Producing Garments for Global Markets

Corporate Social Responsibility (CSR) in Myanmar's Export Garment Industry 2011–2015

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PRODUCING GARMENTS FOR GLOBAL MARKETS: CORPORATE SOCIAL RESPONSIBILITY (CSR) IN MYANMAR'S EXPORT GARMENT INDUSTRY 2011-2015

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Jinsun Bae

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IN MYANMAR'S EXPORT GARMENT INDUSTRY 2011–2015

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Corporate social responsibility (CSR) in
Myanmar's export garment industry 2011–2015

PhD Dissertation

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The PhD School in Economics and Management is an active national
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theoretical and empirical manner.

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List of acronyms

ADB	Asian Development Bank
ALR	Action Labor Rights
BFC	Better Factories Cambodia
BIF	Business Innovation Facility
BSCI	Business Social Compliance Initiative
CBI	Centrum tot Bevordering van de Import uit ontwikkelingslanden (Centre for the Promotion of Imports from developing countries)
CESD	Centre for Economic and Social Development
CIA	Central Intelligence Agency
CME	Coordinated market economy
CMP	Cut, make, pack
CSR	Corporate social responsibility
CTUM	Confederation of Trade Unions in Myanmar
Danida	Denmark's development cooperation agency
DFID	Department for International Development, United Kingdom
DICA	Directorate of Investment and Company Administration
EBA	Everything But Arms
ETI	Ethical Trading Initiative
EU	European Union
FGLLID	Factories and General Labour Laws Inspection Department
FOB	Free-on-board
GCC	Global commodity chain
GNI	Gross national income
GPN	Global production network
GSP	Generalized scheme of preferences
GT	Grounded theory
GVC	Global value chains
HKTDC	Hong Kong Trade Development Council
HR	Human resource(s)
ILO	International Labour Organization

IPEC	International Programme on the Elimination of Child Labour
KOGAM	Korean Garment Manufacturers Association
KOTRA	Korea Trade-Investment Promotion Agency
LME	Liberal market economy
LRDP	Labour Rights Defenders and Promoters
MCRB	Myanmar Centre for Responsible Business
MGMA	Myanmar Garment Manufacturer Association
MFA	Multi-Fiber Agreement
MNE	Multinational enterprise
MoLIP	Ministry of Labour, Immigration and Population
MSI	Multi-stakeholder initiative
NCP	National Contact Point
NGO	Non-governmental organization
NMWC	National Minimum Wage Committee
OECD	Organisation for Economic Co-operation and Development
SCORE	Sustainable, Competitive and Responsible Enterprises training offered by ILO
Sida	Swedish International Development Cooperation Agency
SLME	State-led liberal market economy
SMART Myanmar	SMEs for environmental Accountability, Responsibility, and Transparency in Myanmar
SME	Small and medium-sized enterprise
SOMO	Stichting Onderzoek Multinationale Ondernemingen (Centre for Research on Multinational Corporations)
SSB	Social Security Board (SSB)
UK	United Kingdom
UN COMTRADE	the pseudonym for United Nations International Trade Statistics Database
UNCTAD	United Nations Conference on Trade and Development
UNFPA	United Nations Population Fund
UNGC	UN Global Compact
US	United States
USD	US dollars

USDP	Union Solidarity and Development Party
VoC	Varieties of capitalism
WST	World-systems theory

Abstract (English)

A growing number of the multinational enterprises work with a global network of suppliers that undertake production activities on their behalf. These enterprises operationalize CSR by enforcing corporate codes of conduct in their networks. The export garment industry of Myanmar—a country emerging out of economic sanctions imposed by Western countries—is no exception to this CSR trend. International fashion brands and retailers (called buyers) have sought out garment manufacturers in Myanmar, with the capacity to implement their social and environmental demands laid out in buyer-designated codes of conduct. This buyer requirement of CSR has taken many manufacturers by surprise because they were previously unaware of it. To some, suppliers CSR itself has been a novel term, and to others, some provisions of the code of conduct seemed to contradict local ways of taking responsibility for workers and local communities. Against this background, the manufacturers and various stakeholders of Myanmar's export garment industry have begun to discuss what CSR means and how should one practice it.

This dissertation aims to answer the question of how and why has corporate social responsibility (CSR) been introduced, embraced and challenged in Myanmar's export garment industry during the period 2011 to 2015? The chosen empirical and temporal setting is highly suitable to examine the contestation of different CSR understandings exhibited by actors such as international buyers sourcing garments from Myanmar, and garment manufacturers and international donors in Myanmar. This study combines the global production network (GPN) analysis and institutional theories as analytical lens.

The first article, *Varieties of CSR in GPNs: How do buyers sourcing garments from Myanmar perceive CSR?,* investigates how home country institutional contexts would lead these buyers to adopt different CSR approaches in Myanmar. From the comparison of six buyers headquartered in five countries (Germany, South Korea, Sweden, United Kingdom, United States (US)), this study finds that the CSR approaches of European and US buyers did not vary across their national institution contexts. However, Korean buyers substantially diverge from the rest. European and US buyers prioritized ensuring their suppliers in Myanmar to comply with buyer-designated codes of conduct and to support this endeavor, sought collaboration with NGOs and

labor unions. Korean buyers, on the other hand, did not involve other actors and engaged in ad-hoc, philanthropic activities. This study concludes that the home country context of business-civil society relations can explain the marked difference of Korean buyers from the rest, but focusing on national institutional variation cannot fully explain why European and US buyers then adopt similar CSR approaches in Myanmar. Future research needs to pay attention to supra-national factors, such as transnational ethical sourcing initiatives, that propel Western buyers to adopt similar CSR approaches.

The second article, titled *Divergent CSR understandings and drivers: Institutional plurality facing garment exporters in Myanmar*, focuses on the question of how suppliers in Myanmar perceived and practiced CSR. These garment manufacturers face institutional plurality—multiple sets of rules, norms and cultural values —as a result of their participation in global garment production networks and embeddedness in Myanmar's local institutional contexts. They find themselves in the crossfire of buyer demands and local expectations as to how they should practice CSR. The study of 19 garment suppliers operating in Myanmar details how this condition of institutional plurality gave rise to three CSR understandings. The first group of suppliers working with high-profile global buyers considered it CSR to faithfully comply with buyers' social and environmental demands. For the second group, buyers did not govern supplier's ethical behavior and the CSR understanding of these suppliers heavily reflected local norms and cultural values about being socially responsible, such as paternalistic understanding of workers and emphasis on philanthropy. In the last group, suppliers wavered between the first two CSR understandings as they were complying with buyer's social and environmental demand, while remaining sympathetic to the rationale and value of local norms and cultural values. Some of them complained that buyer's enforcement of its codes of conduct delegitimized local ways of caring for workers and local communities. This study shows that to get a full picture of how suppliers in one country perceive and practice CSR, one should examine their linkages with buyers and buyer demands regarding CSR. It also highlights the importance of supplier's capability—capability to handle buyer's CSR demands—in navigating the institutional plurality to operationalize CSR in Myanmar.

Titled *Making sense of international donors' CSR promotion efforts and contradictory local responses in Myanmar's export garment industry*, the third article aims to understand how international donors attempted to promote their notion of CSR in Myanmar and what challenges

they encountered. These donors were promoting an understanding of CSR as respecting workers' rights and ensuring decent working conditions. This understanding was similar to that of European and American buyers as stipulated in their codes of conduct, but challenged the locally prevalent idea of CSR being paternalistic care for workers and discretionary exercise of philanthropy. The donors promoted their notion of CSR among local garment suppliers through various awareness-raising and capacity building activities. These activities were well-received among local garment suppliers who were eager to access large and profitable orders from Western buyers. Nevertheless, the donor's promotion endeavor had limited impact in changing the behavior and mindset of local garment suppliers. While these suppliers publicly expressed their wish to improve working conditions, including higher wage for their workers, they opposed the proposed minimum wage in 2015. This study analyzes that these suppliers considered the control mechanism (legally-binding mandate), constituents (buyers unwilling to share supplier's cost of meeting minimum wage), and environmental context (perceived damage on the cost-competitiveness of garments made in Myanmar) of the minimum wage to contradict with their organizational goals of survival and profit-seeking. In conclusion, this study demonstrates how local responses to the donor's CSR promotion effort are not fixed but evolving as local suppliers reflect on the compatibility of a promoted CSR understanding against their organizational goals.

Dansk oversættelse

Et voksende antal multinationale virksomheder styrer globale netværk af underleverandører, som producerer varer på deres vegne. Disse virksomheder arbejder med CSR (*Corporate Social Responsibility*) ved at indføre en række etiske retningslinjer, som deres underleverandører skal følge. Tøjindustrien i Myanmar- et land på vej ud af det økonomiske sanktionsregime - er ingen undtagelse til denne CSR-trend. Internationale mode brands og detailvirksomheder har i Myanmar fundet tøjproducenter med kapacitet til at implementere disse sociale og miljømæssige etiske standarder. For nogle leverandører har selve CSR-begrebet været nyt, medens andre leverandører har opfattet nogle af retningslinjerne som at være i uoverensstemmelse med den lokale måde at praktisere CSR på i Myanmar. Derfor er leverandører og andre interessenter i Myanmars eksportorienterede tøjindustri begyndt at diskutere, hvad CSR betyder, og hvordan det bør praktiseres i Myanmar.

Denne afhandling har til formål at undersøge, hvorfor og hvordan CSR er blevet introduceret og modtaget af forskellige interessenter i Myanmars eksportrettede tøjindustri i perioden 2011-2015. Den valgte empiri og tidsramme for studiet har gjort det muligt at analysere, hvordan CSR som begreb forstås, og hvordan det kommer til udtryk hos forskellige typer aktører, herunder internationale købere, der indkøber tøj i Myanmar, samt tøjproducenter og internationale donorer, der opererer i Myanmar. PhD-afhandlingen anvender GPN-analyse (*Global Production Network Analysis*) og institutionelle teorier inden for organisationsstudier som analytisk ramme for at besvare forskningsspørgsmålet.

Den første artikel med titlen *Varieties of CSR in GPNs: How do buyers sourcing garments from Myanmar perceive CSR?* undersøger, hvorledes hjemlandets institutionelle kontekst – herunder lovgivning, normer og kulturelle værdier – har indvirkning på, hvilke CSR-strategier internationale virksomheder anvender i Myanmar. Gennem en sammenlignende analyse af seks virksomheder fra fem forskellige lande (Tyskland, Sydkorea, Sverige, Storbritannien og USA) konkluderer denne artikel, at amerikanske og europæiske virksomheder forsøger at sikre, at deres leverandører i Myanmar agerer i overensstemmelse med deres etiske retningslinjer i samarbejde med NGO´er og fagforeninger. I modsætning hertil har koreanske virksomheder ikke involveret andre lokale aktører i deres arbejde med CSR i leverandørkæden. Deres CSR-

strategier har i stedet været kendetegnet ved *ad hoc* filantropiske aktiviteter. Artiklen konkluderer derfor, at hjemlandets institutionelle kontekst kan forklare den tydelige forskel mellem koreanske virksomheder og virksomhederne fra de andre lande, medens et fokus på nationale institutionelle variationer ikke kan forklare, hvorfor europæiske og amerikanske virksomheder gør brug af den samme tilgang til CSR i Myanmar. Fremtidige forskningsprojekter bør derfor være særlig opmærksomme på overnationale faktorer såsom transnationale etiske handelsinitiativer, der synes at drive vestlige virksomheder til at operationalisere de samme CSR-strategier.

Den anden artikel, med titlen *Divergent CSR understandings and drivers: Institutional plurality facing garment exporters in Myanmar,* fokuserer på, hvordan leverandører i Myanmar opfatter og udøver CSR. Disse tøjproducenter befinder sig ofte i institutionel pluralitet, hvor de navigerer mellem en række regler, normer og kulturelle værdier, som de møder som følge af deres integration i globale tøjproduktionsnetværk og deres indlejring den i lokale institutionelle kontekst i Myanmar. Undersøgelsen af nitten tøjleverandører i Myanmar belyser, hvordan denne institutionelle pluralitet har ført til tre forskellige forståelser af CSR hos de lokale leverandører. Den første gruppe af leverandører, der arbejder med højtprofilerede globale købere, forstår CSR som det at overholde købernes sociale og miljømæssige retningslinjer. Den anden gruppe af leverandørers forståelse af CSR afspejler i høj grad lokale normer og kulturelle værdier om social ansvarlighed som paternalistiske syn på arbejderne og filantropi i Myanmar. Den sidste gruppe af leverandører befinder sig midt imellem de to første CSR-forståelser, idet de forsøger både at overholde købernes sociale og miljømæssige krav, medens de samtidig forsøger at agere i overensstemmelse med lokale normer og kulturelle værdier.

Den tredje artikel, der har titlen *Making sense of international donors' CSR promotion efforts and contradictory local responses in Myanmar's export garment industry* har til formål at undersøge, hvordan internationale donorer har forsøgt at promovere deres egen forståelse af CSR i Myanmar, samt hvilke udfordringer de er stødt på undervejs i denne proces. Disse donorer har promoveret en forståelse af CSR, hvori respekt for arbejderrettigheder og bedre arbejdsforhold har været prioriterede. Denne forståelse ligner den, de europæiske og amerikanske købere har indskrevet i deres private standarder. Dog udfordres denne forståelse af lokale opfattelser af CSR som værende relateret til paternalisme og filantropi. Derudover promoverer donorerne deres CSR-forståelse blandt lokale tøjleverandører gennem forskellige

indsatser, herunder opmærksomhedsskabende kampagner og kapacitetsopbygningsprojekter. Disse indsatser bliver taget vel imod af lokale tøjleverandører, der er ivrige efter store og profitable ordrer fra vestlige virksomheder. Ikke desto mindre har donorernes arbejde begrænset effekt i forhold til. at ændre adfærden og tankegangen hos lokale tøjleverandører i Myanmar. Selvom disse leverandører udtrykte deres ønske om at forbedre arbejdsforholdene -inklusive højere lønninger til deres arbejdere- var de imod forslaget om at indføre en mindsteløn i Myanmar i 2015. Ph.d. afhandlingen viser, at tøjleverandører i Myanmar betragtede indførelsen af en mindsteløn som værende i uoverensstemmelse med deres organisatoriske mål (overlevelse og profit), fordi: a) loven var juridisk bindende, b) de internationale virksomheder ville ikke dele leverandørernes omkostninger ved overholdelse af reglerne om mindsteløn, og c) Myanmars internationale konkurrenceevne i den globale tøjindustri ville blive negativt påvirket. Afslutningsvis konkluderer denne afhandling, at lokale leverandørers reaktioner på donorers CSR-promovering ikke er statisk men udvikler sig i takt med at lokale leverandører reflekterer over sammenhængen mellem de af donorerne promoverede CSR-forståelser og deres egne organisatoriske mål.

1. Introduction

While the notion of corporate social responsibility (CSR) remains contested, multinational enterprises (MNEs) increasingly require suppliers located in developing countries to comply with their corporate codes of conduct as they seek to realize CSR throughout their globally dispersed production networks (ILO & OECD, 2014; UNCTAD, 2012). This trend has also arrived in the export garment industry in Myanmar, a country emerging from decades of military rule and international sanctions. Since establishing a semi-civilian government in 2011, the country has undertaken political and economic reforms and sought to deepen its embeddedness in the global economy. Myanmar's export garment industry has emerged as a cost-competitive source for international brands and retailers (CBI, 2013; Fair Wear Foundation, 2016), and many international buyers have demanded that Myanmar's garment manufacturers comply with their codes of conduct for suppliers (Stephanie Barrientos & Smith, 2007; Bartley & Egels-Zandén, 2015). A widespread reaction from Myanmar's manufacturers has been surprise and confusion about what the codes of conduct require and what they must do to meet the requirements. The Secretary General of the Myanmar Garment Manufacturers Association captured this sentiment when she said:

> With the collapse of Rana Plaza, Myanmar has become not just Asia's last great hope for cost-competitive sourcing, but Asia's last chance to "get it right" by developing an ethical and responsible garment industry. Still, there is a difference between the imagination how fast someone is able to run and the reality how fast the one can actually run... after a decade cut away from Western buyers—our factories had survived by producing high quality structured garments for Japanese buyers—after so much time out of touch with current trends and demands, how would we catch up? (Khine Khine Nwe, 2016)

Embracing CSR in the form of complying with buyers' corporate codes of conduct creates the economic expectation that compliant manufacturers will be permitted to supply buyers as long as they continue to honor the buyers' codes. It also has social and cultural implications: the introduction of new understanding and practices can influence or challenge local norms and cultural values that prescribe how a business can be socially responsible and what constitutes an appropriate form of work. The author of this dissertation considers what has happened since Myanmar's export garment industry encountered the notion of CSR, at a time when Myanmar is

not yet deeply embedded in the global economy and where local manufacturers have only begun to engage with MNEs' corporate codes of conduct.

1.1. Early perspectives on global economic integration

Before focusing on the case of Myanmar, it is important to locate this dissertation in the broader debate about the process of global economic integration and the associated opportunities and challenges that bear upon a developing country's local producers, workers, and other stakeholders. Theoretical debates concerning the relationship between national development and global economic integration are illuminating. Early debates focused on the country as a unit of development, and theoreticians offered deterministic views on what opportunities or perils the global economy affords to national development. One prominent school of thought, made up of various economic, social, and political theories, concerns development as modernization (Bernstein, 1971). These theories embraced the main idea of Europe's Enlightenment, that pursuit of rationality and empirical knowledge could modernize society. In these theories, the ideas and structures of European societies served as examples of modernized societies whereas non-Western societies were considered to be at "distant, uncivilized and immature stages in the progress of humanity" (Power, 2014, p. 157). This school of thought was interested in the question of how an underdeveloped country could catch up with a modern European country through democratization, state-building, and economic growth based on industrialization and trade with other countries (Pieterse, 1996).

A different school of thought took the view of development as dependency. Drawing from studies of underdevelopment in Latin American countries, dependency scholars see capitalism as a dual system of core and peripheral countries in which the prosperity of the former is derived from the economic dependency of the latter (Frank, 1966). For dependency theorists, the proposed imperative to achieve modernity through global economic integration is a disguise for the continued exploitation and economic dependency of peripheral countries (Conway & Heynen, 2014). This school of thought has been criticized for its failure to explain how such an exploitative relationship between the core and the periphery could be sustained over time (Kiely, 2017). In particular, this school does not sufficiently account for changes in relationship dynamics, such as the rise of East Asian countries as new and prominent players in the world economy since the second half of the 20th century (ibid).

World-systems theory (WST) emerged as an important advance on the aforementioned development theories. It elevated the discussion of national development onto the global (world-systems) level and made an early effort to link economic activities at national and global levels through propositions based on international division of labor (Gereffi & Korzeniewicz, 1994). WST has some similarity with dependency theories in that it sees the world economy as hierarchically stratified into core, semi-peripheral, and peripheral zones. According to WST, a small number of core countries profit from skill- and capital-intensive production while semi-peripheral and peripheral countries take lower surplus value from low-skilled, labor-intensive and resource-extractive production activities (Klak, 2014). This international division of labor characterizes the system of global capitalism and tends to reinforce the dominance of core countries (Bair, 2005). However, while dependency theorists consider the global economic system to determine the fate of an individual country's development, WST acts "less as a rigid theory based on three zones in the world economy, and more as a looser frame of analysis" (Kiely, 2017). WST scholars also recognize some dynamism and mobility within the world economy as peripheral countries achieve advancement in technology and transport (Hopkins & Wallerstein, 1994).

WST research planted the seed for more fine-grained and dynamic approaches to understanding the nexus between global economic integration and national development, to which this dissertation is indebted. In order to shed light on the international division of labor between core and peripheral countries, WST scholars use the concept of the commodity chain, defined as "a network of labor and production processes whose end result is a finished commodity" (Hopkins & Wallerstein, 1994, p. 17). Research on commodity chains examines how surplus value in a particular chain is created and dispersed. Inspired by the concept of commodity chains, but departing from its original premises, Gereffi and colleagues developed the notion of the global commodity chain (GCC) (Gereffi & Korzeniewicz, 1994). While WST scholars view commodity chains as mechanisms to configure and reinforce a hierarchical world economic system, GCC scholars view the chains as inter-firm networks linking manufacturers and suppliers. From this perspective, unlike WST scholars, GCC scholars approach globalization as a novel phenomenon (Bair, 2005). According to GCC scholars, GCCs are a new global economic system in which power dynamics are either buyer- or producer-driven (Appelbaum & Gereffi, 1994) whereas WST scholars assume that the global economy presents an uneven playing field between core and peripheral countries. GCC research further departs from the

WST by taking an active interest in the question of industrial upgrading, that is, firms' improvement of their positions within globalized commodity chains for greater economic gain. This interest leads to use of GCC research to generate national development policies and strategies for developing countries that focus on the industrial upgrading of local firms, export-driven industrialization, and integration into the global economy (Bair, 2005; Gereffi & Korzeniewicz, 1994).

The evolution of GCC research inspired similar approaches such as international production networks and the French *filière* concept. The publication of a special issue of the journal, *IDS Bulletin*, entitled "The value of value chains: Spreading the gains from globalization," in July 2001 was an effort to bring these GCC-inspired approaches together, and the editors advocated use of global value chains (GVCs) as the most inclusive metaphor (Gereffi, Humphrey, Kaplinsky, & Sturgeon, 2001). According to the editors, GVCs refer to globally dispersed sequences of value-adding economic activities in the production of goods or services; GVCs represent the workings of the global economy (Bair, 2005). GVC analysis is concerned with the input-output configuration of a particular value chain, the actors involved, and governance among actors (Gereffi, 1999; Gereffi, Humphrey, & Sturgeon, 2005). Within a value chain, there exists a lead firm (that is an MNE) that coordinates geographically- and functionally-dispersed production activities carried out by suppliers that are, in turn, either subunits of the lead firm or third-party entities. Value chain governance by a lead firm can be market-based, modular, relational, captive, or hierarchical (Gereffi, Humphrey, and Sturgeon (2005). GVC research maintains the spirit of the GCC by focusing on firm-level industrial upgrading, but marks a distinct advance by offering a broader repertoire of governance modes that are sector specific (rather than simply buyer- or producer-driven) and providing possible determinants of variations in governance, namely, complexity and codifiability of information, and supplier capabilities (Bair, 2005; Gereffi et al., 2005).

1.2. The global production network as a window on global economic integration

This theoretical overview arrives at the first main theoretical pillar of this dissertation: the *global production network (GPN)* as a heuristic framework for understanding how a developing country's development and global economic integration are intertwined. The GPN framework

has emerged as an important advance on chain-oriented research.[1] Table 1.1 builds on the work of Bair (2005) to compare and summarize the GCC, GVC, and GPN perspectives. GPN scholars criticize previous chain research for focusing solely on firm-to-firm activities along value chains as they explain the interplay between a developing country and the global economy. Instead, GPN scholars opt for the network metaphor and examine relationships in two dimensions (Coe, Dicken, & Hess, 2008). The vertical dimension concerns value chain relationships between buyers, intermediaries, and suppliers located in multiple geographies. The horizontal dimension considers relationships within a single geography as interactions between firm actors such as suppliers and local non-firm actors such as non-governmental organizations (NGOs). Including the horizontal dimension and non-firm actors in the realm of analytic interest distinguishes the GPN from the earlier firm-centric views. This renders location-specific context an important consideration in GPN analysis because local rules, norms, and cultural values can influence the behavior and mindset of local GPN actors and mediate the impact that value chain activities have on that particular geography.[2]

Table 1.1: GCC, GVC, and GPN: Contending frameworks for global economic integration

	Global Commodity Chains (GCCs)	Global Value Chains (GVCs)	Global Production Networks (GPNs)
Intellectual influences	1. MNE literature (Porter's value chain (1985)) 2. Comparative development literature	1. International business / industrial organization 2. Trade economics	1. MNE literature (Porter's value chain (1985)) 2. Economic sociology 3. Economic geography
Object of inquiry	Inter-firm networks in global industries	Sectoral logic of global industries	Inter-firm networks in global industries and their embeddedness in particular geographical spaces
Orienting concepts	1. Industry structure 2. Governance (distinction between producer- and the buyer-driven) 3. Organizational learning / industrial upgrading	1. Value chains 2. Governance models (modular, relational, captive) 3. Transaction costs 4. Industrial upgrading	1. Network configuration encompassing horizontal and vertical relationships 2. Non-firm actors as relevant GPN actors 3. Territorial, network, and

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[1] Whether GPN analysis yields truly different research outputs when compared with the GCC/GPN is an ongoing debate (Bair & Palpacuer, 2015; Levy, 2008) and taking a stance is not a major concern of this dissertation. Nevertheless, the author consciously chose and worked with the GPN perspective because she found its merits and analytical strengths to be more pronounced and relevant for her inquiry than those of the contending perspectives.

[2] Application of the GPN perspective to the nexus between global economic integration and national development comes with certain implications. A GPN is multi-scalar in nature and the researcher needs to examine what happens at the local, national, regional, and global levels, respectively and comprehensively. GPN analysis is also evolutionary and time-sensitive (Coe et al., 2008) and GPN researchers acknowledge that the constituents and configurations of any GPN change over time.

		and rents	social embeddedness 4. Institutions
Point of differentiation from predecessors	Compared to WST: 1. Brings an analytical focus to the firm level 2. GCCs are understood as recent and emergent mechanisms of the global economy (not as having existed throughout world history)	Compared to GCC: 1. Provides a more refined typology of governance 2. Develops a theoretical framework of value chain governance modes applicable across geographies	Compared to GCC/GVC: 1. Emphasizes the relevance of non-firm actors in production activities 2. The geographical and institutional embeddedness of GPNs is of interest
Key texts	Gereffi & Korzeniewicz (1994)	Gereffi et al. (2001), Gereffi et al. (2005)	Hendersen et al. (2002), Coe et al. (2008)

Source: This table builds upon the comparative table offered in Bair (2005) and is based on theoretical reviews in Bair (2005, 2008), Henderson et al. (2002), and Coe et al. (2008).

1.3. Institutional theories as a window on GPN actors

The role of institutions in GPN analysis makes it necessary to complement the GPN with a second theoretical pillar: *institutional theories* as understood the field of organization studies. One shared premise of institutional theories is that rules, norms, and cultural values grounded in a given geography inform and guide the mindset and behavior of local individuals and organizations (Jepperson, 1991; Scott, 1995). The author is aware that, parallel to this sociological approach, there exists the approach taken in institutional economics. Institutional economists also perceive institutions as "the rules of the game in a society or, more formally… the humanly devised constraints that shape human interaction" (North, 1990, p. 3) and acknowledge the importance of informal institutions, such as norms and cultural conventions, in shaping economic behavior (Williamson, 2000). Economic research has focused until quite recently on formal institutions due to the difficulty of capturing informal institutions as independent variables in statistics-based economic analysis (Neilson & Pritchard, 2009). In comparison, scholars of organization studies have paid greater attention to understanding how informal institutions inspire and inform incentive structures and the behaviors of individuals and organizations (Scott, 2014). Considering that a core topic of this study, CSR, manifests itself in formal rules, as well as norms and cultural interpretations, the author decided that her research could benefit more from the institutional theories of organization studies and their empirical applications than the approach taken in economic research.

An important premise of institutional theories in organization studies concerns the relations between actors (such as individuals or organizations) and institutions. Early theorists tended to

view actors as passive objects of institutional influence, arguing that actors located in a specific geography would conform to local regulatory, normative, and/or cultural demands (Thomas B Lawrence & Suddaby, 2006). This conformity was seen as the actors' way of seeking local legitimacy, propelling them to adopt similar structures and practices and to resemble one another (DiMaggio & Powell, 1983; J. W. Meyer & Rowan, 1977).[3] In the past two decades, this view has been in flux. Scholars have paid more attention to an actor's agency (Battilana, Leca, & Boxenbaum, 2009; Jarzabkowski, Smets, Bednarek, Burke, & Spee, 2013), recognizing that actors can not only conform but also compromise, avoid, defy, or manipulate institutional influence (Oliver, 1991).

The theoretical shift from passive actor to actor with agency rekindled an old debate about how actors can attain agency and attempt to resist (or even change) institutions when the institutions represent "enduring features of social life" (Giddens, 1984, p. 24) that shape how actors perceive reality. This quandary is called the paradox of embedded agency (Haunschild & Chandler, 2008), and various explanations have been provided in an effort to resolve it. Hirsh & Bermiss (2009) and Tilcsik (2010) note that internal reforms and external shocks can propel organizations to question or challenge existing local institutions as those institutions become less effective or relevant to actors' self-interests. Actors can also realize their agency in a gradual fashion. Seo and Creed (2002) argue that an actor's effort to achieve legitimacy through institutional conformity in one sector or sphere can increase the chance of its not conforming to institutional demands in another sector or sphere. If this misalignment continues, the actor becomes aware of institutional contradictions—"ruptures and inconsistencies both among and within the established social arrangements" (Seo & Creed, 2002, p. 225)—and finds it attractive and feasible to break away from or challenge existing institutions.

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[3] This institutional isomorphism presupposes an environment where organizations are motivated to homogenize (Boxenbaum & Jonsson, 2008). DiMaggio and Powell call this the *organizational field*, which they define as "those organizations that, in the aggregate, constitute a recognized area of institutional life" (DiMaggio & Powell, 1983, p. 148). Scott adds that field members share meanings and interact more frequently and intentionally amongst themselves than with non-members (Scott, 2014). Initially, the organizational field was understood as a static property exerting coercive, mimetic, and normative pressures on organizations and thus generating isomorphism (DiMaggio & Powell, 1983). This deterministic view was refuted as later studies observed organizations decoupling from isomorphic forces (Boxenbaum & Jonsson, 2008; Tilcsik, 2010) and even attempting to change institutions (Greenwood & Suddaby, 2006; Maguire et al., 2004). As a result, the static image of the organizational field is being replaced by a fluid, dynamic view of field membership, maturity, and other characteristics (Wooten & Hoffman, 2008).

Clarification of the paradox of embedded agency has nourished theoretical understandings of actor-institution relations. Research on institutional entrepreneurship, that is, the purposeful endeavor of actors to create or change existing institutions, began in the late 1980s (DiMaggio, 1988; Maguire, Hardy, & Lawrence, 2004; Powell & DiMaggio, 1991). More recent discussion in the organization studies literature warns, however, against studying only those actors that have succeeded in changing institutions, noting that this approach tends to reconstruct the process of institutional entrepreneurship retrospectively from successful instances of institutional change (Thomas B Lawrence & Suddaby, 2006). This approach risks over-rationalization of the institutional change process as if it happened according to an actor's master plan (Battilana et al., 2009; T. Lawrence, Suddaby, & Leca, 2011). Recent theoretical discussions, thus, emphasize the importance of paying attention to how an actor's agency works, even when there is no clear institutional change. In this regard, Lawrence and his colleagues (T. B. Lawrence, Leca, & Zilber, 2013; T. B. Lawrence, Suddaby, & Leca, 2009; Thomas B Lawrence & Suddaby, 2006) propose the institutional work thesis, which argues that actors purposefully engage in creating, maintaining, and disrupting institutions.

In line with these recent discussions of actor-institution relations, this dissertation presupposes that GPN actors possess and enact embedded agency in relation to the institutions of the location where they operate. Given that these actors are simultaneously embedded in GPNs that are led and coordinated by international buyers, this thesis makes the additional assumption that they are also exposed to the institutions—rules, norms, and cultural conventions—of their respective GPNs.[4] Assuming embedded agency implies that GPN actors pursue self-interest while still being conscious of behaving appropriately in social and cultural terms. From this angle, actors are understood to enact agency at all times, not only when they attempt to create or challenge existing institutions but also when overt action for institutional change is absent.

1.4. Defining CSR in this dissertation
The two theoretical pillars of this dissertation, GPN and institutional theories, help articulate at the macro-level how a developing country can integrate itself into the global economy and, at the micro-level, what economic, social, and cultural implications of global integration may be

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[4] The author considers the GPN as a space that encompasses multiple geographical points (e.g., manufacturing of a product in country A and consumption of this product in country B) and has multi-scalar implications, that is, implications at local, national, and international levels (Coe et al., 2008). The concept of space in this context is considered compatible with the concept of organizational field.

borne by local workers, firms and producers, and other stakeholders. A developing country deepens its economic integration when its local producers[5] increasingly participate as suppliers in GPNs coordinated by international brands and retailers. Against this background, non-firm actors, such as local civil society organizations and international development aid donors, have demanded that social upgrading—enhancement of the rights and entitlements of local workers through provision of better working conditions and protection of labor rights (S. Barrientos, Gereffi, & Rossi, 2011)—accompany economic gains from deeper linkages to GPNs (ILO & OECD, 2014; UNCTAD, 2012). They, therefore, advocate that social upgrading should inform the content and objectives of CSR in GPNs.

In practice, a connection between social upgrading and CSR cannot be taken for granted, especially when the notion of CSR remains contested. From the lens of institutional theories, disputes in defining CSR are inevitable because what falls into business responsibility and what constitutes an appropriate form of work differ across different national institutional settings (Jackson & Apostolakou, 2010; Kang & Moon, 2012; e.g., Matten & Moon, 2008).[6] For instance, international brands headquartered in Western societies consider it virtuous to place a strict limit on working hours and to hire only adults in their GPNs. Many stitchers of soccer balls and their employers in the Sialkot industrial cluster of Pakistan would disagree (F. R. Khan, Munir, & Willmott, 2007; Farzad Rafi Khan & Lund-Thomsen, 2011; Peter Lund-Thomsen, 2013). Stitchers and employers alike have criticized international buyers for shifting the production of soccer balls from workers' homes to factories and stitching centers. While the buyers prefer factory- and center-based production for the ease of monitoring suppliers' adherence to codes of conduct (such as limits on working hours and hiring age) stitchers prefer home-based stitching. The stitchers are said to be more efficient when they save commuting time and work flexible hours. As many stitchers are women, they appreciate working at home so they can simultaneously accommodate childrearing and other household duties that are primarily undertaken by women in Pakistan (ibid).

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[5] When the term 'producers' are used with 'firms', the former refers to non-firm commercial entities such as individual entrepreneurs or farms. In the context of Myanmar's export garment industry, 'producers' are used interchangeably with 'manufacturers.' When these producers function as suppliers of foreign brands and retailers, they are also called 'suppliers.'

[6] A national institutional setting or context consists of the institutions specific to a country.

Another debate centers on CSR as an institution. Scholars have been asking which form of institution—a rule, a norm, or a cultural value—offers the best way to conceptualize and operationalize CSR in GPNs (Brammer, Jackson, & Matten, 2012). One popular institution has been buyer enforcement of a corporate code of conduct accompanied by monitoring of supplier compliance through audits (Stephanie Barrientos & Smith, 2007; Nadvi, 2008). This approach has encouraged scholars to examine the extent to which this private regulation institution has delivered its promise of improvement in working conditions and workers' exercise of rights (e.g., Barrientos & Smith 2007; Locke & Romis 2010; Bartley & Egels-Zandén 2015; Distelhorst et al. 2016). A growing number of scholars have critically evaluated the efficacy and legitimacy of this institution by giving voice to developing country suppliers and their workers (e.g., De Neve 2009; Khan & Lund-Thomsen 2011; Ruwanpura & Wrigley 2011; Lund-Thomsen & Coe 2015). These scholars argue that certain demands of buyers ignore the local reality of work and workers' needs, for example, by placing a strict limit on working hours despite workers' wishes for longer hours and higher wages. Buyers are accused of placing a double burden on suppliers by demanding that they continually invest in meeting the buyers' labor and environmental demands at the same time as producing at the lowest possible cost. In the wake of growing scholarly attention to developing country actors, Knorringa and Nadvi (2016) propose that future research should focus on understanding local and national CSR institutions to help ascertain how these institutions may enable or constrain developing country producers and workers from embracing buyers' labor and environmental demands.

The author neither intends nor believes it possible to develop a universal definition of CSR. Rather, she aims to understand how different GPN actors embedded in different institutional contexts perceive CSR in their own terms and how these multiple perceptions interact, compete, or converge. For this inquiry, the author derives an understanding of CSR from Frynas and Blowfield (2005) and looks at corporate responsibility beyond legal compliance and individual liability. In this thesis, understanding of GPN actors' perceptions of CSR requires an understanding of (a) the social and environmental impacts of the business, (b) the behavior of the business' GPN partners (e.g., suppliers), and (c) how the business manages relations with its societal stakeholders.

1.5. The literature of CSR in GPNs

This dissertation takes inspiration from and builds upon the literature of CSR in GPNs, and this section aims to articulate what is known about the topic and what can be better understood. Three broad themes that emerge from the literature are introduced here.

1.5.1 Buyer approaches to CSR in GPNs

The first theme concerns how buyers operationalize CSR in their production networks. An increasing number of international brands, retailers, and supermarkets attempt to govern the ethical behavior of suppliers in developing countries through enforcement of their own (buyer) codes of conduct in those countries where local regulatory oversight is weak and unable to provide sufficient social and environmental protection for workers and local communities (Stephanie Barrientos & Smith, 2007; Nadvi, 2008).[7] Research on this theme reveals that private regulation has improved technocratic and measurable aspects of labor conditions, such as payment of wages and provision of occupational health and safety measures, at suppliers' production sites (S. Barrientos et al., 2011; Stephanie Barrientos & Smith, 2007; Bartley & Egels-Zandén, 2015). Yet, improvement has been insignificant when it comes to enabling workers and their representatives to negotiate their own rights and working conditions (ibid). Some studies examine other approaches to improvement in labor practices at suppliers' factories, for example, Locke and Romis (Locke & Romis, 2010) and Distelhorst et al. (2016) observe that improving work organization and internal management practices can improve supplier compliance with buyers' codes of conduct.

What has emerged from this research is that buyers' CSR approaches have generated uneven social upgrading effects, but the story does not end here. Lately, academics and policymakers have recognized the growing prominence of non-Western MNEs (especially Asian and Latin American MNEs) in GPNs. These MNEs have traditionally functioned as strategic first-tier suppliers to global brands and retailers for which they undertake critical functions, such as design and distribution of products and coordination of a network of lower-tier suppliers (Azmeh & Nadvi, 2014; Merk, 2014).[8] Some of them have begun to produce their own branded products, thus becoming buyers in their own right. At present, this phenomenon is captured only

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[7] While local discussions of CSR largely focus on social issues, international buyers, NGOs, and international development donors are also keen to include environmental issues (switch asia, 2016).
[8] When strategic first-tier suppliers coordinate a network of second- and third-tier suppliers, the first-tier suppliers assume the role of lead firms to the lower-tier suppliers.

weakly in the scholarly literature. In light of growing diversity in the national institutional origin of buyers, understanding the role of home country institutional contexts in buyer approaches to CSR in GPNs is a timely topic for investigation.

1.5.2 Supplier perspectives of CSR in GPNs

The second theme involves understanding suppliers' perspectives of CSR in GPNs. Suppliers play a central role in conceptualizing and enacting CSR in GPNs. Suppliers located in a developing country are channels through which offshore buyers locally enact their CSR visions. At the same time, because they are physically present in the country of manufacture and in horizontal relationships with workers, local governments, and civil society actors, suppliers can critically assess the rationale and feasibility of buyers' approaches to CSR, especially the social and environmental demands laid out in codes of conduct. The extant literature on this theme takes a critical view of buyer-driven ethical governance that makes suppliers' access to buyers' production networks conditional on their compliance with codes of conduct and describes suppliers' discontent with this approach. In social and cultural terms, suppliers find buyer-driven ethical compliance to be imperialistic as it imposes buyers' ideas of CSR without considering local needs and realities (De Neve, 2009; Farzad Rafi Khan & Lund-Thomsen, 2011). Scholars also speak of economic deprivation when buyers demand that suppliers both produce cheaply and enact buyer-defined ethical practices; meeting these buyer demands costs time and money, but suppliers are rarely compensated for their effort (Gooch, Hurst, & Napier, 2008; Ruwanpura & Wrigley, 2011). Meanwhile, a different kind of critique asks whether buyer-driven ethical governance truly enables and enhances the labor agency of developing country workers. Typical corporate codes of conduct assume workers engage in full-time factory-based employment and have access to labor unions. Scholars question this assumption because, in developing countries, many workers choose to work part-time or outside of formal factory premises in order to accommodate their personal needs (for example, many female workers favor part-time work so they can also manage family and household chores) (Carswell & De Neve, 2013; Peter Lund-Thomsen, 2013).

In summary, the empirical literature on suppliers' perspectives of CSR provides a critical view of buyer-driven ethical governance as CSR. However, it has not yet explicitly considered the fact that not all GPNs touching upon a developing country make this kind of ethical demand a pre-condition for access. Furthermore, even if different suppliers are located in the same

developing country, it cannot be assumed that they face the same degree of local institutional influence as they vary in terms of foreign or local origin, size, etc. Given these considerations, there is a need to extend current research on this theme to examine how supplier heterogeneity may give rise to differences in perceptions and outcomes of CSR in the country in which the suppliers operate.

1.5.3 Non-firm GPN actors' roles in shaping CSR in GPNs

The third theme considers non-firm GPN actors and their roles in shaping the meaning and operationalization of CSR in GPNs. As the list of non-firm GPN actors continues to grow, empirical studies have focused on identifying the diverse, relevant actors and understanding their roles in promoting certain CSR ideas and practices; CSR promotion entails not only introducing and embedding new CSR ideas but also contesting and attempting to change existing ones. Government authorities in a developing country where suppliers operate act as a form of non-firm actor whose relevance is often underestimated in face of the prevalence of buyer-led ethical governance. Schrank (2013) demonstrates how enhanced labor law enforcement in the Dominican Republic promoted better local firm compliance which subsequently improved Dominican suppliers' ability to meet the social and environmental demands of North American lead firms.

