically and sustainably responsible for all.

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CHAPTER FOUR: RESPONSIBLE LEADERSHIP AND STRATEGIC SUSTAINABILITY MANAGEMENT WITH VOLUNTARY STANDARDS: INDUSTRY PERCEPTIONS, PRESSURES AND PERFORMANCE

Introduction

In garment manufacturing, labor constitutes a high proportion of overall production costs. To maximize profits, managers often depress wages, minimize the size and quality of workplaces, and maximize working hours (English, 2013). Working conditions in the global garment supply chain routinely breach international standards of decent work (Anner, 2019; White et al. 2017; Holzberg, 2022). Poor working conditions extend beyond the workplace to affect not just factory workers but also their families, communities, and the economic and social development of the area (Barrientos et al. 2016). The literature has focused on the socio-economic impact of global business operations in the Global South, identifying key problems related to worker safety, exploitation, sweatshops, and child labor (New 1997; Smestad 2009; Perry et al, 2015). Improving workplaces is especially challenging as evidenced by glaring supply chain misconduct by leading fashion retailers (Chamberlain, 2010; Perry et al, 2015).

Voluntary standards are a principal way for both global corporations and NGOs to address labor issues in global supply chain factories (Locke and Romis, 2010). These private regulatory codes are a potential way to resolve the ‘race to the bottom’ for labor, but even in factories where they are present, they are not always effective in providing decent work (Darnall and Sides 2008) and caste, gender, age, mobility, and geographical provenance often hinder reforms (Mezzadri, 2012). Sustainability goals often clash with the industry’s need for price competitiveness and responsiveness in the garment industry (de Brito et al. 2008; Perry et al, 2015). A significant gap exists between ethical trading goals and on-ground compliance in

India’s production for global supply chains (Alexander, 2020). Voluntary standards can be seen as “new and untried social institutions and arrangements” (Mintz, 2004:6).

Managers play an important role in the way work takes place in garment manufacturing factories. They oversee and manage the manufacturing process from production to business strategy as well as workforce management. They are expected to ensure ethical sourcing and fair production and to align factory policies and operations to local regulations and international standards. Managers are significant in promoting and safeguarding worker rights and working conditions around fair wages, safety, and preventing exploitative practices. The role of managers in shaping corporate values is critical since these are shown to influence workers’ choices, beliefs, and behavior (Schroeder, 2002; Velasquez, 2002; Ghosh 2008). Many argue that top management must lead by being a moral compass for others (Business Week, 2002; Jackson, 2000; Verkerk et al, 200; Ghosh 2008). Many researchers even assert that the state is no longer able to regulate workplace issues due to the intertwining of markets, opening of national borders and global value chains of multinational corporations (Bercusson, and Estlund 2008; Drebes, 2014). Hence, the increasingly role of private sector and responsible leadership from the higher management becomes crucial.

This chapter analyzes the challenges middle level managers of cotton garment factories in India face in implementing voluntary standards and enhancing workplace conditions. It explores the situated knowledge of factory managers in adopting and implementing voluntary standards based on interviews from two garment manufacturing factories.

Theory and Literature Review

Some literature on voluntary standards sees a positive relationship between business and society in enhancing sustainable production, with public awareness and demand increasing for sustainable products (Schmitz-Hoffmann et al, 2014). Yet, various standard initiatives often compete, creating a risk of a race to the bottom for social conditions (Schmitz-Hoffmann et al, 2014). Voluntary standards are perceived by managers as survival strategies to meet the demands of stakeholders (Delmas and Montiel, 2009) rather than avenues for improving internal functioning (Mitchell et al 1997; Simpson et al, 2012). In certain cases, voluntary standards have also not increased wages above the legal minimum wage (Bennett, 2018). There is a growing consensus that after 30 years of voluntary standard implementation, these standards have fallen short in their promise to solve sustainability issues (Dietz et al., 2022; Grabs, 2020; Schleifer, 2023; Marx et al. 2024). The literature and research conducted so far has over emphasized the role of institutional factors in the adoption of standards and less attention has been paid to firm-level operations (Simpson et al, 2011) and worker-centric improvements (Bennett, 2017). The internal capabilities and technical understanding of voluntary standards are critical for factory performance (Orlitzky et al. 2003; Ansari et al. 2010; Short and Toffel, 2010). Focusing on these gaps and areas of research, this paper highlights the challenges arising in the implementation of voluntary standards.

Ethical failings in factory organizations highlight gaps in leadership and implementation of corporate social responsibility worldwide (Manz et al., 2008). Calls have been made for transformational leadership that emphasizes individual support, motivational catalyst, learning from mistakes and developing emotional connections for shared goals (Malvaceda-Espinoza, 2024). Shared leadership that distributes responsibilities among diverse stakeholders is being seen as promising for greater transparency and stakeholder balance (Pearce et al, 2014), but it faces challenges towards its implementation (Waldman, 2014; McWilliams and Siegel, 2001; Siegel, 2009; Waldman, Siegel and Javidan, 2006). As global challenges intensify, stakeholders, including governments, local communities, NGOs, and consumers, are urging corporations and their leaders to self-regulate and play more active roles as global citizens (Stahl et al 2013; Voegtlin, 2012). Responsible leadership is being increasingly viewed as a social, collaborative process rather than a hierarchical function (Pearce et al, 2014). Shared leadership aligns well with corporate social responsibility to improve responsible business practices (Waldman, 2014).

This study examines the interaction between voluntary standards, factory management and workplace relations. It is an effort towards understanding an organization's institutional responsibilities with its own capacities and viewpoints towards voluntary standards. By focusing on the implementation of voluntary standards, it provides pragmatic insight into how persisting problems of garment manufacturing can be checked by innovative approaches towards a fair, just, and sustainable form of business.

Businesses must prioritize social responsibility within their core operations to ensure meaningful impact (Bennett, 2017). Since garment production is associated with multi-tier contracting and subcontracting, voluntary standards are important for applying the same fundamental principles throughout the supply chain (Simpson et al, 2011; Ansari et al. 2010; Short and Toffel, 2010). Social responsibility involves both organizational ethics and individual decision-making (Pearce, 2014; Waldman, 2014). The success and impact of voluntary standards to resolve sustainability issues partly depends upon their level of adoption by organizations (Marx et al., 2024) within which senior management plays a critical role (Kakabadse et al 2005; Waldman and Galvin, 2008).

Agency theory (Eisenhardt, 1989) highlights the role of managers in balancing shareholder and stakeholder interests, mitigating conflicts, and aligning voluntary standards with factory improvements. Managers play a significant role in implementing voluntary standards that benefit both shareholders and broader societal stakeholders. Understanding the decision-making process of managers can help assess how voluntary standards may or may not lead to improvements in garment manufacturing sustainability efforts. When factory owners support managers in adopting ethical initiatives, there is greater chance of adopting voluntary standards (Bloom et al, 2013) and seeing improvement in the Indian context (Mezzadri, 2012).

Leadership effectiveness depends on cultural and institutional contexts. As a result, this study examines how in certain institutional contexts, responsible leadership and corporate social responsibility interact. Such an institutional and stakeholder theory perspective and lies at the crossroads of social responsibility (Orlitzky et al. 2003) and leadership (Christensen et al 2014). Grounded in organizational studies and CSR, it can be utilized to analyze the role of managers in the governance mechanisms of voluntary initiatives at the factory level. Utilizing Ruggie's (2020) framework, managers can be seen as playing an important role in steering business. The framework requires reembedding corporations as social entities, not just private players catering to self and shareholders. The disembedding of economic activities from social contexts can lead to reduced accountability in business operations (Ruggie, 2021).

It aims to work towards developing holistic, institutionally embedded governance frameworks through the important role of managers as agents with important steering role in driving business. This particularly relevant given that with widespread globalization, economic activities can be "disembedded" from social life. When market transaction become more distant and opaque, it is harder to hold business organizations accountable for irresponsible conduct.