Attention has been given to civil society groups, including multi-stakeholder CSR initiatives (Hughes, Buttle, & Wrigley, 2007; Hughes, Wrigley, & Buttle, 2008), anti-sweatshop movements (Bair & Palpacuer, 2012), and NGOs (Stephanie Barrientos, 2013). Operating at local, national, and global levels, these civil society actors promote their ideas of CSR by trying to change the purchasing practices of targeted lead firms, the labor and environmental conditions on suppliers' production sites, and local laws and social norms in the countries where suppliers operate. An emerging body of scholarship examines the ways labor unions navigate different value chain governance conditions, the local production and labor regimes of developing countries (Riisgaard & Hammer, 2011), and why buyer-driven ethical governance has not led to more and stronger labor unions on supplier production sites (Egels-Zandén & Merk, 2014).

Scholars have also only recently begun to notice the relevance and potential of CSR promotion programs funded by international donors (Fayyaz, Lund-Thomsen, & Lindgreen, 2017). Donors'

CSR programs are designed to help local firms and producers in developing countries improve their labor and environmental practices so that they can handle the code compliance requirement of brands, retailers, and supermarkets that mainly serve Western country markets (Humphrey & Navas-Alemán, 2010; Staritz, 2012). The underlying logic is that exporting provides better opportunities for economic and social upgrading than domestic production and sales alone. The potential of international donors to shape the discursive and operative terrain of CSR in GPNs warrants further research.

1.5.4 Summary of empirical studies on CSR in GPNs

Table 1.2 provides an overview of the empirical literature that informed this section.

Table 1.2: Summary of empirical studies on CSR in GPNs

	Key insights	Under-explored questions	Relevant studies
Buyer approaches to CSR	1. Global lead firms demand that suppliers comply with their corporate codes of conduct. 2. The outcomes of this buyer-driven ethical governance are uneven; measurable outcomes have improved more than workers' rights.	Given the growing diversity of buyers' national institutional origins, does the home country institutional context matter for buyers' approaches to CSR in GPNs? If so, in what way?	Barrientos & Smith (2007), Nadvi (2008), Locke & Romis (Locke & Romis, 2010), Barrientos et al. (2011), Merk (2014), Azmeh & Nadvi (2014), Bartley & Egels-Zanden (2015), Distelhorst et al. (2016), and others
Supplier approaches to CSR	1. Some suppliers criticize buyer-driven ethical governance for being economically and culturally oppressive. 2. Buyer-driven ethical governance lacks regard for diverse forms of labor agency and worker needs.	Suppliers in one location can still be heterogeneous. Do their CSR perceptions and practices vary with this heterogeneity? If so, how?	Gooch et al. (2008), De Neve (2009), Khan & Lund-Thomsen (2011), Ruwanpura & Wringley (2011), Carswell & De Neve (2013), Lund-Thomsen (2013)
Non-firm actor approaches to CSR	1. Non-firm actors play a role in promoting and contesting CSR. They include government authorities, NGOs, and unions.	How do under-studied non-firm actors such as international donors attempt to promote or contest CSR?	Hughes et al. (2007, 2008), Humphrey & Navas-Alemán (2010), Riisgaard and Hammer (2011), Staritz (2012), Bair and Palpacuer (2012), Schrank (2013), Barrientos (2013), Egels-Zandén & Merk (2014), Fayyaz et al. (2017)

1.6. Theoretical contributions

In view of the two theoretical pillars, GPN and institutional theories, and the gaps identified in the literature on CSR in GPNs, this dissertation makes the following theoretical contributions. First, it conceptualizes the role of international buyers' home country institutional contexts in their approaches to CSR in GPNs. Considering the variation in buyers' national institutional origins, this conceptualization combines insights from the GPN and comparative institutional theory[9] streams of literature (Hall & Soskice, 2001; Kang & Moon, 2012). Second, the author draws on theoretical insights from the GPN and institutional plurality literature[10] (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011; Kraatz & Block, 2008) to enhance our understanding of CSR approaches at the supplier level by examining divergent perceptions and practices of suppliers located in one developing country. Third, in an effort to understand the role of international non-firm actors in discussion of CSR in GPNs, the dissertation examines CSR promotion programs funded by international development donors that promote their ideas of CSR to local firms and producers in a developing country. The author theorizes how these donors conceptualize CSR and attempt to promote it locally, with reference to the literature of the GPN and organizational response to institutional influence (Oliver, 1991).[11] The author believes that these contributions can enhance our understanding of the opportunities and challenges that CSR brings to local producers, workers, and stakeholders in developing and least developed countries that are trying to forge their paths of national development through deepening engagement with GPNs.

The author also believes that combining theoretical insights from the GPN and institutional theories provides opportunities for cross-cultivation and mutual strengthening of both perspectives. The GPN provides a heuristic framework to capture the globally dispersed product or service production activities of participating firm and non-firm actors and their inter-relationships. It is, however, limited in its ability to support elaboration of the institutional

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[9] Comparative institutional theories provide an analytical lens for comparison of different national institutions concerning CSR and help the researcher examine why firms of different national origin perceive and operationalize CSR differently. Among these theories, article 1 in chapter 5 of this thesis uses the varieties of capitalism (VoC) perspective (Hall & Soskice, 2001).

[10] The institutional plurality literature investigates and attempts to understand the situation in which actors are exposed to and navigate multiple, conflicting institutional demands.

[11] In the referenced article, Oliver provides a typology of strategic responses to institutional demands, including acquiescence, compromise, avoidance, defiance, and manipulation.

particularities of a given geography and their influence on local production activities as well as local implementation of buyers' CSR-related demands. This is where institutional theories come in. They help us to understand how and why GPN actors may exhibit different CSR perceptions and practices and how they navigate multiple and complex sets of laws and regulations, norms, and cultural values to introduce, promote, or contest certain notions of CSR. This theoretical combination also provides an opportunity to develop and refine institutional theories by considering their relevance and explanatory power in cross-national and multi-scalar settings.

1.7. Empirical context: Myanmar's export garment industry in GPNs

Before identifying a suitable empirical setting for this dissertation, it is timely to recall the quandary that the dissertation set out to resolve: the introduction of and contestation around CSR as a relatively new concept in a developing country arising from the country's deepening embeddedness in GPNs. In this regard, Myanmar's export garment industry is highly appropriate due to the country's experience of economic sanctions imposed by the West. Why does the experience of sanctions render this industry an excellent empirical setting for this study? Why were these sanctions imposed in the first place? This section provides background information and a justification for selecting the Myanmar export garment industry as the local context for the empirical research presented in this dissertation.

1.7.1 Economic and political context of Myanmar

Myanmar (also known as Burma) is the second largest country in Southeast Asia. It borders Bangladesh, China, India, Laos, and Thailand. The country is strategically located between China and India, and abundant in natural resources. It also has a young labor force. Given these attributes, Myanmar was well positioned to undertake and benefit from export-oriented economic development as its potential to access GPNs began to flourish (Griffin, 2014). Instead, decades of oppressive military rule and economic isolation rendered the country one of the region's poorest: the World Bank reports that, in 2015, about 32.1% of the population lived in poverty (2017). Gross national income (GNI) per capita stood at USD 1,190 in 2016, placing Myanmar's economic standing with those of Cambodia (1,140), Lesotho (1,270) and Bangladesh (1,330) (The World Bank, 2018).[12] Diversity characterizes Myanmar's societal

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[12] The World Bank uses GNI per capita (US dollars, converted from local currency using the Atlas method) to group countries by income groups. The organization justifies using this indicator because it is

make-up. It is home to more than 100 ethnicities with the largest ethnic groups being Bamar/Burman (68% of total population), Shan (9%), Karen (7%), and Rakhine (4%) (CIA, 2017).[13] In terms of religion, the country is predominantly Buddhist (87.9%) followed by Christian (6.2%) and Muslim (4.3%). The latest national census, conducted in 2014, estimated the total population to be approximately 51.5 million (UNFPA Myanmar, 2017).[14]

One needs to know a bit of country's political history to understand the context behind Western imposition of economic sanctions on Myanmar.[15] Myanmar achieved independence from British colonial rule in 1948 under the leadership of Aung San (the father of the country's current state councilor Aung San Suu Kyi). After a short period of parliamentary democracy, the military staged a coup in 1962; it controlled the government until 2011. Under the rule of the military junta, Myanmar's civil liberty and economic and social conditions severely deteriorated. Years of political suppression and economic hardship triggered two civilian uprisings, in 1988 and 2007, to which the junta responded with violent crackdowns resulting in civilian casualties and tightened control on citizens. These events attracted international attention to the brutality against citizens and the ruling junta faced increasing pressure for regime change from the outside. One pressure mechanism was the imposition of economic sanctions by the United States (US) and other Western countries. Continued international isolation, national economic hardship, and other factors influenced the military to gradually loosen its political grip.[16] Under the so-called *roadmap to disciplined democracy*, the military carefully crafted a plan to transition into a semi-civilian government under which the military retains veto power and

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useful and easily available…that is closely correlated with other, nonmonetary measures of the quality of life, such as life expectancy at birth, mortality rates of children, and enrollment rates in school (The World Bank, n.d.)

[13] The national census in 2014 used 135 ethnic distinctions. Some ethnic minorities contest this measure for not accurately capturing their true ethnic identities (MCRB, 2014).

[14] This estimate has been heavily criticized for intentionally neglecting Rohingyas. Rohingya is an ethnic Muslim group of about one million living in the Rakhine state in the Myanmar's northwest. Rohingyas lost their citizenships under the country's Citizenship Law 1982 and the government's position, and general public sentiment, are that they are immigrants from Bangladesh (Safdar, 2015).

[15] The following description of country's political history prior to the 2015 election draws from the report *Myanmar's Military: Back to the Barracks* (2014).

[16] Internally, younger and more reformist-minded military officers entered political leadership and there was a growing awareness that the country's dire conditions relative to those of their economically developing neighboring countries could threaten their legitimacy as rulers in the longer term. China, which has long guaranteed political and economic support for the ruling military, played an important external role. The political elites were concerned about their growing reliance on China and wanted to counter-balance China's influence by building relationships with other nations, mainly the US.

control over defense and security matters.[17] A partially free election in 2010 allowed the military-backed Union Solidarity and Development Party (USDP) to take government and Thein Sein, the then president and former military general, enacted a series of political and economic reform measures in 2011. This resulted in the freeing of the major opposition leader, Aung San Suu Kyi, from house arrest; ceasefire talks with ethnic armed groups; and the lifting of bans on the media (Katyal, 2011). Despite initial suspicion of the authenticity of these reform attempts, the international community soon came to accept them. Western governments subsequently restored their trade relationships with Myanmar and lifted economic sanctions (the European Union (EU) in 2013 and the US in 2016).

1.7.2. Myanmar's export garment industry and the introduction of CSR

Myanmar's turbulent history has shaped its export garment industry today. The country has been exporting garments since as early as the late 1980s, with the first garment exporter being a joint venture between a Myanmar military-owned firm and a South Korean firm.[18] Lured by the cheap cost of labor, Asian investors began to flock to Myanmar to set up factories and produce garments for the US and European markets. In 2000, more than 50% of made in Myanmar garments were exported to the US and nearly 40% to EU markets (Kudo, 2013). This export boom burst, however, when the US imposed economic sanctions on the country in 2003 under the *Burmese Freedom and Democracy Act*.[19]

With the US sanctions in place, most EU buyers stopped sourcing from Myanmar and the garment industry rapidly declined. Some factories managed to survive by developing new export destinations in East Asia and buyers from Hong Kong, Japan, South Korea, and Taiwan became dominant players in the industry. In 2010, Japan and South Korea absorbed 45% and 31% of Myanmar's garment export respectively (Griffin, 2014). This buyer demographic is set to change with the rise of EU country markets as export destinations.

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[17] Constitutionally, a quarter of the seats in parliament are allocated to the military. The constitution also gives the military a veto over constitutional change. The positions of commander-in-chief and the ministers of defense, home affairs, and border affairs are reserved for military officers.

[18] This historical description of Myanmar's export garment industry is based on the garment industry studies by Kudo (2005, 2013).

[19] The stated objective of the *Act* is "to sanction the ruling Burmese military junta, to strengthen Burma's democratic forces and support and recognize the National League of Democracy as the legitimate representative of the Burmese people" (U.S. 108th Congress, 2003, p. 1).

Since Myanmar's reform announcement in 2011, Western countries have begun to restore trade relationships with Myanmar. In 2013, the EU lifted its economic sanctions and granted Myanmar duty- and quota-free access to EU markets under the Everything But Arms (EBA) scheme (Directorate-General for Trade, 2016).[20] The US lifted its sanctions in October 2016 under an executive order signed by former US President Barrack Obama.[21][22] With these developments, Western brands and retailers have come to see Myanmar as a more attractive source of products and services. Two fashion giants, H&M and Gap, have been sourcing from suppliers based in Myanmar since 2014 (Mahtani, 2014). Trade statistics show strong growth in the EU as a market for Myanmar's garment exports. In 2014, the major destinations for the country's garment exports were Japan (38%), Korea (31%), and the EU (23%) and, at the current rate of growth, the EU is set to outpace Korea within a few years (HKTDC Research, 2016b). Apparel and textile industry media online magazine, *just-style*, reports that, according to the UN COMTRADE database, 45% of Myanmar's total garment export went to EU, 31% to Japan, and 16% to South Korea in 2016 (Gilmore, 2017). Observers believe that the growth in garment exports from Myanmar to the EU has contributed to the rapid growth in the country's exports to the world: the total value of Myanmar's garment exports to the EU in 2014 was USD 986 million, 8.9% of total export value and almost a threefold increase on its 2010 performance (USD 337 million and 3.9%) (HKTDC Research, 2016b).

Since the reforms of 2011, and with an influx of new buyers, CSR has become a topic of hot discussion in Myanmar's export garment industry. Many Western buyers state that they will only source from garment factories that comply with buyer-designated ethical guidelines (Mullins, 2015). These guidelines can be a buyer's code of conduct or similar guidelines developed and administered by an international CSR-standard setting entity such as the Business Social Compliance Initiative (BSCI) or Ethical Trading Initiative (ETI). The guidelines are commonly aligned with international standards, established by the United Nations (UN) and the

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[20] EBA access is granted to 48 countries designated least developed countries. Under the EBA, all exports except arms and ammunition enjoy favorable trade access to EU country markets.

[21] Even before the removal of the sanctions, Myanmar had been able to export some garments to the US following a US decision in 2012 to lift import bans on a selected list of goods from Myanmar. This has enabled made in Myanmar garments to reach US consumers since 2014 (Mahtani, 2014).

[22] On November 13, 2016, the US reinstated the Generalized Scheme of Preferences (GSP) for Myanmar. The GSP provides duty-free access to 5,000 kinds of products made in Myanmar (Office of the US Trade Representative, 2016). Not all garment products made in Myanmar are eligible for exemption of duty under the GSP, but re-instatement of the Scheme sends a signal that the US approves of Myanmar's efforts to improve labor rights and labor conditions (Gilmore, 2016; Office of the US Trade Representative, 2016).

International Labour Organization (ILO), to stipulate ethical and responsible working conditions and employer-worker relationships.[23]

The introduction of buyer-driven governance in the name of CSR has been received as new and unprecedented according to many Myanmar-based garment producers and workers; they argue that few pre-reform buyers (mostly Asian) imposed such conditions (Action Labor Rights, 2016; Gardener & Burnley, 2015). At the same time, the producers have come to realize the business necessity of meeting buyers' social and environmental demands if they want to produce for major US and EU brands and retailers (MGMA, 2015). The GPNs provide producers with new export frontiers with the potential to be more profitable than those of Asian buyers, due to orders of larger volume and value.[24]

1.7.3. Myanmar's embeddedness in the global garment economy

How is Myanmar's export garment industry embedded in the global economy? In terms of its vertical embeddedness (Coe et al., 2008), the country's value chain linkage is beginning to diversify with the entry of newer Western lead firms, but local garment producers are still weakly embedded in terms of their export share of the world garment trade. Myanmar (USD 912 million in export value) is a minor player in the export of low-end garments when compared with China (246,058), India (32,683), Bangladesh (24,330), and Vietnam (19,366) (Griffin, 2014).[25] Even in Japan and South Korea, two major destinations for Myanmar's garment exports, Myanmar's share of overall garment imports is less than 1%, as shown in table 1.3. In contrast, garment exports are much more significant to Myanmar's economy and national development. Garments are among Myanmar's major exports. In 2012, garments were the country's third largest export in terms of value, after natural gas and timber (Griffin, 2014). Being a labor-intensive industry, garment production plays an important role in local employment, especially the employment of low-skilled women migrating from poorer regions outside of Yangon, where

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[23] Frequently cited sources of inspiration are the Universal Declaration of Human Rights, the ILO's fundamental conventions (eight in total on the issues of freedom of association, collective bargaining, elimination of forced labor and child labor, and non-discrimination) and the UN Guiding Principles on Business and Human Rights.

[24] The global textile and garment industry, representing about 4% of total global trade, is known to be relatively stable with the top 20 markets remaining unchanged between 2008 and 2013 (Griffin, 2014). As a single country market, the US is the largest destination for textiles and ready-made garments, accounting for about 16% of global textile and garment imports (ibid). This explains the high anticipation among Myanmar garment manufacturers that the country's reforms may revive exports to the US to the pre-sanction level, when the US imported nearly half of the country's garment exports (Myat Noe Oo, 2015).

[25] Textile and garment export data for Myanmar is a 2012 estimate based on the UN COMTRADE values published in 2013.

most garment factories are located. Nearly 350,000 workers are employed in more than 300 export garment factories and 90% of them are women under 25 years old (Lawson, 2016; Theuws, Overeem, ALR, & LRDP, 2017).[26]

Table 1.3: Myanmar's five largest export markets for textiles and garments in 2010

Importers	Value of imports, world (USD millions)	Value of imports from Myanmar (USD millions)	Myanmar's market share (%)
Japan	41,502	102	0.25
Republic of Korea	11,812	90	0.76
Georgia	228	35	15.35
Spain	17,383	25	0.14
United Kingdom	31,175	21	0.07

Source: Griffin (2014, p. 21)

Other than the legacy of economic sanctions, what might explain Myanmar's weak vertical embeddedness in GPNs? A frequently cited reason concerns the limited service that Myanmar producers can provide to international buyers.[27] Most producers offer the cut, make, pack (CMP) manufacturing service[28] to international buyers. Under CMP, buyers provide fabric, raw materials, and production specifications to producers who then engage in labor-intensive manufacturing. Garment producers in Myanmar have repeatedly expressed their wish to offer free-on-board (FOB) services in which they would also handle fabric and raw material sourcing (see figure 1.1 for an illustration of the difference between FOB and CMP), but this has been institutionally disincentivized. Myanmar's current tax policy exempts import tax only if the import is for the provision of a CMP service; if it is for FOB, importers (that are garment producers) have to pay import tax (Griffin, 2014).[29] The producers have been demanding that the government support their transition to FOB and change the tax policy accordingly. They argue that, by offering FOB services, they can gain more from global garment production

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[26] Nevertheless, questions remain about whether and, if so, how these garment sector jobs can generate meaningful social contributions by improving livelihoods and enabling the rights of workers. NGOs and unions are particularly interested in this issue (Action Labor Rights, 2016; Gardener & Burnley, 2015; Theuws et al., 2017).

[27] Among other reasons, the country has low capacity to produce raw materials such as fabric and accessories (ILO Liaison Office in Myanmar, 2015) and Myanmar produces only 6% of the total quantity of cotton demanded (Griffin, 2014). General underdevelopment of basic infrastructure, such as well-paved roads and a stable supply of electricity, also bears the blame.

[28] CMP is also known as CMT (cut, make, trim).

[29] Sizeable foreign-owned manufacturers in Myanmar get around this issue by having their head offices in home countries arrange sourcing and shipping of production inputs to their garment factories in Myanmar to do CMP production. This option is not available to locally owned garment manufacturers and foreign-owned garment manufacturers set up and operating only in Myanmar.

networks and collectively increase their competitiveness with other garment exporting countries that already offer FOB and other extension services (MGMA, 2015).

Figure 1.1: CMP vs. FOB modes of production (Source: Myanmar Garment Manufacturer Association)
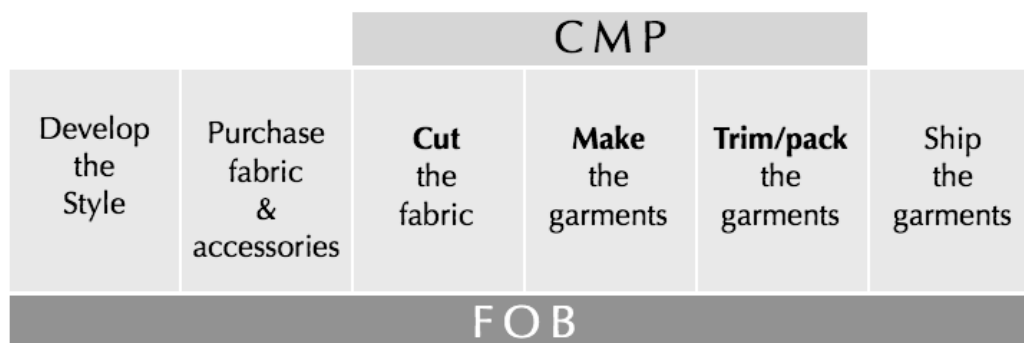
1.7.4. The institutional context of CSR in Myanmar

Global discussion and demands for CSR funnel down to Myanmar's export garment industry via vertical value chain linkages mediated by the horizontal dimension, namely, Myanmar's institutional context encompassing laws, policies, norms, and cultural values (P. Lund-Thomsen & Coe, 2015). This section elaborates on the horizontal dimension with respect to the role and responsibility of business in society. To begin with, labor laws and policies are the most prominent and relevant institutions for the regulation of corporate behavior in Myanmar. By comparison, environmental regulations are largely absent and only beginning to emerge. Since 2011, the Myanmar government, with the assistance of the ILO, foreign governments, and various international NGOs, has been reforming its labor law regime. Labor law reform has provided legal grounds for activities and practices that were previously prohibited or unregulated, including (to name a few) the legalization of labor unions, the provision of dispute settlement mechanisms, and the specification of what constitutes the minimum legal age to work.

Table 1.4 provides an overview of CSR-related legislation in Myanmar. The Ministry of Labour, Immigration and Population (MoLIP) is the government body responsible for developing and implementing these laws and policies. Garment producers interact with this ministry on various issues including, but not limited to, government inspections of their factories, seeking Sunday work permits, and payment of social security payments for their workers (Action Labor Rights,

2016).[30] Despite this ambitious reform at the legal and policy level, actual legal enforcement on the ground has been weak or uneven (Action Labor Rights, 2016; Fair Wear Foundation, 2016; Gardener & Burnley, 2015). Poorly-staffed and perfunctory government inspections; no effective punishment for violating producers, contradictory provisions in different laws, and poor communication of legal updates to local labor offices and garment producers are some of the persistent enforcement problems.

Table 1.4: Myanmar's laws and guidelines regulating social and environmental aspects of business

Labor laws, rules, and guidelines	Environment laws, rules, and guidelines
Payment of Wages Act 1936 Factories Act 1951 (amended 2016) Leave and Holidays Act 1951 (amended 2006) Labour Organization Law 2011 and Rules 2012 Settlement of Labour Disputes Law and Rules 2012 Social Security Law and Rules 2012 Employment and Skills Development Law 2013 Minimum Wages Act 2013 and Rules 2013	Factories Act 1951 (amended 2016) Environmental Conservation Law 2012 and Rules 2014 Environmental Impact Assessment Procedure 2016 Environmental Quality Standards 2016

Sources: DICA (2016); ILO Liaison Officer for Myanmar (2017)

The idea of business being socially responsible is also profoundly influenced by what are considered informal institutions (North, 1991; Scott, 1995), such as norms, taken-for-granted assumptions, and cultural values. Despite the difficulty of delineating the norms and cultural values underlying the notion of CSR—and the risk of over-simplifying these institutional features—informal institutions are considered influential in the shaping of local CSR-related discourse and practice.

First and foremost is Buddhist ethics. While the country is ethnically diverse, the dominant majority of the population (almost 90%) follows Buddhism. Buddhist ethics have profound effects on what locals perceive to be a socially responsible act (Jang-sik Park & Chae, 2014). A prime example is the Buddhist emphasis on the act of charitable giving. Buddhists in Myanmar

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[30] The Factories and General Labour Laws Inspection Department (FGLLID) of the MoLIP is responsible for inspecting garment factories' compliance with labor laws. Garment factories planning overtime or Sunday work should seek advance permission from the FGLLID along with information about replacement holidays (in the case of Sunday work). The Social Security Board (SSB) is concerned with the collection and disbursement of social security payments by employers and employees. The MoLIP has labor offices at the state, division, and township levels and it is the township-level labor office that approves individual employment contracts and works on industrial relations issues.

believe in rebirth, and philanthropic acts are associated with building religious merit in the expectation of positive outcomes in the next life (Welford & Zieger, 2013). Therefore, it is common to see individuals, regardless of their wealth or socioeconomic status, make philanthropic donations to Buddhist monks or those who are less fortunate. Given this religious emphasis and the associated convention of individuals practicing charitable giving, there exists a tendency among locals to intentionally or unintentionally confound CSR with corporate giving (Kyaw Hsu Mon, 2016).

Second, similar to other Asian societies, strong hierarchical relationships exist in various settings in Myanmar, including employer-employee relationships. When the rule of law is too weak to regulate employers and protect the rights and legal entitlements of employees, the expectation of ethical and responsible leadership tends to rest on the employer's personal sense of morality and benevolence (Kim & Moon, 2015). Phrased differently, employers may be perceived to be socially responsible if they treat their employees with respect, kindness, and generous welfare. This emphasis on private morality and employer benevolence may be equally, if not more, important than the employer's knowledge of and compliance with legal obligations (Goddard, 2014).

Compared to individualistic Western societies, it is more common in Myanmar to see younger members of the family (e.g., children) make decisions in the interest of family well-being (Jang-sik Park & Chae, 2014). Especially when parents have insufficient income, their children—even those of primary school age—may make conscious decisions to drop out of school and join the workforce (ILO-IPEC Myanmar, 2015). A large number of the female workers in the garment industry have migrated from poorer regions to work in factories in Yangon so that they can support families back home with their remittances (ibid). Despite the rising cost of living in Yangon, which makes it increasingly difficult for workers to get by on their own, these workers continue to send a large portion of their salaries to their families (Action Labor Rights, 2016). Some employers have taken note of this self-sacrificing act and provide workers with interest-free loans, which can be deducted monthly from their salaries. Others offer extra rice, soap, and other in-kind benefits for workers to share with their families (Jang-sik Park & Chae, 2014).

Last, but not least, the legacy of the half-century-long military authoritarian rule in Myanmar deserves a mention because it has a profound impact on today's relationships between business

and civil society. Under the pre-reform military junta rule, many civil society actors, especially those of a political character (e.g., unions and labor NGOs), were suppressed for being pro-democracy and anti-government (Jesnes, 2014). This situation has changed gradually over the past several years. A legal framework has been established for the setup and operation of labor unions and NGOs, and interest groups representing employers and workers have come to the fore of policy advocacy. This development has a number of implications for Myanmar's export garment industry. Considering that labor unions and NGOs have become active only recently, garment producers in Myanmar and, to some extent, local government officials, are likely to remain wary of acknowledging these new actors as legitimate industry stakeholders. In turn, this apprehension has hindered both sides from establishing the kind of trust- and dialogue-based working relationships seen in Western capitalist systems (Hall & Soskice, 2001; Matten & Moon, 2008). Furthermore, producers' faith in workers and organizations that represent workers' interests suffered severely when a wave of strikes took place shortly after the legalization of unions in 2012.[31] Business owners often refer to this period as an example of how workers could easily take control, and unions and labor NGOs take the workers' side irrespective of the legitimacy and legality of their demands (Roughneen, 2014).

What do these horizontal institutional contexts in Myanmar mean with respect to the unfolding discussion of CSR in the country's export garment industry? As mentioned earlier, the term CSR has been introduced and popularized since the arrival of European and North American buyers that make supplier status conditional on compliance with corporate codes of conduct. CSR in the form of meeting these private ethical guidelines of buyers comes with certain institutional assumptions that contradict the local institutional reality of Myanmar outlined so far. Buyer CSR is "located in wider responsibility systems in which business, governmental, legal, and social actors operate according to some measure of mutual responsiveness, interdependency, choice, and capacity" (Matten & Moon, 2008, p. 407). These systems call for institutional foundations, such as a functioning market, corporations that can choose to respond to external

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[31] When labor unions became legal in 2012, labor disputes surged with the participation of 6,784 workers in 13 enterprises in the first two months alone; in April and May of the same year, the number of disputes increased with the participation of over 38,000 workers in 58 enterprises (Gillan & Thein, 2016). The vast majority of strikes took place spontaneously and without following legal procedures although this problem was later addressed with interventions and training by local labor NGOs. During this process, factory-level labor unions were formed and some of them joined union federations. Since then, civil society actors representing worker interests have worked closely with various foreign actors (such as the ILO, international NGOs, and unions) to educate workers about their rights while proactively taking part in discussion and development of policies concerning business responsibility toward workers.

events and influences, a state that acts on behalf of society's interest to facilitate market actors and address instances of market failure, and an empowered civil society (ibid). In many developing countries, including Myanmar, such foundations are missing or weak (Amaeshi, Adegbite, & Rajwani, 2016). Myanmar's workers have relied on personal relationships, such as the goodwill of employers and moral support from peers, to ensure acceptable employment conditions. There is little trust in the government, given its past record of oppression and poor and inconsistent enforcement of laws (Slow, 2015). Labor unions and NGOs are fairly new entities and have yet to establish themselves among garment producers as relevant and legitimate stakeholders in the industry (Theuws et al., 2017). This local reality suggests that Myanmar's responsibility system has evolved differently to that of foreign buyers, making what these buyers consider CSR foreign and not taken-for-granted by local suppliers. Therefore, despite the growing popularity of the term CSR, its precise meaning remains highly contested in Myanmar's garment industry.

1.8. Empirical contributions

The author believes that studying the case of Myanmar's export garment industry brings several empirical contributions. First, this study examines the hitherto under-investigated context of Myanmar. Since announcement of the country's reform in 2011, Myanmar has been a focus of international attention. Foreign investors consider the country to be one of the last untapped markets in Asia and a promising alternative to China as a place for sourcing labor-intensive products (HKTDC Research, 2016b). NGOs, trade unions, and international development actors are interested in supporting the country's reform process in a way that spurs equitable, pro-poor economic development (Action Labor Rights, 2016; Gardener & Burnley, 2015; Theuws et al., 2017). Nevertheless, there has been little academic research on economic and business topics in Myanmar (with notable exceptions such as Holliday, 2005; K. E. Meyer & Thein, 2014) due to problems of data access and poor availability of reliable quantitative and qualitative data (Win, 2014). This dissertation addresses the knowledge gap by providing timely information on Myanmar's business environment and actors in the context of the export garment industry.

This thesis also enhances our understanding of how different actors in GPNs perceive and practice CSR in the context of a developing/least developed country; for example, multinational enterprises currently sourcing or planning to source labor-intensive products from developing countries can take a cue from the CSR approaches of international buyers in Myanmar's export

garment industry. This research also examines the CSR perceptions and practices of garment manufacturers, providing a useful indication of the discursive and operative context of CSR in Myanmar's export garment industry. This information will be useful for organizations interested in promoting certain ideas of CSR—whether they be local government agencies keen to improve legal compliance or civil society actors promoting a kind of CSR based on international labor and environmental standards. Organizations can also learn from the experience of other compatible actors in Myanmar, as described and discussed in this dissertation, and use this knowledge to inform and guide their own strategies and actions.

1.9. Research questions

This dissertation aims to answer the following overarching question: how and why has CSR been introduced, embraced, and challenged in Myanmar's export garment industry?

In keeping with the time-sensitive nature of GPN analysis (Coe et al., 2008), the temporal context of this dissertation is limited to the period 2011 to 2015. The year 2011 marks the beginning of Myanmar's liberal and market-oriented reforms; since this time, the industry has seen profound changes, especially at the regulatory level. Data collection for this study concluded in 2015. This was also the year that a landmark institutional change with a potentially profound impact on the industry was set in motion: the enactment of the country's first-ever national minimum wage (CESD Labor Market Research Team, 2016).

Therefore, the author unpacks the overarching question into three sub-questions linked with key GPN actors during the period 2011 to 2015:
1. How and why did buyers from different countries differently conceptualize and implement CSR with their Myanmar suppliers?
2. How did Myanmar's garment manufacturers perceive and practice CSR, and what might drive divergence in their understanding and practice of CSR?
3. How did international development agencies introduce and promote their notions of CSR in Myanmar's export garment industry, and what challenges did they encounter?

Each of the sub-questions is considered in an empirical paper included in this thesis. These articles aim to address overlooked themes in the empirical literature on CSR in GPNs.

2. Philosophy of science

The research question of this dissertation presupposes the contested nature of CSR characterized by multiple co-existing and competing perceptions and practices of CSR in GPNs, especially where they meet Myanmar's export garment industry. This calls for a philosophy of science that allows multiple interpretations of a given phenomenon or notion. The author is also interested in mechanisms that give rise to contention, which requires going beyond phenomenological inquiry to examine various possible causal processes. In this way, the ontology and epistemology of this dissertation reflect critical realism (Bhaskar, 1998).

A central feature of critical realism lies in a differentiated view of reality. In the real world, objects have certain structures and powers that exist objectively and independently of our perceptions (Danermark, Ekstrom, Jakobsen, & Karlsson, 2002). However, because our empirical approaches are subjective and theory-laden, we cannot directly or precisely experience or capture these objects, structures, or causal powers. We can only comprehend them via concepts and meanings we ascribe to them (Welch, Piekkari, Plakoyiannaki, & Paavilainen-Mäntymäki, 2011). In the gap between objective reality and our subjective perception of reality, there exists a realm (called the *actual*) that holds a vast number of causal possibilities. The causal powers of an object—say, the influence of Buddhist ethics on the CSR perceptions of local garment manufacturers in Myanmar—exist, but are not always activated. Instead, they are enacted under certain conditions, such as lack of another strong influence on CSR perceptions or an individual's strong faith in the Buddhist religion. In the words of Sayer, "what has happened or been known to have happened does not exhaust what could happen or have happened" (2000, p. 12). This view has important implications for claims of causation.[32] It becomes necessary to understand not only what may have caused an observed phenomenon but also under which conditions, that is, "the spatio-temporal context in which causal mechanisms operate" (Welch et al., 2011, p. 748). In line with this philosophy, this dissertation delves beyond the multiple perceptions and practices of CSR present in Myanmar's export garment industry in an attempt to understand their underlying causal mechanisms. Considering the institutional environments of

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[32] Critical realists do not consider regularity or frequency in observed events as an indicator of causation; this view differs from the positivist idea of causality. Critical realists also disagree that a bigger sample is better in terms of drawing generalizable conclusions.

the industry and delineating the temporal context of this inquiry to the period 2011 to 2015 are among efforts taken by the author to carefully demarcate and examine contingent conditions for causation.

Given the gap between objective reality and subjective understanding, how can a researcher get closer to the reality? Critical realists advocate abductive inference, a constant comparison and iteration between theory and data.[33] A theory is an abstract form of insight meant to be applied across socio-temporal, geographical, and other contexts. The context-free nature of a theory cannot fully account for an observed reality that involves actors and a researcher, each with their own subjective meanings and perceptions. Aware of this discrepancy, critical realists adopt abductive reasoning with the goal of refining an existing theory in a new context or attaching new theoretical meaning to an empirical event. The researcher is encouraged to constantly compare theory-driven propositions and emergent insights from data, making use of "creativity and the ability to form associations" (Danermark et al., 2002, p. 93). Such re-description and re-contextualization were at the heart of the data analysis, discussion of findings, and drawing of theoretical and empirical contributions when the author wrote the empirical papers included in this dissertation.

Acceptance of critical realism has certain methodological implications. Critical realists advocate methodological pluralism without favoring either quantitative or qualitative research (Welch et al., 2011). They argue that the choice of research methods depends on the methods' expected ability to ascertain and explain causal mechanisms of the phenomenon, leading to either an *intensive* or an *extensive* research design (Sayer, 2000).[34] This dissertation opts for intensive research, the aim of which is to understand why certain things happen or how a particular process works in a single or small number of cases. This corresponds well with the central research question of this thesis, which asks how and why CSR has been introduced, embraced, and challenged in Myanmar's export garment industry. Accordingly, this dissertation benefits

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[33] Critical realists are skeptical of pure induction or deduction. They argue that both types of logical reasoning are grounded in the positivist idea that an absolute form of the reality is out there to be discovered by an objective researcher. Deductive theory-testing and inductive theory-building remove the researcher from the theory development process and fail to recognize that the researcher's pre-existing empirical and theoretical knowledge might have informed or influenced the process (Charmaz, 2006).

[34] Extensive research deals with the extent to which certain patterns or common characteristics appear in a given population. It is more suited to large-scale interviews or surveys analyzed with statistical tools.

from interview-based qualitative research techniques, which are discussed in detail in the next chapter.

3. Methodology

3.1. Qualitative case study

The overall research question of this thesis—how and why has CSR been introduced, embraced and challenged in Myanmar's export garment industry?—guides the choice of research methods. As this question calls for understanding the generative mechanisms and contingent conditions that activated multiple contested perceptions and practices of CSR, an intensive research design (Sayer, 2000) studying a single or small number of cases (Danermark et al., 2002) is warranted. Correspondingly, case study emerged as a natural and strong methodological choice (Ragin, 2012; Welch et al., 2011). Although it is correct to call it intensive case study, the author uses the term, qualitative case study, instead because it is more familiar to most readers.

Researchers have used case studies to build theoretical constructs, propositions, or mid-range theories grounded in empirical data (K. M. Eisenhardt & Graebner, 2007) or to test or refine existing theories (Welch et al., 2011). Unlike the positivist approach to case study, which favors studying multiple cases rather than a single case (K. Eisenhardt, 1989; Yin, 2003), the critical realist approach proposes that both case study designs are equally valid as they serve different purposes (Fletcher & Plakoyiannaki, 2011). Multiple case design helps researchers compare different cases or use multiple cases to test a chosen theory or theoretical construct using the logic of replication (Yin, 2003). The single case design, on the other hand, allows the researcher to concentrate on the nature, causal processes, and contexts of a phenomenon chosen for its unique value. Regardless of the chosen case design, critical realists warn against swiftly generalizing case study outcomes to the population from which they are drawn (Fletcher & Plakoyiannaki, 2011). Both designs are applied in this dissertation. The articles on international buyers and on suppliers in Myanmar employ multiple case design for the purpose of comparison. The article on donor-funded CSR promotion programs employs the dual-mode (single) case design,[35] in which individual cases become units of analysis to understand the CSR promotion program as a particular kind of non-firm GPN actor.

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[35] Yin (2003) would call this an embedded single case design.

Critical realist case analysis differs from its positivist counterpart by giving due consideration to contextual information about the cases and assuming multiple causality. In order to understand how and why certain events occurred, one needs to identify and trace causal processes as well as historical, temporal, geographical, and spatial contexts (Welch et al., 2011).[36] As causal explanations are context-dependent, it is important to understand the conditions under which causal processes came about. The critical realist design also takes into account the possible multiplicity of causal processes. Due to our empirical inability to perceive real things and events, one observer's inferences are not the only possible inferences about the causal processes and contingent conditions that generate a given outcome. Putting these lessons into practice, in each empirical article the author takes an in-depth look at the spatial-temporal and institutional contexts under which the phenomenon under study has emerged. Some information for such consideration appears in section 1.7, which provides an overview of the empirical context of this thesis. The rest emerges from the data analysis and discussion of empirical findings in each empirical article and the author has refrained from making sweeping claims that are context-free.

3.2. Progressive focusing in qualitative research

Various research methods textbooks and articles discuss what to study with qualitative research and how to conduct such research. However, they often gloss over the fact that the qualitative research process is non-linear (Rudolf R. Sinkovics & Alfoldi, 2012b). In practice, the researcher often becomes aware of an awkward or imperfect fit between their initial research design and the research context of the site or organization they set out to investigate (ibid). Consistent with this observation, the research experience of the author of this dissertation has been far from linear and sequential. Her efforts to be truly intensive in a critical realist sense, and to constantly compare theory-driven propositions and data-driven emergent insights, gave rise to several roundabouts and feedback loops in the research process.

The concept of progressive focusing helped the author conceptualize the non-linearity of her qualitative research process and thus bring a sense of clarity and assurance to the researcher herself. Progressive focusing refers to an investigative process characterized by "a gradual

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[36] As a real-life example, the export-oriented economic growth model for East Asian countries in the 1960s and '70s cannot guarantee the same success when applied in other countries with similar attributes (such as size, population, and gross domestic product) because their historical, temporal, and geographical contexts differ.

clarification, and sometimes transformation, of the research problem" (Hammersley, 2006, p. 241). This guides the researcher to

> be well acquainted with the complexities of the problem before going to the field, but not too committed to a study plan [which in practice entails] first observation of the site, then further inquiry, beginning to focus on the relevant issues, and then seeking to explain (Stake, 1981, p. 1 cited in Sinkovics and Alfoldi 2012, p.824)

Acknowledging non-linear dynamism does not mean that the researcher can simply ignore literature review, theory-informed discussions, or formulation of propositions (Suddaby, 2006). What sets progressive focusing apart from purely inductive and theory-absent study is its emphasis on abductive reasoning based on careful review of previous theories and empirical literature (Rudolf R. Sinkovics & Alfoldi, 2012b).

Inspired by an example of progressive focusing introduced in Sinkovics and Alfoldi (2012b), the author dedicates this section to a description of her qualitative research process from its inception to dissertation completion. The author began her PhD in July 2013 with a broad interest in the role of foreign investment in shaping political and economic institutions in Myanmar, as a case of a transition economy. Her intention at that time was to contribute to international business, a field primarily concerned with multinational enterprises and cross- and transnational business activities (Beugelsdijk & Mudambi, 2013; Buckley, 2002). She narrowed her focus to the country's export-oriented garment industry, which has a track record of import and export with Asian markets, even during the period of US- and EU-imposed economic sanctions.

The author conducted two preliminary field visits to Yangon, Myanmar, in December 2013 and July 2014, to survey the local research environment and to identify and build rapport with local actors who could provide research support. Once she decided to focus on Myanmar's export garment industry, she reached out to the Myanmar Garment Manufacturer Association (MGMA), which provided the opportunity to visit for one month as an independent researcher. During this stay, she had a number of informal conversations with the MGMA secretariat and its collaborating partners, including representatives of international organizations, foreign NGOs, and donor-funded CSR promotion programs. These interactions crucially shaped the research process in three ways. First, she learned that there was only anecdotal evidence of how garment manufacturers perceived and practiced social responsibility. The foreign organizations she

interacted with were especially curious about garment manufacturers because it had not been easy to establish relationships or obtain information from those that were not active in the MGMA. They were also curious about how existing buyers of Myanmar-made garments, especially Asian MNEs, operationalize and ensure Myanmar suppliers meet their demands for CSR. Second, during her stay, the author witnessed several survey-based studies on the industry, a couple of them exclusively focused on the issues of garment workers. This motivated her to look for different topics and research methods in order to avoid research overlap. Third, various local and foreign non-firm actors were trying to influence the discursive and operative context of CSR in the garment industry. The author was particularly drawn to CSR promotion programs. Funded by European governments as part of their development assistance in Myanmar, these programs appeared to the author to provide a novel channel for introduction and promotion of certain CSR ideas.

Her second trip informed the author about how her study could generate the greatest impact and relevance given her intellectual interest and the realities of working in the field. She decided to study the CSR perceptions and practices of Myanmar's garment manufacturers, their buyers, and non-firm actors advocating CSR; at this point, she did not decide which non-firm actor she would like to focus on. She chose not to focus on workers since they were receiving much research interest. She also chose an intensive research design using interviews, an approach that was consistent with her research interests and that would also avoid methodological overlap with ongoing survey-based studies in the industry. She also realized the need to branch out to other disciplinary literature and theories to better account for the complex reality she observed. For example, an MNE-centric theory cannot fully account for Myanmar's garment manufacturers because some were set up and operate only in Myanmar. This led her to ground her dissertation primarily in the GPN literature advanced by economic geographers (Coe et al., 2008; Henderson et al., 2002) and institutional theories from the organization studies literature (information on these theoretical pillars can be found in sections 1.2 and 1.3).

After recalibrating her research design, the author undertook formal fieldwork in Yangon from May to September 2015. She conducted interviews with garment producers located in the industrial zones shown in figure 3.1, and with representatives of various non-firm actors—labor unions, NGOs, and CSR promotion programs—involved in explicitly or implicitly introducing and promoting their ideas of CSR in the industry. It was during this time that she also sought

information about which international brands and retailers were sourcing from Myanmar; such information was not readily accessible in the public domain at that time. As expected, data collection in Myanmar was far from easy (as detailed in section 3.4). What the author did not expect was that, soon after her arrival in the field, Myanmar's National Minimum Wage Committee (NMWC), made up of representatives from the government, business, and labor, presented a proposal to set the minimum wage at 3,600 Burmese kyats (about USD 2.80) a day. This caused much stir and frustration, especially among garment manufacturers whose production processes are labor-intensive. The manufacturers argued that the proposed minimum was too steep an increase from the existing industry average of 1,500 kyats a day. The author thinks this event affected her data collection in several ways. It monopolized the attention of garment producers, who became deeply preoccupied with finding coping strategies for the expected minimum wage. This may have lowered the success rate of securing interviews. It might also have triggered some producers to overstate their sense of vulnerability as suppliers in GPNs and project a more pessimistic view of the business prospects of Myanmar's export garment industry. There was also an upside to these challenges. Many interviewees—garment producers and others—referred to the ongoing minimum wage controversy, even when they were not prompted. Therefore, the minimum wage emerged as a key theme in the interviews. This experience confirms the importance of the temporal context and other contingent conditions when trying to discover a social phenomenon, as critical realists and GPN scholars argue (Coe et al., 2008; Welch et al., 2011). In hindsight, the author felt lucky to have experienced this surprise from the field and reflected upon it in her empirical article on CSR promotion programs.

Figure 3.1: The location of Myanmar (with Yangon in circle) and map of the Yangon industrial zones where the dominant majority of export-oriented garment factories are located
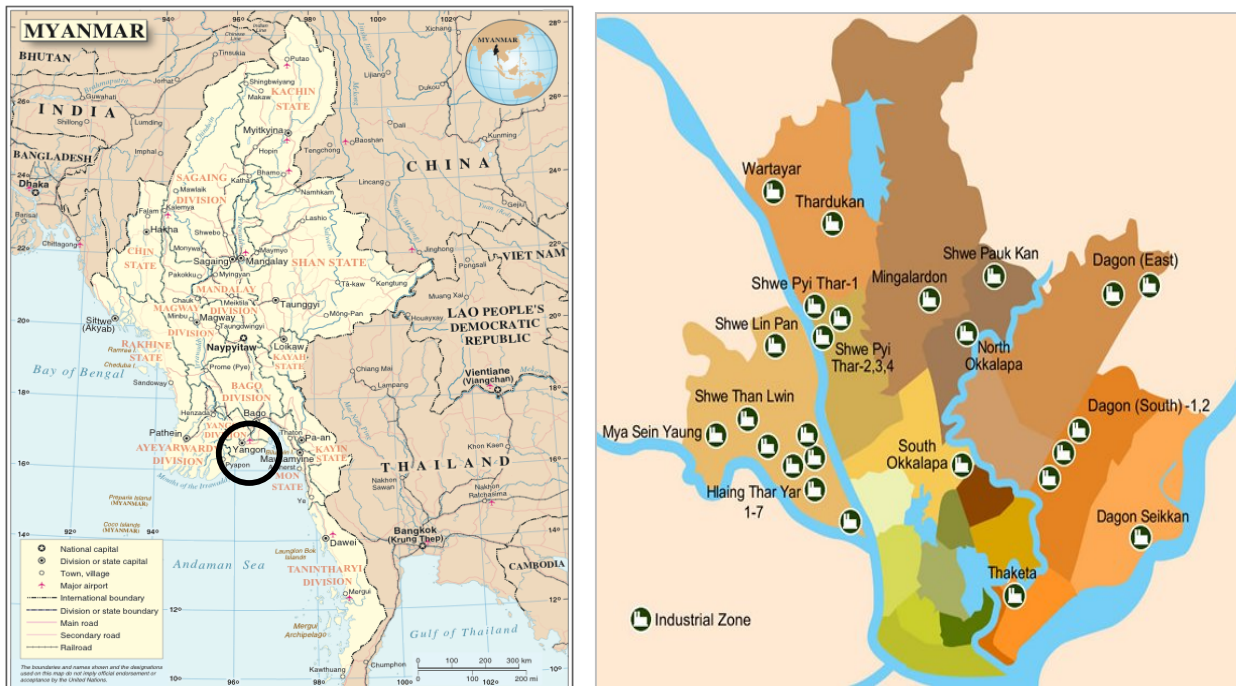
Map of Myanmar (United Nations, 2012)   Yangon's Industrial Zones (HKTDC Research, 2016a)

After the fieldwork, the author engaged in securing and conducting interviews with international companies that sourced garments from Myanmar, as well as offshore international non-firm actors that were working to influence the discursive and operative contexts of CSR in the industry. These interviews were done mostly by Skype. For informants based in South Korea, the author conducted in-person interviews when visiting Seoul, South Korea, for two weeks in October 2015. Data collection and analysis progressed until the first half of 2016. By the time the author transcribed all the interviews and completed initial reading of the entire data, it became clear that she would dedicate her empirical papers to garment producers in Myanmar, their international buyers, and the donor-funded CSR promotion program as a unique non-firm GPN actor. This progressive focusing process is summarized in figure 3.2.

Figure 3.2: Author's dissertation development process as a case of progressive focusing (inspired by the visualization provided in Sinkovics and Alfoldi (2012b, p. 829))
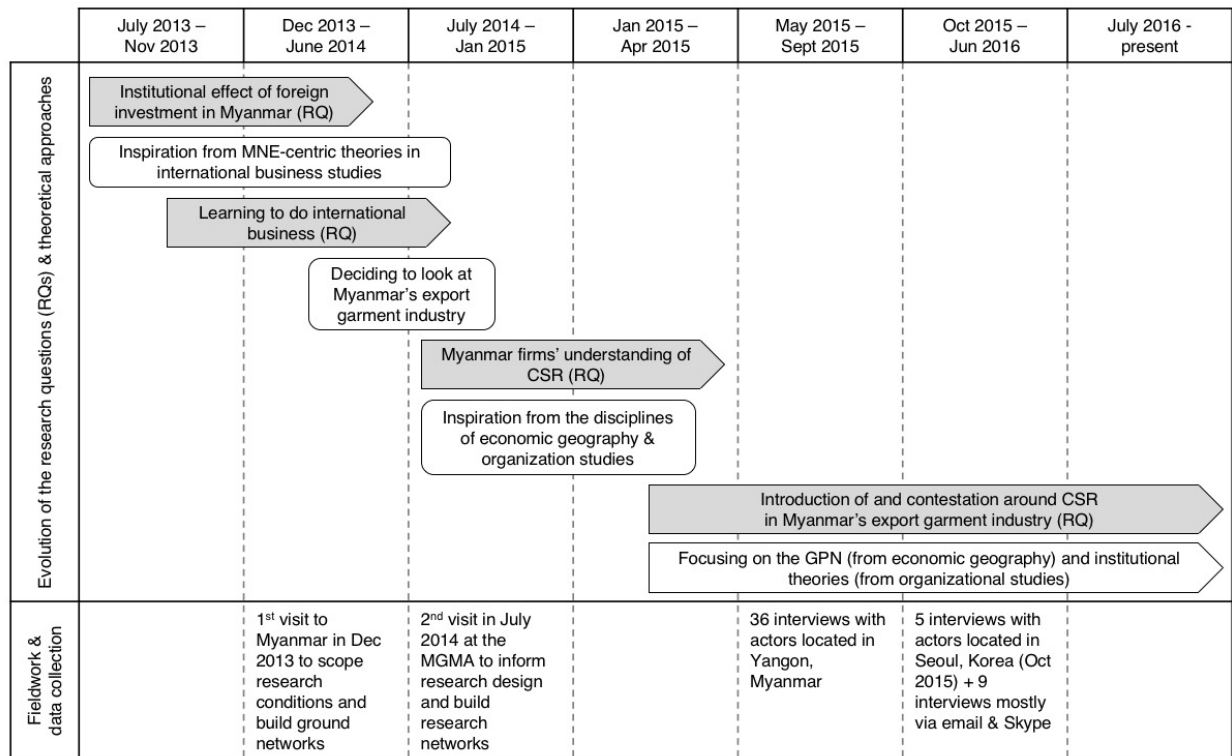
3.3. Case selection

This dissertation is composed of three empirical articles using case studies. Each article focuses on a key GPN actor that the author selected based on its relevance to the research question the article addresses and the potential the actor offered for theoretical and empirical contribution. First, it was obvious to the author that she should conduct empirical inquiry on international buyers sourcing garments from Myanmar and Myanmar-based garment producers because both are expected to actualize *corporate* social responsibility. Indeed, the author had already decided to study these actors before commencing her fieldwork. By contrast, she chose to zoom in on international development donors after her fieldwork, which had revealed to her that a wide variety of non-firm GPN actors were trying to promote their ideas of CSR in the export garment industry.[37] Because lumping them in an aggregate category of non-firm GPN actors ran the risk of neglecting the particularities of individual non-firm GPN actors, the author decided it would be most sensible to focus on one specific non-firm GPN actor. She chose international

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[37] If one presupposes the GPN actors to be like cases, post-fieldwork case selection of this kind is not unusual, according to case study scholars in the critical realist tradition who acknowledge the emergent nature of the case selection process. Critical realist scholars argue that case selection can happen after the researcher enters the field because a topic of study is "deeply nested in the case study milieu" (Fletcher & Plakoyiannaki, 2011, p. 182) and "may also evolve over time, driven by newly emerging theoretical avenues, modifications to the research design… or information collected through fieldwork" (Rudolf R. Sinkovics & Alfoldi, 2012b, p. 826).

development donors because their role in promoting a new understanding of CSR in GPNs has not been widely examined (Fayyaz et al., 2017). In addition, these donors exhibited a unique modus operandi in the promotion of their CSR understanding: they urged the corporate actor to respect national and international labor and environmental standards through training, capacity building, and dialogue with local garment manufacturers. This approach differentiated the donors from labor unions and labor NGOs, which often engage in anti-corporate campaigning and monitoring of production practices at individual factories to demand that manufacturers enhance their compliance with national and international labor standards (Bair & Palpacuer, 2012; Egels-Zandén & Merk, 2014). Table 3.1 provides an overview of the three empirical articles, highlighting the focal GPN actor and case study design taken in each.

Table 3.1: Case study designs in this dissertation		
Overall question: How and why has CSR been introduced, embraced, and challenged in Myanmar's export garment industry?		
GPN actors in focus: (1) international buyers of Myanmar-made garments (2) Myanmar-based garment manufacturers (3) international development donors promoting a new CSR understanding through their garment industry projects		
(1) First empirical article (multiple cases)	(2) Second empirical article (multiple cases)	(3) Third empirical article (single case with multiple embedded units)
Case: Buyers of five different national origins sourcing garments from Myanmar	Case: Garment exporting companies based in Myanmar	Case: International development donors as a unique kind of non-firm GPN actor
Units of analysis: these firms	Units of analysis: these firms	Units of analysis: Garment industry projects funded and implemented by these donors as part of their development assistance to Myanmar

For each empirical study, the author used purposive sampling to select cases. Purposive sampling refers to a group of sampling strategies that purposefully, instead of randomly, select cases in order to examine an event, phenomenon, or process in depth (Patton, 2002). This sampling approach corresponds well with the objectives and scale of intensive research and of qualitative case studies in particular. For her empirical inquiries into international buyers and Myanmar-based garment manufacturers, the author adopted maximum variation sampling (a purposive sampling technique) to draw on variation in interviewee profiles and potential analytical outcomes (Fletcher & Plakoyiannaki, 2011). For international buyers, she approached brands and retailers representative of established buyers of Myanmar-made garments (in East

Asian countries) and newer buyers in Europe and North America. For Myanmar-based garment producers, she aimed to capture diversity in terms of size (small, medium and large); export destination (mainly Asian countries, EU, US, and mixed); and countries of majority ownership (locally-owned, and foreign-owned encompassing Hong Kong, Japanese, Korean, mainland Chinese, and Taiwanese investors). It was difficult to execute the ideal form of maximum variation sampling when many companies turned down interview requests or simply did not respond. Therefore, the author complemented maximum variation sampling with snowball sampling. On several occasions, representatives of companies she had earlier interviewed and organizations that worked closely with buyers or suppliers introduced her to interviewees; being introduced helped her establish trust with potential interviewees and enhanced the legitimacy of her research. International development donors attempting to promote a new CSR understanding were sampled on the basis of their unique value as representatives of this non-firm GPN actor. Adoption of critical case sampling (Fletcher & Plakoyiannaki, 2011) in this way allowed the author to gain rich information about international development donors and theorize this actor's role in conceptualizing CSR in Myanmar's export garment industry.

3.4. Data collection
3.4.1. Semi-structured interviews

This dissertation capitalizes on several sources of qualitative data. Interviews are the primary source of information and they took most time and effort to collect. The author conducted 50 interviews with informants representing international buyers, garment producers, and non-firm actors operating in Myanmar's export garment industry.[38] See table 3.2 for an overview of the interviews conducted.

Table 3.2: Interview summary statistics (N = 50)

By actor		By language	
International buyers	6	English	26
Garment producers in Myanmar	19	Korean	13
Donor-funded development projects that promote a new CSR understanding	6	Burmese	10

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[38] Two interviewees worked for companies that were not sourcing from Myanmar at the time of contact. One was working for the Hong Kong office of an American fashion brand and responsible for managing its CSR programs (including supplier ethical compliance). The other was working for a Hong Kong garment manufacturer and responsible for compliance with buyers' ethical requirements. The author conducted informational interviews to gain an outsider view of CSR in Myanmar and to understand the institutional context of Hong Kong from which a number of Myanmar-based garment manufacturers have originated.

| Other stakeholders (government, unions, NGOs, academics, etc.) | 17 | Japanese | 1 |
| Informational interviews with firm actors not operating in Myanmar | 2 | | |

The author employed the semi-structured interview technique, which Patton (2002) calls the interview guide approach. This technique allows systematic and comprehensive collection of information about themes of interest while creating room for individual interviewees to elaborate upon or add new insights. The author prepared a standard interview guide for each GPN actor and tailored it prior to each interview. The guides comprised questions under following themes: 1) profile of the interviewee's firm or organization; 2) garment production in Myanmar (not applicable for non-firm interviewees); 3) perception of the social responsibility of business; 4) ways of realizing or practicing the social responsibility of business; 5) changing institutional contexts for implementation of this social responsibility following Myanmar's reform in 2011.[39]

The following considerations were made prior to each interview. First, the author aimed to interview individuals in senior positions of their respective companies and organizations, such as owner-managers, managing directors, or senior persons responsible for CSR or sustainability activities. This approach was based on the expectation that their seniority would allow them to share personal views more freely than those in junior positions (R R Sinkovics & Penz, 2011; Witt & Redding, 2012). As top managers, they can also offer strategic views of their organization's operations, including present and planned policies and CSR programs. Second, the author took multiple steps to inform interviewees of their rights and the planned interview procedure in order to establish transparency in the interview process and build trust. Before scheduling an interview, she emailed a two-page information sheet to the interviewee to inform them of the purpose of her research, the reason they had been approached, and the implications of taking part in the interview. Occasionally, interviewees confessed that they did not read

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[39] During the interviews, the author often used the term *social responsibility of business*, not CSR. She unpacked CSR and asked questions such as "What thoughts come to you when you hear the words, social responsibility of business" or "Do you think business has a responsibility toward the society it operates in, and if so, what would that be?" This way, she could obtain interviewees' views on CSR regardless of their familiarity with the term. In addition, in some cultures and contexts, the word CSR carries a specific connotation (e.g., in South Korea, companies tend to translate CSR into Korean as *corporate social contribution*). The author wanted her interviewees to think more freely and independently from what would be considered a correct or popular answer.

through the information sheet. In such cases, the author first took several minutes to go over essential points (such as their rights as interviewees) and to answer any questions they had.

The interviews lasted an hour on average, with the shortest lasting 30 minutes and the longest three hours. Together with her research team, the author conducted interviews in English, Korean, Burmese, and Japanese. She conducted English and Korean interviews herself, while her research assistants acted as interpreters for her interviews with Burmese- and Japanese-speaking interviewees. As for recording interviews, the author's default suggestion was tape recording to ensure the most accurate record. However, if an interviewee did not want to be recorded, she took handwritten notes (after receiving the interviewee's approval); after the interview, the author constructed an interview transcript from her notes and emailed it to the interviewee for confirmation and fact-checking. All audio-recorded interviews were transcribed verbatim and the Burmese and Japanese interviews were translated into English by the research assistants.

3.4.2. Secondary data sources

This dissertation also benefits from secondary sources that complement and triangulate insights from the interviews. First, the author kept a detailed field diary in English and Korean (her native language) during her formal fieldwork in 2015. This diary (almost 12,000 words long) documents the research process, informal conversations with informants, and field observations. It contains time-specific contextual information that informed her data analysis. For example, the diary makes multiple mentions of where garment producers (during interviews) lashed out at the minimum wage proposal. From this record, the author could learn about not only the interviewed garment manufacturers' reaction to this regulatory development but also the sentiment of surprise, confusion, and shock that colored and characterized their reaction. In addition, she collected a wide range of offline and online archival data in English and Korean. First, company websites were useful for preparation of employee interviewees.[40] Second, a growing number of reports focusing on Myanmar's export garment industry provided timely knowledge on CSR-related developments in the industry. The author has provided a non-exhaustive list of research reports she found informative on the topic of CSR in Myanmar's

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[40] The author noticed that company websites varied widely in depth and degree of publicly available information. Smaller buyers and garment manufacturers in general did not have much information on their websites, if they had a website at all. Larger companies published a lot more information on their websites, including CSR policies and programs, although Asian buyers provided less information than European and North American buyers.

export garment industry in figure 3.3. Third, news articles were handy for keeping up to date with situations and tracing the development of an event over time. The author relied on and triangulated articles featured in English news sources specializing in Myanmar, such as *The Myanmar Times*, *The Irrawaddy*, *Mizzima*, and *Frontier Myanmar*.

Figure 3.3: Research reports regarding social and labor issues in Myanmar's export garment industry (non-exhaustive list)

A series of publications by SMART Myanmar on the topic of CSR and social compliance (available for download at www.smartmyanmar.org)

Park and Chae (2014) *Industrial relations success strategies for companies investing in Myanmar.* Published by Korea Labor Foundation

Gardener and Burnley (2015) *Made in Myanmar: Entrenched poverty or decent jobs for garment workers?* Oxfam Briefing Paper 209. Published by Oxfam GB

Action Labor Rights (2016) *Under pressure: A study of labour conditions in garment factories in Myanmar which are wholly Korean owned or in a joint venture with Korean companies.* Published by Action Labor Rights (a local Myanmar labor NGO)

Business Innovation Facility (BIF) (2016) *BIF Burma (Myanmar) garments: Market analysis and strategy.* published by BIF

Fair Wear Foundation (2016) *Myanmar country study.* Published by Fair Wear Foundation

Impactt (2016) *From boycott to boom? A socio-environmental map of Myanmar's garment industry.* Report commissioned by C&A Foundation

Progressive Voice (2016) *Raising the bottom: A report on the garment industry in Myanmar.* Published by Progressive Voice

Theuws, Overeen, ALR, and LRDP (2017) *The Myanmar dilemma.* Published by SOMO (Centre for Research on Multinational Corporations)

3.4.3. Challenges in data collection

The data collection process cannot be fully understood without discussing several challenges that the author experienced. The first group of challenges arose when figuring out logistics and doing the groundwork for fieldwork. The author initially planned to find a local university host in Myanmar, but the researchers and Myanmar specialists she consulted advised against it because local universities did not have the infrastructure to receive visiting students and seeking permission to visit could be highly bureaucratic. This led her to approach the MGMA. She was fortunate to receive a range of research support from the MGMA, including getting her business visa sponsored; at that time, Myanmar did not have a separate visa category for research, so a business visa was the most appropriate for her fieldwork.

During data collection, the author found two challenges to be most persistent and worthy of reflection. First, securing interviews was far more difficult and time-consuming than expected. Although she was mentally prepared for the challenge of reaching out to Myanmar government officials and Myanmar-based garment producers that had little or no exposure to foreign researchers, she underestimated the time and effort it took to secure interviews with international buyers. Approaching buyers as an individual PhD student led to many refusals and equally many non-responses. Eventually, she changed her access tactic and, for European and North American buyers, recruited interviewees through multi-brand ethical sourcing initiatives such as the ETI. This method did not work for Asian buyers of Myanmar-made garments because, to the best of her knowledge, they did not take part in any ethical sourcing initiatives. In the end, she could not secure interviews with Chinese and Japanese buyers but managed to speak to the representatives of two Korean buyers with whom she had connections via her personal network. Another challenge arose from conducting multilingual interviews. While it was necessary to rely on the help of translators when conducting interviews in Burmese and Japanese, the author was cognizant of the inherent limitation of translation, that some meanings and nuances might be lost. She had more control over the wording of questions and felt more at ease with interview dynamics when she conducted interviews herself in English and Korean. This is likely to cause minor unevenness in interview data, but she does not think it undermines the validity of her research.[41]

Second, it was important for the author to remain confident that she could collect data despite the various challenges. Prior to embarking on her doctoral research, she did not have any work or research experience in Myanmar to provide her with contextual knowledge or a social network that she could capitalize on when designing and undertaking her fieldwork. Once in Myanmar, she had trouble securing interviews and it took two months of waiting until the first interview took place. The administrative side of fieldwork also came with a steep learning curve. With a limited fieldwork budget, the author had to be highly conservative and cautious about her

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[41] The author's main research interest was to understand the perceptions of CSR as expressed by different GPN actors. In seeking such information, meanings between the lines or subtle nuances play only a minor role. Therefore, she concluded that uneven multilingual interview data would still be preferred to limiting the breadth of interview data from informants that spoke a language other than English or Korean. To address some of this concern, at the beginning of collaboration, the author communicated the meaning and intention of interview questions to her research assistants so that they could optimize their choice of words and expressions when interpreting and transcribing interviews.

expenses in Myanmar. Because she was working with local research assistants hailing from different cultural contexts, she invested much time and effort to understand their individual expectations and work ethics, and to help them understand the objectives of her fieldwork and certain research procedures (e.g., guaranteeing the confidentiality of interviewees). Coping with these challenges, the author at times doubted whether she could collect sufficient data in terms of quantity and quality to write her dissertation, but encouragement and moral support from supervisors, colleagues, family, and friends helped her remain confident of successful data collection.[42]

3.5. Data recording and analysis

The vast majority of interviews (40 out of 50) were audio-recorded after obtaining explicit consent from the interviewees. Eight interviewees did not want to be recorded so the author took handwritten notes during their interviews, constructed interview transcripts afterward, and sought the interviewee's confirmation. Two interviews were conducted via email. Audio-recorded interviews were transcribed verbatim into Korean (for interviews in the Korean language) and English (for the rest). This process yielded 13 Korean transcripts and 37 English transcripts. Except for the Burmese and Japanese interviews, which the research assistants transcribed during fieldwork, the author transcribed all but one of the interviews herself. This transcription process enabled her to explore interview data up-close and, simultaneously, to develop emergent insights that were useful in subsequent data analysis. The author chose not to translate Korean interviews into English for data analysis—even though this decision may have resulted in unevenness in the level of linguistic intricacy—in order to retain the nuances and subjective meanings expressed by the Korean-speaking interviewees (a similar argument is found in V. Soundararajan, Spence, & Rees, 2016). Interview remarks have been quoted verbatim in this dissertation to avoid distorting their content and nuances. Hence, some of the remarks retain grammatical errors.

The main data analysis technique for this dissertation was coding inspired by grounded theory (GT) (Glaser & Strauss, 1967), but with a constructivist flair (Charmaz, 2006; Thornberg &

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[42] This cognitive challenge can pose a major challenge to early-career researchers, in particular, when they seek to collect primary data in challenging environments. The author does not have a good solution for this challenge, but she thinks raising awareness of this psychological challenge and having open discussion about it on academic fora (e.g., a commentary in a journal, a panel session at a conference) would address this long-standing 'elephant in the room'.

Charmaz, 2014). Constructivist coding explicitly recognizes the role of the researcher in constructing data as it is collected, coded, and analyzed. While original GT assumes that a researcher can approach data without holding any assumption or prior knowledge, and thus enable the data to speak for itself, constructivist GT argues that data is constructed "as a result of [researchers'] interactions with their participants and emerging analyses" (Thornberg & Charmaz, 2014, p. 154). How does constructivist GT coding differ from original GT coding in practice? In addition to data-driven open and axial coding, the former encourages theoretical coding using codes made up of "ideas and perspectives that researchers import to the research process as analytic tools and lenses from outside, from a range of theories" (ibid. p.159). As a result, the coding exercise becomes abductive rather than inductive because the researcher constantly compares insights emerging from the data and the theory-driven perspectives that she/he holds (Suddaby, 2006). The researcher can hold certain propositions or hypotheses, but they are only tentative since the researcher revisits them against data (Charmaz, 2006).

The author leaves it to the methodology section of each empirical article to elaborate on her coding exercise. Here, she highlights the iterative process of her coding, which is an organic outcome of being abductive. GT scholars tend to portray data coding as a sequential process from open to axial to selective coding (Matthew & Price, 2012b; Wicks, 2012). [43] In the big picture, the author gradually proceeded from making sense of her data at the micro- and inductive-level to building higher-level conceptual categories, but each stage involved reversals and iterations. At times, open coding and axial coding took place simultaneously in order to accommodate instant discovery of relationships between codes. A piece of information the author thought she had exhausted with coding would still provide emergent insights when she approached it again after a break. The latest methodological discussions recognize that this simultaneous and messier coding process is only natural (Corbin & Strauss, 2008).

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[43] Open coding describes the process by which the researcher develops data-driven codes that capture "distinct events, incidents, words, or phrases in the data and are given conceptual labels or identifiers" (Matthew & Price, 2012a, p. 156), which can be further grouped into sub-categories. Axial coding involves organizing data at a higher conceptual level by grouping codes and sub-categories into categories. Moreover, the researcher attempts to identify relationships between and within these categories to prepare a way for building an inductive theory (Wicks, 2012). In selective (or substantive) coding, often seen as the final stage in the coding sequence, the researcher brings together previously identified codes and categories to build a theory of the studied topic. Even after the theory is built, the researcher can go back to the data, compare the emerging theory with the story the data tells, and search for relevant data to enrich the theory (Matthew & Price, 2012b).

The author would like to briefly discuss her memo writing exercise. She did not purposefully practice memo writing until she began writing her empirical paper on garment producers (article 1 in chapter 5). Between writing the first paper and writing the others (article 2 in chapter 6 and article 3 in chapter 7), she read about the value of memo writing as an integral and habitual part of data coding in Corbin & Strauss (2008), where the authors emphasize it. Inspired by the example provided by Corbin and Strauss, the author began keeping memos for her papers on international buyers and CSR promotion programs. The memos included thoughts about a particular piece of information she found to be interesting or notes about possible connections with other pieces of information. Memo writing enabled her to take a bird's-eye view of the initial codes she had developed. It also facilitated comparison, selection, and merging of codes to develop higher-level conceptual categories.

3.6. Quality assurance

What makes a good piece of qualitative research? What criteria are most suited to evaluation of the rigor of qualitative research that has different objectives and methodologies from quantitative research? Qualitative method scholars have offered various answers (for overviews, see Sinkovics et al. (2008) and Barbour (2013)). This dissertation opts for the well-known set of criteria outlined by Lincoln and Guba (1994): credibility, transferability, dependability, and confirmability. The author additionally considers one lesser-known criterion, authenticity, which later method scholars (Barbour, 2013; Schwandt, Lincoln, & Guba, 2007) emphasize as equally important.

Credibility concerns the trustworthiness of qualitative research results from the perspective of research participants. Lincoln and Guba (pp.18–19, in Schwandt et al. (2007)) propose several techniques to ensure and enhance credibility, some of which were adopted in the author's research. She undertook "prolonged engagement" with the field by conducting three field research trips (a total duration of six months) and "persistent observation" of her research topic by following news and maintaining contact with Myanmar-based actors working on CSR issues between mid-2014 and early 2016. "Triangulation" was an integral part of the author's inquiry. She cross-checked claims made in interviews with secondary information sources, such as the interviewee's organization's websites, news articles, and field observations. For "member checks", during interviews and informal conversations, she sought reaction and confirmation from her informants to check how well she understood the given information. She also shared

ongoing drafts of her empirical articles with a small group of interested stakeholders to confirm facts and analytical validity in a form of peer debriefing.

Transferability is comparable to external validity and generalizability in quantitative research. However, understanding transferability simply as a qualitative version of generalizability is problematic for critical realist studies because critical realists believe that no causal explanation is context-free. Trochim (2006) clarifies this dilemma by stating that, from " a qualitative perspective transferability is primarily the responsibility of the one doing the generalizing." Qualitative researchers can enhance transferability by thoroughly examining and explaining research contexts, research conditions, and central assumptions so that others can make informed decisions about applying all or some of the research findings in their own contexts (Schwandt et al., 2007). Adopting this view, the author ensured transferability by providing detailed descriptions of such information. Examples are found in the sections of this dissertation that describe the empirical context (1.7), non-linear research process (3.2) and challenges in data collection (3.4.3).

Dependability in qualitative research is the equivalent of reliability or replicability in quantitative research. It concerns the extent to which the researcher accounted for "the changes that occur in the [research] setting and how these changes affected the way the researcher approached the study" (Trochim, 2006). To enhance dependability, Lincoln and Guba (Schwandt et al., 2007) suggest having the research process screened by external, disinterested auditor(s). During the course of writing this dissertation, the author exposed herself to similar screening processes. For example, before conducting the fieldwork, she presented her overall research design and sought feedback from senior academics within her department and in two doctoral consortiums at the annual meetings of international business scholars. Throughout her doctoral research process, her three supervisors from different disciplinary backgrounds have been friendly critics. In particular, the author worked closely with her main supervisor who has years of research experience on the topic of CSR in GPNs in the developing country context. He offered advice and provided guidance on such aspects of the research process as gaining access to informants and the timing of the author's exit from the field.

Confirmability is essentially the question of whether the researcher's development and interpretation of findings are rooted in data and permit others to corroborate the results. The

author enhanced confirmability by using the NVivo 11 computer-assisted qualitative data analysis software to organize, code, and visualize her coding schemes at different developmental stages. This approach "facilitates transparency in the dialogue between researcher and textual data [and] therefore improves confirmability through external audit" (Rudolf R. Sinkovics & Alfoldi, 2012b, p. 695). Presenting her work-in-progress was another strategy. Initial drafts of empirical papers were presented at several academic workshops[44] and shared with interested stakeholders (mostly foreign non-firm actors interested in promoting CSR) for comment. Once her dissertation was about 70% complete, the author sought detailed feedback from two senior academics who were not involved in the design and execution of this research. Their comments helped her address weaknesses and improve the rigor of her analysis.

Authenticity is a criterion that exists in its own right without a parallel in the positivist and quantitatively oriented research criteria (Barbour, 2013; Schwandt et al., 2007). Authenticity concerns whether the researcher gives a fair and balanced description of the multiple views and underlying assumptions associated with an issue. This dissertation is itself an attempt to achieve authenticity by examining diverse perspectives of CSR in the context of Myanmar's export garment industry.[45] When she chose cases to study, the author aimed for maximum variation in her sample to accommodate interviewees with different profiles and strive for a fair representation of views. In addition to fairness, Lincoln and Guba (Schwandt et al., 2007) raise other questions related to authenticity: Does the research lead to a more nuanced and comprehensive understanding of a topic? Does it point readers to concrete actions to address problems and improve situations?[46] Answers to these questions would require more time and follow-up studies than possible for this dissertation. Nevertheless, the author was keen to ground her dissertation in the field and strive for empirical relevance. Therefore, in the concluding

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[44] These academic events included the Human Rights and MNEs workshop (University of Pisa, Italy) in February 2016; the Academy of International Business UK-Ireland Chapter Conference (Birkbeck, University of London, UK) in April 2016; and the Brown-Manchester GPN workshop (University of Manchester, UK) in May 2016.
[45] This is not to claim the author's complete objectivity. She believes her identity, personal values, and skillset have rendered objectivity an impossible goal. For example, her being South Korean and her native fluency of Korean language eased her access to Korean-speaking informants. She did not enjoy the same level of access to Japanese or Chinese-speaking informants, with the result that this dissertation is based on more interviews with Korean informants than informants from other Asian countries.
[46] Other forms of authenticity are ontological authenticity (which concerns an individual's understanding of an issue or the complexity behind it); educative authenticity (which concerns whether the research helps individuals better comprehend others' perspectives or different understandings of an issue); catalytic authenticity (whether research stimulates action); and tactical authenticity (whether the research identifies those empowered or disempowered by it and whether it helps the disempowered to gain the power and resources necessary to undertake required actions).

chapter, she provides recommendations tailored to different actors. She also discussed her research findings and some recommendations on March 7, 2017, at the DIEH before industry and civil society representatives and interested individuals.

3.7. Research ethics

This section discusses ethical considerations for the conduct of the author's research. It is informed by research ethics guidelines from the disciplines to which this dissertation is related: management studies, geography, and sociology (Academy of Management, 2006; British Sociological Association, 2002; Griffith, 2008).

The first group of ethical considerations concerns interviewees. The author ensured that the interviewees were able to provide informed consent to take part in the interview and had a good understanding of how their interview data would be treated by giving them an information sheet (Appendix 2). Every interviewee was guaranteed confidentiality. His/her identity was revealed only to the interviewer (the author) and, when necessary, those translating and transcribing the interview. The author treated quotations from interviews in such a way that it would not be possible to determine the interviewee's personal and professional identities. The author granted various rights to interviewees, including the rights to participate or withdraw from the interview at any point in time without giving a reason, to choose whether to be recorded, and to negotiate how the author reported information obtained from the interview (e.g., whether the author should seek confirmation before using a verbatim quote). The author also tried to provide a convenient and reassuring environment for the interviews. The interviewees proposed the time and venue of interview and the interviews were generally kept to an hour or another agreed time limit to minimize disruption in the interviewee's schedule.[47] The author did not remunerate interviewees for participation because she assumed this would bias interviewees' motivation and approach to the interview.[48]

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[47] The author accommodated each interviewee's request for interview venue, even when the venue as not particularly suitable for interview recording. For example, some labor activists suggested meeting in somewhat crowded cafes. The author did not ask, but did wonder, if this choice was because they did not have fixed offices or because they wanted their interviews (with critical and sensitive information) to be somewhat muffled by background noise.

[48] However, when the interview took place at a tea or coffee shop, the author offered to pay for the interviewee's beverage as a thank you gesture.

Ethical considerations were also applied with individuals and organizations that acted as brokers to facilitate the author's access to potential interviewees. As she got to know and build rapport with these brokers in informal conversations, they shared information about sensitive internal and external matters. They also provided opinions and information about interviewees. While all this information served as background knowledge for understanding and analyzing data, the author did not write it in this dissertation or make it known to interviewees unless requested by the broker. The author wanted to honor the brokers' trust in her research being academic (which led them to open up their contacts to her) and took care not to cause any intended or unintended harm by being careless with the information granted to her.

The author took equal consideration of her research assistants. There were two facets to this. First, the author ensured that her research assistants also upheld the ethical practices established for research participants. She provided a thorough explanation of ethical issues in research (e.g., what confidentiality means and what it means to provide confidentiality) and closely supervised the assistants in their work processes. She also encouraged them to ask questions and raise concerns, expecting that matters of research ethics would be unfamiliar to them. Second, the author was aware of her role as a team leader and purposefully exercised her authority in a responsible, ethical manner. She made an effort to create an environment where the assistants would feel safe and supported. She encouraged them to speak up and gave them space to make mistakes and learn from them.[49] Trying to achieve a flat relationship with her assistants meant that there were times when the author herself was called out for making a mistake or doing something unfair (see an example in figure 3.4). Recalling such episodes still embarrasses her, but she is grateful to have learned from the experience. She learned that being ethical is an ongoing dialectic process and that ethical and responsible leadership requires constant self-awareness and the voices (including criticism) of co-workers.

Figure 3.4: An example of when ethical leadership fell short

Goodwill and commitment to ethical leadership alone does not make one an ethical leader, a lesson the author learned the hard way. She had agreed to pay one research assistant based on the number of interviews she translated and transcribed. Both sides assumed that the research assistant could meet

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[49] The author, being a foreigner, employer, and older person, was naturally situated in a hierarchical relationship with the research assistants—a cultural phenomenon she also observes in her home country, South Korea. This meant that the assistants would not be likely to speak up even if they were encouraged to do so. Therefore, the author repeatedly tried to remind and assure them that it was fine to ask questions, raise objections, or come forward when they did something wrong.

her target (at least five interviews with locally-owned garment manufacturers) in a month and agreed on a pay scheme based on this output. However, they did not foresee that it took several weeks for the assistant to secure the first interview. By the time she secured, translated, and transcribed five interviews, she had been working with the author for two months. The assistant complained to the author that the initially agreed pay was insufficient for her work over two months, and demanded more pay.

Receiving this complaint, the author felt embarrassed and sorry for her oversight. The author should have noticed this problem in advance and addressed it before the assistant had to take action. Upon discussion with the assistant, the author decided to provide extra pay in addition to the originally agreed output-based pay. The assistant accepted this revised pay scheme.

In practice, not all ethical issues can be anticipated and responses planned a priori. Therefore, before embarking on fieldwork, the author agreed with her main supervisor that, when an ethical issue beyond her knowledge or capacity arose, she would immediately inform him and seek his advice. Establishing this ethical emergency contact was helpful and reassuring. It was also a sensible decision because the author, as a transient foreign researcher, would not be the best person to single-handedly resolve complex situations such as the discovery of under-aged labor, forced labor, or other violations of national and international law.

4. Overview of the three empirical articles

This dissertation[50] incorporates three empirical articles which together help answer the overarching question, how and why has CSR been introduced, embraced, and challenged in Myanmar's export garment industry? Each article tackles this question from the perspective of a Myanmar-based actor whose social and environmental behaviors have implications for the conceptualization of CSR in the context of global garment production networks: international buyers sourcing garments from Myanmar (article 1), garment manufacturers (article 2), and international donors in Myanmar (article 3).

4.1 Article 1

Titled, *Varieties of CSR in GPNs: How do buyers sourcing garments from Myanmar perceive CSR?*, the first article focuses on international buyers. As explained in the preceding chapters, many brands and retailers that operate globally and in Western markets attempt to ensure CSR and cope with social and environmental risks in their GPNs by enforcing suppliers located in developing countries to adhere to buyer-given codes of conduct. But is this the only CSR approach of international buyers? With the growing prominence of non-Western MNEs as buyers and powerful first-tier suppliers, it is timely and relevant to conceptualize the role of a buyer's home country institutional context in its CSR approach within GPNs. To what extent do home country institutional contexts matter when buyers conceptualize and implement CSR with suppliers located in a developing country? The author examines this question drawing on six cases of buyers sourcing garments from Myanmar; the buyers are from five countries (Germany, South Korea, Sweden, United Kingdom (UK), US). The theoretical lens for article 1 combines insights from the GPN and comparative institutional approaches (Kang & Moon, 2012; Matten & Moon, 2008) to tease out similarities and differences among the cases. This article examines buyers' efforts to introduce and establish their CSR perceptions and practices with their suppliers in Myanmar.

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[50] This dissertation is structured as an article-based dissertation, composed of three empirical articles. Meanwhile, it aims to achieve overall coherence like a monograph by having three articles to answer overarching questions of this dissertation. In this regard, the format of this dissertation is a hybrid of the monograph and the article-based design. The author noticed that due to its hybrid nature, descriptions of empirical background and research methodologies of three articles became similar.