India's cotton garment industry is shaped by subcontracting networks, particularly among small firms that often result in informal employment and weak labor law enforcement (Anner & Dutta, 2019). While large firms owing to their better resources, can enforce labor standards, small and medium size firms struggle with compliance. Regulatory scrutiny is stricter for large firms, whereas small firms often evade oversight (Unni & Bali, 2002). The industry's reliance on migrant labor heightens worker vulnerabilities, fostering exploitative practices like debt bondage and restricted mobility (ILO Report, 2017). Governments can be seen as enhancing voluntary standards via integration into public policies, leveraging private-public complementarities for regulatory effectiveness (Marx et al., 2024; Grabs et al, 2021; Cashore et al 2021). The government also supports private sector development by facilitating the adoption of voluntary sustainability standards (VSS) through financial and technical assistance (Hernandez et al., 2021; von Essen & Lambin, 2021; Marx et al., 2024).

Organizational success with voluntary standards depends on internal resources, knowledge, and technological capabilities (Barnett and King, 2008). According to Tolbert and Hall (2009; Akter, 2016), understanding the factors that impact an organization's existence and operation is crucial for ensuring its success, sustainability, and longevity. Maintaining support and engagement of civil society and consumers can be facilitated by balancing stakeholder interests (MSI 2020). At the same time, there is a need for holistic governance as no single organization can have complete control over the consequences of global operations of trade and exchange (Bigland et al, 2020). Manufacturing factories are more likely to comply when they have sufficient lead times, stable order, and sufficient revenues (MSI, 2020).

As the business literature suggests, effective leadership is not simply about managerial efficiency but requires collaboration among all stakeholders- workers, unions, regulators, buyers, brands, lawmakers as well as civil society. This shared leadership style must understand the larger system and foster generative and reflective conversations (Senge et al. 2015). Instead of approaching leadership from the standpoint of a hierarchical function, it should be understood as an outcome of negotiated governance structures that shape industry practices. Leaders must shift towards collaborative leadership rather than traditional hierarchical models (Senge et al. 2015). Balancing economic and social values requires institutionally embedded governance frameworks that do not just enhance leadership but also shape accountability and power dynamics within the industry (Simpson et al, 2012).

Methodology

Exploring managerial perspectives for fostering responsible leadership for effective implementation of voluntary standards is crucial for aligning business strategies with sustainability objectives. By examining the challenges that managers face with embracing these voluntary standards, this study contributes to creating long term value for all stakeholders from factory workers to consumers through responsible and strategic leadership. The aim is not to generalize but to explore the ways in which voluntary standards are understood by managers and identify the obstacles to their successful implementation.

In the first phase, the data was collected through online information, informal conversations, focus groups and semi-structured interviews that used an abductive approach (Fereday and MuirCochrane, 2006; Timmermans and Tavory, 2012). A deductive strategy is used to design questions based on existing literature and with it, an inductive style is adopted to expand on information that is received as interviews are conducted. Semi-structured interviews were conducted as they facilitate a thematic structure and allow for flexibility in context and in new information arising from interviews (Barriball and While 1994). The interviews were conducted online via zoom and Teams to take advantage of speed, convenient access, and low costs (Janghorban et. al, 2014). Existing data on voluntary standards was collected through online desk research, including analysis of sustainability reports, annual reports, press releases, videos, and social media. Focus groups with small groups of managers to further validate and triangulate the data (Morgan, 1996). Informal conversations with managers at conferences and public events yielded sensitive and candid information about caste, gender, and government agencies. The table below summarizes the first phase methodology.

In the second phase of research, two garment manufacturing factories in national capital regions (NCR) of Delhi were chosen as case sites (Johansson, 2007) to provide in depth insights into leadership practices and sustainability strategies of managers. The factories selected are large scale enterprises that sell to international brands and have experience with sustainability standards and certifications. Site visits were undertaken to get firsthand insights to interact with managers and understand their perspectives on engagement with voluntary standards. These visits helped in gaining practical insights into labor laws and industry practices in cotton garment manufacturing industry.

The first factory had its corporate office and factory unit at the same site which allowed for direct oversight of manufacturing processes by management. At the factory entrance, a notice board prominently displayed the organization's commitment towards ethical and labor practices. At the second factory the corporate office was located miles away in a dedicated corporate hub, separate from the industrial manufacturing unit. This physical separation in location suggests a distinct management approach, with strategic and administrative decisions being made remotely from the manufacturing site. Both factories had clear signage at their gates for "no child labor", serving as internal policy reminder and external adherence to voluntary standards and laws prohibiting child labor. Inside the work environment was exceptionally clean, well-organized, and operated in a systematic manner, although the pace of operations was fast. Observation of the factory set up and interactions with managers from within their place of work, provided valuable information into labor conditions, factory management, and industry best practices.

A total of 25 managers—12 from Factory 1 and 13 from Factory 2—were interviewed. Purposive sampling was used in participant selection to assure diversity of managers from supply chain management, human resources, production, compliance, as well as sustainability. Participating managers provided a thorough understanding of their managerial responsibilities that contribute towards the production of shared value, this is especially relevant since these managers are part of key decision-making processes associated with the adoption and implementation of voluntary standards.

Data was primarily collected through semi-structured interviews as it is a method that allows for flexibility in exploring participants' perspectives and experiences related to the main themes of research. Interview questions that were used covered topics such as the challenges associated with implementing voluntary standards, the benefits, and drawbacks of generating shared value, and the role of leadership in promoting these initiatives.

The participant interview data were analyzed with open coding. Open codes were generated inductively, using empirical research, and organized into themes related to the subject of the research. Key themes included: commitment to sustainability, social responsibility initiatives, transparency in operations, collaborative leadership, stakeholder engagement, proactive standard implementation, barriers to standard adoption, overcoming barriers to standard implementation, participatory decision making and inclusive leadership, worker well-being, supplier engagement and compliance monitoring. Each theme had a narrative (Stigliani and Ravasi, 2012) that was reviewed and discussed with participants. Data was collected from 25 participants before reaching “category saturation” (Strauss and Corbin, 1998). The interviews were conducted in Hindi and English by the author. All data has been treated anonymously and every participant was informed of the researcher's intention and purpose of the research.

Core Challenges in Cotton Garment Manufacturing in India

To help address workplace issues effectively, it is imperative that businesses navigate the complex relationship between voluntary standards, societal norms, and institutional environments. This section explores some of the core issues that are critical for workplace improvements in cotton garment manufacturing factories in India. It highlights the regulatory landscape from within which managers function and the problems that need addressing in India. Understanding these challenges illuminates the potential of voluntary standards and the opportunities for managers to address workplace problems plaguing the garment industry in India.

India's New Labor Laws

Since gaining independence, India has revised and reformed its labor laws directed at enhancing protection for workers in the formal sector. Labor issues in the formal sector were governed by 29 different laws, including the Factories Act, the Industrial Disputes Act, the Payment of Wages Act, and others that helped addressed issues such as wages, labor management relations, and working conditions (Krishna, 2020; Pratap, 2021). India added four main labor laws in 2019 and 2020: the Code on Wages, the Industrial Relations Code, the Social Security Code, and the Occupational Safety, Health, and Working Conditions Code (Ministry of Labor and Employment, 2020) to improve compliance and modernize India's labor market. The Code on Wages ensures minimum wages across industries and sectors, and it requires equal compensation for equal work. It is meant to standardize wage structures across the country and resolve regional wage disparities (Ministry of Labor and Employment, 2020). The Social

Security Code extends benefits like pensions, insurance, and gratuities to marginalized workers, including platform workers and those in the unorganized sectors. In doing so it broadens protections for labor workers (Ministry of Labor and Employment, 2020). The Occupational Safety, Health, and Working Conditions Code addresses worker safety by requiring mandatory health checks in specific key industries and providing provisions for women working night shifts to ensure safer work environments (Ministry of Labour and Employment, 2020). The Industrial Relations Code highlights the value of worker unions and simplifies industrial relations. It facilitates labor dispute resolution and extends benefits to temporary workers to align them better with the rights of permanent employees (Ministry of Labor and Employment, 2020).