4.2 Article 2

The second article, *Divergent CSR understandings and drivers: Institutional plurality facing garment exporters in Myanmar*, examines the receiving end of buyer influences: suppliers located in Myanmar. Unlike buyers, suppliers are exposed to horizontal influences with respect to CSR through local rules, norms, and cultural values. In a way, the suppliers find themselves in the crossfire of buyer demands and local expectations as to how they should practice CSR. This positioning has made suppliers question the legitimacy and feasibility of adhering to buyer social and environmental demands that do not sufficiently account for local needs and realities. At the same time, the extant literature does not consider the fact that suppliers located in the same place are heterogeneous in terms of their embeddedness in GPNs and the local institutional environment. Not only do the suppliers face different CSR-related demands from different buyers (as discussed in the first article) but they also encounter varying degrees of institutional influence from Myanmar depending on organizational factors (such as whether they are subsidiaries of foreign MNEs). Article 2 sets out to understand whether garment producers in Myanmar perceive and practice CSR differently, how they differ, and what may explain the differences? The author develops and employs a theoretical framework based on GPN analysis and the notion of institutional plurality (Kraatz & Block, 2008). This multiple-case study uses data collected from nineteen garment manufacturers in Myanmar.

4.3 Article 3

The first two articles are expected to broaden our understanding of how firm actors—buyers and suppliers—take part in introducing, embracing, and challenging CSR in the context of Myanmar. The third article complements this knowledge by focusing on the role of non-firm actors, in particular, international development donors. These donors are known to promote a new CSR understanding through their development cooperation projects, but precisely how they do so and what challenges they encounter remain under-studied (Fayyaz et al., 2017). The third article, *Making sense of international donors' CSR promotion efforts and contradictory local responses in Myanmar's export garment industry*, begins by discussing a recent trend in development cooperation in which international development donors (such as government-led international development agencies and international organizations) increasingly work with local firms in developing countries to facilitate access to the global economy as a means of poverty reduction. Donors fund and implement projects to help local producers access global markets and increase gains from global exports, assisting them at the same time to improve labor conditions in their

production sites and reduce the environmental impact of production activities in accordance with the donor's understanding of CSR. This trend can be seen in Myanmar's export garment industry. Since the country's reform in 2011, several donor-funded projects have been promoting a new understanding of CSR among local garment manufacturers through factory improvement programs, awareness-raising activities, etc.

Previous studies of the role of international donors in conceptualizing CSR in GPNs and business issues in post-reform Myanmar provide very little insight as to how the donors conceptualize CSR and how Myanmar's garment manufacturers respond. Since a new understanding of CSR has the potential to challenge how local manufacturers have conceptualized and locally operationalized CSR, donors' attempts to promote their notions of CSR are likely to encounter resistance and unforeseeable challenges. Therefore, the ambition of article 3 is to theorize the role of international donors in conceptualizing CSR within GPNs and the challenges faced in doing so in the context of Myanmar's export garment industry between 2011 and 2015. For this study, the author constructs an analytical framework by integrating the theory of organizational responses (Oliver, 1991) and GPN analysis (Coe et al., 2008; Henderson et al., 2002) and draws empirical data from eighteen interviews with international donors and their local stakeholders in Myanmar.

Findings and analyses from the three articles are brought together in the concluding chapter, which maps out the multiple, and at times conflicting, perceptions of CSR held by international buyers, suppliers, and international development donors. This mapping allows the author to capture how the notion of CSR has been contested in Myanmar's export garment industry, clarify whose approaches to CSR have been relatively dominant in the industry, and predict how contestation around CSR may evolve in the future. The author then locates her conclusions in the broader debate about the opportunities and challenges of global economic integration for national development, and discusses how the insertion of CSR as a new rule of the game in Myanmar's export garment industry has affected the opportunities and challenges that bear upon Myanmar's workers, garment producers, government, and other stakeholders.

5. Article 1

Varieties of CSR in GPNs:

How do buyers sourcing garments from Myanmar perceive CSR?

Jinsun Bae

Globally-known brands, retailers, and supermarkets have been criticized for creating or failing to prevent labor problems and environmental harm in countries from which they source labor-intensive and resource-extractive products (Stephanie Barrientos & Smith, 2007; Christopherson & Lillie, 2005). Against this background, companies have been pursuing corporate social responsibility (CSR) in their global production networks (GPNs), involving workers, suppliers, and stakeholders located in these countries. CSR refers to corporate responsibility for the social and environmental impacts of business activities, for the behavior of business partners and for managing relations with various non-firm stakeholders (Frynas & Blowfield, 2005). Lately, scholars have noticed diverse ways in which companies conceptualize and operationalize CSR in the GPNs they coordinate as buyers (Bair & Palpacuer, 2012; Christopherson & Lillie, 2005; Hughes et al., 2007). Understanding the nature and drivers of these different CSR approaches is important because they generate uneven social and economic outcomes for workers and firms in developing countries participating in the buyers' production networks (Peter Lund-Thomsen, 2013). Therefore, this study asks, how and why do buyers from different countries differently conceptualize and operationalize CSR with the suppliers in their GPNs?

Theoretical inspiration for this study comes from the GPN analysis (Coe et al., 2008; Henderson et al., 2002) and varieties of capitalism (VoC) perspectives (Hall & Soskice, 2001). The GPN analysis provides a heuristic framework to articulate globally dispersed production networks coordinated by buyers. The VoC offers a firm-centric perspective to characterize an advanced capitalist economy and to analyze institutional differences between different capitalist economies. In this study, the author develops a theoretical framework that combines the GPN and the VoC. The latter complements the former by offering a way to conceptualize the role of buyers' home country institutional contexts (encompassing rules, norms, and cultural values) in

shaping their CSR approaches in GPNs. In particular, this theoretical framework enables the author to examine how the home country context of inter-company and industrial relations may inform buyers to develop their CSR approaches.

The study builds on the empirical literature of buyer CSR in GPNs. A topic of particular interest in this literature has been the use of corporate codes of conduct—developed by individual buyers or multi-stakeholder groups—in an effort to manage ethical supplier behavior, respect workers' rights, and ensure decent working conditions in the buyers' production networks (Stephanie Barrientos & Smith, 2007; Nadvi, 2008). The literature demonstrates that this way of pursuing buyer CSR has created uneven outcomes in delivering promised improvements in workers' rights and working conditions (Stephanie Barrientos & Smith, 2007; Distelhorst et al., 2016; Egels-Zanden, 2007; Locke & Romis, 2010). However, because the buyers in these studies are predominantly of Western European and North American origin, little is known about how non-Western buyers conceptualize and operationalize CSR in GPNs. The literature also lacks multi-country comparative studies. These gaps provide inspiration for and shed light on the expected contributions of this study.

For this in-depth investigation of the role of home country institutional contexts in buyer CSR in GPNs, the author has conducted a multiple-case study of six buyers from five countries (Germany, Sweden, South Korea, the United Kingdom (UK), and the United States (US)) sourcing from Myanmar's export garment industry. The case companies represent distinctive capitalist economies and institutional contexts, variation made possible by Myanmar's unique experience of decades of economic sanctions followed by recent reintegration into the global economy (HKTDC Research, 2016b; Kudo, 2013). When the country was under sanctions imposed by Western countries, and before the Myanmar government enacted political and economic liberalization (also called *the reform*) in 2011, the country's export garment industry catered predominantly to Asian buyers selling Myanmar-made garments in Japan and South Korea. Since the 2011 reform and the subsequent easing and eventual lifting of the sanctions, there has been a rapid surge in European and North American buyers exploring Myanmar as a new place from which to source garments. Many of the newer buyers, as their way of enacting CSR in Myanmar, demanded that garment manufacturers in the country comply with their codes of conduct: compliance with the buyer's code of conduct became a precondition for acceptance as a supplier. Garment manufacturers, and labor activists working with garment workers, note

that this kind of ethical demand was rather unprecedented and rarely requested by Myanmar's more established Asian buyers (Action Labor Rights, 2016; BIF, 2016a).

This study, therefore, makes several contributions. In theoretical terms, it uses the VoC approach to help account for the role of home country institutional context. In this way, it strengthens the GPN framework for understanding buyers' approaches to CSR in GPNs. GPN analysis has mainly been used to understand how the institutional context of a host country from which buyers source goods and services shape or mediate their CSR approaches in a supplier country (Bair, 2008; Neilson & Pritchard, 2009). However, that approach offers little insight into whether and how the home country institutional contexts of buyers might matter, a gap addressed in this study by the VoC approach. In addition, this study contributes to the empirical literature on buyers' CSR in GPNs through its comparative research on buyers of differing national institutional origins. The studied cases include non-Western buyers from Korea whose prominence in the global economy has been growing but has received less scholarly attention.

This article progresses in the following steps. Section 1 discusses the theoretical foundations of this study—the GPN and the VoC—and introduces a combined theoretical framework to understand how home country institutional contexts of inter-company and industrial relations may inform and guide buyers' CSR approaches. Section 2 introduces the chosen empirical context, Myanmar's export garment industry during the period 2011 to 2015. Section 3 presents the research methodology, including the multiple-case study design and analytical processes. Section 4 presents empirical findings and analysis that draws on the theoretical framework laid out in section 1. Section 5 concludes with a summary of the findings and research and policy implications.

1. Theoretical considerations

In order to examine how and why buyers differently conceptualize and operationalize CSR approaches, one needs to understand the global production environment under which international buyers engage in sourcing and CSR activities. The GPN offers a suitable heuristic framework (Henderson et al., 2002). Through the lens of the GPN, a buyer's production network is viewed as encompassing vertical multi-scalar value chain linkages (such as those between a buyer and its suppliers) and the horizontal embeddedness of such linkages in the institutional environment of the host country where the buyer conducts sourcing and CSR activities (Coe et

al., 2008). The GPN has mainly been used to investigate how the rules, norms, and cultural values of the host country can interact, mediate, and affect those CSR activities that the buyer vertically imposes upon its suppliers in the country (Bair, 2008; P. Lund-Thomsen & Coe, 2015). However, GPN analysis has little to offer when it comes to understanding the role of buyers' home country institutional contexts in conceptualizing and operationalizing CSR in GPNs (Bair & Palpacuer, 2012).

As a complementary approach, the author turns to the VoC. The VoC is a firm-centered perspective of political economy that regards companies as key players in an advanced capitalist economy (Hall & Soskice, 2001). The premise of the VoC is that capitalist economies differ from one another in the ways in which their national firms coordinate with internal actors (employees) and external actors (such as governments and investors) in their pursuit of business objectives. Coordination efforts take place with respect to the following spheres: industrial relations, inter-firm relations, education and training, corporate financing, and the internal structure of the firm.[51] Each sphere encompasses corresponding formal (rules) and informal institutional arrangements (e.g., norms and cultural values). These institutions are mutually complementary so that "the presence (or efficiency) of one [institution] increases the returns from (or efficiency of) the other" (ibid. p.17). Based on this premise, Hall and Soskice (2001), the architects of the VoC approach, propose that an advanced capitalist economy can be found in the spectrum between a liberal market economy (LME) and a coordinated market economy (CME). In the LME, national firms coordinate market activities via corporate hierarchies and inter-firm competition, seek corporate financing from stock markets, and employ talent from relatively deregulated labor markets. In CMEs, national firms coordinate market activities with the help of non-market relationships and inter-firm cooperation complemented by a strong tradition of corporatist industrial relations and long-term labor contracts. These distinctions are not straightjacket rules but meant to help the researcher to "identify, think about and explain variation from the ideal type" (Morgan, 2007, p. 131).

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[51] In the industrial relations sphere, companies (or their representative organizations) coordinate with workers (or their representative organizations) to address issues concerning working conditions, worker rights, productivity, etc. Inter-firm relations, on the other hand, involve coordination among companies through competition or sourcing hierarchy, technology transfer, collaborative research and development, etc. In the education and training sphere, coordination is necessary if companies are to find employees with the right skill sets. The financial system concerns company access to finance, including coordination with and of investors. The internal structure of the firm concerns a company's internal coordination efforts to ensure that its employees work together and toward the firm's objectives; two examples of such coordination are facilitation of information sharing among employees and adoption of decision-making procedures.

How can the VoC approach help make sense of buyer CSR in GPNs? If one recalls the notion of CSR (Frynas & Blowfield, 2005), it is not only about addressing a company's social and environmental impact but also about managing behaviors with those it does business with and managing relations with a wide set of non-firm stakeholders.[52] This relational nature of corporate responsibility leads the author to theorize that home country institutions relating to inter-company relations and industrial relations shape the CSR approaches of national firms (Kang & Moon, 2012; Matten & Moon, 2008). This institutionally informed view of CSR can continue to apply even when the company conducts business abroad and coordinates GPNs as a buyer. For instance, when managing supplier behavior, the buyer may draw its inspiration from the rules, norms, and cultural values of its home country with respect to inter-company relations. Similarly, home country institutions for industrial relations may serve as guiding lights when the buyer attempts to establish and maintain relations with a wide range of non-firm stakeholders in host countries (e.g., local governments, local unions, and non-governmental organizations (NGOs)) as well as those operating transnationally (e.g., international organizations).

To summarize, the author hypothesizes that the home country institutional context of inter-company relations and industrial relations informs and guides how a buyer manages the ethical behaviors of suppliers and relations with non-firm stakeholders in its GPNs. What about other institutional spheres, such as corporate financing, the internal structure of the firm, and education and training? These spheres concern the functional aspect of firm activities (as opposed to the relational aspect of inter-company and industrial relations). Consistent with the principle of institutional complementary (Hall & Soskice, 2001), the author considers that, although functional institutions may not directly inform the content of CSR per se, they incentivize the buyer to develop certain internal firm processes and resources to support its CSR endeavors.[53] For example, a buyer that seeks financing from the stock market has an incentive to develop a process for explicit communication of information about its CSR achievements (for example, zero workplace injuries) (Kang & Moon, 2012; Matten & Moon, 2008). Its CSR achievements can assure shareholders that the company is effectively managing the social and

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[52] Stakeholders are understood as "those interests and actors who affect, or in turn are affected by, the corporation" (Doh & Guay, 2006, p. 55) encompassing NGOs, unions, local governments, communities, and others.
[53] In broad terms, the authors uses *internal CSR processes* to refer to codified CSR policies, uncodified rules and norms regarding CSR, formal implementation procedures, and informal but recurring practices perceived to be part of a company's CSR efforts.

environmental risks of its business operations. The company may also expect that, as it gains a reputation of being a socially responsible company, it can attract and sustain the loyalty of shareholders who are sensitive to company reputation. This theoretical framework is illustrated in figure 5.1.

Figure 5.1: The theoretical framework of this study
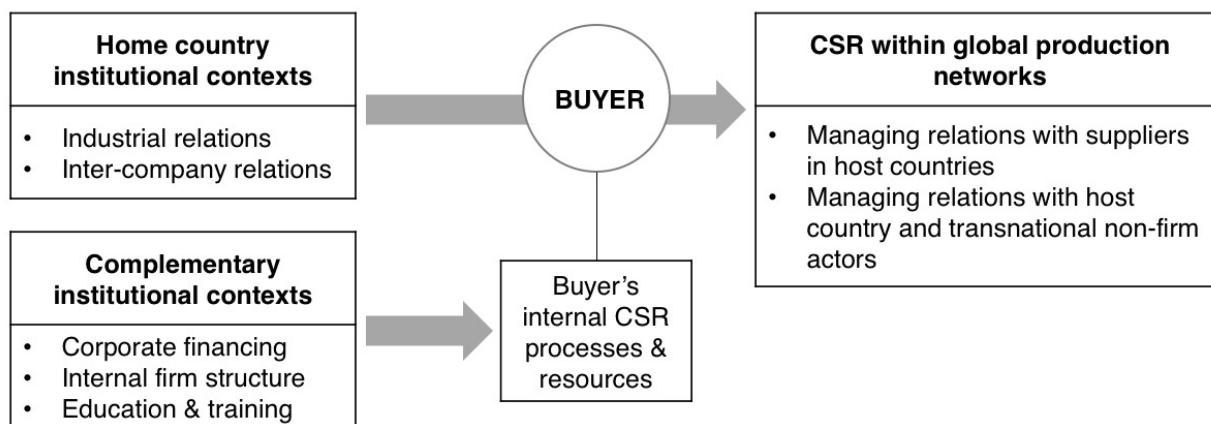
From this framework, one can broadly hypothesize how buyers from different national institutional origins engage in variant CSR approaches. The VoC distinction between LME and CME is useful here and, following Kang and Moon (2012), the author adds a third category, state-led market economy (SLME), to accommodate state-driven capitalist economies such as France and South Korea and emerging economies like China. First, let us examine the stylized inter-firm relations of an LME firm. The LME firm follows the market logic of demand and supply more faithfully than does a CME buyer. For the purpose of retaining skills and experience-based knowledge, the LME firm does not have to form long-term relationships with other firms when it can benefit from labor mobility and easily hire people with the skills it needs (Hall & Soskice, 2001). In terms of industrial relations, the LME firm is known to engage weakly with workers and organized labor, maintaining distance. What kind of CSR approach for GPNs could an LME home country context inspire? The LME buyer would prefer to work with suppliers that are most competent in pricing, delivery, and ethical performance without committing to a specific group of suppliers for a long term. When it comes to managing relations with non-firm stakeholders, this buyer is likely to develop arms-length and issue-based relationships instead of establishing formal channels for regular consultation and collaboration (Bair & Palpacuer, 2012; Hughes et al., 2007). Thus, LME buyers' CSR approaches might invoke a compliance-based paradigm in which suppliers are simply expelled if they fail to meet

a buyer's ethical demands and non-firm stakeholders might gravitate toward conflictual tactics (e.g., public naming and shaming of the buyer and its supplier companies) to press their demands on the buyer (Peter Lund-Thomsen & Lindgreen, 2014).

By comparison, long-term relationships with business partners are more common among CME firms in order to retain highly skilled personnel and experience-based competencies when the labor market is not flexible. In the realm of industrial relations, a CME firm is more likely to accept and collaborate with workers and organized labor as key stakeholders. These institutional tendencies are expected to shape how a CME buyer conceptualizes and practices CSR in its GPNs. The CME buyer may find it more attractive to work with chosen suppliers over a long term, which means that when these suppliers fail to keep up with the buyer's ethical demands, the buyer may prefer to help them address non-compliance problems rather than end their sourcing relationship. With respect to unions, NGOs, and other non-firm stakeholders, the CME buyer is likely to develop regular channels for consultation and collaboration. In this respect, CME buyers' CSR approaches may approximate the cooperation-based paradigm, in which buyers are keen to collaborate with suppliers to uphold and improve their compliance with buyer-given demands as well as to involve unions and NGOs as key partners in these endeavors (Peter Lund-Thomsen & Lindgreen, 2014).

Although not included in the original typology of the VoC, the definition of a state-led market economy (SLME) is useful, especially to account for non-Western capitalist economies characterized by "the under-development of market institutions (the LMEs) and the weakness of neo-corporatist institutions (the CMEs)" (Kang & Moon, 2012, p. 91). What distinguishes the SLME from the LME and the CME is the influence of the state as a key stakeholder in large national firms. The state promotes or even steers these companies to align their business goals with its national development objectives through various inducements, or disincentives for non-alignment, or both. This means, in the realm of industrial relations, that the state can interfere in such a way that companies are able to pursue business goals aligned with those of the state without being hindered by strong opposition from organized labor or civil society actors (Kong, 2012). This kind of state behavior is often seen in countries with weak organized labor and civil society accompanied by weak industrial relations bargaining power. Even when SLMEs transition to a resemblance of LMEs as the state reduces its stakeholder role in the private sector (Kang & Moon, 2012), this phenomenon is likely to persist. Due to lack of engagement

experience in the past, SLME companies and state organs themselves may continue to view non-firm stakeholders with a sense of caution and suspicion (Kang, 2010; Kong, 2012). Based on these presumptions, the author expects SLME buyers' CSR approaches to invoke a compliance-based mechanism because weakly established industrial relations makes it difficult or unfeasible to operate a cooperation-based mechanism.

This integrative theoretical framework helps cross-fertilize the GPN and VoC approaches. The strength of GPN analysis lies in its focus on the role of host country institutional contexts when the buyer's CSR approach is imposed on local workers, firms, and other stakeholders in the country (Bair, 2008; Neilson & Pritchard, 2009), but it sheds little light on the role of home country institutional context (Bair & Palpacuer, 2012). The VoC addresses the gap in understanding the role of home country institutional context by offering ways to conceptualize different national institutional contexts (LME, CME, and SLME) and hypothesize how they give rise to different buyer CSR approaches in GPNs. In tandem, the landscape of globalized production articulated by the GPN serves as a useful context to test and refine the analytical power of the VoC approach, which has been predominantly applied to examine national institutional influences on domestic CSR activities or CSR activities without differentiating between domestic- and foreign-bound (Fransen, 2013). By applying the VoC approach in the cross-country context of GPNs, this study aims to benefit from and simultaneously strengthen the VoC approach. A pathway for theoretical refinement is provided where this approach fails to explain or contradicts empirical reality.

Before applying this theoretical framework in an empirical setting, it is important to ascertain the state of empirical knowledge with respect to buyers' CSR approaches in GPNs. The empirical literature so far has mainly been concerned with the effectiveness of buyer enforcement of corporate codes of conduct and auditing suppliers in view of these codes with the intent to ensure decent working conditions and exercise of rights for local workers in host countries (for a review, see Peter Lund-Thomsen & Lindgreen, 2014). Scholars note that enforcement of corporate codes is associated with improvements in the physical and measurable aspects of working conditions, internal management practices such as wage payments, and implementation of health and safety policies (Stephanie Barrientos & Smith, 2007; Distelhorst et al., 2016; Locke & Romis, 2010). On the other hand, code enforcement offers limited empowerment when it comes to workers' ability to exercise their rights and effectively negotiate

their own working conditions with their employers (Stephanie Barrientos & Smith, 2007; Bartley & Egels-Zandén, 2015). In summary, the literature has uncovered how one particular CSR approach—buyer enforcement of codes of conduct on suppliers—has uneven social outcomes for workers in GPNs.

Emerging scholarship has considered another way in which buyer approaches to CSR create uneven outcomes for workers: variations in CSR approaches conceptualized and practiced by buyers from different national institutional origins (Bair & Palpacuer, 2012). The empirical literature on buyer CSR is largely based on cases of European and North American buyers. In reality, the national institutional composition of buyers has become increasingly diversified over the past couple of decades, propelled by the economic development of a number of national firms from East Asia and Latin America (Azmeh & Nadvi, 2014; Cuervo-Cazurra, 2012). Many of these firms may have started as one of many suppliers to a global buyer, but over time, they have grown to become strategic first-tier suppliers that

> undertake a variety of critical functions associated with design, manufacturing and
>
> distribution ... global brands can devolve strategic tasks linked to the organisation and
>
> management of their supply chains to such firms [suppliers] (Azmeh & Nadvi, 2014, p. 709)

Some of these firms have reinvented themselves as original brand manufacturers, producing their own brand products and coordinating their own GPNs as buyers (Memedovic, 2004). In the wake of growing prominence of non-Western firms in arranging globalized production processes, scholars have called for more research on these under-studied buyers and their implications for conceptualizing and operationalizing CSR in GPNs (Azmeh & Nadvi, 2014; Knorringa & Nadvi, 2016).

Scholars have pointed out a general lack of comparative research in the empirical literature on buyer CSR in GPNs (Bair & Palpacuer, 2012). Comparative research helps us not only learn about how buyers of different national institutional origins have different takes on CSR but also gain a nuanced understanding of what makes the CSR approach of a buyer from a particular national institutional background truly distinctive. In the author's knowledge, there is only a handful of comparative studies on buyer CSR in GPNs, all comparing North American with

European cases (Bair & Palpacuer, 2012; Christopherson & Lillie, 2005; Hughes et al., 2007).[54] According to these studies, European buyers engage more proactively with unions and NGOs than North American buyers, which appear less willing to develop close relationships (Bair & Palpacuer, 2012; Christopherson & Lillie, 2005). These contrasting approaches feed into the strategies of non-firm actors, such as ethical sourcing multi-stakeholder initiatives (MSIs) and anti-sweatshop movements, which aim to improve labor conditions in GPNs and engage companies in these efforts. European non-firm actors are relatively well coordinated across countries and closely interact with their national firms through critical dialogue and capacity building. On the other hand, their North American counterparts are more fragmented and likely to resort to anti-corporate campaigning and other conflictual measures due to their low involvement in the process of bargaining labor conditions in company GPNs (Bair & Palpacuer, 2012; Hughes et al., 2007).

In sum, the empirical literature shows that buyer CSR has an uneven effect on workers and labor conditions in GPNs. At the same time, there is a lack of comparative research and poor knowledge of non-Western buyers' approaches to CSR. These two gaps inspired the author to select Myanmar's export garment industry as a unique and suitable empirical setting. This setting is discussed in the next section.

2. Empirical context: Myanmar's export garment industry following the reform in 2011

Myanmar's export garment industry since the country's reform in 2011 provides an optimal empirical setting to observe the role of home country institutional contexts in shaping the CSR approaches of buyers in GPNs. Myanmar's export garment industry is characterized by a diversity of buyers, including East Asian buyers that absorb the majority of garments made in Myanmar. This diverse composition was made possible by Myanmar's unique experience of having been under economic sanctions imposed by European and North American governments before its post-sanction reintegration into the global economy. This section aims to walk through the evolution of buyer composition in three periods: pre-sanction (before 2003), during sanction (2003 to roughly 2013), and post-sanction (2014 to present).

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[54] Christopherson and Lillie (2005) compare the management of labor standards in the supply chains of Walmart (a US firm) and IKEA (Swedish). Hughes et al. (2007) compare MSIs in the US and the UK. Bair and Palpacuer (2012) compare anti-sweatshop movements in the US, Europe, and Canada.

Although several countries and the European Union (EU) imposed economic sanctions on Myanmar, the earliest and most devastating sanction for the export garment industry was initiated by the US in 2003. Before the US sanction, Myanmar's export garment industry produced mainly for the US (more than 50% of production in the year 2000) and EU markets (nearly 40% in the same year) via locally-owned garment factories and the foreign-owned factories of Hong Kong, Japanese, South Korean, and Taiwanese investors (Kudo, 2013). In 2003, the US government enacted the Burmese Freedom and Democracy Act as a protest against the oppressive military junta regime. This act banned all Myanmar exports from entering the US (Kudo, 2005). The US trade embargo and subsequent decline in the EU's appetite for garments made in Myanmar led to the dramatic decline of Myanmar's export garment industry with many garment factories closed and garment workers' jobs lost; by 2005, the export value of garments made in Myanmar was 38% of the 2001 value (Kudo, 2013). While the sanctions imposed by the West were in place, Myanmar's export garment industry began to rebound in 2007 as surviving garment manufacturers established trade linkages with Japan and South Korea.

In 2010, Japan and South Korea together absorbed about 76% of made in Myanmar garments (Griffin, 2014). In 2011, the Myanmar government announced its plan for gradual political and economic reform, to which the international community responded with the progressive lifting of trade restrictions. In 2013, the EU suspended its economic sanctions on Myanmar and reinstated duty-free and quota-free access to imports from the country (European Commission, 2017). The US lifted its import ban on most goods, including garments, in 2012 and all sanctions in 2016 (Office of the US Trade Representative, 2016). These developments during the post-sanction period triggered an influx of European and North American buyers interested in exploring Myanmar's potential as a new cost-competitive source in place of China, where wages had been rising fast (Theuws et al., 2017). Reflecting this influx of newer buyers, the EU became the third largest destination of made in Myanmar garments after Japan and South Korea in 2014 and, in a few years, is expected to overtake South Korea (HKTDC Research, 2016b). This evolution is summarized in Table 5.1.

Table 5.1: Evolving composition of the national institutional origins of buyers

Pre-sanction (1990 to 2002)	During sanction (2003 to roughly 2013)	Post-sanction (2014 to present)
- The first export-oriented garment factory was set up as a	- Following imposition of US sanctions in 2003, Myanmar's	- The Myanmar government began to enact its reform

joint venture between a Myanmar military-owned firm and a South Korean firm in 1990 (Kudo, 2013). - The main customers of garments made in Myanmar were American and European brands and retailers. In 2000, over 50% of exports headed to the US and nearly 40% to Europe.	export garment industry rapidly declined. - Since 2007, the main customers have been East Asian buyers selling in Japan and Korea, which together absorbed 76% of exports in 2010 (Griffin, 2014).	process in 2011. The EU lifted its sanction in 2013 and the US in 2016. - Soon after the country's reform began, Western buyers—especially European buyers—flowed into Myanmar. In 2014, the EU became the third largest export destination after Japan and Korea.

In terms of CSR discourse and practices in Myanmar's export garment industry, the post-sanction influx of newer European and American buyers was a watershed. Buyers with high visibility in national, regional, or global markets have demanded garment factories in Myanmar comply with their codes of conduct in the name of CSR. The CSR approach taken by these buyers is that supplier compliance with the codes is a necessary pre-condition for establishing and maintaining ongoing sourcing relationships. This approach has been perceived as new and unprecedented by garment manufacturers and labor activists in Myanmar, who argue that Asian buyers rarely made such a demand (Action Labor Rights, 2016; BIF, 2016a). In this context, the diverse composition of buyers in Myanmar's export garment industry, consisting of buyers of East Asian, European, and American origins, is likely to result in divergent views and CSR practices affecting workers and local stakeholders in Myanmar. This study aims to capture how these divergent CSR approaches are manifested and to understand how buyers' home country institutional contexts may have informed and shaped different approaches.

3. Methodology

To meet the aims of this study, the author employed comparative multiple case study design with a view to benefiting from different and possibly conflicting observations so that theory-driven propositions can be refined and empirical findings achieve higher validity (Fletcher & Plakoyiannaki, 2011). Six case companies from five countries (Germany, South Korea, Sweden, UK, US) sourcing garments from Myanmar were selected as typical cases (Yin 2003) to observe the influence of their home country institutional contexts. The selected companies are large and well known in their respective national markets. In addition, the fact that they are sourcing from Myanmar, which some members of the public in their home country might find controversial, may have incentivized them to be highly aware of and conform to domestic regulatory, normative, and cultural expectations. In terms of this study's theoretical framework, the six

buyers represent diverse home country institutional backgrounds. Germany and Sweden exemplify CMEs; the US and the UK, LMEs; and South Korea, a SLME (Hall & Soskice, 2001; Jackson & Deeg, 2008; Kang & Moon, 2012).

All case companies have been sourcing from Myanmar since the country's reform in 2011. (At the time of interview in early May 2016, company B (UK) was not yet sourcing from Myanmar, but it was reportedly sourcing in August 2016.) The case companies are large, high-profile fashion brands with significant sales in their home and neighboring countries. Brief profiles appear in Table 5.2. In terms of their sourcing activities in Myanmar, companies A to D (US and European) source from garment factories owned by third-party suppliers. These suppliers are foreign-owned, with headquarters located in China or South Korea, and have been producing for companies A to D from garment factories in other developing countries. Company E (Korea) bought two existing Korean-owned factories in Myanmar; in addition to supplying company E, these factories take up orders from other buyers or manufacturers in Myanmar when capacity is available. Company F (Korea) delegates sourcing from Myanmar to Korean intermediaries (called vendors). At the time of interview, companies A to D expected sourcing from Myanmar to gradually increase in volume. On the other hand, interviews from companies E and F said their companies were unlikely to increase supply from Myanmar and may even decrease their commitment.

Table 5.2: Anonymized profile of the six case companies

	Company A	B	C	D	E	F
HQ location	US	UK	Germany	Sweden	South Korea	South Korea
Major markets	US	UK and Ireland	Germany and other EU countries	EU countries	China followed by South Korea	China followed by South Korea
Main products	Women's, men's, and children's apparel	Women's, men's, and children's apparel	Women's apparel	Women's, men's, and children's apparel	Women's, men's, and children's apparel	Women's, men's, and children's apparel
Publicly listed?	Yes	Yes	No	Yes	No	Yes
Mode of sourcing garments from Myanmar	Via third-party suppliers	Via third-party suppliers	Via third-party suppliers	Via third-party suppliers	Acquired existing garment factories	Via vendors

Myanmar's importance as a source	Likely to increase	Preparing to enter (which suggests sourcing will increase)	Likely to increase	Likely to increase	Not likely to increase; may decrease	Sourcing is, and will remain, small

The author engaged in purposeful case sampling with the intention of featuring an equal proportion of Western and Asian buyers (and, within Asian buyers, an equal proportion of Korean, Chinese, and Japanese). Gaining access to all these buyers turned out to be challenging, an issue that will be discussed later. Representatives of the six case companies and their home country stakeholders were interviewed, leading to a total of ten interviews (see table 5.3 for interviewee profiles). The interviews were semi-structured and conducted from October 2015 to June 2016 in person, over the phone, or by Skype. The interview questions covered company profile, sourcing activities in Myanmar, CSR activities in Myanmar, and challenges in these activities. Interviews lasted an hour on average and were conducted in either English or Korean. All but two interviews were audio-recorded and transcribed verbatim. The author took hand-written notes during the two non-recorded interviews, constructed an interview dialogue from her notes, and sent the transcript to the interviewee for fact checking and confirmation. Additional, secondary sources of information consulted for this study include the publicly available annual and CSR reports of case companies, company websites, and news articles.[55]

Table 5.3: Interviewee responsibilities

ID	Organization	Interviewee responsibility
5.1	Company A	Supplier sustainability programs in the Americas and Southeast Asia
5.2	Company B	Company's overall corporate responsibility programs
5.3	Company B	Company's corporate responsibility programs in Asia-Pacific
5.4	Company C	CSR programs in Asia
5.5	Company D	Sustainability programs with a focus on Myanmar
5.6	Company E	Global sourcing operations for his company's children's wear brands
5.7	Company F	Marketing
5.8	NGO	Leads the organization that monitors business and human rights issues for Korean investments overseas and conducts campaigning and advocacy
5.9	NGO	Leads the organization's CSR advisory activities and membership management for the Asia-Pacific region
5.10	Independent auditor	A certified auditor who has conducted social compliance audits of Korean-owned factories in Asian countries that produce for international brands like Nike

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[55] The author followed the data management and ethical protocols described in chapter 3.

Several challenges were encountered during the data gathering process. With the US sanctions on Myanmar still in place at the time of the study, a number of buyers considered sourcing from Myanmar a sensitive matter and did not make their ongoing or planned Myanmar sourcing activities public (Mullins, 2015). Therefore, one challenge was to discover which buyers were indeed sourcing from Myanmar and willing to speak about it. The author also learned that many East Asian buyers either do not have websites or do not publish contact information on their websites. This made it challenging even to make interview requests. Low response rate was another issue because companies might have lacked trust or could not see any value in speaking to an unknown doctoral student. Despite these difficulties, the author managed to secure interviews with two Korean buyers through her personal networks. As for reaching out to European and American buyers, she sought help from the Danish Ethical Trading Initiative (DIEH)[56] and the Copenhagen Office of the Business for Social Responsibility. These organizations kindly circulated her interview requests to companies in their networks.

Once the data was gathered, the author engaged in multiple stages of data analysis with the help of NVivo 11. Her analytical process was guided by the constructivist tradition that emphasizes iteration between a researcher's prior knowledge from review of theoretical and empirical literature and emergent knowledge from data (Charmaz, 2006). She employed abductive reasoning, constantly comparing theory-driven propositions and data-driven insights to progressively develop valid and credible results (Rudolf R. Sinkovics & Alfoldi, 2012b; Suddaby, 2006). In the first stage of analysis, the author scanned interview transcripts and secondary data to find emerging themes and discover whether different CSR approaches did indeed exist. The second stage involved open coding to foster an intimate encounter with data and develop data-driven initial codes. At times in this early stage, the author followed her natural progression of thinking and developed higher conceptual categories by initial axial coding (merging or combining codes) (Corbin & Strauss, 2008). By the end of the second stage, it became clear that the case companies differed in their CSR approaches in Myanmar. The author then completed the process of merging and combining initial codes to create higher-level categories.

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[56] DIEH is separate from the ETI headquartered in UK but has much in common. Like ETI, DIEH has multi-stakeholder membership basis and aims to promote ethical trade through collaboration, capacity building, and dialogue among its members. DIEH and ETI have collaborated on research and educational activities.

In the subsequent selective coding phase, the author examined the high-level categories to review and refine the theoretical framework set out in section 1. To recap, this study's theoretical framework suggests that buyers' CSR approaches in Myanmar— in the form of managing relations with suppliers and non-firm stakeholders in the country—are influenced by their home country institutional contexts for inter-company relations and industrial relations. From the data (summarized in table 5.4 in the next section), supplier ethical compliance, in which suppliers to adhere to buyers' codes of conduct, emerged as an additional approach to managing supplier behavior. Practices associated with managing stakeholders were reflected in categories such as *working with MSIs*, *seeking help from civil society actors*, and *company philanthropy*. The theoretical framework presupposes that these CSR practices are supported by internal processes and resources that are institutionally informed. Categories associated with internal processes and resources were *having a separate CSR team*, *working with other departments for coherence*, and *investor influ*ence.

4. Empirical findings

This section presents the empirical findings of this study and analyzes them in light of the theoretical framework discussed in section 1. Table 5.4 summarizes activities in Myanmar recognized by the case companies as CSR activities, as well as those that concern management of supplier ethical behavior and relations with non-firm stakeholders such as NGOs and unions.

Table 5.4: CSR activities of case companies in Myanmar

A (US)	1. Demanding their Myanmar suppliers comply with the company's code of conduct and monitoring compliance via ethical audits 2. Educating suppliers on ethical compliance issues 3. Being part of ethical sourcing MSIs through which the company engages with various local stakeholders such as the government, labor unions, and NGOs 4. Seeking advice and consulting with NGOs, international organizations, and other non-firm stakeholders with respect to entry into Myanmar and ongoing sourcing activities 5. Providing in-factory training for workers via international organizations and NGOs
B (UK)	1. The company was not yet sourcing at the time of study although it had conducted pre-appointment audits of candidate suppliers 2. As for CSR programs in its GPNs, the company - demands suppliers comply with the company's code of conduct (based on the UK Ethical Trading Initiative's (ETI) base code) - conducts ethical audits and provides training and education to build supplier ethical capacity - builds relations with local NGOs and other stakeholders that can locally support and strengthen their supplier ethical compliance endeavors - takes part in ethical sourcing MSIs

C (Germany)	1. Demanding their suppliers in Myanmar comply with the company's code of conduct (similar to that of the Business Social Compliance Initiative) and monitoring compliance via ethical audits 2. Focusing primarily on getting supplier ethical compliance right, but in the future hoping to identify and collaborate with local NGOs to run other CSR programs and complement their supplier ethical compliance endeavors 3. Being part of ethical sourcing MSIs where the company learns about global CSR trends as well as how other companies operationalize CSR in their GPNs
D (Sweden)	1. Demanding their suppliers in Myanmar comply with the company's code of conduct and monitoring compliance via ethical audits 2. Being part of ethical sourcing MSIs through which the company engages with various local stakeholders such as the government, labor unions, and NGOs 3. Seeking advice and consulting with NGOs, international organizations, and other non-firm stakeholders with respect to their entry into Myanmar and ongoing sourcing activities 4. Collaborating with non-firm stakeholders in developing programs to address labor issues in supplier factories 5. Providing inputs as an international buyer to various meetings that concern labor and environmental issues in Myanmar
E (Korea)	1. The company headquarters does not have a social contribution program specifically for Myanmar, but Myanmar factories engage in their own ad hoc philanthropy such as financial support to workers and local communities 2. When Myanmar production units sub-contract orders, they favor factories that have dealt with European and American orders so that certain labor conditions and awareness of social compliance can be guaranteed 3. In general, the company conducts CSR in GPNs via corporate philanthropy and employee volunteering
F (Korea)	1. The company headquarters does not have a CSR program specific to Myanmar. 2. General CSR programs for GPNs are: - using its own labor and human rights checklist during supplier factory visits with a focus on child labor and environmental concerns (e.g., use of prohibited chemicals) - being part of UN Global Compact Korea and annually reporting the company's compliance with ten principles under the UN Global Compact - trying to increase the use of eco-friendly raw materials and spending marketing budget to support social causes (rather than pay for expensive celebrity models)

4.1. Managing the ethical behavior of suppliers as CSR

Most case companies said they practice CSR by ensuring that their suppliers in Myanmar behave ethically, but a clear difference emerged between companies A to D (US and European) and companies E and F (Korea). For the former, supplier ethical compliance was a centerpiece CSR practice in their GPNs. Companies A to D also shared several features of supplier ethical compliance. First, their corporate codes of conduct referred to a set of international labor standards such as the ILO Core Conventions[57] and the UN Guiding Principles on Business and

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[57] There are eight ILO conventions considered to be core and fundamental: Forced Labour Convention, 1930 (No. 29); Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); Right to Organise and Collective Bargaining Convention, 1949 (No. 98); Equal Remuneration Convention, 1951 (No. 100); Abolition of Forced Labour Convention, 1957 (No. 105); Discrimination (Employment and Occupation) Convention, 1958 (No. 111); Minimum Age Convention, 1973 (No. 138); Worst Forms of Child Labour Convention, 1999 (No. 182) (International Labour Organization, 2017).

Human Rights as their sources of inspiration. Second, they were taking back the function of ethical auditing of suppliers from third-party auditors; this transition took place in the wake of reported shortcomings of third-party auditing, such as poor and inconsistent auditing quality and incidents of non-compliant suppliers bribing external auditors to pass audits. Third, the buyers were interested in identifying ethically competent suppliers operating in Myanmar that could comply with their codes of conduct and with which they could build long-term sourcing relations. As part of this relationship-building effort, the companies were already providing or planning to provide training and capacity building initiatives to help improve suppliers' internal management practices and, consequently, their ability to fully comply with buyers' ethical demands.