Even though the labor reforms suggest increasing government attention to resolving workplace issues, they have faced significant resistance, particularly from workers. Workers have organized strikes and protests due to concerns expressed over job security and the potential for increased casualization of labor (Sundar, 2020). Critics have argued that some of these reforms allow for more lenient "hire and fire" provisions which could lead to increased use of temporary workers and create job insecurity for permanent employees (Sundar, 2020). Inefficient processing of data from trade unions and employers are seen as hindering the creation of a comprehensive national database (Sundar, 2020; Ramaswamy and Binnuri, 2023). Companies are now notified in advance regarding health and other inspections. Wages, as defined by the new codes, do not include overtime allowances, implying that employers may not be required to make Employee State Insurance (ESI) contributions on overtime wages (Pratap, 2021). The new labor codes are seen as limiting the power of trade unions, making it harder for workers to strike and engage in collective bargaining, increasing employment instability by providing only 60 days' notice before mass layoffs in certain sectors, and leaving unorganized workers to face onerous registration and documentation procedures (Ramaswamy and Binnuri, 2023). Trade unions and labor academics expressed dissatisfaction with the lack of communication throughout the creation of the new labor code, in addition to the problems with the law's execution and wording (Pratap, 2021).

As these changes raise significant concerns related to worker rights, factory managers are crucial in operationalizing labor laws and the contemporary global standards. They must not only ensure compliance with global standards, but their responsibilities must also extend to protecting workers and safeguarding their rights. Commenting on these issues, a factory manager reported,

> *"For garment manufacturers, the new labor laws present both opportunities and difficulties. They give us additional options when it comes to hiring and supervising our staff, which might increase productivity. However, we also need to consider how these adjustments may affect the safety and wellbeing of our employees. In order to make sure that our workers continue to feel encouraged, respected, and protected in the face of these new rules, it is imperative that we strike a balance between productivity and ethical behaviour. (F1M1)".*

While the new labor laws offer opportunities for greater flexibility in hiring and managing staff, managers state that they are mindful of the need to balance productivity and worker welfare. Ensuring that their workers feel respected, protected, and motivated considering these changes is seen to be imperative by managers for maintaining a sustainable and ethical workforce. While India's labor reforms are framed by the government as modernizing labor practices, these new laws have not solved the problems in the garment sector which is why voluntary standards remain essential.

Migrant and Workforce

Migrant workers are a significant part of India's garment industry and move primarily from states like Uttar Pradesh, Bihar, and Rajasthan to industrial hubs like Maharashtra, Delhi, and Tamil Nadu (Irudayrajan and Bhagat, 2021; Hirudayaraj et al, 2023; Rajan and Bhagat

2021). In general, the migrant population is vulnerable and lacks political support and remains underrepresented in labor laws. The Interstate Migrant Workmen's Act (1979) and other indirect legislations such as the Contract Labor (Regulation and Abolition Act 1970 or the Unorganized Workers Social Security Act, 2008 provide them with little legal protection. Due to non-portability across states, migrant workers are unable to access government jobs and social welfare programs, which results in legal and welfare gaps for migrants in addition to the absence of targeted migrant laws (Rajan and Bhagat, 2021). In addition, women migrants frequently face gender-based harassment and discrimination in the workplace (Jain and Sharma, 2018; Jayaram et al, 2019) and are often found to be marginalized socially and politically (Singh, 2020; Gaikwad and Nellis, 2020). The intersection of globalization, exploitation and poor labor laws exacerbates these issues. Such informal networks make it difficult for migrant workers to benefit from voluntary standards, such as Fairtrade or receive fair wages through it (ILO Report, 2017).

Middlemen play a significant role in the recruitment of migrant workers and often take cuts for facilitating employment and maintaining ties with factory managers.

As one consultant (C2) with experience of four years in the industry commented,

> "*Managers who hire employees personally are extremely few. Most use intermediaries to find them. In actuality, intermediaries occasionally receive a monthly percentage of the employee's pay. In other circumstances, a one-time payment is provided by the worker to the middleman for getting the job. Migrant labourers frequently make less money than other workers.*"

One of the factory managers (F2M4) from the HR department commented that,

> *"Many migrant workers just don't know how much they really make from their work because middlemen handle everything and take cuts. There are no records or documents on migrant labor that may be utilized to document experience and foster long-term progress. Everything is based on and goes through an unofficial network".*

Migrant workers may leave the garment sector for better-paying jobs in other industries, posing challenges for production managers to meet targets while managing recruitment and retention. A production manager (F1M2) feeling overwhelmed with the meeting costs and maintaining required production targets lamented,

> "*We are losing staff after covid as we are unable to supply all that is expected. To control costs and maintain compliance, labour expenditures must be kept to a minimum. We will lose to competitors in the global market if other nations have lower labour expenses. I can't make ends meet if I pay more, and my work won't get done if I pay less*."

Addressing these issues requires collaborative efforts from governments, corporations, and NGOs, yet managers describe migrant issues as "*nobody's baby*" (F1M7), pointing to the lack of consistent and dedicated efforts. Labor market intermediaries, like recruitment agents, are found to help integrate diverse workers into production. Employers recruit nationwide, creating a geographically diverse workforce while adapting to local labor conditions and global demands, creating what is called a "National Just-in-Time Labor for Just-in-Time Production" system (Arnold, 2022:110).

Beyond employment uncertainty, precarity is influenced by economic status, gender, and caste. In Tamil Nadu's garment sector, Dalit labor contractors face greater precarity than upper-caste counterparts due to limited social capital (Bourdieu, 1986) and economic instability. Addressing employment inequality requires policies considering social diversity (Soundararajan et al, 2024). In Delhi NCR garment clusters, Goodburn and Mishra (2024) point out that Indian and multinational firms operate near urban villages, housing migrant workers where caste remains operational and very relevant even today. Factories are seen to employ mostly men under strict conditions, while women engage in home-based work. In this region, unions have been found to struggle as landlords, aligned with factory managers, deny office space, with one also being forcibly evicted in 2017 (Goodburn and Mishra, 2024). In such a scenario, migrant workers remain vulnerable, and unions almost non-existent and there is still much work to be done to ensure that such workers are treated fairly and with respect.

Child Labor

Child labor is prevalent in India’s garment manufacturing industry. The Asia Foundation (2017) reported that 8.2 million children in the 5–14-year-old age -group are impacted. Child labor often occurs in rural areas, especially among girls from low-caste and tribal communities (The Asia Foundation, 2017). India has legal framework prohibiting child labor, but enforcement is weak, allowing children to work in factories and informal settings (Sekhon, 2017; Jain 2022).

Despite this documented evidence of child labor, interviews with factory managers indicated a denial or avoidance of the issue, with managers claiming they do not use child labor due to international buyer obligations. As one of the managers (F2M1) with a long-term engagement with international brands stated, “*our factory strongly prohibits child labor, and brands will terminate promptly if they discover it*”. The sentiment was expressed by another manager claiming that, “*we have never used sweatshop labor or child labor*”. Managers are aware of the importance of maintaining ethical practices, acknowledging that child labor would harm the company's reputation and India's standing in the global economy.

> As one compliance manager (F2M6) commented, “*It can cause serious problems for the organization that employs children as well as have a significant negative influence on India's standing as a major player in the world economy. India wants to become a leader in the sustainable economy; hence it is focusing on sustainability. It acknowledges that having inexpensive labor is an advantage, but it cannot afford to be scrutinized internationally for engaging in immoral trade practices involving child labor and forced labor.”*

Consultants reported that child labor and forced labor are often not reported, though they remain prevalent in some sectors of the industry. As one consultant noted: “*child labor and forced labor are rarely reported though they exist*” (C11).

Voluntary standards like Fairtrade and GOTS are intended to address labor abuse, including child labor and migrant exploitation by establishing rigorous criteria, oversight mechanisms, and remediation procedures. Independent audits by organizations like FLOCERT are meant to ensure compliance, and Fairtrade collaborates with local groups to address violations through corrective actions (Fairtrade International, 2024). Its Youth Inclusive Community-Based Monitoring and Remediation (YICBMR) program further strengthens oversight (Fairtrade International, 2019). GOTS enforces strict social criteria, banning child labor under 15 and prohibiting hazardous work for minors under 18. Regular on-site inspections are undertaken by independent bodies to verify compliance, and violations immediately trigger remediation plans, ensuring affected children are removed from labor and reintegrated into education (GOTS, 2024). One manager stated (F1M3),

> "*Engaging in fair practices with the help of voluntary standards will help India in moving away from having an image of a country with large population of child laborers. Large global brands want to engage with ethical suppliers only*".

The responsibility lies with business organizations to create transparent, traceable supply chains and ensure that their operations do not have child labor. While the voluntary standards provide the framework and national regulations exist, it is also important for managers to ensure that they comply and stay away from such atrocities.

Minimum Wage

India has a complex minimum wage system. The minimum wage in India varies by state, area, industry, occupation, and skill level (Shira and Associates, 2024). Nearly 2000 different types of jobs exist for unskilled workers and over 400 categories of employment with a minimum daily wage for each type of job under unskilled, semi-skilled, skilled, and highly skilled categories (Shira and Associates, 2024). The system includes dearness allowance (VDA) linked to inflation, but poor implementation and regional disparities complicate wage fairness. Currently, the minimum wages are set by the central and state governments. The system is governed by the Minimum Wages Act (1948). The New Code on Wages (2019) promises to establish a minimum wage nationwide, but the nationwide implementation is still pending. Regional disparities are extreme: the minimum wage can be INR 160 (US $1.92) per day in the state of Bihar and INR 423 (USD $5.07) per day in Delhi. With such significant differences, a uniform nationwide minimum wage may potentially place undue pressure on less prosperous states (Shira and Associates, 2024). Research indicates that in India's garment sector, larger factories generally provide wages that comply with or surpass legal minimums (ILO, 2015). In contrast, small and medium-sized enterprises (SMEs) often pay lower wages, sometimes falling below the required standards (Shimane, 2006; AFWA, 2013). A study by Johny and Thomas (2024) found that in Delhi NCR, workers in medium and small factories did not even receive benefits such as Provident Fund or Employee State Insurance.

Government schemes support employers in providing fair wages, but challenges such as limited awareness and restricted access to funds hinder their full potential. By paying for newly hired employees' Employee Provident Fund (EPF) contributions, the Pradhan Mantri Rojgar Protsahan Yojana (PMRPY-Prime Minister Employment Promotion Scheme) assists employers in creating new jobs and frees up funds for wages (DGE, 2025). Similarly, the Pradhan Mantri Kaushal Vikas Yojana (PMKVY-Prime Minister Skill Development Scheme) increases workforce employability through industry-relevant training, boosting productivity and creating opportunities for higher earnings (Sharma, 2024).

As discussions with managers revealed,

> "*There are government schemes and entitlements that can be used to pay a decent wage to the workers. However, in one apparel factory with 500 workers, only 25% of government entitlement amount was reached. Even then a high amount of 50 lakhs or $68,000 USD approximately was achieved for workers in this factory. Lack of access to these funds, awareness and implementation are the challenges in this area"* (F1M8).

India is working with the International Labor Organization (ILO) to establish a living wage framework by 2025 (The Economic Times, 2024; Cyrill, 2024). Living wages are intended to cover beyond minimum wage to include workers' basic needs such as housing, food, healthcare, and education (Cyrill, 2024). Mangers resist the implementation of living wages, citing concerns about India losing its competitive advantage as a low-cost labor provider. On condition of anonymity, one manager (F1M9) in his response to this particular issue stated "*living wage should not be implemented in a country like India as India will lose its position as low-cost country in the global market. Costs will go up if living wages are given to employees"*. In terms of external pressures and industry concerns, it is to be noted that small and medium enterprises face significant challenges in implementing living wages due to their reliance on government subsidies and low-cost labor. As sustainable developmental goals are a national agenda, living wage is an important issue for India. A manager (F2M2) explained, "India is number one country that provides *maximum number of entitlements and social protection. Hence, employers are supported by the government to pay adequate wages to employee*". Seasoned managers emphasize the fact that the responsibility must be shared with government, consumers, and brands to make a notable difference and remain competitive. As a manager (F2M3) with over a decade of experience revealed:

> *"The problem is that Bangladesh and other nations with cheaper wages will be able to outbid India on the world stage. We cannot succeed on our own; the government must help. We'll be devastated. The government can help us pay our workers more by lowering customs and waiving labor-related costs. Wage subsidies and labor-friendly legislation should be the main priorities. Brands must take accountability together. They urge us to work more and are in charge of making these wage decisions. They urge us to take responsibility, yet they will act in the other way."*

Managers question whether consumers care about living wages, noting that brands won't act unless there's consumer demand. One manager stated that (F1M1),

> *"Voluntary standards are more about conveying the concerns of the consumers rather than their effective implementation in the supply chain. Sometimes it makes me wonder do consumers even care about workers being given a living wage. Till they don't, brands and retailers will not follow suit".*

Freedom of Association and Collective Bargaining

In India, unionization is low. Only about 5% of the workforce in India's garment sector is organized by trade unions (Mani, 2011). Unions are mostly present at the state level and not within factories, where they face strong resistance (Mezzadri, 2016). Factory management often shuts down or relocates operations when union gains power (Ganguly, 2013). Workers joining unions or participating in protests for better conditions face retaliation, including suspension or dismissal (Nagaraj, 2018). One such aggrieved worker stated, "I didn't create any trouble in the factory in all these years but when I asked for my bonus and joined a few workers in protest outside the factory, the managers suspended me (Nagaraj, 2018). Consultant interviews revealed that

> *"Unions are not very helpful in being instrumental as there is intense inter-union rivalries and competition among each other. Members are from different castes, class and regions making it difficult to come together. It is only truly effective in few parts of India. Most places they remain ineffective" (C8).*

Unions are effective in certain regions of India, with limited influence elsewhere. In the garment industry less that 5% garment workers are unionized while in the Delhi NCR region there is hardly any union presence (Fair Wear, 2019). Managers interviewed fear that stronger unions would lead to demands for higher wages and strikes, disrupting production and attractive negative media attention internationally. While collective bargaining is legally prioritized, there is significant gap between legislation and actual practice (Fair Wear, 2019). Managers who view unions as partners rather than rivals may be better positioned to balance labor needs with the organization's goals, fostering more productive industrial relations. However, none in the interviews had such a perspective.

Gender

Gender discrimination is prevalent, with most workers in factories being female. Male supervisors and managers dominate leadership positions (Dutta, 2021). Women are often limited to lower-paying, lower-status jobs such as sewing, fishing and quality checking (Prakash et al, 2020). Women face gender-based discrimination, including being the first to be let go during off-peak seasons, disrupting their continuous employment. As a female senior manager with over 8 years of experience speaking positively about the impact of engagement with voluntary standards and greater awareness of gender issues stated, (F1M5)

> "*With women, safety factors come in. A women's marriage, pregnancy ages are kept in mind to calculate how many paid leaves will be given. Compliance has been helpful in ensuring that certain percentage of women are included*".

As consultants revealed, voluntary standards alone have not had much success in getting to the bottom of gender-based issues in the factories. As one consultant phrased it:

> *"Factory audits often do not identify issues of sexual harassment or gender violence. Due to fear of losing job, cultural stigma and lack of organizational support, the pervasive problems that women face on the factory floor are often never part of such audits. There is a need for more confidential and sensitive methods for engaging over these issues" (C4).*

As is evident from this section, the labor of women is systematically undervalued in the garment workplace in India. Addressing these issues requires responsible leadership and adherence to local anti-harassment and anti-discrimination legislation as well as international standards. Addressing gender-related issues and advancing equitable practices can be facilitated by a broader involvement with voluntary standards. While voluntary standards in their present form are facing challenges in addressing these issues, their potential impact can be strengthened through more rigorous enforcement with gender sensitive audits and meaningful stakeholder engagement.

Strategic sustainability management with voluntary standards: Industry perceptions, pressures, and performance

The role of leadership in Responsible Garment Manufacturing

Senior leadership is critical in fostering a culture of social responsibility that prioritizes fair labor practices, and in aligning factory strategies with ethical standards for garment manufacturing. In this research, managers were found to be playing a pivotal role in implementing sustainability initiatives and in aligning them to corporate social responsibility and the UN's sustainable development goals.