> *So we've got people who will say "Look, we know if you are working 14 hours. It's not acceptable, but if you are honest with us, then we can help you manage that. But if you are not, then there is no trust, there is no cooperation. Therefore, we can't trust you on compliance, we can't trust you on quality, etc." And then business implications kick in as well. It's taking a long time to get to that message across, but it's very clear now. It's been four or five years we've been saying it. Suppliers do understand that now and the requirement we expect.* (Interviewee 5.2, UK buyer)

These findings suggest that, regardless of their LME or CME origins, the US and European companies (A to D) exhibited a cooperation-based CSR mechanism for supplier ethical compliance, contradicting the theoretical proposition that LME firms would not be keen to develop long-term relationships with their suppliers. What might explain this discrepancy? The original VoC approach assumes that flexible movement of skilled labor between companies in an LME makes it unnecessary for national firms to develop long-term inter-company relations. In the context of the GPN, this premise does not hold. Suppliers' knowledge and experience in meeting the code of conduct of a specific buyer are neither easily transferrable nor readily replicated by other supplier firms or in other countries. These knowledge assets have been developed over many years and reside in the relationship between a specific supplier and its workers, local government authorities, and other non-firm stakeholders. This stickiness of skills and experience that rest with suppliers (Gereffi, 2014; Merk, 2014) in Myanmar creates an incentive for buyers—LME and CME firms alike—to develop long-term relationships with a selected number of suppliers they trust in terms of production and ethical compliance rather than constantly search for new suppliers.

In contrast, companies E and F (Korean) adopted much less stringent and formalized programs for supplier ethical compliance. The company E interviewee was not aware of any company codes of conduct for suppliers in the company's GPNs; instead, he said, when his company's Myanmar production units sought sub-contracting factories, the company "*favor[ed] factories with experience of handling EU and American orders to ease compliance concerns*" (Interviewee 5.6). The company F interviewee said his company had a checklist for labor and human rights conditions in supplier factories. The checklist was not publicly available, and there was no specific team or internal procedure dedicated to monitoring supplier compliance based on the checklist. He explained, "*the checklist is included in the list of things an employee needs to check when visiting supplier factories for technical assistance.*" (Interviewee 5.7, Company F) Interestingly, both Korean company representatives openly admitted their supplier ethical compliance programs were much less thorough than those of major global brands in their business lines. Their justifications were two-fold. First, unlike global brands, their order volumes were too small to "*affect the fate of supplier factories*" giving them "*no control over things happening beyond their knowledge*" (Interviewee 5.7). This interviewee further added that lack of consumer interest at home (South Korea) in ethical conditions in garment production did not incentivize Korean firms to develop well-functioning supplier ethical compliance programs. In his view, "*consumers just like cheap stuff, they may protest briefly when companies are involved in big scandals. But consumer activism has not yet reached the point of effective boycotting.*"[58]

An ensuing theoretical question is whether weak formalization and enforcement of supplier ethical compliance programs reflect the nature of inter-company relations in South Korea. The author thinks it unlikely. When it comes to other supplier competencies such as "*price, quality,*

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[58] The topic of lack of consumer interest and activism in South Korea relative to other advanced capitalist economies merits a study in itself. Without going deeply into the matter, the author can think of the following explanations. First, an explanation grounded in the VoC is that civil society actors are weakly established in South Korea, where industrial relations are state-dominated, so they have been unable to successfully raise consumer awareness of labor and environmental issues in GPNs and mobilize consumers to exert pressure on Korean companies. This will be further explained in section 4.3. Second, incidents of irresponsible business practices affecting domestic workers and local environments are perceived to be lot more common in South Korea. In this context, it is more difficult to justify urgent attention to the issue of CSR in GPNs. Recent examples of high-profile domestic corporate irresponsibility are (1) workers becoming ill with and dying of leukemia at Samsung semiconductor factories, (2) the death of more than 100 consumers from use of toxic humidifier disinfectants produced by Reckitt Benckiser's Oxy subsidiary, and (3) the workplace death and injury of workers employed by sub-suppliers to Hyundai Heavy Industries.

and ability to deliver on time" (Interviewee 5.6, Korean Company E), the Korean buyers appeared to establish long-term relationships. The Korean buyers' weak commitment to supplier ethical compliance might be the result of their placing a low priority on it. The author proposes that the Korean industrial relations context has rendered the issue of supplier ethical compliance less urgent and important for Korean buyers than European and American buyers and elaborates on this in the next section.

4.2. Managing relations with stakeholders as CSR

All case company interviewees said their company practices CSR in the form of managing relations with non-firm stakeholders. The companies' CSR practices can be categorized broadly as 1) taking part in ethical sourcing MSIs, 2) seeking collaboration with non-firm stakeholders such as unions and NGOs, and 3) undertaking philanthropic action. Companies A to D (US and European) adopted the first two CSR practices, while companies E and F (Korean) adopted the third practice.

Companies A to D (US and European) were members of different and partially overlapping ethical sourcing MSIs. There is a pattern of European buyers joining MSIs headquartered in Europe, and US buyers joining MSIs headquartered in the US; this perhaps reflects the fact that the majority of these companies' sales occur in their home regions. Interviewees saw a variety of benefits from being part of MSIs. As explained in the quote that follows, the US and American buyers joined MSIs to learn about global CSR trends and the CSR practices of other companies, and to network with other buyers with similar interests. The MSIs also served as platforms for collective action through which member companies could amplify their voices and more effectively address concerns about policy and policymakers in Myanmar. As a case in point, the US-headquartered Fair Labor Association and the UK-headquartered Ethical Trading Initiative (ETI) issued public statements on behalf of their member companies to express their support for the Myanmar government's proposal of establishing the country's first national minimum wage at 3,600 kyats a day (about USD 2.80 a day). In their statements, the MSIs disputed the claim made by garment manufacturers in Myanmar that the proposed wage would discourage international buyers:

Actually, the first one is to get with the [global CSR] trend to make improve[ments]. The
second is to join other labels to share the information for our CSR policy. ETI is saying
that, at this moment, each label is doing their own CSR. It is good to have labels come

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together and find common things, come and share instead of each of them doing their own CSR. (Interviewee 5.4, German Company D)

In addition, companies A to D said they practiced CSR by seeking collaboration with various civil society actors, a practice that could complement and strengthen supplier ethical compliance efforts. At the time of study, company B (UK) was not yet sourcing from Myanmar and company C (Germany) had been sourcing from Myanmar for less than a year. Interviewees from both buyer firms expressed great interest in finding local NGOs with the capacity to support the company's supplier ethical compliance programs through factory training or issue-specific interventions. Meanwhile, companies A (US) and D (Sweden) have had concrete experience of partnership with NGOs, or labor unions, or both. For instance, company A has engaged an international NGO to provide life skills training for local workers in the garment factories of its suppliers in Myanmar. Company D was in the process of designing a child labor remediation program targeting its supplier factories in Myanmar, together with a different international NGO.

Considering the two CSR practices discussed so far, there was little variation among companies A to D. An earlier theoretical proposition suggested that LME buyers (companies A and B) would be less inclined to engage with non-firm stakeholders, but the empirical findings contradict this; the European and American buyers, alike, appeared eager to forge collaborative ties with ethical sourcing MSIs, NGOs, etc. However, a comparison of companies A (US) and D (Sweden) shows that LME and CME buyers may vary slightly when it comes to forging closer ties with labor unions. American companies have traditionally been understood as distant or even adversarial toward unions (Christopherson & Lillie, 2005; Marens, 2012; Matten & Moon, 2008). Company A had, however, been interacting with unions, first by participating in the ETI, where global unions are members, and second by consulting an American labor organization prior to investing in Myanmar.[59] At the same time, the company's union engagement seemed limited to seeking general advice on how to ensure decent working conditions in Myanmar. When this buyer was developing internal structures for employer-employee dialogue in its supplier factories in Myanmar, the company worked with the Myanmar office of the ILO. On the other hand, company D (Sweden), whose home country is known for its strong corporatist

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[59] The author does not know if union consultation has continued.

tradition (de Geer, Borglund, & Frostenson, 2009; Gjølberg, 2010), had engaged both global and local Myanmar unions to address specific problems in its suppliers' factories.

On the other hand, the first two CSR practices—participation in ethical sourcing MSIs and engaging non-firm stakeholders—hardly resonated with Korean buyers (companies E and F). The Korean companies did not belong to any of the ethical sourcing MSIs in which companies A to D took part.[60] Although they might have collaborated with a few NGOs on a needs basis, the Korean buyers did not have any formal ongoing collaboration with NGOs or unions on aspects of CSR in either Myanmar or their GPNs. Perhaps, it did not dawn on these buyers that they could work with NGOs and other civil society actors to develop and execute their programs for CSR.[61] It is also possible that the lack of civil society engagement was intentional. A representative of a Korean NGO that monitors the human rights impacts of Korean investments overseas gave more weight to this possibility. As explained in the quote below, Korean companies were typically uninterested in, if not hostile toward, the idea of working with NGOs—and even more so with unions—to discuss and address social and environmental harm that has arisen or has the potential to arise from their business activities in Myanmar and other developing countries:

> *Those Korean companies guilty of human rights problems in the garment industry of a foreign country, they tend to me to be small and barely making ends meet. So they are like: do whatever you want because we have nothing to lose. When you meet these owners, you will soon notice that they are just neighborhood ajeossis.*[62] *They don't know what labor unions mean, and they complain that their businesses are on the brink of survival. It is difficult to engage them in reasoned discussion.* (Interviewee 5.8, Korean NGO)

That some Korean buyers distance themselves from ethical sourcing MSIs, NGOs, and other non-firm stakeholders is consistent with the proposed approach to industrial relations in the

[60] According to interviewee 5.10 (an independent auditor who conducts social compliance audits of Korean factories for global brands), to the best of his knowledge there is no ethical sourcing MSI for national firms in South Korea.

[61] When interviewee 5.7 (Korean Company F) was asked whether his company had considered collaborating with NGOs to improve use of its labor and human rights checklist in its production networks, he responded "*No we don't, but now that you say it, that can be a way.*"

[62] *Ajeossi* in Korean is a general term to describe an older man (often married and/or middle-aged or older). It can be used in a derisive manner to describe a man who lacks social manners and consideration for others. Here, the interviewee chose this term to highlight a lack of professionalism and knowledge of international business practices (especially CSR and human right due diligence) among garment industry businessmen.

SLME context. Successive governments in South Korea, from the end of the Korean War until the early 1990s, were authoritarian and developmental; achieving national economic development was their way of gaining legitimacy and this justified curtailing civil liberties and suppressing labor unions and NGOs, many of which resisted the authoritarian governments (Kong, 2012). This historical legacy has been attributed to lack of interaction and trust building between business and civil society. Even after civilian democratic governments came into power in the early 1990s, the distance between companies and non-firm stakeholders (unions and NGOs) has remained (Kang, 2010). This resembles the industrial relations dynamics in LMEs (Bair & Palpacuer, 2012; Hughes et al., 2007). However, unlike European and American non-firm stakeholders, Korean NGOs and unions have not been successful in their attempts to raise consumers' awareness of labor and environmental problems in GPNs or to mobilize them as a countervailing force against unethical company behavior. This may explain, as suggested in the following quote, why there has not been a public outcry about sweatshop labor and other labor issues in the GPNs of Korean companies. Therefore, the author considers that, while the Korean industrial relations context may be similar to that of LMEs characterized by arms-length relationships between business and labor (and civil society), Korean unions and NGOs are, in fact, weaker at asserting themselves as influential stakeholders for CSR in buyer companies' GPNs.

> *Frankly speaking, you need something sensational. Everyone knows that wages are low [in developing countries]. Many would also complain that South Korea used to be like them in the 1970s. People do not empathize with trade unions [in developing countries]. In order for an NGO campaign to be effective in Korea, you need issues like a 12-year old kid fainting from working non-stop for 12 hours or a Korean owner physically and sexually abusing local female workers to make headlines in the international media. [With Myanmar's garment industry] we have not yet had such sensational cases and raising public awareness about this industry has not been easy.* (Interviewee 5.8, Korean NGO)

Given this context of Korean industrial relations, there was insufficient incentive, need for prioritization, or feeling of obligation for Korean buyers to critically assess and improve social and environmental conditions in their GPNs. This led companies E and F to regard supplier ethical compliance as an optional add-on, as distinct from the centerpiece CSR practice it was for companies A to D. Korean buyers could afford to sit back and take a passive approach to

managing the ethical behavior of their suppliers in Myanmar. They justified this on the basis of their weak leverage on suppliers, for example:

> *In our industry, companies like Uniqlo, H&M, Zara, and Nike dictate labor, human rights,*
> *and environmental issues. Other companies are too powerless to change the world. See*
> *that things changed after the H&M CEO went and met with the Bangladesh Prime*
> *Minister. Unless these [big] companies take initiatives, we cannot change things alone by*
> *ourselves. When we were growing fast in China, there were factories exclusively*
> *producing for us. We could handle those factories. Now, these factories have gone global,*
> *so now the share of our order has gone down from 90% to 10%. So, they don't listen to us*
> *much.* (Interviewee 5.7, Korean Company F)

The same approach would not, however, have been permitted if supplier ethical compliance was as a high a priority in company F as in company C:

> *For us, we are finding a factory of 500 [workers], 600, and they do not have a big*
> *capacity so they will be more easy to work with because they are more reliant on us.*
> *Because [suppliers] are big, they will be key suppliers for [bigger brands]. Even in China,*
> *we were not working with a big factory, totally not for us. It's the medium size factory*
> (Interviewee 5.4, German Company C)

The Korean industrial relations context also permitted Korean buyers to exercise more discretion in defining and implementing their own CSR practices, most of which were philanthropic in nature. In this respect, interviewee 5.6's (Korean Company E) interpretation of CSR as *"serving non-wealthy consumers by means of affordable apparel products and engaging in corporate philanthropy"* is telling. Both Korean buyers varied the scale of their investments in CSR in their GPNs, depending on how important the host country was to the company's overall sourcing profile. Neither buyer had a specific CSR program for Myanmar, as the country was responsible for only a fraction of their garment production. By contrast, as illustrated by the following quote, these companies operated more formalized and well-structured philanthropic programs in countries where they had a stronger sourcing presence.

> *I was told our production units in Myanmar have independently supported some local*
> *employees so they could pursue their studies. Other than that, I am not aware of CSR*
> *programs we do at the factory level… Our Vietnamese production units have well-*

structured CSR programs. Probably because we have been operating there for many

years." (Interviewee 5.6, Korean Company E)

Given South Korea is a SLME, it is reasonable to ask whether and how the Korean government played a role in shaping Korean buyers' attitudes toward CSR in GPNs. Interviewee 5.8 (Korean NGO) argued that the state had played a role, not by proactive means, but by inaction. He was critical of the Korean government for failing to call on national companies that allegedly violated international labor standards and the national laws of host countries to rectify their problematic business conduct. As an illustrative example, he mentioned the Korean National Contact Point (NCP) for the OECD Guidelines for multinational enterprises.[63] He found it problematic that, of all cases submitted to the Korean NCP (20 or so in number), the NCP ruled "*none of them merited further investigation or violated recommendations of the Guidelines*" (Interviewee 5.8, Korean NGO). This interviewee criticized the lack of transparency in reaching NCP conclusions, arguing that the NCP did not provide sufficient explanation for its decisions. Other civil society groups have echoed his concern, adding that the NCP does not reveal the content of its communications with its head office in the OECD (S. Park, 2015). The NCP was also viewed as lacking objectivity and independence because four private members in the eight-person NCP committee were from state-funded organizations.[64]

Other evidence adds weight to the observation that the Korean state was not keen on regulating or guiding national companies in terms of CSR in GPNs. State inaction was likely to function as an endorsement for Korean buyers exercising discretionary and philanthropic CSR activities. To date, South Korea does not have national legislation or policy that defines CSR in the context of GPNs or guides corporate behavior. A state-funded trade promotion agency called the Korea Trade-Investment Promotion Agency (KOTRA) has a CSR department with a stated aim of assisting Korean companies to run CSR programs in foreign markets. This department does not provide legal or normative guidance on what CSR is or how it should be practiced in GPNs, leaving these decisions up to the companies themselves. The department (hence, the Agency) takes a strategic view of CSR, stating that its CSR assistance is meant to help Korean companies

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[63] OECD is the abbreviation of the Organisation for Economic Co-operation and Development. To adhere to the OECD Guidelines for multinational enterprises, governments are required to set up NCPs to promote the guidelines and support the resolution of cases deemed not to observe the recommendations set out in the guidelines. Any individual or company can submit an inquiry to an NCP (OECD, n.d.).

[64] These organizations include a state-funded industrial policy think tank, a standardization commission, a trade promotion agency, and a commercial arbitration board.

market their brands and products, build relationships with the governments of developing countries and, as a consequence, achieve win-win outcomes (KOTRA, 2014). Against this background, KOTRA-supported CSR programs in Myanmar have been philanthropic and strategic such as donating machinery and giving educational workshops about how to use it. These observations suggest that the Korean state's view of CSR is best described as

> a form of self-government [that] operates alongside government, and conforms to a traditional, philanthropic view of CSR in which business makes discretionary contributions to society quite independently of government" (Gond, Kang, & Moon, 2011, p. 646)

This is a theoretically interesting contradiction: the government of South Korea, which is classified as a SLME, leaves the matter of CSR in GPNs in the realm of corporate discretion instead of trying to guide or regulate it within the realm of public policy.

To summarize, home country industrial relations contexts have had a substantial impact on how the case companies managed relations with non-firm stakeholders. Companies A to D (US and European) saw taking part in ethical sourcing MSIs and collaborating with NGOs and unions to be relevant CSR practices, complementing their centerpiece CSR approach of managing the ethical behavior of suppliers in Myanmar through application of their corporate codes of conduct. These CSR practices did not resonate with Korean buyers. In the absence of strong industrial relations at home, government guidance on CSR, or influential civil society actors that could connect with and mobilize consumer options, the Korean buyers undertook occasional philanthropic endeavors, but not in a committed and well-structured manner.

4.3. Buyers' internal CSR processes and resources

This article has so far analyzed how inter-company and industrial relations at home might have informed and guided the CSR approaches of buyers in Myanmar. A parallel premise of this study is that other home country institutional contexts, such as corporate financing and internal firm structure, would influence buyers to develop internal processes and resources that support and complement their CSR approaches. This section is dedicated to understanding the institutional imprints of buyers' CSR policies and their implementation.

Similar to the earlier findings, companies A to D (US and European) and E and F (Korean) clearly differed in their internal processes and resource provisions for CSR activities. First, companies A to D had separate CSR teams or departments responsible for monitoring supplier

compliance with their corporate codes of conduct. They also engaged in regular reporting of their CSR activities, progress, and challenges in the form of publicly available annual or bi-annual CSR reports. In other publications targeting investors and the media (e.g., annual company reports), CSR content was communicated in an effort to manage risks in the companies' supply chains. On the operations side, interviewees from companies A to D mentioned the companies' efforts to send coherent CSR-related messages to their suppliers and non-firm stakeholders, and much emphasis was placed on close collaboration between the CSR and purchasing departments. This approach was based on the realization that purchasing practices driven solely by cost minimization or poorly planned purchasing put immense production pressure on suppliers, making it unnecessarily difficult for them to comply with buyer-given codes of conduct (Gooch et al., 2008; Peter Lund-Thomsen & Lindgreen, 2014; Ruwanpura & Wrigley, 2011). The intensity of company internal processes varied slightly, depending on the size of business.[65] Bigger buyers could offer more, and more regular, capacity building opportunities to their suppliers, either at garment factories in Myanmar or at the supplier's headquarters if they were foreign-owned.

This overall convergence among the European and American buyers again defies the theoretical assumption of a difference between LME and CME firms. According to the VoC approach, consensual—as opposed to top-down—decision-making is a distinctive institutional feature of CME firms (Hall & Soskice, 2001). In fact, empirical observations from this study demonstrate that both LME buyers (companies A and B) and CME buyers (C and D) tried to create consensus and harmonize different departments' approaches to the operationalization of CSR. What might have propelled these buyers, despite their different national institutional backgrounds, to adopt similar internal processes for CSR in GPNs? An explanation can be found in the growing socialization of buyers at the global level as well as the development of supranational guidelines on CSR in GPNs (Matten & Moon, 2008). In an earlier quote, interviewee 5.4 (German Company D) mentioned that, through ethical sourcing, MSIs, and other CSR-related international fora, buyers are not only learning about global trends in CSR but also networking with each other across national institutional origins. This peer socialization could encourage buyers to consider adopting processes that were neither native nor familiar to them if they were perceived to be practiced by many others. This would activate a mimetic

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[65] For instance, company C (Germany), the smallest of the four in terms of revenue, had two people covering suppliers in Asia, whereas company B (UK) had about 20 people for the region.

process whereby "in a business climate of increased uncertainty and increasingly complex technologies, managers tend to consider practices as legitimate if they are regarded as 'best practice'" (Matten & Moon, 2008, p. 412). In this study, a mimetic process appeared to lead buyers to gravitate toward adoption of internal processes rooted in the cooperation-based CSR paradigm that emphasizes internal coordination among buyers and trying to resolve problems together with suppliers (Peter Lund-Thomsen & Lindgreen, 2014).

Distinct from companies A to D, the Korean buyers (companies E and F) had weakly established internal processes for their CSR activities and allocated substantially fewer resources to support them. The company E interviewee did not know whether his headquarters had a person responsible for monitoring ethical issues in the company's GPNs. Company F had one person in the strategy department responsible for CSR-related issues and she worked with pertinent departments on an issue-by-issue basis. Furthermore, both Korean buyers shared much less information about their CSR policies and activities in the public domain than the European and American buyers. Besides a small amount of news on its philanthropic activities in different sourcing countries, country E did not publish any information about its CSR policy or regular programs concerning CSR in GPNs. As a corporate member of the UN Global Compact Korea (UNGC Korea), company F prepared an annual report on how it incorporates the 10 UNGC principles in its operations. However, this annual report (called *Communication on Progress*) did not disclose the company's CSR policy or full information regarding the company's GPNs

This state of internal processes and resource provisions for CSR again reiterates the point that the Korean buyers placed a low priority on the topic of CSR in GPNs. Nevertheless, the experience of company F suggests that shareholders could potentially emerge as an influential stakeholder group and trigger Korean companies to reconsider their approaches to CSR (or lack thereof) in GPNs. Interviewee 5.7 (Korean Company F) said his company's owner is personally driven to make his company "a good company." Prior to going public, company F was known for its commitment to philanthropic contributions, including those the owner made himself, without publicity, and experimentation with various ways to give back to society.[66] This way of doing CSR began to change when the company went public and global hedge funds became

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[66] As shown in table 5.4, these experiments include using young leaders of social missions as models for the company's apparel products instead of celebrity models, and increasing the use of organic cotton certified by the Global Organic Textile Standard.

influential shareholders. In an effort to maximize company profit and ensure shareholder returns, the company reduced the scale of philanthropic effort and other experiments in being a good company. Against this background, company F joined UNGC Korea to "*safeguard certain space and commitment for CSR within the company.*" (Interviewee 5.7) The interviewee said UNGC membership was well received by the new shareholders and "*that's what global funds want*" (Interviewee 5.7). The author suspects that these foreign investors might have endorsed the company's UNGC membership because it is a more globally recognized form of showing CSR commitment and adds a socially responsible dimension to their investment. This observation provides an inspiration for future research: in the absence of strong civil society actors or government guidance in South Korea, a critical mass of shareholders may emerge as an influential force in steering Korean companies to conceptualize and operationalize CSR in GPNs. In turn, this may lead to Korean buyers aligning their CSR approaches to those of well-known global brands in the hope that their CSR approaches can gain legitimacy and recognition at the global level.[67]

5. Conclusion

Why do international buyers sourcing from the same country conceptualize and operationalize CSR differently? The author has investigated this quandary with the cases of six buyers from five countries (Germany, Sweden, South Korea, UK, US) sourcing garments from Myanmar. As a theoretical guide, the author combined insights from the GPN and VoC perspectives to understand how home country institutional contexts for inter-company relations and industrial relations informed and shaped the case country's different CSR approaches in Myanmar between 2011 and 2015. According to this theoretical lens, LME buyers (companies A and B), CME buyers (C and D), and SLME buyers (E and F) would be likely to exhibit distinctive CSR approaches to Myanmar, supported by complementary internal processes and resource provision.

The empirical findings, summarized in Table 5.5, reveal a partial fit to this proposition. First, a major distinction is found between companies A to D (US and European) and companies E and F (Korean). The US and European companies' approach to CSR evoked the cooperation-based

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[67] This does not mean that the CSR approach that shareholders favor and want their Korean investees to adopt would guarantee improvement in the social and environmental conditions of the companies' GPNs. Shareholders may just be content that the Korean companies they invest in are adopting and communicating CSR practices that are globally understood, regardless of their actual implementation. This phenomenon merits a study on its own to examine whether a new CSR practice vouched for by shareholders leads to increased corporate responsibility in GPNs.

paradigm of GPNs. These buyers, LME and CME firms alike, considered it central to keep their suppliers in Myanmar compliant with their codes of conduct. In pursuing this objective, they favored developing long-term sourcing relationships with suppliers capable of fulfilling their ethical demands and sought collaboration with various non-firm stakeholders. This convergence contradicts the initial proposition that LME buyers would follow the compliance-based CSR paradigm that accords more closely to their home country institutional characteristics. Neither the cooperation-based nor the compliance-based paradigm adequately describes the CSR approaches taken by the Korean case companies; rather, the main features of these paradigms, such as structured management of corporate codes of conduct and ethical auditing of suppliers, were missing (Peter Lund-Thomsen & Lindgreen, 2014). The CSR activities of the Korean buyers were largely philanthropic, not structured as recurring formal programs, and accompanied by only minimal provision of internal firm processes and resources. The Korean buyers maintained arms-length relations with their suppliers on ethical matters and the Korean government leaves CSR to corporate discretion.

Table 5.5: CSR approaches of case companies in Myanmar

LME buyers (companies A from the US and B from the UK)	CME buyers (companies C from Germany and D from Sweden)	SLME buyers (companies E and F from South Korea)
- Evoke the cooperation-based CSR paradigm - May be less proactive than CME buyers when it comes to engaging unions to resolve specific problems in their factories	- Evoke the cooperation-based CSR paradigm	- Show a passive and mostly philanthropic approach to CSR, complemented by lack of engagement with non-firm stakeholders and no state guidance or promotion

The author argues that the distinction between the approaches to CSR in GPNs taken by the Korean and the European and American buyers is best understood in light of the Korean context for industrial relations. Unlike CMEs, the Korean capitalist system lacks the tradition of empowered unions working side-by-side with employers (or employer organizations) to bargain for working conditions and entitlements. The legacy of an interventionist state, until the early 1990s under authoritarian and developmental governments, was lack of an effective civil society of the kind found in LMEs with a track record in successfully raising public awareness of labor and environmental issues in GPNs and mobilizing consumer boycotts against national companies with problematic sourcing and investment practices abroad. Given the country's

history of industrial relations, NGOs and unions have not been able to assert themselves as influential stakeholders in Korean firms. In parallel, the Korean government has distanced itself from regulating or guiding the business practices of national firms in GPNs. Therefore, the author proposes that the Korean context of industrial relations did not provide incentives, or regulatory and normative pressure, for the studied Korean buyers to take CSR in GPNs as seriously as the European and American case companies.

This study has the following research implications. First, applying insight from the VoC to GPNs has helped articulate how European and American buyers conceptualize and operationalize CSR similarly. But this theoretical framework falls short as an explanation of the drivers behind this convergence. This shortcoming calls for an examination of what happens at the global level to fuel the convergence and cultivate a shared sense of how to conceptualize and operationalize CSR in GPNs. Recent VoC studies share similar observations and speculate about possible reasons, such as supranational organizations (e.g., the EU) issuing guidance on CSR (Matten & Moon, 2008) or a growing importance of shareholders in corporate governance, even for CME firms that favor CSR as a source of explicit advantage rather than implicit fulfillment of the firm's expected role in society (Kang & Moon, 2012). Another topic that merits further research is the role of home country governments with respect to CSR in GPNs. South Korea represented SLMEs in this study, but the empirical findings show surprisingly little state involvement in informing and guiding corporate approaches to CSR. Interestingly, the governments of Western capitalist economies have taken a more proactive stance (Gond et al., 2011). For example, the US and the UK have enacted legislation demanding companies operating in their territories publicly disclose information on their counter-trafficking efforts in supply chains (the California Transparency in Supply Chains Act in the US and the Modern Slavery Act in the UK). Such developments, and the empirical findings on the cases of Korean buyers, call for a deeper look at the evolving role of home country governments in conceptualizing and operationalizing CSR in GPNs.

This study offers practical insights for actors, such as policymakers and civil society actors in home and host countries, that wish to promote and guide international buyers to realize responsible business conduct. It warns against assuming that all buyers share the same perception of CSR, because a buyer's approach to CSR in its GPNs is invariably informed by how it relates to other companies and non-firm stakeholders in its home country. This makes it

worth the effort to trace back to the home country institutional context of a specific international buyer and to understand how the buyer manages relations with other firms and non-firm actors in their home country, as well as what internal processes are in place to support these interactions. Lastly, different buyer CSR approaches mean that the social and economic implications for workers, firms, and communities in a particular host country (such as Myanmar) are also likely to be different. Therefore, understanding the nature and drivers of buyers' CSR approaches can be a first step for policymakers and civil society actors to become better informed and prepared for uneven outcomes from their CSR activities in a host country.

6. Article 2

Divergent CSR understandings and drivers:

Institutional plurality facing garment exporters in Myanmar[*]

Jinsun Bae

The use of corporate codes of conduct by global brands, retailers, and supermarkets in relation to their suppliers in developing countries has constituted a key approach for these companies (known as buyers) to work with corporate social responsibility (CSR) in global production networks (GPNs) since the 1990s. In this study, CSR is defined as relating to businesses addressing the social and environmental impacts of their activities; managing ethically in relation to others with whom they do business; and navigating relations with a wider set of societal actors such as non-governmental organizations (NGOs), trade unions, and governmental agencies (Frynas & Blowfield, 2005, p. 503). The use of corporate codes of conduct as a way of engaging in CSR in GPNs can be seen as a response to consumer campaigns and the weak rule of law and civil society monitoring of export-oriented production facilities in developing countries (Stephanie Barrientos & Smith, 2007). A substantial literature now exists on the effects of enforcing the codes of conduct on workers' conditions in supplier factories in developing countries (Stephanie Barrientos & Smith, 2007; Bartley & Egels-Zandén, 2015; Egels-Zanden, 2007). In comparison, the question of how suppliers themselves perceive the notion of CSR has remained under-studied, but this is an important question to consider given the critical role they play in GPNs. The few studies undertaken of supplier perceptions of CSR in developing countries underline that these suppliers sometimes perceive CSR as a form of economic and cultural imperialism, and that suppliers face challenges in navigating between declining unit prices, shortened lead times, and meeting the increased costs of complying with buyer-given codes of conduct (De Neve, 2009; Farzad Rafi Khan & Lund-Thomsen, 2011; Ruwanpura & Wrigley, 2011). This literature however needs a better understanding of how and

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[*] As opposed to the rest of this dissertation copyedited and proofread by an external proofreader, this article was copyedited by the first supervisor, Peter Lund-Thomsen. Therefore, grammatical and stylistic details of this article differ from two other articles in the dissertation.

why supplier perceptions of CSR are sometimes different, either across different national contexts or within the same developing country national context.

This article proposes that in order to theorize different supplier perceptions of CSR, researchers should place the institutional plurality facing developing country suppliers at the heart of their analysis (Kraatz & Block, 2008). In other words, suppliers navigate multiple sets of rules, norms and cultural values that influence their perceptions of CSR due to their embeddedness in different contexts. This study views that institutional plurality may arise from following factors. First, buyers may attempt to govern the social and environmental behavior of their suppliers by requiring them to comply with codes of conduct. Second, the 'social contract' of the host country, defined as "rules and norms in a society, and…historically and culturally shaped expectations concerning (minimally) acceptable social and environmental behavior" (Knorringa & Nadvi, 2016, p. 59), can add to the institutional plurality facing suppliers. Third, the author suspects that the multinationality of suppliers, that is, being part of multinational enterprises can mediate the influence from buyers and/or host country's social contract (Kostova & Roth, 2002; Kostova, Roth, & Dacin, 2008). In this regard, the theoretical framework of this study combines a typology of buyer's governance modes with respect to suppliers in GPNs (Gereffi et al., 2005); the notion of social contract; and the notion of multinationality. This framework helps the author articulate how the intersecting influences of home and host country's social contracts can give rise to different perceptions of CSR in GPNs among suppliers in a developing country, and thus makes an original theoretical contribution.

To further this theoretic aim, this study employs the empirical context of Myanmar's export garment industry from 2011 to 2015. Since the country's announcement of gradual political and economic liberalizations in 2011, there have been substantial changes in the country. These include greater possibilities to export made-in-Myanmar products to the European Union (EU) and North American markets and an influx of EU and American buyers into the local garment industry which had primarily served Asian buyers. Some of these 'newer' buyers demanded that garment manufacturers in Myanmar should comply with their codes of conduct – a demand rarely requested by 'older' buyers (Action Labor Rights, 2016; Gardener & Burnley, 2015). Given this transitory nature of Myanmar's institutional environment and the diversity of buyer CSR demands, this empirical setting is well-suited to investigate how institutional plurality may drive different supplier perceptions of CSR in GPNs.

This article is composed of the following sections. Section 1 introduces the theoretical framework to articulate institutional plurality facing suppliers, rooted in a typology of GPN governance modes and the notions of social contract and multinationality. Section 2 provides an overview of Myanmar's export garment industry during the period 2011 – 2015. Section 3 presents an overview of research methodology and data analysis procedures. Section 4 contains the empirical analysis of supplier CSR perceptions in the Myanmar's garment industry. Section 5 summarizes the findings of the article, highlighting the policy implications of the study and areas for further research.

1. Theoretical framework

To understand how institutional plurality affects the supplier perceptions of CSR in GPNs, this study employs the GPN analysis (Coe et al., 2008; Henderson et al., 2002).[68] This analysis helps understand how suppliers participate in various GPNs coordinated by global buyers by directing researcher's attention to the vertical and horizontal dimensions of such networks. The vertical dimension refers to multi-scalar sourcing linkages that buyers have with geographically dispersed suppliers (and intermediaries, if relevant) through which products are designed, manufactured, marketed, distributed, and consumed. The horizontal dimension represents local institutional contexts of a particular geography where suppliers carry out production activities (Coe et al., 2008; P. Lund-Thomsen & Coe, 2015). Being embedded in GPNs therefore means that when suppliers address the social and environmental impacts of their operations in the host country or manage relations with workers and other local stakeholders, they have to navigate between the demands of both their buyers and workers (in the vertical dimension) and local regulatory authorities and other stakeholders (the horizontal dimension) in the host country.

What follows these suppliers is then the condition of institutional plurality whereby "an organization is subject to multiple regulatory regimes, embedded within multiple normative orders, and/or constituted by more than one cultural logic" (Kraatz & Block, 2008, p. 243). In

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[68] The GPN departs from its its predecessor global value chain (GVC) analysis (Gereffi, 2014; Gereffi et al., 2001) in that it recognizes not only inter-firm linkages as important to the transnational organization of industries but also various non-firm actors (such as governments, NGOs and trade unions) that affect the production activities of firms. Going beyond the vertical focus on inter-firm power relations in GVC analysis, the GPN approach tends to place greater emphasis on the evolutionary nature of GPNs (Coe et al., 2008; Henderson et al., 2002). The GPN thus emphasizes that GPNs change over time, i.e. that network participation and the governance of GPNs are not static phenomena.

the presence of these multiple sets of rules, norms and cultural values, suppliers have to navigate with different and at times mutually contradicting demands regarding CSR. This article presupposes that 'institutional plurality' can arise from following three factors and influence supplier approaches to CSR: a) buyer governance of the social and environmental behavior of its suppliers; b) the social contract of the host country, and c) the multinationality of suppliers.

1.1. GPN governance of supplier CSR

In spite of operating in the same host country, suppliers can subject to different kinds of institutional plurality as their buyers attempt to govern the social and environmental behavior of suppliers differently. GPN governance here refers to buyers, and in some cases also suppliers, employing "authority and power relationships that determine how financial, material, and human resources are allocated and flow within a chain" (Gereffi & Korzeniewicz, 1994, p. 97).[69] Gereffi et al. (2005) provides a useful typology to characterize different buyer approaches to govern CSR in the host country.[70] They refer to market, modular, relational, captive and hierarchical forms of value chain governance. In *market and modular governance*, suppliers are highly capable of producing products with little guidance or coordination from buyers, and products and buyer-supplier transactions are highly codified. These factors reduce the cost of switching suppliers.[71] *Captive and hierarchy-like governance* have no or little of what enables market-based and modular governance. Product specifications are complex and difficult to codify, and the low capacity of suppliers makes it necessary for buyers to closely supervise and control supplier production processes. Therefore, buyers are incentivized to either vertically integrate production tasks (in case of hierarchical governance) or to outsource only a limited range of their production to their suppliers with close monitoring. The cost of switching suppliers is also higher than the former modes of governance. *Relational governance* is an intermediary form of governance, with the market-based and modular on one side and captive

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[69] The chain here refers to the global commodity chain (GCC), an earlier heuristic framework that inspires the Global Production Network (GPN) analysis. GCC scholars use the 'chain' metaphor to articulate the sequence of economic value-adding activities in producing a good or service from design to final sale. GPN scholars additionally concerns how value adding activity in one location interacts with local regulations, norms and cultural values and has thus become locally embedded.

[70] Gereffi et al. (2005) uses the term GVC governance, in lieu of GPN governance, because they subscribe to the metaphor of Global Value Chain (GVC) to describe and understand global production networks. GVC is inspired and upgraded from GCC by acknowledging more specific governance modes (rather than simply buyer- or producer-driven) and taking interest in what drives variations in governance of actors in GVCs.

[71] The modular chain differs from the market-based chain because the former deals with more complex products (such as electronic items of which production processes are modularized) and involves more inter-firm knowledge transfer between the buyer and the supplier and information sharing than the market-based chain.

and the captive and hierarchy-like on the other. Relational governance rests on mutual dependence between the buyer and the supplier, and transactions involve tacit and difficult-to-codify knowledge.[72] As the buyer and the supplier maintains a close relationship to coordinate and advance production activities, it becomes costly for the buyer to switch suppliers.

This article extends the governance typology of Gereffi et al. (2005) to theorize different buyer approaches to govern CSR behavior of their suppliers. Under market governance, buyers may not want to control or coordinate the social and environmental behavior of their suppliers since doing so would require the buyers to form durable relationships with suppliers. It then becomes more difficult for these buyers to switch to new suppliers that can produce cheaper and faster. Therefore, the author contends that in this scenario, suppliers will perceive and engage with CSR in ways that are independent from buyers' inputs or interventions.

Under modular governance, buyers can attempt to govern the social and environmental behavior of their suppliers in a modularized and arms-length fashion. Buyers may codify what counts as acceptable social and environmental behavior of their suppliers in corporate codes of conduct and choose to work with suppliers that are willing and capable to adhere to these codes. Because suppliers are assumed to be highly capable, buyers may not see the need close communication (as in the case of relational governance) or hands-on supervision (as in the captive and hierarchical governance) to achieve supplier compliance with buyers' codes. They may also favor using external parties (e.g. auditing companies) to monitor the code compliance of their suppliers, instead of undertaking this function in-house. If suppliers fail to comply with the codes or to follow corrective actions, buyers are likely to terminate existing sourcing relationships and instead seek out new suppliers.

In relational governance, buyers may take a proactive stance to inform and guide their suppliers about how they should approach CSR because this is deemed complex and difficult to codify. Therefore, these buyers would demand their suppliers to comply with their codes of conduct, while helping them to deliver the compliance through trainings and capacity building measures designed for the management, supervisors and workers at suppliers' production facilities. The author hypothesizes that suppliers in this governance mode can provide feedback, negotiate or

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[72] Buyers in relational governance may still outsource certain production functions to other highly capable suppliers in GPNs.

even challenge buyers' demands with respect to how suppliers should engage in CSR. This buyer-supplier dynamic seems likely as suppliers are deemed highly capable (unlike in captive and hierarchical governance) and because buyers tend to stick to a small network of trusted suppliers (contrary to what happens under market-based and modular governance),

In captive governance, buyers exert strong control over how suppliers should conceptualize and operationalize CSR in the host country. Under hierarchical governance, buyers exercise full control over their in-house suppliers. In these captive kinds of governance, suppliers are assumed to have low capability. Therefore, buyers would closely monitor their compliance with buyer-given codes and provide complementary support to help them improve compliance. As suppliers in captive kinds of governance are viewed to have low capability (as opposed to those in relational governance), it would be difficult, if not impossible, for them to negotiate the terms of their buyers' CSR-related demands. Their weak bargaining position undermines the scope of supplier autonomy, which can provoke suppliers to question and criticize buyers' attempts to govern their social and environmental behavior (e.g. Farzad Rafi Khan & Lund-Thomsen, 2011). In this context, when suppliers are asked to fulfill buyers' CSR demands that exceed their capabilities, they may resort to symbolic compliance by pretending to conform, rather than attempting to renegotiate buyer demands.

Table 6.1: Different ways in which buyers attempt to govern supplier approaches to CSR (inspired by the works of Gereffi et al. (2005) and Lund-Thomsen (2013))

Buyer's governance of CSR in GPNs	CSR as knowledge to be transferred from buyer to supplier	Supplier's capability	Buyer's governance strategies
Market-like	Theoretically low in complexity and high in codifiability, but this becomes irrelevant	High	- No governance - Suppliers conceptualize and operationalize CSR in their own terms
Modular	Low in complexity and high in codifiability	High	- Buyer's code of conduct codifies how its suppliers should operationalize CSR - Third-party auditing is favored - The buyer is prone to find new suppliers when existing ones fail to comply with buyer demands
Relational	High in complexity and low in codifiability	High	- Buyer's code of conduct codifies how its suppliers should operationalize CSR - The buyer helps suppliers understand and deliver code compliance because knowledge contained in the code is deemed complex and difficult to codify - Suppliers can provide feedback to or

			negotiate with buyers on CSR-related matters
Captive & Hierarchy-like	High in complexity and low in codifiability	Low	- Buyer's code of conduct codifies how its suppliers should operationalize CSR - The buyer closely supervises and controls its suppliers on code compliance and meeting other CSR-related demands - It is difficult for suppliers to negotiate their terms of meeting buyers' CSR demands; this can encourage discontent and symbolic compliance

1.2. Host country's social contract that influences supplier's CSR

When suppliers conceptualize their CSR approaches to the host country, they are invariably exposed to and influenced by what local rules, norms and culturally shaped expectations say about being socially responsible as a business. These institutions shape a country's social contract (Knorringa & Nadvi, 2016). This contract assigns "primary and secondary responsibility in upholding and monitoring their social contracts to government, business and civil society organisations" (ibid., p. 59) although such division of labor can change and evolve over time.