Interviews with managers revealed that managers are increasingly aware of the importance and relevance of sustainability, driven largely by global market trends, consumer demands, and regulatory pressures. They understand that adopting voluntary standards is essential for long-term competitiveness and for future-proofing of business. Association with global standards like GOTS and Fairtrade is seen as key to accessing premium international markets in Europe and North America, with compliance as a competitive advantage.

However, while managers find compliance to voluntary standards necessary, they also acknowledge that they find the regulatory demands to be quite overwhelming (De Neve, 2016; MSI TN, 2019. The organization's global image and reputation depend heavily on fairness and responsible manufacturing of garments in their factories. Voluntary standards help make these efforts transparent by providing detailed reports on fair and ethical practices of labor and working conditions of the factory. Third party audits add credibility, ensuring that garments are produced under fair labor conditions. The managers also noted that their association with standards like GOTS and Fairtrade have facilitated global orders and improved communication with international consumers. Engagement with voluntary standards reflects a formal commitment by garment manufacturing factories to uphold worker rights and welfare. It leads to increased customer satisfaction, higher revenue, improved research, and critical innovations to reduce costs and better business integration. Managers shared that they often set ambitious targets, surpassing even the requirements of the standards to support the community and to provide a better working environment for all stakeholders.

> "*We are very proud to say that we have set an example on how to remain profitable with investments in these certifications. Our workers are growing not just in numbers, but their life is improving with us. You can see some of our workers have stayed with us for over 10 years. They are very satisfied. It all because of the support from our director. He is driven for change. Even during Covid-19, we paid wages to our workers*" (F1M1).

> "*Implementing sustainability standards has been transformative for both our workers and the factory. We've managed to increase wages while cutting down on excessive working hours, which has significantly improved job satisfaction. On top of that, many of our employees are now enrolled in national health and pension programs, something that was previously inaccessible to them. These changes have fostered a healthier, more secure workforce, and as a result, productivity and morale have improved across the board (F2M2).*"

According to the managers, GOTs and Fairtrade have different focal points, but they do not differ in an extensive way in aspects of sustainability and measures to be taken for workplace improvements. Fairtrade primarily emphasizes the social aspects while GOTS leans towards environmental issues. The fact that a plethora of standards exist, however is a matter of confusion and raises issues of relevance for them. The fact that there are so many codes lead to "confusion", "inefficiency" and "bureaucratic duplicity". Managers call for streamlined codes and fewer overlapping standards to reduce confusion.

> "*It is near to impossible to meet the expectations of the different standards that exist. We should adapt one that is the most thorough and make it applicable to all. That will kill confusion and the focus can be on its successful implementation* (F2M7)".

The engagement with voluntary standards has a significant impact on factory performance, both in terms of financial returns and social responsibility. The factories studied here have been identified as enhancing their operational efficiency, brand reputation and increased stakeholder trust in the organization and its products. According to reports and data gathered online (Common Share, 2024), the first factory is recognized to be one of the top 6 clothing manufacturers for ethical textiles, with annual turnover of over $60 million and more than 5000 employees. This factory is proud of its partnership with Chetna, a local civil society organization, and pursues a development-based approach with strong and long-standing association with Chetna Organic which encourages community development and institution building. The organization, Chetna Organic believes in supporting sustainable production beyond fiber and fabric and is also focused on facilitating fairer terms of trade and market access for its most marginalized stakeholders. It advocates for social equity by bridging the income gap through fair compensation and living wages to its workers while maintaining safe and ethical working conditions. The managers also underlined how motivated they are to support freedom of association, democratic organizations, and capacity building. The organization is dedicated to promoting enduring relationships, doing away with forced labor, and maintaining responsibility and transparency in all of our operations.

Managers from the first factory assert that their commitment to voluntary standards underscores the organization's dedication to sustainable and ethical manufacturing practices. In the words of its CEO, this approach has seen the company grow about “10 fold in the last 15 years”. In their seven-year Fairtrade journey report, they claim to have helped 468 workers per month and have spent 641,000 USD on various premium programs. Benefits to the organization have included reduced absenteeism and reliance on moneylenders by workers. The management claims that their workers have received Fairtrade premium equivalent to two additional salaries per year (Common Objective, 2019). According to their Fairtrade reports (Common Objective, 2019), management has played a crucial role through awareness programs, training, and participatory forums. Initially, workers had an individual mindset, which they gave been able to transform, moving from an “I” to a “We” mindset that hinges on collective growth. Local brands have acknowledged this factory organization, which has been called a "movement," for its outstanding support, vision, and meaningful participation, as well as for being "the reason" for their growth (No Nasties, 2022).

This factory recognizes that it has faced challenges in incorporating sustainability throughout their supply chain, however, each time they have taken the decision to execute processes to improve workplace conditions, they have paid off financially. The managers assert that they are a good example of a business case for sustainable fashion.

The second factory is an organization engaged in manufacturing, sourcing, distributing, and exporting ready-to-wear apparel through its domestic and international facilities and supply chains, leading to approximately USD 18 million in revenue. It has captured 21% year on year increase in overseas revenue since inception and 8% growth in 2023-2024, in comparison to 2022-2023 (Annual Report 2024). The top leadership has embedded sustainability directly into its core mission with current and future projects driven to uphold this commitment to excellence and Environmental, Social and Governance principles “to achieve exceptional outcomes in the direction of circularity. With workers, they emphasize open communication, mutual trust and understanding to create a better workplace.” (Annual Report 2024). Their annual reports list their current community project that is of revitalizing lost spaces to green belts with the assistance of local NGOs (Annual Report 2024). For improved workplaces, they focus on gender empowerment and awareness, improved relationship and collaboration between factory management and other departments as well as leadership supervisor training for its employees. This organization launched a Read Aloud Program in 2021 in collaboration with Adhyayan Quality Education Foundation, an NGO to help educate school children (Annual Report, 2024). However, their website lacks any updated information on community development and their sustainability approach seems to be founded on environmental issues, circular economy to reduce wastage and have more eco-friendly garment manufacturing. Such information makes their approach company based at best. According to a recent report by the Investment Information and Credit Rating Agency (ICRA), while the organization has done well financially, this growth has not been as an outcome of the measures taken by the organization for the welfare of the workers (ICRA, 2024).

The first cotton manufacturing factory's managers were more enthusiastic about Fairtrade since they were well-versed in its principles and did not require the assistance of a compliance manager in responding to interview questions. They were knowledgeable of important interventions, such as establishing a living wage through food basket surveys, documentation requirements and future plans along with active participation in external seminars with industry practitioners, consumers and even academia. They were motivated and actively involved in the Fairtrade movement because of this profound knowledge. Managers in the second factory, on the other hand, were less enthusiastic and involved, primarily because they lacked this degree of awareness and in the interviews had to rely on compliance officers to inform them of the organization’s initiatives. This was quite surprising since their annual report mentions programs on better coordination and collaboration between senior management and different factory departments. In addition, in the case of the first factory, the offices of all the concerned management were in the same premise as the factory. In the second factory, the office and the factory were in separate areas with approximately 15 kms distance between them. The distance in proximity between management and factory was reflected in the awareness and involvement with voluntary standards at both these organizations.

In both factories, the high education levels and global exposure helped the managers with adopting sustainability standards readily and in viewing them as competitive advantage in global economic trade and economic arrangements. Delhi NCR's garment manufacturing is noted for its innovation and value addition, adapting to changing fashion trends. Its workforce, primarily, migrant men, specializes in technology driven manufacturing balancing structured basics with multi-product offerings to stay competitive (Fibre2Fashion, 2006). Both these factories are in key export and international market-oriented manufacturing spaces.

Female managers across both factories urged the need for voluntary standards to further emphasize gender related challenges wage gaps, women in leadership and job security. They state that though certifications have these provisions, effective enforcement varies across the industry. Women play a prominent yet often unrecognized role in India's garment manufacturing processes. Addressing these gender disparities is essential for successful and meaningful engagement with voluntary standards.