One needs to unpack how a country's social contract informs and shapes CSR approaches of firms operating in the country. First, private norms and cultural values (that are not part of formal, public regulations) can prescribe what constitute locally acceptable forms of social and environmental behavior. For instance, in a social context whereby children as early as 8 – 9 years old are seen working in small shops, locals would be more willing to hire workers regardless of their ages and support them to make money for their family members (ILO-IPEC Myanmar, 2015). Second, local public regulations such as national laws, location-specific regulations (e.g. special economic zone policies) and government-led processes (e.g. state-led wage bargaining in China, as in Chan and Hui (2014)) can also influence supplier's CSR. Third, it is important to understand how the state, business and civil society assume and fulfill different roles in monitoring and upholding these institutions of social contract. As summarized in the table below, this division of labor between three parties differs among countries (Knorringa & Nadvi, 2016).

Table 6.2: Division of labor in monitoring and enforcing social contracts in India, Brazil and China (author's summary of Knorringa and Nadvi (2016))

Country	India	Brazil	China
State	- Public regulations cannot effectively address violations of labor and environmental regulations	- There is relatively strong enforcement of domestic labor and environmental legislations	- The state is increasingly regulating labor and environmental issues - As legal enforcement is done by local governments, its outcome is uneven
Business	- Complex sub-contracting chains and informal production practices (e.g. home-based work and bondage labor) make it difficult to trace where products were actually made - Local producers tend to work with buyers whose labor and environmental demands are lax	- Brazilian firms face strong regulatory pressures from global buyers and local governments - Small and under-resourced producers argue for the need to more lax government regulations to protect their competitiveness	- Chinese firms have been under fire for poor working conditions - They are gradually improving their compliance with global buyers' codes of ethics
Civil society	- Unions cannot effectively represent workers when many work in informal labor settings (e.g. homes and workshops)	- Civil society actors have taken part in public-private collaborative initiatives to improve the regulatory compliance of local producers and labor and environmental conditions in industrial clusters	- As unions are semi-governmental, they do not effectively represent workers - Workers exercise agency via high rotation, unrest, etc.
Outcomes of social contract enforcement	- Continuation of exploitative labor practices - Little incentive or effective regulatory pressure for local producers to address labor and environmental issues	- Combination of strong regulatory enforcement and capacity building measures for firms in industrial clusters - Brazil is actively engaged in various global CSR initiatives	- The state has increased its effort to regulate the social and environmental behavior of local producers - Enforcement is uneven, depending on regional government's capacity
What Knorringa and Nadvi (2016, p. 68) say	"social contract that does not incentivize them to comply with the 'letter' of labor and environmental standards, let alone with the 'spirit' of these standards"	"meaningful enforcement of public labor and environmental regulation is by and large the rule (not the exception, like in India)"	"social contract in which compliance with a variety of public regulations might at times be more negotiable than in Brazil, but it cannot be simply ignored like in India"

In principle, the social contract of the host country should apply equally to all locally present suppliers. However, in practice, this becomes unrealistic as suppliers take part in different GPNs that vary in buyer power as well as buyers' CSR demands. Therefore, the author makes the following interrelated arguments. First, suppliers involved in market-based relations are likely to

perceive CSR that reflect and resemble the host country's social contract. This close alignment would be possible due to lack of strong buyer demands regarding CSR, and may help these suppliers appear legitimate in the eyes of local government authorities and other stakeholders. Second, the opposite may be true for suppliers participating in captive and hierarchical forms of governance. They may have little or no room to accommodate CSR activities that honor the local social contract mainly because their buyers are keen to control their social and environmental behavior. When buyers' CSR demands are deemed to contradict with what the local social contract may prescribe, suppliers here would follow the former at the expense of the latter. Third, suppliers in modular and relational governance may also be required to comply with the codes of conduct of international buyers. However, because of their high capability, they have more room to negotiate the terms of their fulfilling buyer demands. Due to their ability to negotiate, it may be more feasible for them to simultaneously pursue responding to buyers' CSR demands and practicing certain CSR activities to honor the host country's social contract.

1.3. Supplier multinationality as a mediating factor

The author takes one step further and explores whether being a subsidiary of the multinational enterprise (which is dubbed as supplier multinationality) plays a mediating role in explaining supplier CSR perceptions. This notion of multinationality has been established and articulated in the international business studies literature (Dau, 2013; Kostova & Roth, 2002, p. e.g.; Kostova et al., 2008; Regnér & Edman, 2014). Supplier multinationality implies that suppliers draw upon CSR policies and practices defined by their headquarters, in addition to what their buyers and the social contract of the host country usually demand from them. This study assumes that this extra layer of institutional plurality is not applicable to non-multinational suppliers founded and operating only in the host country.

How does multinationality affect supplier perceptions of CSR in the host country? This study argues that it mediates buyer attempts at governing the social and environmental behavior of suppliers. This is done through the headquarters of suppliers which share a dual interest in maintaining the legitimacy of its subsidiary operations in the host country and achieving greater coherence amongst its geographically dispersed subsidiaries (Kostova & Roth, 2002). When the headquarters mandate their subsidiaries to do certain activities as their company CSR and these activities are aligned with the CSR requirements of buyers, individual subsidiaries

(multinational suppliers) can save time and resources to accommodate buyer demands. However, when the headquarters' mandate on company-wide CSR contradicts with or undermines buyers' CSR mandate, this misalignment can affect or constrain supplier's ability to fully accommodate the latter.

In addition, headquarter influence may also mediate the extent to which multinational suppliers choose to conform to the host country's social contract. Scholars such as Kostova et al. (2008) and Regner and Edman (2014) argue that multinational suppliers are in a better position than non-multinational peers to defy or even change host country rules, norms and cultural values. Their foreign origins and superior knowledge and resources based on multinational operations can make them question or challenge taken-for-granted practices in the host country (Dau, 2013; Regnér & Edman, 2014; Zaheer, 1995). Hence, this study argues that when it comes to explaining supplier perceptions of CSR in the host country, multinational suppliers are more selective and critical about embracing the local social contract in their CSR approaches than non-multinational ones.

1.4. A theoretical framework for explaining supplier CSR perceptions

In short, how suppliers perceive CSR in the host country can be explained with reference to multiple sets of rules, norms and values regarding what constitutes appropriate social and environmental behavior of the firm. The theoretical framework posits that this institutional plurality mainly arises from two factors: first, buyer attempts at governing supplier CSR approaches and second, the social contract of the host country. In case of multinational suppliers, they can experience an added layer of complexity. Not only they are more predisposed to question and challenge the host country's social contract, but also their headquarters can demand them of certain actions that can contradict with or undermine their ability to fulfill buyers' CSR requirements. As a result of grappling with the institutional plurality, suppliers despite being located in the same host country may exhibit divergent CSR approaches. The figure below visualizes this theoretical framework.

Figure 6.1: A theoretical framework of multinational supplier perceptions of CSR
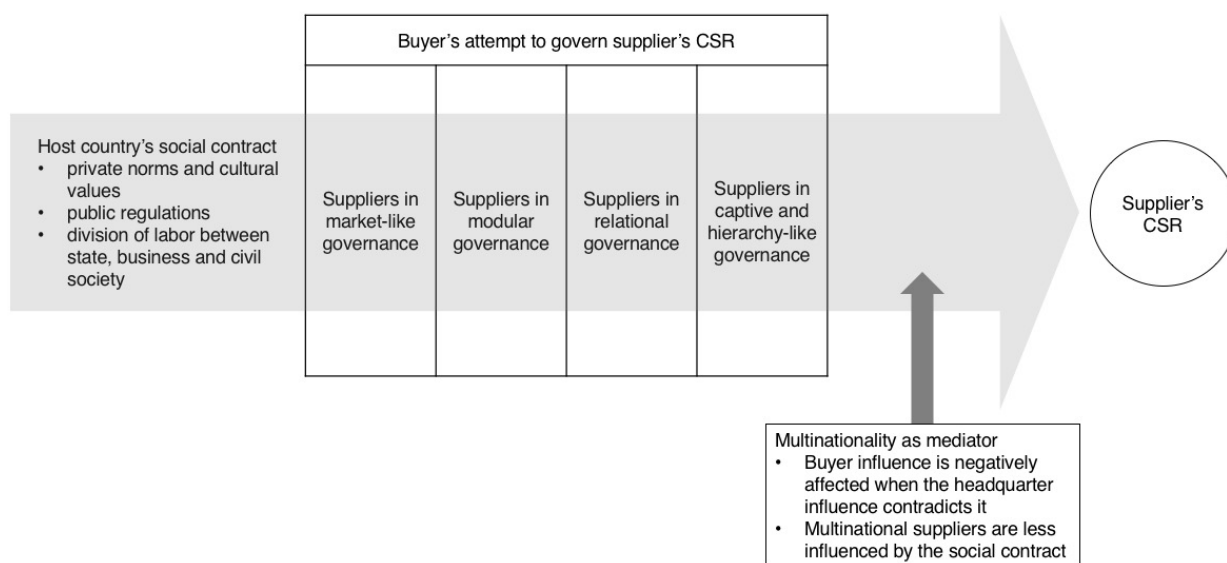
Employing this theoretical framework is expected to make following contributions. The framework can help the researcher gain a more nuanced understanding of CSR approaches that manifest in a country. It traces the factors and their combinations that have informed and influenced suppliers' CSR approaches. In doing so, this study also sheds light on localized and indigenous forms of CSR – a topic that needs has been weakly investigated (Knorringa & Nadvi, 2016). It further examines "whether these more localized indigenous forms of CSR play a role (enabling/disabling) in… being able/willing to conform to standards from outside, and/or are more likely to experiment with their 'own' standards" (ibid, p.67). The next section introduces the empirical setting of the study where this framework is to be applied and refined: Myanmar's export garment industry.

2. Myanmar's garment industry

Many developing countries have used export-oriented garment production as a pathway for national economic development (Gereffi & Frederick, 2010). The global garment industry is a classical buyer-driven production network "in which large retailers, brand named marketeers, and trading companies play the pivotal role in setting up decentralized production networks in a wide range of exporting countries, typically located in the Third World" (Appelbaum & Gereffi, 1994, p. 44). This geographical and functional fragmentation of global garment production networks was further propelled by the abolishment of Multi-Fiber Agreement (MFA) and its

country-specific quotas on garment imports in 2005. Initially, China emerged as is a clear winner of post-MFA garment trade whose share of global garment exports rose from 15.2% in 1995 to 33.2% in 2008 (Gereffi & Frederick, 2010).[73] As wage levels in China have been rising, global buyers have increasingly looked for alternative garment sourcing locations where local wage levels were lower (Griffin, 2014). Their search for cheaper garment production sites and the ensuing fierce price competition among garment manufacturers located in various exporting countries have had significant social consequences. As suppliers compete on offering low production costs, this has resulted in stagnating, if not lower, wages for their workers and poor working conditions such as excessive overtime and hiring of under-aged workers (S. Barrientos et al., 2011).

In this global garment industry, Myanmar assumes a unique case due to its experience of Western economic sanctions (Yin, 2003). In the 1990s, Myanmar exported garments to mainly United States (US) and European Union (EU) markets. In 2003, the US government imposed sanctions on the country to pressurize the then ruling military regime in Myanmar. Once the sanctions took their full effect, Myanmar's garment manufacturers lost their major markets and had to develop alternative sales channels to Japan and South Korea. During this period, garment manufacturers in Myanmar mainly produced for East Asian buyers. In 2011, when the Myanmar government announced its plan for economic, political, and administrative reforms, the EU responded by lifting sanctions in 2013, and the US followed in 2016. The EU also reinstated duty-free and quota-free access of Myanmar's exports to the EU. In this new trading environment, Myanmar's garment exports to the EU increased significantly. In 2014, Japan and Korea accounted for 38% and 31% of garment export from Myanmar, followed by the EU at 23% (HKTDC Research, 2016b). The reemergence of Western buyers meant that the country's garment firms had to comply with corporate codes of conduct if they wanted to sell their products in Europe and North America. At the same time, the East Asian buyers rarely demanded such compliance as a condition for participation in their GPNs (Action Labor Rights, 2016; Gardener & Burnley, 2015). In other words, the country's garment manufacturers were exposed to different buyer expectations regarding CSR, which in turn were likely to influence their perceptions of this notion in different ways.

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[73] Other top garment exporters in the global garment trade include: Turkey, Bangladesh, Vietnam, etc.

What characterizes the garment manufacturers in Myanmar, and how are they inserted into GPNs? The vast majority of Myanmar-based suppliers are Cut-Make-Pack (CMP) producers. Their buyers provide fabric, raw materials and production specifications so that they can use them to assemble garment products. For CMP producers, their profit margins are created from lower production costs (either by squeezing wages, reducing input costs or making production more efficient). Myanmar's suppliers are considered less competitive than garment manufacturers in China, Bangladesh and other leading exporting countries where local manufacturers can offer more than CMP production, such as sourcing their own raw materials. According to the Myanmar Garment Manufacturer Association (MGMA), as of July 2015, the total number of MGMA member factories was 316, and garment exporting factories 272. Little more than fifty percent are locally-owned and the rest are owned by East Asian investors.[74] Large factories with more than 1000 workers are mostly wholly foreign-owned or joint ventures between local and East Asian investors. Medium factories with 500-1000 workers either are locally-owned, joint ventures or recently started foreign-owned. Small factories with less than 500 workers are predominantly locally-owned (HKTDC Research, 2016b). Table 3 below contains an overview of garment exporting factories by the national origin of their owners.[75]

Table 6.3: Garment exporting factories by the national origin of ownership

Total	272	Greater Chinese (83)	Hong Kong	36
Locally-owned	105		Taiwanese	14
Korean-owned	49		mainland Chinese	33
Japanese-owned	17			

Source: Authors' elaboration based on the MGMA member list of July 2015.
* Other foreign investors include Austria, British Virgin Islands, Brunei, Malaysia, Indonesia, Singapore, Thailand, UK, US, etc. but under each national ownership, there were one or two factories.
** The numbers of foreign-owned factories combine wholly-owned and joint ventures.

The garment suppliers in Myanmar are inserted into GPNs in a variety of ways. First, some suppliers are Myanmar subsidiaries of MNEs headquartered in East Asian countries, producing

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[74] The MGMA's member list is the most comprehensive and authoritative source because for any garment factory to import raw materials from buyers, it needs an endorsement from the MGMA even before applying for import license with the Ministry of Commerce. As the MGMA gives endorsements to member factories only, this gives an institutional need for garment exporters to gain membership.
[75] We have not come across a multinational supplier owned 100% by a local entrepreneur. We thus assume that all multinational suppliers are foreign-owned or joint ventures and all locally-owned garment manufacturers are non-multinational suppliers. One should read these numbers with caution when some foreign-owned factories are registered as locally-owned, and some factories registered as wholly locally-owned or foreign-owned are in fact joint ventures

for their companies' own brands. Second, some multinational suppliers produce for other brands and retailers. Third, non-multinational suppliers are established in Myanmar with no production unit elsewhere; they produced for other brands and retailers. Figure 2 illustrates different buyer-supplier linkages in Myanmar's export-oriented garment industry.

Figure 6.2: Different buyer-supplier sourcing linkages in Myanmar's export garment industry
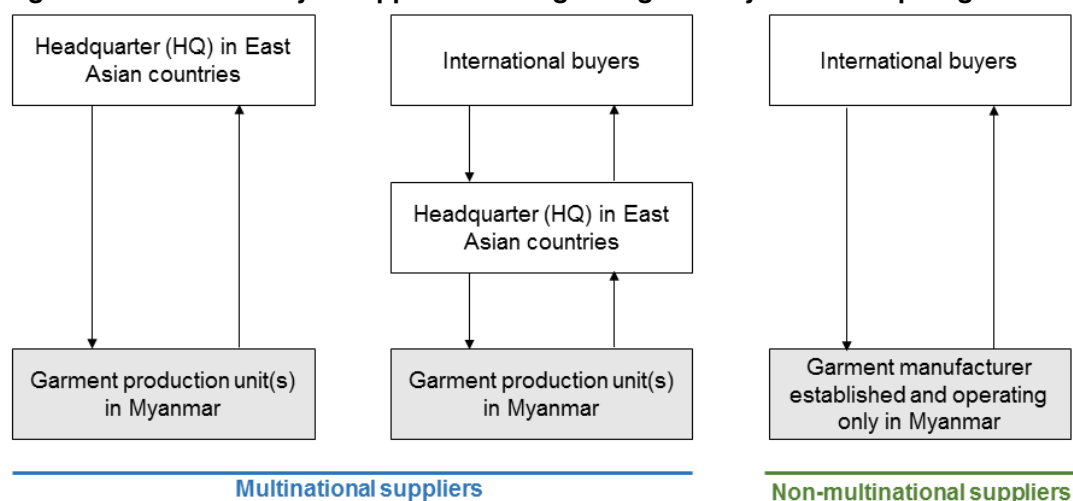
While Myanmar's garment manufacturers participate in GPNs as suppliers, they are also embedded in the country's regulatory, normative and cultural contexts that inform and guide what CSR is and how to practice it. While the country's reforms have taken place since 2011, the legacy of fifty years of military rule runs deep in country's political landscape. Previous military government oppressed civil society actors they deemed political and potentially anti-government. This stifled the growth of civil society organizations and trust-building possibilities between the business and civil society actors (Jesnes, 2014). When it comes to regulatory influence, Myanmar's labor laws are a prominent source. Since the announcement of reforms in 2011, the Ministry of Labour, Immigration and Population (MoLIP) with the help of international actors such as the International Labour Organisation (ILO) has been revamping labor laws with a view to reflect and meet international labor standards and principles. This regulatory reform entailed legalization of labor unions; legally mandating the formation of worker consultation committees at the workplace; and setting the country's first-ever national minimum wage. However, implementation of these regulatory changes have been lagging behind when bureaucratic capacity and resources remain weak at the local level and government inspections are far from rigorous (Action Labor Rights, 2016; Theuws et al., 2017).

Local norms and cultural values are also important in relation to explaining how garment manufacturers perceive CSR. Almost 90% of Myanmar's population believes in Buddhism (CIA, 2017). In addition, one needs to pay attention to the role of family in the life of an individual in Myanmar. Compared to children and youth in more individualistic societies, Myanmar's young people are more prone to make decisions based on filial piety and other familial duties (Jang-sik Park & Chae, 2014). In the family, members tend to pool earnings and resources together, and children are expected to look after parents and grandparents. This co-dependence of individual and familial goals has motivated some children to quit schooling and join labor force (ILO-IPEC Myanmar, 2015) and young females to migrate from their home regions and seek jobs in Yangon's garment factories so they can remit a large part of their salaries for their families back home (Gardener & Burnley, 2015; Jang-sik Park & Chae, 2014).

3. Research methodology

This study aims to understand how Myanmar's garment manufacturers that function as suppliers in GPNs perceive and approach CSR, and what may drive their different approaches. This inquiry focuses on the period from 2011 when the country announced liberal market-oriented reforms to 2015 when data collection took place. It draws from the interviews with 19 garment manufacturers and relevant secondary data such as manufacturer companies' publicly available data, NGO reports and news articles. Supplier interviews were conducted in Yangon, Myanmar during May to September 2015. Interviewees were identified from two member lists of the Myanmar Garment Manufacturer Association (March and July 2015 versions). The author worked with three local research assistants who helped with contacting garment manufacturers, translating interviews and transcribing recorded interviews. Interviews were conducted in in Burmese and Japanese with the help of a research assistant (6 out of 19 interviews) while the author conducted interviews in English and Korean (13 out of 19). Interviewees were sampled on the basis of being directly involved in defining and implementing company's vision and activities regarding CSR or having authority to speak about CSR on the company's behalf. Hence, company owners, country managers of Myanmar operations, factory managers and other managers that deal worker welfare, employment and industrial relations issues made up the

sample. Prior to each interview, interviewee approval was sought for tape-recording (which 15 out 19 agreed), and for those who did not want, an alternative arrangement was made.[76]

The first author purposefully sampled interviewees to reflect diversity in terms of value chain linkage (multinational/non-multinational), ownership (locally-owned and foreign-owned), size, main sales market, and in case of foreign-owned and joint venture manufacturers, headquarters' home country (Fletcher & Plakoyiannaki, 2011). The table below features anonymized profiles of the interviewees. 9 out of 19 interviewed manufacturers represented 'multinational suppliers' whose headquarters were located outside of Myanmar. 10 out of 19 manufacturers were 'non-multinational suppliers' that were established and had been operating only in Myanmar.

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[76] For those who did not want to be tape-recorded, the author took written notes and had the interviewees review facts and approve of her written transcripts.

Table 6.4: Interviewee profiles

ID	Title	Headquarter country	Size[77]	Multinationality	National origins of major buyers
1	Factory manager	Chinese (Hong Kong)	M	Multinational	Western (EU and/or US)
2	Company owner	Local (Myanmar)	S	Non-multinational	Asian (Korea and/or Japan)
3	Company owner	Local/Korean	XL	Non-multinational	Asian
4	Factory manager	Local	S	Non-multinational	Western
5	Factory manager	Local	M	Non-multinational	Asian
6	Company owner	Local/Korean	S	Non-multinational	Asian
7	Company owner	Korean	S	Non-multinational	Asian
8	Factory manager	Japanese	S	Multinational	Asian
9	Country director	Korean	XL	Multinational	Asian
10	Factory manager	Chinese (Hong Kong)	S	Multinational	Western
11	Factory manager	Chinese (Hong Kong)	M	Multinational	Western
12	Factory manager	Japanese	S	Multinational (only for HQ brands)	Asian
13	Former deputy director	Japanese	L	Multinational	Asian
14	Director	Local	S	Non-multinational	Western
15	Country director	Korean	XL	Multinational	Western
16	Company owner	Local	S	Non-multinational	Asian
17	Admin manager	Japanese	S	Non-multinational	Asian
18	All supervisor	Local/mainland Chinese	M	Multinational	Asian
19	Company owner	Korean	XL	Non-multinational	Asian

While a classic approach to coding is based on the grounded theory that aims to inductively develop mid-range theories from data (Glaser & Strauss, 1967), the author opted for a later approach rooted in abductive reasoning whereby the prior knowledge and experience of the researchers inform how they make sense of data and develop codes (Rudolf R. Sinkovics & Alfoldi, 2012a). This approach to coding helps the researcher to not only build theories from the data, but to construct these on the basis of their interactions with their participants and emerging theoretical themes (Thornberg & Charmaz, 2014, p. 154). Therefore, the author used a preliminary version of the theoretical framework (in section 2) as a lens to examine data while

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[77] The number of employees is used as a measure of firm size, and it is drawn from the member factory list of the Myanmar Garment Manufacturer Association (MGMA), a version published in March 2015. The author categorized different sizes as following: Small (x < 700), Medium (700 – 1400), Large (1400 – 2100), X-Large (2100 < x).

remaining curious and open-minded about emergent insights that could help refine it. Theory-driven prepositions were constantly compared with author's prior knowledge and data-driven insights (Suddaby, 2006). This iterative process unfolded in multiple phases that is described below.

The first phase of coding concerned buyer-supplier linkages and buyer efforts to govern the social and environmental behavior of suppliers. Coding revealed that buyer influence mainly occurred through the enforcement of their codes of conduct that could be categorized in relation to three types of GPN governance modes: captive, modular and market-based relations. The data did not indicate that codes of conduct were enforced under conditions of relational governance in ways that allowed suppliers to negotiate the terms of the CSR-related demands of their buyers. Instead, captive governance was characterized by codes being enforced more stringently than Myanmar national laws and other private ethical standards. Suppliers were 'highly resource intensive in preparing to comply' with these codes; and had 'deeper ties with buyers' than suppliers having their factory premises occasionally monitored by external auditors hired by their buyers.[78] Modular governance also employed 'enforcing buyer codes of conduct and auditing supplier compliance', which involved suppliers 'making changes to be compliant.' However, the suppliers in this governance category lacked frequent interactions with buyers as observed in the captive governance mode. The author also noticed a couple of non-multinational suppliers expressing their 'discontent with buyer enforcement of codes on conduct'. Finally, it appeared that suppliers, engaged in market-based relations, were trading with buyers that did not demand compliance with corporate codes of conduct. They were producing for buyers whose orders were 'without compliance requirement', labelling themselves as 'not ready to handle Western orders with ethical audits.'

The second phase focused on understanding how Myanmar's social contract would influence supplier perceptions of CSR. First, coding was conducted to understand local norms and cultural values that featured prominently in supplier perceptions of what CSR is and how it should be practiced. This gave rise to 'limited business-civil society interaction', 'emphasis on philanthropy' and 'paternalistic views of workers' as conceptual categories. Subsequently, the author examined how suppliers in each governance mode (captive, modular and market-based

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[78] Expressions encircled in ' ' are code names.

relations) responded to these informal aspects of social contract when they engaged in CSR activities in Myanmar. At this stage, the coding process was aimed at understanding how suppliers in each governance mode responded to Myanmar's national laws and policies (i.e. the formal aspects of the country's social contract). This generated various codes that capture divergent supplier approaches to dealing with Myanmar's public regulations such as 'asking international actors to train government officials' (a captive supplier) and 'rule by people not law' (a modular supplier). Based on this information so far, another coding process was initiated with a view to understanding the division of labor between the state, business and civil society. As an outcome higher-level concepts emerged such as 'business maintaining distance with civil society', 'business as paternalistic and philanthropic provider' and 'state perceived as unreliable'. Finally, the third phase zoomed in on multinational suppliers and explored whether and how their headquarters influenced supplier approaches to CSR in Myanmar.

4. Empirical findings

4.1. Buyer governance of supplier CSR

Supplier interviews exhibited captive, modular and market-based governance modes of their buyers with respect to the social and environmental behavior of their suppliers. What distinguished the captive and modular governance from the market-based governance was whether buyers require their suppliers to comply with buyer-given codes of conduct as a pre-condition to establish sourcing relationships. At the time of study, interviewed suppliers said to comply with either buyers' own corporate codes of conduct or the base codes of following multi-stakeholder ethical sourcing initiatives: the Business Social Compliance Initiative (BSCI) and Ethical Trading Initiative (ETI).[79]

4.1.1. Captive governance (interviewee 1, 13, 15)

Code compliance was a key demand of buyers in both captive and modular governance modes, but captive buyers, typically global brands, imposed social and environmental demands in their codes which – in the views of their suppliers – were more stringent than those embodied within

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[79] Typical contents of these codes include but are not limited to provisions on child labor, forced labor, discrimination at workplace and in employment, freedom of association, right to collective bargaining, wages and benefits, working hours and overtime, occupational health and safety, environmental impact and wastewater management and sub-contracting policy.

Myanmar's national laws.[80] To comply with the requirements of these captive buyers, suppliers had to upgrade their production facilities, policies and management practices. Compared to other governance modes, buyers and suppliers in captive relationship appeared to have most frequent and intensive communication and cooperation with respect to code compliance. Not only these buyers make regular visits to suppliers' production sites to obtain first-hand impressions of their functioning (including undertaking audits), but also suppliers were asked to take part in worker training programs run by buyers' NGO partners.

Generally, suppliers were accepting towards the captive nature of buyer's governance. This attitude was illustrated when they said that they would embrace buyer's governance – even in instances whereby buyer's code of conduct contradicted Myanmar's social norms.

> *"Social compliance requirements of buyers, we are supposed to comply with all of them. These rules are not asking too much. Individuals (referring to individual garment manufacturers: author adds) may question this. Let's take under-age [workers]. They need to work in order to support families. One may think it is more socially responsible to employ them. However, the downside is that factories can exploit under-age workers with lower wages. That is why buyers prohibit this, and this rule we need to comply with. It is not unrealistic and what should business owners have done. The owners simply ignored to comply because without compliance, they could still run business" (Interviewee 15, Korean-owned multinational).*

The author believes that this receptive attitude was supported by their expectation of business returns. Indeed, they said having gone through the rigorous verification process on code compliance and becoming suppliers of these global brands were "very good name card (*meaning business card: author adds*)" (Interviewee 13, Japanese-owned multinational) and "a huge business advantage in relation to any other potential customer" (Interviewee 1, Hong Kong-owned multinational) that is struggling to find competent suppliers in Myanmar in terms of production capability and code compliance.

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[80] For instance, the Myanmar's legal framework at the time of study allowed 64 hours per week as the maximum number of legal hours to work (including overtime). Global brands were requiring their suppliers to meet 60 hours/week instead in line of international labor standards.

The theoretical implications of these findings are intriguing. An earlier preposition based on Gereffi et al. (2005) expects suppliers to have low capability to justify buyer's captive governance. The findings contradict this because interviewed suppliers exhibited 'high' capability to handle social and environmental demands of these buyers, beyond compliance with Myanmar's national laws. They were willing to commit time and financial resources necessary to become code compliant, thus foregoing immediate profit opportunities during the preparatory phase. Furthermore, the headquarters of two suppliers in this group have had prior sourcing relationships with these global brands in other host countries. These organizational capabilities were rarely found amongst locally-owned and non-multinational suppliers in Myanmar. Therefore, the author argues that captive governance with respect to supplier's social and environmental behavior did not arise from the low capability of suppliers. Rather, highly capable multinational suppliers in Myanmar purposefully signed up for becoming code compliant in the expectation of concrete business returns – be that more garment orders or enhanced competitive advantages in the industry.

4.1.2. Modular governance (interviewee 3, 4, 7, 9, 11 & 19)

Suppliers involved in modular governance encompassed both multinational and non-multinational suppliers. All the suppliers were foreign-owned with the exception of a locally-owned factory that was a subcontractor for a Taiwanese garment manufacturer producing for EU and US buyers. These suppliers were also required to abide by the codes of conduct of their buyers. Some of the suppliers related that many European buyers demanded them to comply with the BSCI's base code. In comparison, asking for code compliance was rarely the case for their Asian buyers, and even if they asked, their social and environmental requirements tended to be much less rigorous and specific than those of Western buyers. Their Asian buyers considered meeting these demands as something 'nice to do' rather than 'must-do'. When compared with suppliers in captive governance, suppliers in this governance mode reported having less frequent and in-depth interactions with their buyers. Buyer-supplier communication was centered on the compliance of codes of conduct, and compared to captive buyers, buyers in this governance mode relied more on third-party auditors than their own internal staff when auditing code compliance of their suppliers.

Suppliers in modular governance exhibited some skepticism toward the normative justification of buyers imposing their ethical codes on suppliers. While some suppliers acknowledged the

positive aspects of preparing their factories to be code compliant (e.g. code compliance as "doing homework" and structuring factory management practices according to Interviewee 7, Korean-owned non-multinational), other suppliers viewed buyer's enforcement of the code as engaging in a risk management exercise; to them, buyers imposed codes of conduct upon suppliers to protect their own reputation from the negative publicity associated with the exposure of poor working and environmental conditions at supplier sites. Hence, these suppliers were critical of how labor and environmental conditions prescribed in buyer-given codes did not reflect the everyday realities of factory operations. For instance, one Korean-owned multinational supplier said its buyers ordered them to install a finger printing system to record check-in and check-out times for workers, which ended up creating blockages at the factory entrance and waste of workers' time.[81] Two Korean-owned non-multinational suppliers were particularly vocal about their discontent with the code compliance requirement of their Western buyers. Having started in Myanmar well before the country's reform in 2011, these suppliers took pride in that they sustained their business despite the Western sanctions; in doing so created jobs for local people; and have managed sound industrial relations with no worker strike. Hence, when "buyers come and say what should be done instead of seeing what [we] have done to take best care of [our] employees like family members", it "wounded [our] pride" (Interviewee 3). Another interviewee was frustrated at the code compliance requirement of this EU buyers for he perceived that such obligation came to him hastily, in a top-down manner.

"I did not know compliance or audit reports before. Then, Myanmar's reforms took place, and then suddenly we had to do compliance. I was perplexed. Those who have done it in other countries might know, but not me. When I left Korea in 1988, it didn't exist… Now I am preparing for it, and whenever auditors come, I also complain to them that this compliance requirement is almost violence against developing countries by Europeans and Americans. They make us do it because they need it… At least, they should've given us time to prepare for this." (interviewee 19)

A theory-driven proposition assumes that suppliers in modular governance would be highly capable in working with social and environmental requirements of their buyers. The empirical findings suggest a more complex picture. First, non-multinational suppliers argued that they

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[81] He argued that it was unnecessary to record individual worker's check-in and check-out times because workers arrived at and left the factory premises with the help of company-provided transport.

were less prepared to handle the code compliance requirement than their multinational peers whose headquarters had likely been exposed to this practice via subsidiaries in other countries. This comparative sense of weaker capability might have triggered suppliers such as the two Korean-owned factories to voice their discontent. Second, suppliers in modular governance said the social and environmental stipulations of the codes of conduct applicable to them (e.g. the BSCI based code and their buyers' own codes) were less stringent than those of the high-profile global brands applicable to suppliers in captive governance.[82] Thus, the author judges that while supplier capability in modular governance was sufficiently developed to handle code compliance, these suppliers might not be able to commit the time and resources yet to adhere to the codes of conduct of the global brands.

4.1.3. Market-based governance (the rest of suppliers)

Buyers in market-based relations did not attempt to govern the social and environmental behavior of their suppliers in Myanmar through the enforcement of their codes of conduct. Suppliers in this group mainly consisted of small and medium-sized, locally-owned, non-multinational suppliers and recently started multinational suppliers that depended on sub-contracted orders from large garment factories in Myanmar. Most of these suppliers aspired to supply for bigger buyers, such as global brands, that could guarantee longer-term, more stable trading relationships with them. However, they viewed that linking with such buyers was unlikely in the near future due to their lack of capability– the capability to handle large-scale orders placed by the global brands and simultaneously to uphold the social and environmental demands of these brands. This point was explained by interviewee 6 from a Korean-owned supplier.

> *"It is not easy for us to prepare buyer audits in order to receive American or European orders. That explains why we are a small business… My assessment is that our factory is not ready yet for large quantity orders or such audits."*

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[82] One may wonder how BSCI code was viewed to be less strict than global brands' when some of these brands are members of the BSCI. Global brands here refer to a few brands that entered Myanmar under heavy media attention (e.g. Gap, H&M, M&S). These brands paid much attention to find compliant factories. While BSCI has global brands as members, its membership base includes a number of smaller European brands that may not subject to the same media and NGO scrutiny. Among the suppliers the author spoke to, they said the social and environmental demands of big US buyers is most rigorous, followed by those of major European brands and BSCI (in a descending order). Hence, suppliers with no prior experience in code compliance often started with trying to comply with the BSCI code.

The original preposition on market-based relations assumes high supplier capability, but the findings in this article demonstrate the opposite– low capability. Here suppliers chose to enter into market-based relations because this was what they could afford given their limited production capabilities and their inability to handle code compliance requirements. Had they possessed sufficient resources and capabilities, they might have pursued code compliance in order to gain easier and greater access to European and American markets.

4.2. Myanmar's social contract on supplier views of CSR

As previously mentioned, a country's social contract relates to the "rules and norms in a society, and… historically and culturally shaped expectations concerning (minimally) acceptable social and environmental behavior by various actors" (Knorringa & Nadvi, 2016, p. 59). A country's social contract may influence what the owner and management of the garment supplier perceive as appropriate social and environmental behavior in the local context; how they manage their relations with workers; and what it means to act as a responsible member of Myanmar's society. The author discusses here three private norms and cultural values in Myanmar in which this was obvious: paternalistic employer-worker relations, religious traditions and the history of military rule in Myanmar.

4.2.1. Private norms and cultural values

Suppliers exhibiting a paternalistic understanding of workers view themselves as benevolent, wise and knowing what is best for workers; in their perception, workers "are less educated so they can explode easily (*meaning 'become angry and upset easily: author adds*)" (Interviewee 16, locally-owned non-multinational) and "don't understand the logic (*referring to logical thinking: author adds*)" (Interviewee 13, Japanese-owned multinational). Accordingly, these employers justified the need to "preach to them, teach them… and sometimes in a mass meeting… show a dictatorial leadership [style]" (Interviewee 2, locally-owned non-multinational). They also said workers need to be trained about workspace cleanliness and organization of the factory floor so that "we, as Burmese when compared to other nationalities, will have [good] manners, so that we will be valued socially" (Interviewee 18, Chinese-owned multinational). Undergirding this supplier perception is a sense of strong hierarchy between employers and employees, which is common in Myanmar. The management also tended to

doubt whether workers would be able to unionize, truly represent broader interests, and lead unions properly.

'Taking care of workers' was the most commonly agreed supplier definition of what it means to be socially responsible enterprise in Myanmar. To support this argument, many interviewed suppliers mentioned various acts of charity aimed at benefitting workers and local communities. This philanthropic focus appears to closely link to the widely shared Buddhist faith in the Myanmar society. Buddhists in Myanmar believe that serving the needs of Buddhist monks and the socially disadvantaged enables them to obtain religious recognition and 'credit' that can positively influence the giver's next life. This reasoning is also adopted by many suppliers, especially locally-owned, who said to practice CSR by donating to local public organizations (e.g., temples, schools and orphanages), assisting individuals in need (e.g., flood victims) and supporting community development (e.g., tree planting). Some suppliers used the same terminology of serving the needs of the underprivileged to describe how they provided their workers with various non-salary benefits (e.g., paid leaves and bonuses). The table below summarizes what interviewed suppliers across governance modes identified as CSR practices.

Table 6.5: Supplier perceptions of CSR in Myanmar

Category	Specific actions	Example quotes
Giving non-salary benefits	- paying bonuses - not deducting salary when workers are away for personal and family reasons - supporting individual workers in need (e.g. hospital fees) - making donation to orphanages, schools, flood victims, etc. - providing household necessities (e.g. rice) in generous amount for workers to share with family members back home - providing dormitories or subsidized housing	"To be able to keep the workers for a long term, the company offers bonus, provide financial support, celebrate festivals and give break time for all employees. By doing these welfares, I listen to the voices of workers" *(Interviewee 5, locally-owned non-multinational)* "We provide dormitories and free meals. Aside from salary, we provide necessities like rice, instant noodle and soap. Workers struggle to maintain livelihoods" *(Interviewee 7, Korean-owned non-multinational)*
Organizing events for workers	- providing in-factory trainings on topics beneficial for employees and workers - taking workers to Buddhist temples on religious holidays - celebrating public holidays together	"The company also offers not only bonus, pilgrimage, but also lucky draw for them once in a year and so on" *(Interviewee 14, locally-owned non-multinational)* "And for our worker, we train the first aid training. We invite to Myanmar Red Cross Society, and their lecturer come to our factory" *(Interviewee 11, Chinese-owned multinational)*

Building closer relationship with workers	- remembering names of shop floor workers, - making Sunday visits to workers in their accommodations - deciding against laying off workers despite financial stress - attending graduations and weddings of employees	"CSR is essentially about the 'relationship' between employers and employees." With upcoming minimum wage, many factories apply internal rules strictly and are laying of lazy and unproductive workers. Instead of creating tension amongst workers like that, I think a better way is to withstand this difficult time together. I asked workers to lend me their trust." *(Interviewee 6, Korean-owned non-multinational)*
Other	- hiring friends and families of workers - operating loan programs with very low or no interest	"When we recruit the labors, we try to get the laborers' relatives, not the strangers. That's a way supporting our labors again, to get their family more income" *(Interviewee 2, locally-owned non-multinational)*

The legacy of the military rule has also affected the social contract in Myanmar, specifically the prospect for establishing a sustained dialogue and trust-based collaboration between business and the civil society organizations. In Western European societies, where unions and NGOs have actively monitored, pressurized and engaged companies to adopt certain social and environmental behavior for some time (Matten & Moon, 2008), involving non-firm actors in planning and executing CSR activities is not unthinkable. In Myanmar, this is considered a rare exception. With exception of interviewee 11 – a Hong Kong-owned multinational - suppliers did not seek help, consultation or partnership with unions or NGOs when developing and implementing their CSR activities. In fact, they did not regard unions and labor-friendly NGOs as reliable partners or 'critical friends' that could meaningfully represent the interests of workers. Some interviewed suppliers argued that many union leaders wanted to increase their own powerbase by inciting workers to go on strike; they implied that union activities were politicized, and political factions supported factory unions to win votes from workers for the upcoming election in November 2015.[83]

An ensuing question is: how do these private norms and values affect the CSR approaches of suppliers embedded in different buyer's governance modes? For suppliers in captive governance, these informal aspects of Myanmar's social contract played only a minor role. While

[83] While interviewees remained vague on the identities of these political groups, multiple accounts pointed to activists and organizations sympathetic to and/or associated with then opposition party, Aung San Suu Kyi-led National League for Democracy. The factual nature of this claim is however disputed as the interviewees made their case based on generalizing assumptions from personal experiences, if not industry rumors and what they heard from others.

interviewed individuals exhibited paternalistic understandings toward workers and reserved attitudes toward unions, these attitudes were not heavily reflected in their practices of CSR. The primary concern of these suppliers was to comply with buyer-driven codes of conduct, and they had some interaction with NGOs and unions if it was requested by their buyers. However, while one may expect Myanmar's norms and cultural values to play a limited role in shaping supplier CSR approaches under captive governance of their buyers, the suppliers would not completely ignore honoring these informal aspects of social contract. The quote from interviewee 13, a representative of a Japanese-owned multinational, illustrates how the provision of culturally relevant and widely practiced welfare benefits could help boost worker morale.

> *"As management, we also need to consider, reconsider our way of management. So we tried to increase events like karaoke party, water festival, bonus, some events, music events, or quiz or lucky draw, so many things we started. So our most of people are Buddhist. So for the occasion of very important Buddhist day, we provide the car, big bus, to them to go to pagoda… So the relationship gradually became nicer. That is big experience for me too. Other times I studied all the provisions of the labor related law and regulations… To compare to [other factories that did not follow local laws], our kind is very excellent level. That is why that was the first time just I simply thought I do not need to change anything, [workers] have to understand, how they are lucky. But after that I also started to think that we management also need to consider the things from time to time."*

Suppliers in modular governance had mixed feelings towards the informal aspects of Myanmar's social contract. They had a similar understanding of workers and unions as suppliers engaged in captive governance but had no or much less experience of interacting with civil society actors. Suppliers in modular governance also prioritized complying with buyer-driven codes of conduct, even if this implied paying less attention to welfare and philanthropic activities that – in their view – were well received by workers and local communities. However, some non-multinational suppliers that have operated in Myanmar long before the 2011 reform showed a particular commitment to existing ways of taking care of workers and local communities. They took pride in developing their own ways of taking care of workers and local communities that respected local norms and customs. For example, interviewee 3, a Korean-owned non-multinational, stressed the importance of building interpersonal relationships with

individual workers. This interviewee argued that it was necessary to make "regular Sunday visits to workers' accommodations where 6 - 7 workers live together to share food and socialize." Hence, these non-multinational suppliers were particularly affected when European buyers demanded that they should become socially responsible in their terms by complying with their codes of conduct. These suppliers perceived it as a sign of cultural arrogance that buyers assumed ethical superiority over them and imposed their version of CSR, without taking into account local business realities or acknowledge their everyday effort to manage relations with local workers and communities.

In contrast, suppliers in market-based governance had freedom to define and execute their own CSR approaches. Given this freedom, suppliers in this group exhibited diverse CSR activities as represented in the Table 5. This contrasts with suppliers in captive and modular governance whose primary focus was to comply with buyer-given ethical codes. The CSR practices of this group reflected local norms and cultural values most comprehensively. The paternalistic understanding of workers led these suppliers to directly provide worker welfare and entertainment based on the assumption that they knew what their workers would need. Because the local norm of employer-employee relationship was characterized with strong hierarchy, some suppliers considered it a socially responsible act to exercise humane leadership by getting to know and building closer relationships with individual workers.

In sum, private norms and cultural attitudes with respect to CSR in Myanmar manifested in suppliers' paternalistic understanding of workers; their emphasis on corporate philanthropy; and their lack of regard for interaction with civil society actors as partners. While all suppliers seemed to agree with and respect these values, they reported that the extent to which these values actually shaped their CSR practices varied. The more captive buyer efforts at governing the social and environmental behavior of their suppliers were, the less influence these norms and cultural values had on supplier CSR approaches. At the same time, indigenous CSR understandings aligned with the normative and cultural aspects of the social contract were most prominent with suppliers in market-based relations with their buyers.

4.2.2. Public regulation

Suppliers in all governance types argued for the need to improve the architecture and enforcement of Myanmar's labor and environmental laws that they perceived as outdated and

internally inconsistent. They were also critical of the effectiveness of government inspections, because they viewed them as perfunctory and toothless, not generating any useful feedback for the suppliers.

In particular, suppliers in captive and modular governance modes expressed strong concern about the weak levels of regulatory enforcement because it could increase their risk of unintentionally violating national labor laws. Since compliance with national laws was one of the key requirements of buyers' codes of conduct, failing to comply with national laws would equate to breaching their codes. Multiple interviewees complained that local labor offices were unable to answer their legal inquiries or did not have updated knowledge on labor laws. Some said government officials themselves did not lead the example of the rule of law:

> *"Depending on who reviews your case, its outcome will differ. In Myanmar, there is a strong tendency of resolving issues by people as opposed to following rules. For example, there is a legal limit on the number of Sunday works[84] allowed per month. If we go to the Ministry of Labor and say 'can you please grant us one more day because we have something really important on Monday?' they sometimes bend the rule for you, saying 'normally, your factory is behaving well.' This way of getting things done makes me feel bit uncomfortable" (Interviewee 9, Korean-owned multinational).*

When the rule of law was weak, the "rule by people" (quote from above interviewee) emerged as an implicit norm. In this regard, interviewees that have been doing business in Myanmar for many years were especially skeptical of the government's promise of strengthening the rule of law. They argued that problems were still being solved by knowing the right people, often at the top of the government hierarchy who could influence or override decisions and actions at the local level.

Contrary to the views expressed by suppliers in captive and modular governance modes, some locally-owned suppliers in market-based governance showed a more neutral attitude towards the legal enforcement abilities of the Myanmar government. In fact, they described their interaction with local labor offices and government inspectors as being more or less trouble-free. While the

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[84] 'Sunday work' refers to the number of Sundays the factory is allowed to operate.

author cannot say with any certainty what explains these contrasting answers, it may simply be that the locally-owned suppliers lacked knowledge on local labor laws in order to form their own views and assess the quality of legal enforcement. A relevant episode concerns their mentioning of providing yearly bonuses and paid leaves as examples of their CSR efforts; in fact, these are legally mandated duties of employers in accordance to the Leave and Holiday Act. This example makes the hypothesis more plausible that these suppliers might have not been fully aware of relevant labor laws and corresponding legal obligations.

In sum, the majority of suppliers across governance modes assessed the formal aspect of Myanmar's social contract, that is public regulations, to be poorly functioning. Thus, the 'rule by people' emerged as a norm that complemented the weak legal enforcement system. This regulatory context adversely affected suppliers in captive and modular governance by making it more challenging for them to comply with national laws and subsequently buyer-driven codes of conduct. This risk did not apply to suppliers in market-based governance since their sourcing relationships with buyers were independent of whether they demonstrated their compliance with country's labor and environment laws.

4.2.3. Division of labor in social contract enforcement

The analysis has thus far aimed at articulating how the state, business and civil society organizations divide and share responsibilities in relation to monitoring and enforcing Myanmar's social contract. It is evident that the state has played a minor role in monitoring suppliers in Myanmar. This study's data also indicates that the suppliers had a tendency not to trust the state's capacity to enforce and uphold the rule of law. While there have been legal changes aimed at improving the livelihoods and conditions of workers (for instance, the first-ever national minimum wage in 2015), some suppliers raised suspicion that government officials were biased in favor of workers in an effort to win their political support (especially in view of the then upcoming election in November 2015).

In Myanmar, NGOs and unions became legally sanctioned entities in 2011. This led to an increase in their numbers and the scope of their activism (Jesnes, 2014). Nevertheless, they have played only limited roles in monitoring and enforcing Myanmar's social contract in the garment industry. First, many workers have not been unionized, and several suppliers reported not

having any factory-level unions because their workers did not make one.[85] Second, the recent emergence of NGOs and unions meant that the suppliers lacked interaction or concrete examples of working with them. Therefore, they were yet to perceive these civil society actors as relevant and trustworthy stakeholders.

In this environment, the business has assumed the primary responsibility of monitoring and enforcing the social contract in the garment industry. This unfolds in two ways. First, suppliers in Myanmar have enforced and reinforced the informal aspects of social contract via paternalistic cares for their workers (centered on giving non-salary benefits) and philanthropic engagements with local communities. These activities were less prioritized by suppliers whose buyers required them to comply with their codes of ethics. Second, these buyers with their demand of code compliance have played a role with respect to Myanmar's social contract by reinvigorating the importance of its formal aspects (public regulations) and the relevance of civil society actors. However, this buyer influence resided in silos, within direct sourcing relationships with suppliers; these suppliers to a varying degree subscribed to different conceptualizations of what constitute appropriate social and environmental behaviors through their compliance with buyer-given codes of conduct. All these factors led to the uneven monitoring and enforcement of Myanmar's social contract in the context of export garment industry.

4.3. Headquarter influence on multinational suppliers' CSR approaches

This study hypothesized that when the headquarters' mandate on company-wide CSR and buyer's CSR requirement misalign, this would make it difficult for the Myanmar subsidiary (that is multinational supplier) to faithfully comply with buyer-given codes. Empirical data shows that this assumption did not hold for almost all multinational suppliers. This finding may attribute to the fact it was their headquarters, not Myanmar subsidiaries, that reached an agreement with the buyers in terms of garment production orders and compliance with their codes of conduct as a corresponding duty. Once orders were in the books, then the headquarters ordered their Myanmar-based factories to begin production. Nevertheless, one supplier experience indicates that the headquarters could still get in the way of Myanmar subsidiary's

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[85] This lack of unionizing may link to various reasons such as worker's lack of interest or knowledge in unionizing and the fear (or personal experience) of employer's retaliation based on their membership/leadership in factory unions (Theuws et al., 2017).

effort for code compliance if they failed to understand or prepare for the scale of required investment in time and financial resources.

> *"When I tried to use the budget for code compliance preparations (referring to upgrading of factory facilities), some people in the head office reacted quite strongly. However, I did it of course. Then people said 'you have been staying in Myanmar for long… that's why you are backing the Myanmar side'… Luckily, quite many directors understood. And then finally that expense was approved at the board of directors' meeting" (Interviewee 13, Japanese-owned multinational).*

In this quote, the headquarters did not initially understand the scale of investment required to meet social demands of their global brand buyers. This headquarter resistance is understandable, given that the company had traditionally produced for Japanese buyers that did not require code compliance. Yet, this episode highlights the potential of the headquarters to halt code compliance efforts of their subsidiaries if they fail to grasp the inputs and investments required to bring about full code compliance.

In view of Myanmar's social contract, the author initially wondered whether multinational suppliers would be in a better position to defy local rules, norms and cultural values if they wished to than non-multinational suppliers. The study's findings in this regard are mixed. Multinational suppliers in captive and modular governance selectively engaged with Myanmar's social contract (in particular its informal aspects) and defied certain aspects of it in order to comply with social and environmental stipulations of buyer-given codes. A couple of multinational suppliers in market-based governance however exhibited CSR understandings that strongly resonate local private norms and cultural attitudes. This finding suggests that multinationality alone may not motivate suppliers to challenge the local social contract, and its influence on shaping CSR approaches of suppliers is less profound than that of the buyer's governance mode.

5. Conclusion

This article investigates how garment suppliers based in Myanmar perceived and engaged with CSR. Its analysis showed that highly capable suppliers tended to work with buyers exercising captive governance and demanding stringent social and environmental requirements. Here the

suppliers perceived their efforts to comply with buyers' codes of conduct as a sign of competence which was useful in obtaining more orders from other buyers. Low capability suppliers could only work with buyers that did not have code compliance requirements. This divergence among suppliers has implications for the degree to which Myanmar's social contract – especially private norms and cultural values – could shape their CSR understandings. The more captive the GPN governance of buyers was, the less prominent the influence of the social contract tended to be. Multinationality of suppliers played a little role in mediating the influence of either GPN governance or the social contract. But it remains possible for the headquarters to inadvertently undermine Myanmar subsidiary's effort to comply with buyer's CSR demands if the headquarters is not fully aware or informed of the inputs and investments required for compliance.

This study also sheds lights on divergent CSR approaches of suppliers and their linkages with respective buyers and other non-firm actors. For instance, suppliers in captive governance were required by their buyers to interact with civil society actors and distanced themselves from the influence of Myanmar's social contract to avoid risking their compliance with buyer-driven codes of conduct. In market-based governance, suppliers were not subject to regulatory pressures of their buyers as they did not enforce corporate codes of conduct. As a result, these suppliers heavily reflect the normative and cultural aspects of Myanmar's social contract in their CSR perceptions.

In terms of research implications, this study challenges a key assumption about supplier capability in the original GPN governance typology of Gereffi et al. (2005). In the context of CSR in GPNs, buyers employing captive governance did not work with low capability suppliers, with an intention to improve their CSR performance via close supervision and control. Instead, these buyers worked with suppliers capable of handling and responding to buyer's control and coordination efforts. This finding underlines that global brands and other powerful buyers in GPNs have been consolidating their vast networks of suppliers and favoring to work with a small number of elite, strategic suppliers (Azmeh & Nadvi, 2014; Gereffi, 2014).

Second, this study did not find instances of buyers and suppliers engaging in relational GPN governance relationships. In other words, suppliers in this study considered corporate codes of conduct codes as something that could not be negotiated with their buyers. Future research can

make meaningful contributions by surveying and examining (if there is) the case of relational governance with respect to how suppliers conceptualize and operationalize CSR in the host country. This can also enhance our understanding of the interaction between buyer-led CSR in the form of complying with buyer's codes of conduct and indigenous CSR rooted in the social contract of the host country (Knorringa & Nadvi, 2016)

The following implication applies to both research and policy. This study discusses that the state and the civil society were weakly incorporated in monitoring and enforcing the social contract in the context of Myanmar's export garment industry. In this architecture of social contract, individual businesses exercised discretion in defining what constituted acceptable social and environmental behavior and provided varying working conditions and environmental outcomes. If this trend of uneven social contract enforcement continues, it will prevent Myanmar from improving the lives of workers and local communities in an equitable and sustainable manner. Therefore, it is a research and policy call to find out how can the Myanmar government regain trust and confidence from the rest of the society as an enforcer of public regulations. Another important question concerns the role of civil society actors in monitoring and enforcing the contract, asking how they can function as a watchdog and ensure that the enforcement would not result in unintended deprivations of human rights or environmental harms.

7. Article 3

Making sense of international donors' CSR promotion efforts and contradictory local responses in Myanmar's export garment industry

Jinsun Bae

In the field of development cooperation, there has been a growing recognition among international donors, including the development agencies of governments, international organizations, and international non-governmental organizations (NGOs), that developing the private sector of a developing country can accelerate poverty reduction through job creation for the local poor and increased wealth from export-oriented industrialization (Independent Evaluation Group, 2012; OECD, 2004). Simultaneously, donors have advocated that local firms and producers (from here on, local producers) in the country upgrade their production and managerial capabilities so that they can eventually fulfill social and environmental expectations as laid out in international labor and environmental standards (Humphrey & Navas-Alemán, 2010). In this effort to marry private sector development with respect for international social and environmental standards, donors have organized various capacity building projects for local producers, for example, factory training and capacity development of local service providers such as consultancy firms so they can continue to support and advise local producers once the donors exit (Humphrey & Navas-Alemán, 2010; Staritz, 2012). In projects of this kind, donors have also promoted the idea of corporate social responsibility (CSR), urging local producers to address the social and environmental impacts of their business activities and manage relations with workers and local communities based on fairness and mutual respect (Frynas & Blowfield, 2005). Although this kind of donor intervention has grown in scale and number over time, the phenomenon has rarely been examined in a scientific light.

This raises questions about how international donors promote the notion of CSR in a developing country as well as how local producers operating in the country respond to the donors' promotion work. An inquiry into these aspects of donor intervention calls for two issues to be addressed. First, it needs to consider how local producers perceive and respond to the understanding of CSR promoted by international donors. Producers find themselves in a unique

context of dual embeddedness where they are exposed to the rules, norms, and cultural assumptions of their own country regarding CSR (the national CSR context) on the one hand, and on the other hand, to their obligations as suppliers to global brands and retailers on the other hand. Second, the study needs to capture not only how international donors conceptualize the notion of CSR but also how local producers, given their dual embeddedness, respond to this new understanding. To address these issues, the author of this study constructed an analytical framework that combines the theory of organizational responses (Oliver, 1991) and GPN analysis (Coe et al., 2008; Henderson et al., 2002). The theory of organizational responses permits examination of the interaction between local producers and external influences regarding CSR, while GPN analysis sheds light on the role of local producers as suppliers in GPNs led by global brands and retailers and the implications when these producers conceptualize and practice CSR in their local national context.

Myanmar's export garment industry between 2011 and 2015 provides an excellent empirical setting for this study. Beginning in 2011, the government, led by the political arm of the Myanmar military, initiated a series of political, economic, and administrative reforms that have steered the country toward democratization and economic liberalization. This domestic change led to the lifting of economic sanctions imposed on Myanmar by the United States (US), the European Union (EU), and other (mostly Western) countries, opening the door for local producers to regain their access to the global market (Kudo, 2013). It also encouraged international donors to increase their development assistance to Myanmar to support and inform the reform process; for the most part, their assistance focused on poverty reduction, human rights protection, and the strengthening of civil society (Fair Wear Foundation, 2016). Several donors focused on developing the country's private sector, and the garment industry was one of their targets. The donors financed and undertook various projects to enhance the scale and quality of export-oriented garment production while helping local garment manufacturers improve labor conditions in their factories with a view to export to European and North American markets (AETS, 2016). In tandem, these projects introduced and promoted the donors' notion of CSR, emphasizing respect for workers' rights and decent working conditions; this was received as new and foreign to many garment manufacturers (SMART Myanmar, 2015c). Given this unique historical, political, and economic background, and the active presence of international donors trying to promote a new CSR understanding among local producers, the

author regards this empirical setting to be highly suitable for the purpose of answering the questions posed earlier (Yin, 2003).[86]

By analyzing how international donors promote their understanding of CSR among local producers in a developing country and how producers respond to the donors' promotion work, this article makes empirical, theoretical, and practical contributions to understanding the conceptualization of CSR. In empirical terms, it sheds light on the under-studied role of international donors in conceptualizing CSR in GPNs involving global brands and retailers (also called buyers) and their vast networks of suppliers (e.g., Fayyaz et al. 2015). In consequence, the article enables theorization about how and to what extent international donors can promote a new understanding of CSR among local producers in a developing country. Another theoretical contribution emerges from application of the theory of organizational responses (Oliver, 1991) in a new context involving multi-scalar activities and actors of different national institutional origins, namely, GPNs. This context enabled the author to test, challenge, and extend the analytical power and relevance of the theory. The study also generates practical lessons for international donors by helping them anticipate opportunities and challenges they may face in their attempts to promote a new understanding of CSR in a developing country. It encourages donors to understand and take into account local producers' unique situation of double embeddedness so that donors' efforts to promote a new understanding of CSR will be better received.

This article proceeds with the following plan. Section 1 reviews the empirical literature on CSR in GPNs and summarizes what is known and what needs further study. Section 2 introduces the analytical framework by discussing its theoretical inspiration (the theory of organizational responses and GPN analysis) and explaining the logic and process of their combination. Section 3 presents the empirical setting of the study, Myanmar's export garment industry from 2011 to 2015, and its relevance to the research questions. Section 4 presents the research methodology, including discussion of case selection, data collection, and analytical procedure. Section 5 presents the empirical findings of the study and analyses based on the analytical framework, which helps the author theorize how international donors promoted a new CSR understanding in Myanmar's export garment industry and how local garment manufacturers responded to this

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[86] The author considers this empirical setting a revelatory case because it allows her to shine a scientific light on a phenomenon (donor promotion of CSR) that has suffered from lack of analysis (Yin, 2003).

promotional work. Section 6 concludes with a summary of findings and discussion of the empirical, theoretical, and practical implications of this study.

1. Roles played by international donors promoting CSR in GPNs

There is little literature on the role of international donors in conceptualizing CSR and promoting it to GPN actors such as local producers in developing countries. Among the many international donors, the International Labour Organization (ILO) has received the most attention. The ILO is known for its tripartite constituents representing the government, employers, and workers, along with its emphasis on solving labor-related issues through cooperation among these three actors. Selwyn (2013) views the ILO's approach as having limited impact on ensuring workers' rights and decent working conditions when companies in fierce global competition demand maximum productivity from workers and face little incentive to eliminate poor working conditions and suppression of worker self-organization.[87] Arnold and Han Shih (2010) focus on a specific case of ILO-led intervention called Better Factories Cambodia (BFC) that combined "independent monitoring with finding solutions (through suggestions to management), training, advice and information" in order to improve working conditions in Cambodia's export garment industry (ILO, 2017). Arnold and Han Shih's study concludes that BFC fell short of meeting its objective as Cambodia's authoritarian government and pro-government unions continued to hinder the independent establishment of unions as meaningful stakeholders in industrial relations.[88] When it came to improving labor conditions in their factories, the Cambodian garment manufacturers increasingly chose to work directly with their international buyers instead of seeking support from BFC officers and going through the necessary procedures. However, Robertson et al. (2016) provided a more optimistic assessment, arguing that factories that received BFC's assistance to improve working conditions were no worse off, in terms of factory survival, than non-participating factories.

Fayyaz et al. (2017) investigated a different international donor (name unspecified) whose purpose was to assist small and medium-sized enterprises (SMEs) in selected industrial clusters in Pakistan to act collectively on CSR-related issues. In particular, Fayyaz et al.'s study focused

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[87] Selwyn (2013) therefore argues that instead of idealizing the tripartite cooperation of the ILO, other donors should directly support self-organization and unionization so that workers themselves can achieve improvement in rights and working conditions.

[88] Stakeholders are understood as "those interests and actors who affect, or in turn are affected by, the corporation" (Doh & Guay, 2006, p. 55) and include NGOs, labor unions, local governments, and communities.

on a project targeting SMEs in the Sialkot soccer ball manufacturing cluster. Like Arnold and Han Shih (2010), their study revealed that the international donor played a limited role in promoting collective actions that were able to facilitate SME compliance with the CSR demands of international brands. In fact, the studied project closed prematurely due to internal political considerations of the donor agency, the country's worsening security situation, a weak appetite among participating producers to share information and collaborate, and the producers' generally negative perceptions toward the CSR promotion efforts of international actors such as international NGOs.

The literature documents mixed results from international donors' efforts to champion and promote a new understanding of CSR that urges local producers in a developing country to prioritize the protection of workers' rights and improvement in working conditions. The CSR promotion efforts of international donors have achieved only limited impact due to local political, social, and cultural issues, such as the proliferation of pro-business unions in Cambodia and skepticism toward the CSR-related agenda of international actors in Pakistan. Global-level factors outside the donors' control (e.g., fierce market competition among global buyers, which leads to exploitative relations with workers in developing countries) have also played a role.

The author argues that the following topics deserve additional scholarly attention if advances are to be made. First of all, research can trace projects financed and implemented by various international donors beyond the ILO. Second, provided some donors engage in CSR promotion as part of their broader effort to assist developing country producers to export to European and North American markets (e.g., the ILO-led Better Work), research should examine how the CSR promotion and export support elements of their activities co-exist and function together. Third, it is important to identify specific elements within the donor-funded project that contribute to the success or failure of embedding a new CSR understanding among local producers. As tried in the project described by Fayyaz et al. (2017), this calls for due attention to how local producers perceive and respond to the donor-promoted notion of CSR. Empirical studies focusing on local producers show that their responses can take more nuanced forms than simple compliance or rejection, including appearing to comply with buyers' labor standards while ignoring their essence (Christmann & Taylor, 2006; Vivek Soundararajan & Brown, 2016). These concerns

informed the design of this study and provided the pathway for the study to make empirical contributions.

2. Toward an analytical framework of international donors and their CSR promotion

The main question of this study concerns how international donors promote a new CSR understanding among local producers in a developing country. In such an inquiry, it is necessary to understand, first, the contextual background in which local producers perceive and assess the donor promoted CSR understanding and, second, local producers' responses to the CSR understanding promoted by the donors. In addressing the first topic, it is important to discuss the relationship between local producers and their surrounding context, including the regulatory, normative, and cultural contexts (also called institutional contexts, Scott, 1995) of the country where they operate (from here on, *host country*).

Inspired by neo-institutional theories in the field of organization studies, the author sees organizations (e.g., developing country producers) as entities with embedded agency. Embedded agency predisposes the leaders of an organization to consciously make socially and culturally appropriate choices while being aware of their own organizational goals and, if necessary, to challenge and resist external institutional pressure to guard their own interests (Battilana et al., 2009; DiMaggio, 1988; Garud, Hardy, & Maguire, 2007). Oliver (1991) argues that organizational response to institutional pressures is more nuanced than simple conformity or resistance and contingent on "why these pressures are being exerted, who is exerting them, what these pressures are, how or by what means they are exerted, and where they occur" (p.159). In other words, the rationale, constituents, content, control mechanisms, and environmental context of external institutional pressure provide a scope within which organizations choose appropriate responses.[89] An organization's responses can vary within a spectrum of conformity at one extreme and proactive resistance at the other; Oliver (1991) broadly categorizes responses as acquiescence, compromise, avoidance, resistance, defiance, and manipulation.

2.1. National CSR context

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[89] The original wording of the scope conditions (or what Oliver (1991) called institutional factors) is: cause, constituents, content, control, and context. Here, the author opts for rationale (in lieu of cause), control mechanisms (control), and environmental context (context) to more clearly convey the meaning of the conditions.

One external pressure arises from the formal rules (e.g., laws and policies), norms, and cultural values of the host country that impose and reinforce local views of responsible business conduct on local producers; these elements, in aggregate, constitute the national institutional CSR context (Brammer et al., 2012; Matten & Moon, 2008; Scott, 1995). Recalling that CSR concerns the social and environmental impacts of business and management of relations with workers and other local stakeholders such as governments (Frynas & Blowfield, 2005), the author aims to understand the regulatory context of CSR in this article by studying labor and environmental legal frameworks and their level of enforcement. Concerning the normative and cultural contexts of CSR, attention is paid to local norms, cultural assumptions, and taken-for-granted practices that inform and instruct local producers as they handle the social and environmental repercussions of their profit-seeking activities and take care of their relations with workers and other societal actors.

Once the national CSR context has been identified, it is possible to articulate how institutional pressure emerging from this context defines the scope within which local producers can purposefully choose their responses. Oliver (1991) proposes a series of hypotheses discussing how each scope condition—rationale, constituents, content, control mechanisms, and environmental context—may affect which response is most appropriate for an organization. These hypotheses were very useful for analysis of the empirical findings of this study, where the author applies them in the context of local producers facing institutional pressure regarding CSR. First, the rationale of institutional pressure is to enhance social legitimacy with local government, workers, community institutions, and other local stakeholders and economic accountability through worker remuneration and paying the necessary dues to local communities (e.g., taxes). Local producers are likely to resist institutional pressure if the perceived gain in social legitimacy and economic accountability from conforming to pressure is low; if the gain is high, conformity is a more attractive option. Second, when institutional constituents, such as the state, civil society actors, and other companies, do not agree on what counts as responsible business conduct, local producers can be subject to multiple, conflicting pressures regarding CSR. This multiplicity of pressures creates opportunities for local producers to resist the pressure they encounter (Seo & Creed, 2002). Resistance is also likely when local producers are only weakly dependent on institutional constituents such as government authorities charged with enforcing laws. Third, the content of institutional pressure also matters: when it heavily constrains local producers and greatly hinders their organizational goals of survival and profit-

seeking, the producers may turn to resistance. Fourth, institutional control mechanisms can take the form of regulatory coercion through government-led enforcement of laws and regulations and voluntary diffusion of norms and practices. When these mechanisms are weak, local producers are more likely to resist institutional pressure. Fifth, the environmental context under which local producers encounter institutional pressure affects their responses. A context characterized by low uncertainty and interconnectedness can encourage local producers to consider and engage in resistance. Table 7.1 re-creates this predictive model, summarizing Oliver's (1991) hypotheses about how different sets of scope conditions give rise to different organizational responses.

Table 7.1: Scope conditions and predicted organizational responses to institutional pressure

Scope condition	Organizational responses to institutional pressure				
	Acquiesce	**Compromise**	**Avoid**	**Defy**	**Manipulate**
Rationale					
Legitimacy	High	Low	Low	Low	Low
Accountability	High	Low	Low	Low	Low
Constituents					
Multiplicity	Low	High	High	High	High
Dependence	High	High	Moderate	Low	Low
Content					
Consistency	High	Moderate	Moderate	Low	Low
Constraint	Low	Moderate	High	High	High
Control					
Coercion	High	Moderate	Moderate	Low	Low
Diffusion	High	High	Moderate	Low	Low
Environment					
Uncertainty	High	High	High	Low	Low
Interconnectedness	High	High	Moderate	Low	Low

Note: Re-created from table 4 in Oliver (1991, p. 160)

2.2. The CSR context of suppliers in GPNs

Local producers in this study are embedded not only in their host country but also in the GPNs where they participate as suppliers. To explain the latter context, the author uses GPN analysis (Coe et al., 2008; Henderson et al., 2002). In GPN analysis, the production of a good or service is understood as a globally-spread and functionally-dispersed process led and coordinated by lead firms (also known as buyers) and carried out through networks of third-party suppliers. Two aspects of GPN analysis are worth discussing here. First is the recognition that any stage in the production process is locally grounded and embedded in social relationships (Coe et al.,

2008; Hess, 2004). Local producers operating in a developing country form relationships with various local stakeholders and, through these relationships, expose themselves to local institutional pressure regarding CSR. As a result, the country's CSR context can inform how local producers perceive and respond to the CSR understanding promoted by international donors. Second, GPN analysis sheds light on how local producers, as contractual suppliers, gain and lose access to the GPNs of brands and retailers. Some buyers grant suppliers access to their GPNs on the condition that the supplier fulfills the social and environmental expectations of the buyer's codes of conduct. This practice has become an increasingly common way for buyers to conceptualize and practice CSR in their GPNs (Stephanie Barrientos & Smith, 2007; Nadvi, 2008).

The implication of local producers' participation in GPNs is that, in addition to local institutional pressure, they are subject to network pressures concerning responsible business conduct. Such GPN pressure comes with its own scope conditions (rationale, constituents, content, control mechanisms, and environmental context) that also inform the local producers' responses. To illustrate this point, the author considers a hypothetical case in which a global buyer demands its suppliers comply with its code of conduct as a pre-condition for doing business. The main control mechanism here is regulatory coercion and, should this function effectively, suppliers will be motivated to conform to pressure. When conformance pressure is a pre-condition for suppliers to receive production orders, the suppliers find conformity to be the most viable response to ensure social legitimacy and economic accountability in the buyer's GPN. This also renders the buyer a powerful constituent of GPN pressure and its leverage to extract conformity from suppliers increases when the suppliers rely heavily on the buyer for their survival and business growth. The suppliers are likely to continue to comply with the buyer's code as long as they deem that doing so does not severely constrain their survival prospects or compromise profit-seeking. Finally, if the environmental context of the GPN is relatively stable and the suppliers are highly interconnected with the buyer through frequent communication or other network constituents such as NGOs running factory capacity building projects on buyer's behalf, there is a higher likelihood of supplier conformity. These propositions so far point to suppliers choosing acquiescence as their response to GPN pressure, but different scope conditions would generate different supplier responses. For instance, suppliers are less prone to comply with one buyer's code of conduct if other buyers demand compliance with contradictory codes (e.g., Gooch et al. 2008). When suppliers perceive the

environmental pressure of a buyer's GPNs to be high due to frequent changes favoring suppliers that offer lower production costs, they are less motivated to conform to the social and environmental demands of the buyer's code of conduct (Ruwanpura & Wrigley, 2011).

2.3. Dual embeddedness of local producers

Considering the theory of organizational responses (Oliver, 1991) through the lens of GPN analysis (Coe et al., 2008; Henderson et al., 2002), the author adopts an analytical framework that articulates the context of dual embeddedness of local producers in a developing country. This is done by ascertaining how the rationales, constituents, content, control mechanisms, and environmental context of institutional and GPN pressures for CSR interact with one another. The outcomes of such interactions constitute the condition of dual embeddedness for local producers and influence the ways that producers perceive and react to the CSR understanding promoted by international donors.

2.4. Responses to the CSR understanding promoted by international donors

The discussion to this point raises a further question for development of the analytical framework: what kind of CSR understanding do international donors promote? As mentioned earlier, CSR generally refers to a business taking responsibility for addressing its social and environmental impact and managing relations with workers and other stakeholders in the society it operates (Frynas & Blowfield, 2005). This generic definition, however, invites multiple interpretations and practices concerning which social and environmental impacts deserve corporate attention and how a business can manage relations with workers, local communities, and others in a responsible way (Brammer et al., 2012). Furthermore, conceptualizing CSR is a historically influenced and socio-culturally dependent process (Matten & Moon, 2008), which explains why manifestations of CSR vary (e.g., Sachdeva & Panfil 2008; Jamali & Neville 2011; Kang & Moon 2012; Amaeshi et al. 2016). Therefore, the author of this study decided to derive the CSR understanding promoted by international donors (also called *donor-promoted CSR*) inductively from empirical data.

In an effort to precisely and comprehensively capture donor-promoted CSR, this study focuses on not only what international donors mean when they say CSR but also what they do to promote CSR. This approach makes it possible to ascertain the rationale, constituents, content, control mechanisms, and environmental context of the pressure that international donors exert in

order to promote their CSR understanding (also called *donor pressure*). The author considers that, by directly addressing donor pressure in the dually embedded context of local producers, this study can offer realistic and nuanced explanations of why the producers choose to acquiesce, compromise, avoid, defy, or manipulate donor-promoted CSR. Figure 7.1 illustrates this analytical framework.

Figure 7.1: Analytical framework of this study
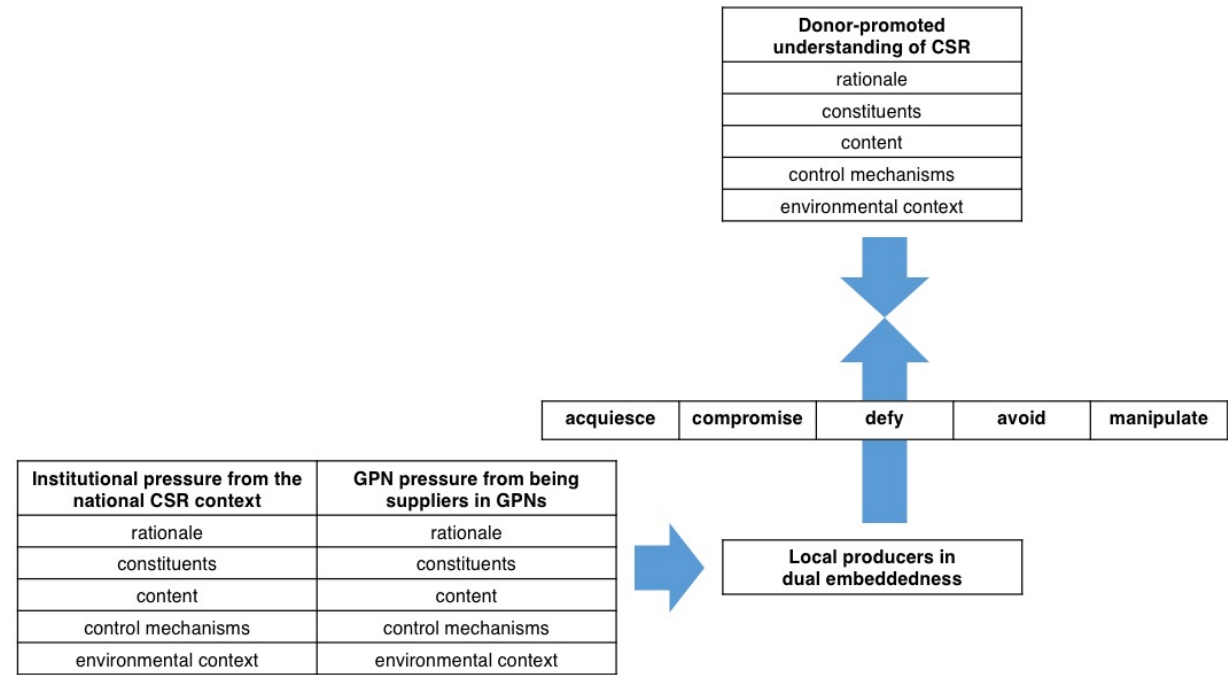
The analytical framework for this study combines multiple theoretical considerations, which the author believes give rise to several theoretical contributions. First, the framework provides a useful theoretical lens for examining the under-studied role of international donors in conceptualizing CSR in GPNs. Integrating the typology of organizational responses (Oliver, 1991) with GPN analysis enables more fine-grained and precise descriptions of how local producers respond to donor pressure as donors' promote their own CSR understanding. At the same time, the framework provides an opportunity to test and refine the relevance and analytical strength of Oliver's theory of organizational responses. Many of the empirical studies that informed Oliver's theory focused on organizations and phenomena that operate in or exert influence at a single geographical scale (typically, the national level). The context of GPNs, in which multi-scalar and transnational interactions and linkages between actors are the norm, provides an extreme condition and boundary-spanning opportunity for Oliver's theory. The next

section introduces the empirical setting of this study, within which the theoretical potential of the adopted framework is to be verified.

3. Empirical context: Myanmar's export garment industry 2011-2015

To address the research questions, this study benefits from the empirical setting of Myanmar's export garment industry from 2011 to 2015. To understand what makes this setting appropriate, it is important to understand Myanmar's unique experience of being under economic sanctions before reintegrating into the global economy. For roughly a decade from the early 2000s, Myanmar was subject to economic sanctions imposed by the US, the EU, and other Western countries (for a historical overview, Kudo, 2013). This hindered the country's local producers, including garment manufacturers, from exporting freely to North American and European markets; as a result, they were also isolated from the evolution of global business practice and know-how.[90] Many producers were unaware of global-level trends and discussions of CSR, including the growing practice of CSR by Western buyers demanding their suppliers comply with codes of conduct as a pre-condition for placing orders; indeed, few buyers sourcing from Myanmar prior to 2011, when the country announced a series of political and economic reform measures, made such a demand (Systain Consulting, 2015).[91] Therefore, soon after the country's reform, several international donors launched development projects in an effort to assist the country's garment manufacturers to catch up with global knowledge and practices of CSR. Such donor efforts to promote a new CSR understanding in Myanmar, combined with a large gap between the CSR understanding of the country's garment manufacturers and that of the international donors, leads the author to argue that this empirical setting provides a revelatory case for examination of the role of international donors in conceptualizing CSR in GPNs (Yin, 2003).

Delineating the temporal context of this study to the period 2011 to 2015 is justifiable because Myanmar's export garment industry underwent a profound change in that period, sparking and

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[90] US sanctions on Myanmar (then known as Burma) in 2003 triggered other Western nations to consider or introduce their own sanctions. In 2003, the US government enacted the Burmese Freedom and Democracy Act as a protest against the country's oppressive military regime and subsequently banned all Myanmar exports from entering the US (Kudo, 2005).

[91] These measures include, but are not limited to, freeing a number of political prisoners, initiating peace talks with armed ethnic minority groups, lifting bans on media outlets critical of the government, allowing 100% foreign ownership in a number of sectors and business activities, and legalizing the formation of labor unions (Fair Wear Foundation, 2016; Katyal, 2011).

shaping industry-level discussions on CSR. First, Myanmar's initiation of reform measures in 2011 led Western countries to lift their economic sanctions and, subsequently, enabled Myanmar's garment exports to reach consumers in the US and the EU. Seeing these new trade frontiers, European and North American buyers began to explore Myanmar as a new sourcing destination.[92] The arrival of these buyers spurred active discussion of CSR among Myanmar's garment manufacturers because, in the name of CSR, the buyers demanded that their suppliers demonstrate the ability and commitment to comply with the social and environmental expectations laid out in their codes of conduct. Second, substantial changes to Myanmar's labor laws since 2011 have provided further momentum to discuss and revisit the notion of CSR in Myanmar. To name a few examples, labor unions became legal in 2012 and, as a result, legal bases and procedures for labor dispute settlement and provision of social security benefits to workers were developed (for information on other regulatory changes, refer to Theuws et al., 2017). Myanmar also enacted its first-ever national minimum wage at 3,600 Burmese kyats a day (about USD 2.80 a day) on September 1, 2015.[93] Although these regulatory developments have not been fully implemented, they nevertheless affected industry-level discussions about CSR by redefining the legal obligations of garment manufacturers with respect to addressing the social and environmental impacts of their business operations and treatment of workers.

Who are the local producers in Myanmar's export garment industry? First, as suppliers in GPNs, they constitute emerging but still minor players in comparison to garment manufacturers in Bangladesh and China. As a case in point, the share of garments made in Myanmar in the total garment imports of Japan and South Korea, two of the largest destinations for Myanmar's garments, is low: less than 1% in 2010 (0.25% for Japan and 0.76% for Korea) (Griffin, 2014). However, as enterprises operating in Myanmar, garment producers carry much more weight. Garments were the third most lucrative category of exports from Myanmar between 2012 and 2016 (International Trade Centre, n.d.) and, as of 2016, the industry employed about 350,000 workers (Theuws et al., 2017); nearly 90% of them are women and many had migrated from poorer regions to work in garment factories in Yangon industrial zones (Gardener & Burnley,

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[92] The interest in Myanmar as a sourcing location was more pronounced among European buyers. This has been ascribed to the favorable terms of EU-Myanmar trade following the sanctions. In 2013, the EU reinstated Myanmar as a least developed nation and, thus, duty-free and quota-free access to Myanmar's exports (except arms) to EU country markets. This was a

[93] On September 1, 2015, one US dollar was equivalent to 1,268 Burmese kyats according to the XE currency chart (XE, 2017).

2015). Among garment manufacturers operating in Myanmar, one can see a divide between locally-owned garment exporting factories (a little more than one-third of the manufacturers according to the July 2015 membership list of the Myanmar Garment Manufacturer Association (MGMA)) and joint ventures and foreign-owned factories. In 2015, most factories employing fewer than 500 workers were locally owned, while larger factories with more than 1000 workers were mostly either joint ventures or wholly foreign-owned (HKTDC Research, 2016b). Irrespective of size and ownership, Myanmar's garment manufacturers hoped to benefit from rejuvenated sourcing interest from European and, in particular, North American buyers. Their interest in accessing these markets is reflected in the export statistics: Japan and South Korea were the two largest markets for Myanmar's garment exports by value in 2010 (38% and 31% respectively) (Griffin, 2014), but Europe has been growing rapidly (23% in 2014) and is expected to replace Korea as the second largest importer within several years (HKTDC Research, 2016b).