Workplace Improvements

Factories are changing how they operate to be competitive and build strong partnerships with global brands across the world. Senior managers acknowledge the growing pressure they feel to ensure fair wages, safe working conditions and sustainable practices. Managers of both factories suggest that voluntary standards improve wages, reduce working hours, and increase worker participation in national health and pension programs. They provide the assurance that factories provide clean drinking water, safe working environment and worker grievance committees for any problems that may arise. Managers recognize that consumers prefer ethically produced products and understand the reasons for compliance throughout the supply chain, not just within their own factories.

However, managers admit that they are unable to guarantee compliance across their multi-tiered supply chains particularly those that have lower-level suppliers. The garment supply chain is very complicated and is multi-layered that makes it a challenge to oversee ethical practices at every stage (De Neve, 2014; Le Baron et al. 2018). When asked if all production stages meet ethical standards, none of the managers could guarantee 100% compliance. Some even hesitated before responding. One manager (F1M4) stated, *"If suppliers fail to meet standards, we cover the cost ourselves to keep up with international requirements. Otherwise, we risk losing contracts."*

Moreover, while voluntary standards appear to benefit permanent contract workers, interviews reveal that the voluntary standards are failing to capture home-based and informal workers. As a consultant lamented (C2),

> "*The absence of official acknowledgement and integration of home-based and informal labourers in garment production is one of the main issues we confront. Despite being essential to production, they are frequently unnoticed by the system and get no help, benefits, or protection"*.

Knowledge and Integration Gaps

This study emphasizes how managers frequently overlook the primary purpose of voluntary standards in enhancing working condition, in favor of seeing them as economic tools. To ensure meaningful compliance and operational efficiency, these standards must be actively integrated into factory into management policies, worker training, supply chain and manufacturing processes rather than treated as external mandates.

Findings indicate that not all managers fully grasp the purpose of voluntary standards in promoting fairer economic production and exchange. Many also expressed concerns about power imbalances in international trade, citing significant pressure and barriers to address environmental and social issues for socially responsible manufacturing while meeting the demands of multiple stakeholders. As one manager (F1M3) stated,

"The strongest barrier is the hesitation and lack of commitment to share risks. Not only profits, but risks must also be shared throughout the supply chain network."

This suggests that without shared responsibility and collaborative efforts, voluntary standards may remain superficial rather than driving meaningful change in factory operations.

Operational and External Pressures

Seasonal variations in demand, shorter lead times, late order payments, and a lack of funding for CSR (corporate social responsibility) improvements present managers with major operational issues. Enforcing workplace standards at the manufacturing level becomes more challenging as a result of these limitations.

Many managers also linked workplace issues to buyer purchasing practices. One manager (F2M11) stated, *"We are compelled to comply with buyer-driven voluntary standards. If we fail to obtain the required certifications, we risk losing contracts because brands want to protect their public image."* Another manager (F1M10) remarked, *"If multinational companies truly want to improve labor conditions, they should establish factories in their home countries, where stronger laws ensure higher wages."*

Worker Committees: A Preferred but Limiting Substitute for Unions

Factory management interviewed in this study often claim to balance workers' rights and well-being with corporate goals. Since worker committees are more in house, they are generally preferred over unions. Unions are seen as more combative, demanding stronger and more direct negotiating authority over work processes. Only about 5% of the textile industry is unionized (Fibre2Fashion, 2024), with most unions found in Southern India. Despite the country being a founding member of the ILO and having social dialogue provisions in its labor legislation (Pratap, 2021), social dialogue is rare in India.

Managers support the creation of worker committees to handle grievances and encourage worker participation in decision-making. Large, export-focused factories, such as those in this study, have these committees, as they are legally mandated under the Safety Committees of the Factories Act (1948) and the Works Committee of the Industrial Disputes Act (1947). While these committees are a common workplace initiative, their effectiveness varies. In some factories, they function mainly as a management public relations tool with minimal real worker involvement or influence (Saikia & Upadhyay, 2024). In others, they actively engage with workers on pressing issues like safety, grievances, harassment, and discrimination. Managers also point out that international brands sometimes withdraw contracts when worker issues arise, rather than supporting long-term solutions and compliance. During interviews, factory managers strongly asserted that these committees operate as intended, following both voluntary standards and legal regulations. They provided paperwork that including worker committee member records, meeting schedules and outcome reports as evidence to support their claims.

Evidence from candid conversations in conferences with auditors and consultants revealed that voluntary standards do support legitimate worker committees and they are effective in health and safety issues. However, this research reveals that they have been less effective in resolving issues associated with workplace harassment and discrimination or giving genuine voice to workers in manufacturing related processes or organizational decisions, as also found in other studies (AFWA, 2022). While consultants acknowledge the role of voluntary standards in helping set broad compliance frameworks, they argue that they fail to respond to the deeper structural and systemic issues related to power imbalances and worker representation. Managers are skeptical that voluntary standards can fuel any substantive change beyond compliance.

Need for Shared Responsibility and Government Involvement

Managers agreed that greater collaboration among stakeholders can improve the effectiveness of workplace standards. However, they noted that only large factories have the capacity to fully monitor their suppliers. Most lack the necessary information, resources, and mechanisms to enforce compliance across complex supply chains.

Interviews emphasized the need for increased participation from local stakeholders, particularly national governments. Governments have the legitimacy and capacity to regulate business practices, aligning workplace improvements with broader labor rights initiatives.

Managers also highlighted the role of local governments in regulating competitive economies. The pressures from brands and retailers, they argue, make it nearly impossible to improve labor conditions. As one manager (F2M2) explained, *"Without government involvement, voluntary codes will always be limited in their effectiveness."*

Both managers and consultants strongly supported greater government participation in enforcing international and national labor laws, ensuring that worker rights and welfare are upheld in a sustainable and accountable manner.

Conclusion

To better understand why voluntary sustainability standards in the garment industry have trouble addressing key workplace issues (Schmitz-Hoffmann et al., 2014; Meemken, 2020), this study analyzes the challenges middle managers face in implementing voluntary standards and enhancing labor conditions in Indian garment manufacturing. I find that middle level managers in garment factories face significant issues in navigating the multiplicity of voluntary standards. While GOTS and Fairtrade certification have different foci, managers do not identify clear differences between their ethical and sustainability objectives. Instead, managers point to the inefficiencies, redundancies and bureaucratic complexities that arise from these overlapping standards. Managers argue for streamlining voluntary standard frameworks, calling for consolidated and universally recognized standard. Despite the availability of multiple standards, significant challenges continue to persist within the sector. This research reveals that migrant workers, like findings in other studies, remain a vulnerable group enduring poor labor conditions, with evidence pointing to a heavy reliance on overtime to make up for their low wages (ILO, 2015). However, this does not imply that voluntary standards are ineffective. My study suggests that greater coordination among standards, with increased managerial involvement in shaping these frameworks, could increase their effectiveness.

Voluntary standards hold the potential to significantly enhance conditions in garment manufacturing in India. The growth and expansion of standards such as Fairtrade and GOTS reflect their increasing presence (Fairtrade NAPP, 2018; Ward and Mishra, 2019), but their impact is still largely confined to large organizations. Managers recognize that even within these organizations, there are areas that need improvement. Study interviews found that while direct employees are paid a fair wage, subcontracted firms, which hire lower-tier workers, often offer considerably lower wages. This wage disparity highlights a challenge that managers find difficult to address. While some research casts doubt on the role of voluntary standards in increasing wages above the legal minimum wage (Bennett, 2018), this study found wage returns higher at least for large scale factories with GOTs and Fairtrade certification. For these standards to have a more substantial impact, managers emphasize the need for closer alignment and stronger partnerships with government policies and international organizations.

While voluntary standards aid in evaluating social and environmental performance, they alone cannot drive systemic change. In the context of Indian garment manufacturing, genuine transformation necessitates the integration of responsible practices into daily operations and greater involvement from local stakeholders, particularly governments. This study underscores the exploitative labor practices of middlemen, which aligns with other research on the Delhi NCR region, including the dependence on informal labor (Mezzadri, 2017). The findings also resonate with broader research on labor issues in the garment sector, where factory managers consistently dismissed the need for trade unions—a stance similarly reflected in industry reports from the Delhi NCR cluster (ILO, 2015). Therefore, it is essential for government schemes to establish safety nets, such as health and legal protections for workers, and enhance labor laws to level the playing field by ensuring all factories meet a minimum standard (Sharma, 2024). By serving as a "social intermediary" in the absence of trade unions, NGOs can also be extremely important in assisting and safeguarding these workers (Lund-Thomsen et al., 2021).

Collaborative, multistakeholder efforts that focus on credible leadership between public and private actors could be key to addressing these challenges- an approach that resonates with the findings of this study on the need for systemic solutions and strategic partnerships (Lanka, 2023). Managers emphasize the importance of brands and buyers taking a more proactive role in integrating countries like India into the process of shared responsibility and risk, thus helping to reduce the existing power imbalance. This perspective aligns with profit-sharing models, where establishing and enforcing strict rules around minimum pricing, price premiums, long-term contracts, and pre-financing could enhance outcomes (Bennett, 2024).

Interviews revealed that managers currently feel international buyers place significant pressure on managers to meet stringent social and environmental standards. As factory managers seek tangible returns from their engagement with voluntary standards, it is crucial to provide clearer incentives for certification processes and acknowledge the efforts of those making a genuine impact. This study supports and contributes to the literature asserting that senior management plays a critical role in implementing these standards to benefit both shareholders and broader societal stakeholders (Kakabadse et al., 2005; Waldman and Galvin, 2008). Therefore, reflective dialogues among brands, manufacturers, standard-setting organizations, consumers, and governments are vital for understanding the larger system (Senge et al., 2015).

Standard-setting institutions and international organizations must reevaluate their coordinating function and simplify their efforts. Managers have expressed frustration with the proliferation of overlapping standards, which create confusion and complicate the compliance process. Research indicates that around 80% of sustainability criteria are identical across global standards (Singh, 2024). A unified and streamlined set of standards would not only reduce the compliance burden but also enhance the effectiveness of voluntary standards, leading to more consistent and impactful outcomes.

Initially adopted as competitive strategies, this research reveals that voluntary standards are now viewed as tools for internal improvement by managers, enabling companies to better organize resources, knowledge, and technology. Managers state that they have made improvements in workplace owing to the changes brought in by the requirements of the standard. This finding challenges the argument that voluntary standards are primarily business survival strategies aimed at meeting stakeholder demands, rather than instruments for internal improvement (Mitchell et al., 1997; Simpson et al., 2012). The study highlights a growing commitment to sustainability, with companies starting to embed responsible practices into their core business strategies. In the factories analyzed, management received strong support from top leadership, reflecting the organization's intentional commitment to voluntary standards, as evidenced by manager interviews and the vocal backing of factory CEOs (Common Objective, 2019). Managers played a crucial role in driving adoption, ensuring thorough documentation of implemented practices, and fostering a culture of responsible manufacturing. The necessary framework for action was evident in the paperwork provided, which included worker committee member records, meeting schedules, and outcome reports.

Managers shared that they often set ambitious targets, exceeding the standards' requirements to support the community and create a better working environment for all stakeholders, a sentiment also echoed in external sources (Common Objective, 2019; No Nasties, 2022). Rather than treating sustainability as an ethical add-on, managers aim to integrate it into the fabric of their business operations. Despite this, the motivation behind these efforts remains largely economic—balancing social problem-solving with financial objectives.

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CHAPTER FIVE: CONCLUSION

This research aims to clarify the role middle managers play in implementing voluntary standards like Fairtrade International and GOTS and what manager roles and the challenges they encounter reveal about the potential of these programs to address key workplace challenges in the Indian garment industry. By integrating voluntary standards into their business models, managers argue that they are enhancing sustainability initiatives and improving operational efficiency and building stronger relationships with stakeholders. Yet, this study finds that middle managers are frequently struggling with contradictions in implementing voluntary standards. The position of middle level managers in the organizational hierarchy is set with dual claims of reconciling sustainability pressures, external to their business, with internal business imperatives. These competing priorities shapes the potential and constraints of voluntary standards in achieving their outcomes. This study contends that cotton manufacturing factories increasingly are working to integrate these voluntary standards with corporate social responsibility (CSR) for workplace improvements. However, manager interviews reveal that they see engagement with voluntary standards as related more closely to competitive differentiation than transformative reform. Senior management importantly sees profits tied to sustainability efforts, rather than consider CSR separate from profit seeking efforts (Werther & Chandler, 2011). Voluntary standards are geared towards promoting sustainability, yet frequently can be seen serving as strategic tools for market positioning rather than purely altruistic efforts (Kotler & Lee, 2009, Doyle et al. 2020). This interplay between corporate ethics and economic self-interest reflects in this dissertation where the industry adoption of voluntary standards in the cotton garment sector is motivated more by a desire for market access than an intrinsic ethical commitment for reforms in business practices. This strategic use of voluntary standards in making improvements towards innovations, resource efficient manufacturing practices and investments in technology for traceability, point to the critical role of middle management in actively negotiating sustainability and not simply implementing voluntary standards in global trade and exchange.

What does the research reveal about the potential of these voluntary standards for improving workplace conditions in India’s cotton garment manufacturing industry? Given these tensions, contradictions, challenges and complexities, the application and implementation of voluntary standards by managers alone cannot drive systemic change. Managers argue that they need greater collaboration between government agencies, standard setting organizations, and civil society to strengthen voluntary standard implementation and ensure there is meaningful change in workplace conditions in the garment industry. India's cotton clothing and textile sector is changing dramatically, and is emphasizing growth with international trade, sustainability, and voluntary standards. The role of the Indian government is critical in the transformations that are taking place in India. The Indian government is seeking to advance its cotton exports, cotton production and manufacturing as well as build partnerships to increase its dominance in cotton global trade. Speaking at Bharat Tex 2025, India’s largest textile event, Prime Minister Narendra Modi highlighted the country’s growing role in global trade:

> *“We are currently ranked as the 6th largest exporter of textiles and apparel in the world, with textile exports valued at approximately Rs 3 lakh crore (34.50 billion USD approximately). Our goal is to triple this figure and achieve exports worth Rs 9 lakh crore (103.51 billion USD approximately).” PM Modi expressed optimism that the textile sector would achieve this ambitious export target ahead of the 2030 deadline (The Economic Times, 2025).*

With these government initiatives, international trade alliances are also critical for enhancements in India’s competitiveness. With €9.5 million invested in seven projects, the

European Union (EU) is assisting India's textile industry with the goals of promoting sustainability, resource efficiency, and inclusive growth. About 200,000 women will gain economic empowerment from these projects, which will also help about 35,000 people, including 15,000 micro, small, and medium-sized businesses (MSMEs) (Vanderschelden, 2025).

Recent political instability in Bangladesh has also worked in India’s favor by prompting global brands to shift sourcing strategies towards India. Major global retailers, including JCPenney, Primark, Tesco, Decathlon, Duns, Kik Clothing, GAP, and Next, are increasingly engaging with Indian garment manufacturers and suppliers reinforcing India’s position as a critical player in the global textile chain (Suneja, 2025). These developments are critical as the interviews with managers revealed that government support is much needed in fully advancing towards the sustainability concerns of a global economy and consumer society.

However, even with these strategic developments, plans and partnerships, India’s cotton production is stated to decline by 7.4% in 2024–2025, from 32.5 million bales to 30.2 million bales due to climate crisis. Accordingly, it is anticipated that cotton exports will decrease from 2.85 million bales to 1.8 million bales (Reuters, 2024). The Indian government has responded to this issue by announcing a "Cotton Mission" in the recent General Budget 2025 for the country that would last for five years (The Economic Times, 2025). Cotton continues to be relevant for India’s future developmental plans and employment, especially in rural areas. Yet, environmental challenges and social concerns endanger its long-term sustainability and must be addressed (The Economic Times, 2025). These developments can further increase the pressure for managers to maintain production levels, amidst dropping production level and environmental crisis.

In this regard, the findings of this study highlight the perspectives of managers related to industry challenges and responses. The following section summarizes some of these perspectives, prospects, and learnings. It includes some of the steps that are already underway to make sustainable economic development a reality.

Firstly, the industry's sustainability objectives often clash with pricing competitiveness and the necessity for market responsiveness. As a response, leading manufacturers are implementing innovative business models to take advantage of the global shift towards sustainability. Managers combine cost-effective methods, like resource and process efficiency, to strike a balance between moral obligations and financial success. As has been found that securing contractual assurances from direct business partners to ensure compliance with responsible business conduct aids administrative costs (Abdulla, 2024). For instance, PHB Group is setting up an energy efficient factory with production capacity of 50,000 shirts each month, certified by Fairtrade, GOTS and other certifications (PHB, n.d.).

Secondly, the complex, multi-tiered garment supply chain makes ethical oversight at every stage challenging. With the potential for worldwide adoption, pilot programs in India are evaluating scalable business models for increased social and environmental impact. In this regard, bigger factories have the means to keep a close eye on their suppliers, which facilitates compliance. To ensure ethical production, global buyers for big brands like H&M and C&A prioritize sourcing from clothing factories that adhere to regulations and can assure traceability to lower-level suppliers and SMEs (Puri and Mishra, 2020). Compliance is essential for securing these contracts, making it a crucial requirement.

"*We should not frighten the MSMEs with jargon, rather simplify sustainability for them and give them an actionable input*". Sudhanwa Kopardekar, Mahratta Chamber of Commerce, Industries and Agriculture (ISSS, 2024).

Managers criticize uneven labor conditions and buyer purchasing tactics for inconsistent workplace conditions. There is some evidence that being sustainable can be economically viable, that can reinforce adoption of voluntary standards. Improved working conditions are possible with stronger corporate social responsibility (CSR) programs that foster a culture at work that is aligned with voluntary norms. In this direction, extended contract durations are linked to a positive commitment from manufacturers for creating trust and opportunities (Jiang, 2009).

Moreover, the pressure to maintain a positive global reputation enhances the need for compliance and workplace improvements, such as gender parity in leadership. Managers recognize that ethical business practices are essential, as violations like child labor can harm the company. Long-term business benefits, compliance, and better working conditions can be facilitated by active participation in voluntary standards.

"*It is important to share success stories as well as unsuccessful stories*."

Dr Aparna Dhawan, Head and Senior Counsellor (QMS), Confederation of Indian Industries (CII) (ISSS, 2024).

"*We must rethink and redefine what sustainability means in the business world*." Amitabh Kant, G20 Sherpa of India (ISSS, 2024).

Further, the complexity of regulations results in a dynamic and demanding compliance environment that overwhelms managers. In this context, India is presenting itself as a global manufacturing leader, claiming it has the potential to meet international standards and expectations. To reduce confusion and increase productivity, managers ask simplification of rules and the reduction of overlapping requirements. Fairtrade and GOTS are already members of ISEAL, a worldwide renowned organization that creates reliable sustainable practices and coordinates their work (ISEAL, n.d). GOTS received the ISEAL Innovations Fund Impulse Grant to strengthen auditor training and human rights due diligence in textile sourcing (Singsit, 2025).

> "*India is the country that can make the global Sustainable Development Goals a reality. India is increasingly developing coalitions for developmental cooperation. This leverages the international community*"- Shombi Sharp, UN Resident Coordinator in India (ISSS, 2024).

Additionally, risk-sharing mechanisms are frequently absent from profit-sharing arrangements, limiting long-term, sustainable development. Voluntary standards have the risk of being a used as a superficial intervention rather than driving significant change in the absence of shared accountability and cooperation. Cooperation amongst stakeholders, such as regulators, NGOs, workers, and factory owners, can promote ethical commitment and advancements in the industry. It is to be noted that Fairtrade India and the Centre for Social Markets (CSM), assists textile producers in implementing sustainable practices, particularly Micro, Small, and Medium Enterprises (MSMEs) in Tamil Nadu which facilitates risk sharing by providing advice on carbon reduction, water and waste management, energy efficiency, chemical safety, and certification needs (Fairtrade India, n.d.).

"*India's critical sustainability challenges are our challenges too*."- Ambassador Herve Delphin, Ambassador of the EU to India and Bhutan (ISSS, 2024).

Lastly, some managers that use voluntary standards view them as instruments for innovation, resource optimization, and internal growth. New digital technologies like blockchain and big data analytics are enabling more transparent and sustainable business operations. When stakeholders collaborate more successfully, long-term compliance is guaranteed, and workplace rules are more effective. A step in this direction is that the H& M group has appointed its Chief Sustainability Officer as CEO (H&M Group, 2020). In addition, with QR-based certification, the Kasturi Cotton Bharat program guarantees complete traceability of tagged bales. (Textile Insights, 2024).

While awareness of the need for social reforms in the workplace is growing, significant challenges remain in scaling up efforts and fostering deeper engagement. Moreover, while India deals with these domestic challenges in the cotton sector, it is also critical to note that the European Union is moving towards developing mandatory sustainability measures through the Corporate Sustainability Due Diligence Directive (CSDDD).

The European Union's Corporate Sustainability Due Diligence Directive (CSDDD) is stated to come into effect in 2027. It will mandate that large companies implement risk-based due diligence measures to identify, prevent, and mitigate adverse human rights and environmental concerns across their operations and broader business activities in the world (Abdulla, 2024; Cascale and Worldly, 2024).

Since global multinational textile operations have complex supply chains spanning across multiple regions, this new directive is particularly significant for this sector. However, a critical issue with its emergence is its scope. These large cotton garment businesses must not only monitor their own operations but also of their subsidiaries and indirect business partners, that is, throughout the entire supply chain (Abdulla, 2024; Cascale and Worldly, 2024). However, such a target and commitment are extremely challenging given the range of issues that have come in the way of effective implementation of voluntary standards in India.

The research critically illuminates managerial perceptions and frustrations over the redundancy and complexity of managing the multiple standards that have risen in the textile industry. They lament that these at times, feel like bureaucratic burdens that can divert focus from meaningful and substantive workplace improvements. However, from a governance perspective, this competition among standards may foster innovation, create opportunities for benchmarking and allow for continuous improvement. If only one dominant standard existed, it could lead to rigidity towards responding to diverse and fast emerging challenges or may even be co-opted by corporate interests. Thus, while standard proliferation results in administrative complexities, it can also help ensure corporate accountability to varying and diverse expectations from multiple stakeholders. I argue that rather than streamlining standards, a better stance would be to strive for responsible leadership, cooperation, and coordination between standards to help managers effectively navigate a high bar for social and environmental goals.

Findings from this study highlight that voluntary initiatives such as Fairtrade Textile Standard and Global Organic Textile Standard, while important, cannot function as stand-alone solutions to resolve persistent industry wide structural problems. For enhancing the on-ground implementation of these standards, managerial commitment is critical along with broader systemic factors, such as government enforcement of labor laws, collaboration between industry stakeholders as well as consistent consumer support. Middle managers are important nodes in production networks in global cotton trade, but they are constrained by overwhelming pressures that have been highlighted by this research. Stronger institutional frameworks, policies, and incentives are needed to explore the long-term impact of voluntary standards in the direction of improving workplace conditions. Mikler (2018), contends that reterritorialization of corporations is important to understand the politically contested nature of managerial roles and relationships reflecting the political power of local regions and contexts. This dissertation highlights the contested nature of managerial compliance to these standards. Transnational private regulation is structurally dependent on large factories and their managers to fulfil compliance requirements. As Ponte (2022) states, large organizations adopting voluntary standards create ripple effects throughout the global value chains. While some organizations gain competitive advantages from adopting standards, others can lose market share from being unable to do so (Le Baron et al., 2022).

Future research should further explore these developments and address this study's limitations, particularly the absence of worker perspectives and the narrow geographic focus on the NCR region, which restricted a more comprehensive engagement with managers from the Indian textile industry.

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