4. Methodology

4.1. Case study

To examine the question of how international donors promoted their notion of CSR among Myanmar's garment manufacturers, this study employs a single case design with multiple embedded units of analysis (Yin, 2003).[94] Single case here refers to the entirety of international donors financing and operating development projects in Myanmar's export garment industry and, through these projects, attempting to introduce and promote their conceptualization of CSR as a new industry norm. The unit of analysis is individual donor-funded garment industry project (from here on, *donor-funded project*). The author examined the following projects:

- A: *Myanmar garment project by the Business Innovation Facility (BIF)*, a market systems development project funded by the British Department for International Development (DFID) and implemented by a local consulting agency, HamsaHub;[95]

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[94] In terms of justifying the choice of case study design to address the research question, this study was designed to understand the contextual conditions underlying Myanmar garment manufacturers' responses to donor-promoted CSR. The focus on context makes case study a highly suitable research design (Yin, 2003). The case study design also supports examination of how and to what extent the integrated analytical framework (presented in section 2) can explain the real-life phenomenon that the chosen case represents (Welch et al., 2011).

[95] The market systems approach consists of a set of development assistance principles concerning markets and their impact on the poor. The principles include reducing poverty and serving the poor as end goals of transforming

- B: *Myanmar garment project by the Centre for the Promotion of Imports from developing countries (CBI)*, which is part of the Netherlands Enterprise Agency and funded by the Netherlands Ministry of Foreign Affairs;
- C: *Various garment industry projects organized and implemented by the Yangon Liaison Office of the ILO*, such as Responsible Business and Promoting Freedom of Association and Social Dialogue;
- D: *Garment sector project by Pyoe Pin*, a development project focusing on Myanmar funded by the DFID, the Swedish International Development Cooperation Agency (Sida), and Denmark's development cooperation agency (Danida, formally known as the Danish International Development Agency);
- E: *SMEs for Environmental Accountability, Responsibility and Transparency in Myanmar (SMART Myanmar)*, a project funded by the EU with Sequa gGmbH (a German development organization working in collaboration with the German private sector) as the lead implementer.

The main objectives of these projects were two-fold. The first was to help Myanmar's garment manufacturers upgrade their production capabilities and network with more buyers in the global garment marketplace so that garments made in Myanmar could successfully become embedded in European and North American garment markets and the country's garment industry could create more jobs for local people. The second was to promote the donors' conceptualizations of CSR among Myanmar's garment manufacturers; these conceptualizations were all based on respect for international labor and environmental standards. This approach was taken with the expectation that equipping manufacturers with the ability to understand and deliver donor-promoted CSR would help them meet the social and environmental demands of international buyers and contribute to the creation of Myanmar's image in the global garment marketplace as a place for ethical sourcing. Specific activities undertaken to achieve these objectives are discussed in the empirical findings section (section 5).

The study followed theoretical and critical case sampling strategies (Fletcher & Plakoyiannaki, 2011; Thornberg & Charmaz, 2014). The donor-funded projects were chosen with the expectation of validating and refining the analytical framework presented in section 2

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market systems, recognizing markets as systems that include multiple firm and non-firm actors and incentives, and seeking to address root causes of failed or inefficient market functioning (Humphrey, 2014).

(theoretical sampling). Critical sampling was employed so that lessons could be drawn from the extreme condition that characterized Myanmar's export garment industry—a sharp contrast between international donors trying to promote their notions of CSR and local garment manufacturers who had been isolated from global-level discussions of CSR.

The temporal context of this case (the period between 2011 and 2015) is special because Myanmar's garment manufacturers responded to donor-promoted CSR in apparently contradictory ways. In general, there appeared to be a substantial appetite among local manufacturers to become involved in and benefit from the activities organized by the donor-funded projects, including projects aiming to promote donor understanding of CSR. This progress gave the international donors a sense of optimism that manufacturers were genuinely keen to change their ways of thinking and doing business with gradual compliance to relevant international labor and environmental standards. This assessment was, however, challenged in the summer of 2015 when Myanmar's National Minimum Wage Committee (NMWC) proposed a minimum wage be established at 3,600 Burmese kyats a day. Finding this amount to be a radical increase from the existing industry average (USD 1.50 according to Gardener & Burnley 2015), the country's garment manufacturers engaged in public resistance, drawing national and international media attention. The manufacturers' reaction surprised and disappointed the donor organizations, which began to reassess their progress in CSR promotion. These unfolding events are interesting and deserve a closer look from the research perspective.

4.2. Data collection

This study draws on eighteen interviews and a variety of secondary sources pertaining to donor-funded garment industry projects in Myanmar. The interviewees were the staff of the projects under analysis and representatives of the projects' donors, Myanmar garment manufacturers, and other industry stakeholders; table 7.2 provides their anonymized profiles. The interviews were conducted during the author's field research in Yangon, Myanmar, between May and September 2015. From the fieldwork, the author was also able to observe first-hand the donor-funded projects and donors' interaction with manufacturers. The author detailed observations in her field diary, which enabled a nuanced reading of the empirical data. For instance, by being in Myanmar, the author could sense and verify that the news of the minimum wage proposal of 3,600 kyats a day came as a shock to many garment manufacturers. In interviews and informal meetings, the garment manufacturers repeatedly expressed their concern about the impact of the

proposed minimum wage on their business prospects. To corroborate data from interviews and field observations, the author also consulted a variety of secondary sources, such as the donors' websites and publications, third-party reports, and news articles.

Table 7.2: Anonymized list of interviewees who informed this article

No.	Types	Roles and professional affiliations
7.1	International donors (including staff of donor-funded garment industry programs)	Garment sector specialist for donor-funded garment industry project A
7.2		Manager of donor-funded garment industry project B
7.3		Officer of donor-funded garment industry project B
7.4		Chief officer of donor-funded project C; role focused on responsible business conduct in the garment sector
7.5		Officer of donor-funded project D; role to promote responsible business conduct in Myanmar (not specifically targeted on the garment industry)
7.6		Myanmar-based manager of donor-funded garment industry project E
7.7		Director of donor-funded garment industry project E
7.8		Representative of a European government donor supporting projects A and C
7.9	Garment manufacturers	Korean factory owner and active member of the Korean Garment Manufacturers Association (KOGAM) in Myanmar
7.10		Local garment factory owner and executive member of the MGMA
7.11		Local garment factory owner and executive member of the MGMA
7.12	Industry stakeholders	Representative of an international NGO conducting research on worker situations in the garment industry
7.13		Executive director of a local labor NGO that took part in the research effort of interviewee 7.12
7.14		Representative of the Confederation of Trade Unions in Myanmar (CTUM)
7.15		Myanmar director of an NGO that facilitates the voluntary association of female garment workers in Yangon's industrial zones
7.16		Director-level official of Myanmar's Ministry of Labour, Immigration and Population
7.17		Representative of the Myanmar Trade Union Federation, which is now the Myanmar Industries Craft and Services Trade Unions Federation
7.18		Agent matching international buyers with garment factories in Myanmar

The interviews were semi-structured in order to accommodate additional information and interpretations of events and concepts that the interviewees found important. The interview questions touched on the profile of the interviewee's organization; its activities in Myanmar; the interviewee's (or organization's) conceptualization of CSR; and the interviewee's evaluation of local, national, and global conditions affecting their organization's efforts to promote CSR in Myanmar. The interviews took between 30 minutes and 2 hours, with an average of about one hour, and were conducted by the author in either English or Korean. All but two of the

interviews were audio-recorded and transcribed verbatim by the author. Where the interviewee declined to be recorded, the author took hand-written notes, from which she constructed a transcript immediately after the interview, and sought the interviewee's fact-check and confirmation of the transcript via email and phone calls. To guarantee confidentiality, the author anonymized interviewee names and professional affiliations. The names of the international donors, their garment industry projects in Myanmar, and specific activities are mentioned in this study as they are already available in the public domain (e.g., on donors' websites). However, the author treated information carefully so that the interviewees' personal and professional identities could not be traced or inferred.

4.3. Analytical processes

In examining the question of how international donors have promoted their notion of CSR in Myanmar's export garment industry, the researcher followed the constructivist approach to coding. This approach employs abductive reasoning, a logical process whereby the researcher engages in constant comparison between theoretical prepositions and empirical knowledge to answer a research question (Charmaz, 2006; Suddaby, 2006). In this study, prior knowledge and theory-driven propositions provided lenses from which to view the empirical data, while the researcher remained open to emergent insights from the data (Charmaz, 2006). The analytical framework was used to provide clarity and detect interesting insights from empirical data that otherwise would have gone unnoticed. The analysis of empirical data simultaneously informed and refined elements of the framework.

To begin with, the author read the entire set of empirical data to understand emerging themes and stories in view of the research question. After obtaining this bird's eye view of the empirical data, the author engaged in a first phase of coding to understand the CSR context of Myanmar and its influence on local garment manufacturers. The codes revealed that the country's regulatory context was undergoing *reforms and updates in the legal framework* while exhibiting *weak capacity to enforce laws*. Myanmar's norms and cultural values associated with CSR included *donation loving culture*, *paternalistic view of workers*, *gap between words and ability to commit*. Once the national CSR context was identified, the author compared codes and developed higher-level conceptual categories to examine the scope conditions (rationale, constituents, content, control mechanism, and environmental context) of institutional pressure.

The second phase of coding focused on understanding the CSR context of being a supplier in a GPN. It emerged that the main institutional constituent applying pressure for CSR in GPNs was international buyers. These buyers took two different approaches: one group of buyers demanded supplier compliance to their codes of conduct as a pre-condition to doing business while the other did not. Therefore, the author coded scope conditions only for those suppliers whose buyers imposed code compliance.

The third phase was to capture the CSR understanding promoted by international donors. The author gradually conceptualized donor-promoted CSR by coding how the donors framed their understanding of CSR (codes include *respecting worker rights and providing decent working conditions* and *benefiting business*), how they challenged what they perceived as the problematic local understanding of CSR (arguing that *CSR is more than charity*), and what they did to promote their CSR understanding (*factory training*, *helping MGMA codify and implement their commitment to CSR*, and *MGMA capacity building*).

Multiple-phase coding informed and guided the analysis of the empirical findings presented in the next section. The coding outcomes of the first two phases enabled the author to articulate the garment manufacturers' context of dual embeddedness. This contextual background, compared with donor-promoted CSR as articulated in the coding, was instrumental in understanding why the manufacturers appeared to acquiesce to the donors' attempts to impose their CSR understanding while strongly resisting the proposed national minimum wage.

5. Empirical findings

5.1. National CSR context

The national CSR context—comprised of the regulatory, normative, and cultural contexts of the host country (Scott, 1995)—informs and instructs companies and entrepreneurs about locally acceptable and legitimate ways of addressing social and environmental impacts of their business activities and managing relations with workers and other local stakeholders. Myanmar's labor laws constitute the regulatory context of CSR in the country. The empirical findings of this study document the limited influence this regulatory context had in shaping and regulating the social and environmental behaviors of Myanmar's garment manufacturers between 2011 and

2015.[96] First, since the country's reform in 2011, many relevant laws and rules had been drafted or revised to bring them up-to-date and address inconsistencies.[97] At the same time, poor implementation had been a persistent problem. People with enforcement authority—such as township- or village-level government officials, and labor inspectorates—were few in number, underpaid, and exposed to the risk of bribery (Fair Wear Foundation, 2016). Local garment manufacturers and NGOs have argued that government authorities at the local level are often unaware of the latest legal updates or unable to answer legal inquiries (Action Labor Rights, 2016). The following quote is emblematic of this regulatory reality:

> *Excessive overtime is a huge problem in the industry in Myanmar. And it's a problem that is kind of made possible partially by the Ministry of Labour. The Ministry of Labor is telling factories that as long as you are less than 80 hours, then you are fine. Eighty is the maximum. But 80 is quite excessive. 80 hours per week.* (Interviewee 7.6, manager of project E)

In the absence of an effective legislative framework, what Myanmar's garment manufacturers considered CSR resonated strongly with the country's norms and cultural values. One such influence was the Buddhist emphasis on philanthropy. In Myanmar, where nearly 90% of the population identify themselves as Buddhists (CIA, 2017), philanthropic donation plays an important role in an individual's life because it is a way of building religious merit that can positively influence life after rebirth (Welford & Zieger, 2013). This religious emphasis on philanthropy, combined with pervasive poverty—a quarter of Myanmar's population is estimated to live below the national poverty line (ADB Basic Statistics, 2017)—is understood to motivate local enterprises' association of CSR with corporate philanthropy to the poor, Buddhist monks, or those in need of livelihood assistance (Kyaw Hsu Mon, 2016). Local garment manufacturers are no exception to this phenomenon.

The local understanding of CSR also incorporated a strong paternalistic view of workers; this may be rooted in the cultural assumption of unequal power relationships between employers

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[96] At the time of the study, legislation about environmental issues was almost nonexistent and substantially under-developed. The Myanmar government promulgated its Environmental Conservation Law in 2012 and the Environmental Conservation Rules in 2014. The Directorate of Investment and Company Administration issued Environmental Quality Standards in 2016 (switch asia, 2016).

[97] In an example of such legal inconsistency, the Factories Act 1951 (amended 2016) proclaims weekly maximum working hours to be 60 (including legal overtime), but the Ministry of Labour issued a directive in 2012 that allows a maximum of 64 working hours a week (Theuws et al., 2017).

and employees (Slow, 2015). Because labor law and collective bargaining power are weak in Myanmar, local workers have had to rely on the benevolence of their employers to obtain improvements in working conditions and claim their legal entitlements as employees. In this context, many local garment manufacturers have come to perceive CSR as a discretionary exercise of charity, or provision of non-salary worker benefits, such as ad hoc financial aid, interest-free loans, and taking workers to Buddhist temples on holidays. From this paternalistic view, Myanmar's garment manufacturers perceived themselves to be generous caretakers of workers, knowing what would be best for them in the workplace (Jang-sik Park & Chae, 2014). In this vein, the interviewees showed reluctance to accept labor unions as reliable partners with which to discuss factory issues and considered it a sign of successful leadership if their factories did not experience any labor strike.

It is important to recognize the cultural implications for CSR of the economic sanctions. First, local garment manufacturers had poor awareness of global-level discussions of and trends related to CSR, including corporate codes of conduct. For example, when SMART Myanmar assisted the executive members of the MGMA to draft a code of conduct, the donor engaged an international consultant to provide preparatory workshops because "for several factory owners present at this workshop, knowledge on international practices related to child labor, fire safety and overtime was previously almost entirely unknown" (SMART Myanmar, 2015b). More fundamentally, local garment manufacturers lacked basic management knowledge (e.g., the concept of human resource management) or experience in proactively building and expanding their networks of buyers. These weaknesses were coupled with a tendency to be extremely cautious when trying something new or taking a risk:[98]

> *They just didn't know how to write the first steps. And I think an awful lot of it is just because the country has been closed for 20 years. It's also very scary. If you say "start training sector", [they will say] "we have no money." "People will give you money." "Well, we don't want… you know what…" There's a lot of caution. There's an awful lot of fear about making the first move…*

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[98] The author also speculates that these manufacturers might have taken a cautious approach by habit, which represents how they had perhaps survived and operated under the military-led authoritarian governments before the country's reform. The military-led regimes closely monitored activities in the civil society realm (including privately-run businesses) and were quick to discourage, if not oppress, people's effort to self-organize around a profession or shared interest because they feared that civil society organizations could grow to challenge their ruling authority by demanding more civil liberties (Jesnes, 2014; Slow, 2015).

[When speaking to MGMA executive members, I said,] in your vision "we want happy workers, we want well-paid workers", they said, "we need an HR [referring to human resources] manager." [I asked,] "Why do you need an HR manager?" [and they said,] "To force the workers to work"... You've still got a basic lack of knowledge of how the world has progressed in the last 20 years. You can't change that overnight." (Interviewee 7.1, garment sector specialist, project A)

Embedded in this national CSR context, local garment manufacturers have traditionally conformed to institutional pressure, thus informing and reinforcing the idea that paternalistic care of workers and discretionary exercise of philanthropy constitute CSR. A subsequent question is, then, how did the manufacturers choose to acquiesce to the pressure given the scope conditions and their alignment with organizational interests?

5.1.1. Rationale

Local institutional pressure compels garment manufacturers to become legitimate and economically accountable in the views of local workers, government, and other related stakeholders. In Myanmar, where there exists a religious emphasis on charity and employers are understood as immediate caretakers of employees, the author argues that philanthropic donations for the benefit of local communities and non-salary benefits to workers have been regarded as local exercise of CSR. This study does not measure the degree to which local garment manufacturers attained social legitimacy and economic accountability by undertaking these charitable CSR practices. However, the practices were known to be prevalent (Kyaw Hsu Mon, 2016) and interviewed suppliers also embraced some of them as their CSR as described in the quote below.

[Interviewer:] *What is your definition of social responsibility? What thoughts come to you?*
[Interviewee 7.11, Local garment factory owner and executive member of the MGMA:] *I take care of my workers. The Social Security Board does not provide good service so I pay for my staff's health check-up myself. Our factory celebrates festivals, like the water festival, with workers. We make donations, for example, for the recent flood. We provide some money for their lunch and ferry charges.*

Based on these observations, the author's assessment is that local garment manufacturers have embraced donations and non-salary benefits as a means of enhancing their legitimacy and economic accountability in the local context.

5.1.2 Institutional constituents

The constituents of institutional pressure appeared to offer no strong contending interpretations of CSR and local actors did not challenge the prevailing view. The government of Myanmar could potentially offer a contending interpretation by highlighting and enforcing compliance with the national laws that are increasingly consistent with international standards, but its ability to enforce the law has been perceived as weak (Theuws et al., 2017). Local labor unions and NGOs advocating business compliance with national labor laws as CSR could have functioned as powerful stakeholders in the industry-level discussion on CSR. However, these actors were permitted to operate legally only several years ago. Because these civil society actors faced the dual task of building up their own organizational capacity and reaching out and empowering workers through training on labor laws and support for unionization and dispute resolution (Gillan & Thein, 2016), it would be unreasonable to expect them to already function as powerful stakeholders and control the social and environmental behavior of local garment manufacturers.

5.1.3 Content

The content of local institutional pressure, emphasizing paternalistic care of workers and discretionary exercise of philanthropy, offers little constraint or contradiction to the profit-seeking imperative of local garment manufacturers. Instead, it renders CSR a voluntary and discretionary exercise of an employer's generosity, allowing manufacturers to adjust the scale and intensity of CSR according to their perceived financial situation and other profit-seeking considerations. The room for flexibility offered by the national CSR context has made it feasible for garment manufacturers to embrace the local CSR understanding.

5.1.4 Control mechanisms

Myanmar's CSR context exerted weak regulatory coercion on local garment manufacturers. This enabled the country's norms and cultural values to be the predominant source of the local CSR understanding, contributing to the views of a number of local interviewees who said that CSR is different from compliance with national laws. As an illustrative case, an interviewed senior government official whose department is concerned with working conditions in garment factories clarified that "*our department has nothing do to with CSR*"

(Interviewee 7.16).[99] The analytical framework of this study hypothesizes that strong voluntary diffusion of norms facilitates organizations to conform to normative pressure. With the existing empirical data, it is difficult to ascertain whether a specific mechanism for effective diffusion of local norms existed at the time of the study and, if so, what it was. Nevertheless, the local norms and cultural assumptions embedded in local CSR understanding were clearly identifiable as pervasive and widely-shared among garment manufacturers and many local stakeholders.

5.1.5 Environmental context

The environmental context of institutional pressure was marked by a high level of uncertainty following the country's reform, propelled by both internal (national) political and economic changes (e.g., a major reform of labor laws) and externally-induced changes (e.g., the lifting of the West-imposed economic sanctions). According to the analytical framework, these changes should motivate Myanmar's garment manufacturers to conform to institutional pressure by maintaining their usual CSR practices of provision of non-salary benefits to workers and philanthropic donations because these have been proven ways of demonstrating their social responsibility and attaining social legitimacy in the view of local stakeholders. The author did not find sufficient information to validate this proposition, but there were reasons to believe that environmental uncertainty had the potential to undermine manufacturers' incentives to conform. First, associated with its reform, Myanmar's government—with assistance from the ILO and other foreign governments—has been undertaking a major reform of labor laws and training government labor inspectors under the Initiative on Labour Law Reform and Institutional Capacity Building (Nogami, 2016). Should these efforts be successful, compliance with national laws could become a more accepted way of achieving social legitimacy than existing CSR practices. Second, since local labor unions and NGOs were legally sanctioned in 2012, they have emerged not only as key stakeholders in policy-making for labor issues and employer-employee relations at the

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[99] Similarly, one local informant leading a garment workers' organization said:
Every factory has CSR and some companies even have a factory CSR department. In our country, people have always done CSR so it isn't very difficult for our people. For example, they donate the wasted clothes that the buyers don't accept at the end of each year and they also organize celebrations for the workers. So, all these are a part of CSR. A recent example is the flood victims; there have been a lot donations made… The way CSR is done here may be different from how people do it elsewhere, but the activities that we do here also fall under CSR. (Interviewee 7.15, Myanmar director of NGO that facilitates voluntary association of women garment workers)

factory level but also as the main force challenging the local interpretation of CSR. These actors have demanded employers prioritize compliance with national laws, arguing that "*being socially responsible doesn't mean that you are doing out of religious context*" and that CSR covers "*not only the workplace but also with the other compliances about the transparency, financial background, things like that.*" (Interviewee 7.14, representative of a labor union federation, CTUM)

To summarize, local garment manufacturers' acquiescence to the local CSR understanding, rooted in paternalistic care for workers and voluntary exercise of philanthropy, could be explained by the overall fit between the scope conditions of institutional pressure and manufacturers' pursuit of organizational survival and profit. This outcome largely corresponds with the prediction of Oliver (1991) presented in table 7.1 although Oliver expects strong regulatory coercion to facilitate conformity to institutional pressure. Her prediction presupposes a situation in which "the force of law or government mandate buttresses cultural expectations" (ibid, p.168). In Myanmar, this assumption does not hold because many of country's labor laws were drafted by the British colonial administration (1824–1948) and left unrevised until the country's reform in 2011 (Jinyoung Park, 2014); cultural expectations of garment manufacturers' behavior might have evolved independently of this legal framework. In this regard, Oliver's hypothesis concerning the control mechanism of institutional pressure is not able to account well for the conditions in Myanmar and, possibly, other developing countries where the rule of law that reflects, and at times affects, cultural expectations that cannot be taken-for-granted (Amaeshi et al., 2016).

5.2. CSR context of being suppliers in GPNs

Myanmar's garment manufacturers participate in global garment production networks as suppliers of foreign brands and retailers. In these networks, the notion of CSR remains highly contested as various non-firm actors such as unions (Egels-Zandén & Merk, 2014; Riisgaard & Hammer, 2011), transnational sweatshop movements (Bair & Palpacuer, 2012); and ethical sourcing multi-stakeholder initiatives involving buyers, NGOs, and/or unions (Hughes et al., 2008) attempt to influence the debate about how firm actors should conduct responsible business. In addition, suppliers commonly operate in developing countries, whereas buyers and their main consumers are located in countries with better rule of law, vibrant civil society, and consumer expectations for goods and services that were produced with processes that

gave rise to no severe social and environmental harm. Their embeddedness in different geographies results in suppliers and buyers having different understandings of what constitutes socially and environmentally responsible business conduct (Amaeshi et al., 2016; Matten & Moon, 2008).

5.2.1 Institutional constituents

As suppliers in GPNs, what kind of pressure with respect to CSR might Myanmar's garment manufacturers have been exposed to? According to her empirical analysis, despite the multiplicity of actors attempting to influence national- and industry-level discussions of CSR, the manufacturers were most cognizant of CSR-related pressure from international buyers. In turn, the international buyers demonstrated two different approaches to CSR. Established buyers, sourcing from Myanmar since before the country's reform—most of them Japanese and South Korean—exerted little or no control over the social and environmental behaviors of their suppliers. The manufacturers were used to this hands-off approach until they encountered newer buyers arriving in Myanmar after the country's reform. The newer buyers, many of which come from Western European and North American countries, demanded local garment manufacturers upgrade health and safety standards in their factories and improve internal management practices (e.g., correct payment of wages) in accordance with the buyers' codes of conduct as a precondition for qualification as a supplier.[100] As a result, local garment manufacturers faced two contradictory signals from international buyers but, in the author's opinion, the manufacturers paid greater attention to the demands of the newer buyers in the hope of gaining access to European and American markets. The remaining analysis in this section therefore focuses on GPN pressure from international buyers demanding supplier compliance with their codes of conduct.

5.2.2 Rationale

Buyers' needs for social legitimacy in the views of their consumers and other GPN actors and economic interests offer a rationale for GPN pressure on manufacturers, but such needs do not necessarily support or complement local garment manufacturers' pursuit of organizational survival and profit. In this study, buyers were highly aware of labor problems

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[100] These codes may be either buyers' own codes of conduct or ethical standards developed by multi-stakeholder initiatives encompassing buyers, unions, and/or NGOs (e.g., the base code of the Business Social Compliance Initiative).

and environmental harm within their GPNs and the potential of such problems to damage their reputation in their host countries and consumer markets, or make them the target of anti-corporate campaigning by activists and NGOs, or both. For this reason, some Western buyers came to Myanmar showing "wariness about operating in Bangladesh, the region's next largest low-cost competitor, due to increased reputational risk after both a building collapse and a series of factory fires that killed thousands of garment workers." (Griffin, 2014, p. 8) Western buyers were keen to work with garment manufacturers that could fulfill the social and environmental expectations laid out in their codes of conduct. However, such compliance required manufacturers to invest time and money to change working conditions and management practices in their factories and to participate in compliance audits conducted by external auditors. In addition, what many local garment manufacturers considered CSR—such as charitable donations to local community institutions and non-salary benefits to workers—because they helped enhance their social legitimacy in Myanmar, did not count as supplier compliance according to buyers' codes. These apparently different views of CSR offer the potential for manufacturers to avoid or defy buyer GPN pressure.

5.2.3 Content

When examining the content of the GPN pressure exerted between 2011 and 2015, there were reasons to believe that local garment manufacturers in Myanmar might favor more resistant forms of organizational response than passive conformity. First, the buyers' codes of conduct reflected how buyers conceptualize CSR, exhibiting labor and environmental ideals encapsulated in international standards. These expectations were more stringent and comprehensive than those established in Myanmar's national laws, and given that it was already an ambitious goal for the manufacturers to fully comply with national laws, interviewees agreed that full conformity to GPN pressure would take a very long time to achieve. Second, some interviewees pointed out that the purchasing practice of international buyers—pushing suppliers to produce as cheaply and quickly as possible—could, in fact, hinder local garment manufacturer commitment of time and resources to comply with buyer codes of conduct:

> *The factories, to defend them, they are being pushed to have lower prices, they are pushed to increase productivity. We are forcing them to appoint a person to be responsible for compliance issues. It is not that complicated. It is easy to get implemented. But they are*

under serious pressure to always meet the clients' request, I mean prices, target prices.

(Interviewee 7.18, a business matchmaking agent)

This suggests that, if this purchasing practice continued, the difficulty that suppliers faced in choosing between conforming to buyer CSR pressure and ensuring organizational survival and profit-seeking would increase.

5.2.4 Control mechanisms

Evident in the description so far, the main control mechanism of GPN pressure on Myanmar's garment manufacturers is regulatory coercion through enforcement of buyers' codes of conduct upon suppliers and making it a prerequisite for prospective suppliers to comply with buyer codes of conduct before taking them on-board. According to the analytical framework, such strong regulatory coercion is expected to increase the likelihood of conformity, and the author finds this expectation to be reasonable in this case. The interviewees were in agreement in their descriptions of how local garment manufacturers were eager to learn to comply with buyers' codes so that they could be ethically qualified to produce for international buyers through which they could gain access to European and American markets.

5.2.5 Environmental context

Despite the clear carrot-and-stick of conformity to GPN pressure, local garment manufacturers might hesitate to commit because of the highly uncertain environmental context that does not guarantee their commitment will be rewarded. In the global garment industry, Myanmar has been a rising destination for garment sourcing, but its share of the world's total garment exports and ability to offer a variety of production arrangements for buyers (e.g., sourcing own raw materials in addition to manufacturing garment pieces) are very limited compared to those of major garment producers, such as Bangladesh and China. Therefore, Myanmar's garment manufacturers were concerned that, even if they managed to comply with buyers' codes of conduct, international buyers could easily move on to new suppliers elsewhere if they deemed the relative merit of sourcing from Myanmar—whether it be cost competitiveness and sewing skills—to have disappeared. This led manufacturers to re-evaluate the desirability of conforming to GPN pressure if they could not foresee returns or proportional commitment from their buyers:

What do you want from the buyers?" They [the MGMA executive members] say large,
steady orders. And their argument is that, if they have large, steady orders, they would be
able to take the money from that and invest in it. If you are getting small and
unpredictable, why are you going to invest? You can't import to invest. And there is no
point in investing. So it's Catch 22. (Interviewee 7.1, garment sector specialist, project A)

This Catch 22 challenges the analytical framework that assumes that high environmental uncertainty increases the likelihood of organizational conformity to external pressure because the organization wants to "reestablish the illusion or reality of control and stability over future organizational outcomes" (Oliver, 1991, p. 170). When perceived uncertainty is too high and the organization cannot see how conformity would guarantee the stability of future outcomes (e.g., buyer commitment to long-term sourcing), suppliers are likely to evade or resist GPN pressure.

The author concludes from this discussion of the CSR context of being a GPN supplier that Myanmar's garment manufacturers had equally good reasons to conform and to resist GPN pressure for CSR between 2011 and 2015. On one hand, conformity would be their most strategic response because compliance with buyers' codes of conduct would enable them to produce for more buyers and thus increase profit. On the other hand, more resistant forms of response, such as avoidance or defiance, would make more sense because buyer codes imposed more demanding social and environmental standards than national laws and compliance with buyers' codes did not necessarily guarantee long-term and steady orders from buyers or enhanced social legitimacy in Myanmar.

5.3. Dual embeddedness of local producers

Now that the institutional pressure and GPN pressure for CSR have been reviewed, the author can construct the context of dual embeddedness that informed and guided garment manufacturer responses to the new CSR understandings promoted by international donors. First of all, the different forms of pressure provided contradictory rationales for being socially responsible; embracing one would lead to misalignment with or inadvertent rejection of the other. As a hypothetical example, prioritizing compliance with a buyer's code of conduct could result in lower investment in corporate philanthropy or worker welfare. If local workers or communities disagreed with this trade-off or did not value it, the manufacturer's legitimacy could be undermined in Myanmar.

International buyers demanding compliance with their codes of conduct established themselves as the main constituent actively exerting pressure to change the social and environmental behaviors of Myanmar's garment manufacturers. However, manufacturers' reliance on these buyers was not absolute because they could choose to produce for buyers that did not demand compliance. The availability of an alternative option can undermine the coercive force and effectiveness of enacting GPN pressure through enforcement of codes of conduct. Even if the manufacturers chose to comply with buyers' codes, the challenge would remain. Buyers' codes of conduct require suppliers to comply with national laws and, as stated earlier, it is far from easy or straightforward to adhere to national labor laws and other relevant regulations when they are changing and government authorities cannot adequately monitor and facilitate their implementation.

In the context of dual embeddedness, local garment manufacturers were likely to question whether the content and control mechanisms of GPN pressure contradicted their organizational goals of survival and profit making. The institutional pressure supporting and reinforcing the view of CSR as a discretionary exercise of philanthropy and paternalistic care of workers allowed Myanmar's garment manufacturers to define the scope and intensity of their CSR practices and respond flexibly to unforeseen changes in their business situations. In comparison, they would find conformity to GPN pressure highly constraining. Therefore, if they perceived that the effort to comply with buyers' codes of conduct did not advance their organizational interests (e.g., increased profit from producing for buyers with compliance requirements), they would begin to question the worth of conformity and consider avoiding or resisting the pressure.

Finally, both institutional and GPN pressure for CSR existed in highly uncertain environmental contexts. Contrary to earlier theoretical propositions, this level of environmental uncertainty may trigger local garment manufacturers to question the value of conforming to either pressure. With regard to GPN pressure, the manufacturers argued that their compliance with buyers' codes of conduct did not necessarily bring them a sense of stability in future outcomes, which could have been achieved with buyer commitment for long-term sourcing. The wish to control and predict future outcomes is extremely difficult in today's reality of GPNs where buyer competitiveness and survival rest on the buyer's ability to coordinate and manage a vast network of suppliers to gain advantages in the cost, speed, and quality of production (Melvin & Lee,

2015; Selwyn, 2013). Does this mean that conforming to institutional pressure could better meet suppliers' desires to secure future stability? The author does not believe so because, as discussed earlier, the validity of local CSR understanding since Myanmar's reform has increasingly been questioned, propelled by both the government's attempt to strengthen labor and environmental law with assistance from international donors and the emergence of civil society actors critical of the paternalistic and philanthropy-oriented local CSR discourse.

In short, the context of dual embeddedness renders local garment manufacturers generally acquiescent to local institutional pressure while remaining open-minded and simultaneously ambivalent toward GPN pressure. In normative and cultural terms, Myanmar's garment manufacturers seemed to understand and empathize with the local view of CSR grounded in the country's paternalistic understanding of workers and religious emphasis on voluntary philanthropy. At the same time, the manufacturers were attracted to the economic incentive of complying with buyers' codes of conduct to permit production for newer buyers, so many suppliers were eager to invest in meeting this requirement. Nonetheless, they remained wary of the investment required, fearing it would not yield the desired outcome or sufficiently advance their economic interests.

5.4. Responses to the CSR understanding promoted by international donors

Given the contextual background of local garment manufacturers in Myanmar, how did international donors attempt to promote their own CSR understanding? They strove to introduce and promote a new understanding based on respect for workers' rights and provision of decent working conditions in accordance with national and international labor and environmental standards. This understanding presupposes that workers have legally guaranteed entitlements rather than being passive objects of charity enacted according to employers' wants and needs. It demands garment manufacturers treat workers "*in the manner that you would expect to be treated or as best as you can treat them. And that would include working conditions, working hours, level of pay, freedom of association and transparency with all your actions and their actions*" (Interviewee 7.1). In this vein, the donors problematized the local interpretation of CSR because of its potential to be used as a smokescreen to hide employers' failure to fulfill their legal obligations:

> *People very much say "'oh, I treat my workers like my family." There is this feeling that if you give them a present or if you give them a bonus or present for a birthday, then that's*

alright. But day-to-day, it's okay also that they are working 12 hours a day on—not a minimum wage because there isn't a minimum wage—but on the lowest pay that you can get away with. There is sort of feeling that that's okay. (Interviewee 7.1)

Because donor-promoted CSR also emphasizes respect for relevant international labor and environmental standards, it resembles the CSR understanding of newer buyers that demand compliance with their codes of conduct. The donors strategically used this resemblance to add legitimacy to their argument, in awareness that asserting the normative supremacy of their CSR understanding would not effectively solicit manufacturers' interest or support. Donors argued that embracing their CSR understanding would help manufacturers stay competitive in the global garment market where more buyers and consumers, especially in advanced economies, care about safe and healthy working conditions and fair treatment of workers, as illustrated by the following quote from SMART Myanmar:

> Our objective is to help garment factories eliminate major occupational health and safety risks, reduce employee turnover, and improve workplace relations through effective HR [human resources] management and workplace communications. All of these things are essential conditions for European buyers. As such, putting in place effective management systems and sustainable business practices equips companies for long-term success. (SMART Myanmar, 2015c)[101]

What did these donors do to promote their CSR understanding among Myanmar's garment manufacturers? First, they focused on raising manufacturers' awareness of this new CSR understanding and helping them see the value of internalizing it through training, seminars, and other educational services, as summarized in table 7.3. The educational activities were designed to highlight donor-promoted CSR as a way of enhancing manufacturers' global competitiveness, that is, that responding to the labor and environmental demands of buyers and consumers from the EU and North America can enhance local manufacturers' business performance. For instance, the CBI's coaching program 2016–2017 was established to cover "Merchandising techniques, Quality and Productivity improvement, Compliance and codes of conduct" (Clothing Connect, 2016) and the ILO's SCORE training was inaugurated with a module on "workplace coordination" as "a foundation for business success" (ILO, NORAD, & SECO,

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[101] Similarly, donors portrayed CSR as "a strategic tool for risk management in all aspects of your company, such as loss of customers, violations against laws, or risks of business interruptions" (SMART Myanmar, 2014, p. 3).

2016, p. 5).

Table 7.3: Educational activities designed to raise awareness and build garment manufacturers' knowledge and capacity to realize donor-promoted CSR

Name and implementing organization	Participating factories	Content
BIF garment factory productivity and HR (human resources) training	Initially 15 garment factories; between August 2015 and March 2016, half the 15 factories completed all training modules in productivity and HR	- The program starts with needs assessment and then offers six training modules on HR and productivity topics over 21 days. During this period, regular follow-ups check the factory's implementation. - HR training modules cover topics such as division of roles and responsibilities, formalizing promotion and appraisal processes, having clear HR policies, and managing under-aged workers. - Productivity training modules cover topics such as improving task-specific skills, reducing waste and below standard work quality, and calculating productivity improvement.
CBI Export Coaching Programme	Local Cut-Make-Pack (CMP) factories	- The program helped a selected group of local garment manufacturers create company profiles that they could use to present themselves at business meetings with potential European buyers (SMART Myanmar, 2015a). - Conducted master classes on marketing plus two study trips to help participating factories learn about how to export directly to EU buyers (BIF, 2016a). - Training for 2016–17 was to touch on merchandising, improving quality and productivity, and ethical compliance (Clothing Connect, 2016).
ILO SCORE (Sustainable, Competitive and Responsible Enterprises) program delivered by SMART Myanmar	Smaller factories with 50 to 200 employees in the garment and footwear industries	- SCORE training involves five modules that start with workplace cooperation as a foundation for business success, followed by quality management, cleaner production, workforce management, and safety and health. - If the training follows the standard template (ILO et al., 2016), it will progress in a sequential manner from baseline assessment to group training, implementation support with on-site consultancy, monitoring and impact assessment, and tracking results.
SMART Myanmar's Social Compliance Academy™	Medium and large factories, probably too big for ILO SCORE	- The Academy has been running since 2015; 31 garment factories have completed the six-month long program. - 2.5 days of classroom training based on BSCI (Business Social Compliance Initiative) 2.0, MGMA's Code of Conduct and national legal requirements. - The training is followed by on-site factory assessments by SMART's technical team who produce a corrective action plan. - The SMART team conducts a couple of further follow-up visits to monitor and facilitate improvements over the

			subsequent three months.

Second, international donors invested in making the MGMA a local champion and ambassador for donor-promoted CSR within the broad scheme of building the MGMA's capacity as an employer association. The donors considered the MGMA to be a key local partner since it was the only officially recognized industry association for, and the main gatekeeper to, Myanmar's garment exporting factories.[102] As a result, the donors disseminated knowledge and best practices for donor-promoted CSR through publication and circulation of CSR educational materials and recruitment of participants in donor-organized factory training, seminars, and other events. In parallel, the donors were intent on making the MGMA leadership—25 elected members of the executive committee who were Burmese garment factory owners or managers—local champions and ambassadors of their CSR understanding in two ways. First, the executive members were often the first to participate in training and factory improvement opportunities so they could, themselves, experience and understand the value of creating safe and healthy working conditions and changing internal management practices to respect national laws and international labor and environmental standards. The donors often offered these services for free to elicit owner and manager participation and involved international consultants to provide practical and hands-on guidance to participants. Second, the donors encouraged and assisted MGMA executive members to codify the Association's commitment to the realization of donor-promoted CSR through public declarations. SMART Myanmar assisted the MGMA leadership to develop a code of conduct that mirrors the style and content of typical corporate codes of conduct and the association endorsed it as their official stance on CSR as well as a voluntary

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[102] The MGMA's gatekeeper role is unique and substantial because it has the mandate to issue an import endorsement document to any garment factory wishing to import raw materials for production. This import endorsement document is required to obtain an import license from the Ministry of Commerce and get associated tax exemptions for import of production input (Griffin 2014). Therefore, all garment exporting factories must become members of the MGMA (the association issues endorsement documents only to its members) and interact with the organization at least with regard to raw material import. Other than this industry group, at the time of field research in 2015, there existed the Korean Garment Manufacturer Association in Myanmar (KOGAM), but this was an informal gathering of Korean garment businesses in Myanmar focused on networking and social events for members.

guideline for its member factories.[103] In parallel, several donors were helping the MGMA leadership develop its 10-year garment sector strategy, *Myanmar garment industry 10-year strategy 2015–2024*, which includes the strategic objective "to ensure that full social compliance and social dialogue is practised at all levels of the industry" (MGMA, 2015, p. 10). These donor activities, which aim to change the MGMA leadership's view of CSR, are detailed in table 7.4.

Table 7.4: **Capacity building activities aimed to make MGMA leaders local champions of donor-promoted CSR**

Implementing organizations	Activities
BIF	- Collaborated with Pyoe Pin and Coats plc to organize a series of meetings where the MGMA leadership interacted and networked with international brands, local government officials, trade union representatives, international NGOs, etc.
ILO	- Provided technical support and input to the garment sector strategy development process
Pyoe Pin	- Collaborated with BIF and Coats plc to help the MGMA leadership develop its 10-year garment sector strategy - Envisioned a structure external to the MGMA to focus on implementing the strategic objectives - Developed a member factory database for the MGMA - Provided staff and knowledge resources to the MGMA secretariat
SMART Myanmar	- Helped the MGMA leadership develop its code of conduct as an industry-wide guideline - Helped the MGMA secretariat to organize various CSR-related events, such as topical seminars and annual gala and social compliance awards - Sponsored the publication of CSR educational materials for MGMA member factories - Provided staff and knowledge resources to the MGMA secretariat - Worked with other actors such as the ILO and Pyoe Pin to help the MGMA implement its components of the garment sector strategy

Note: BIF = Business Innovation Facility, ILO = International Labour Organization, MGMA = Myanmar Garment Manufacturers Association, SMART = SMEs for environmental Accountability, Responsibility and Transparency in Myanmar
Sources: websites of donor-funded garment industry projects, BIF (2016a), AETS (2016), Impactt (2016)

In view of the donors' efforts to introduce and promote their understanding of CSR, local garment manufacturers exhibited two somewhat contradictory responses between the inception

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[103] Before the MGMA leadership began drafting the code, an international consultant introduced them to the ILO's core conventions and the UN's Guiding Principles on Business and Human Rights. Importantly, a subcommittee of the MGMA Executive Board was established at the end of this workshop and tasked with primary responsibility for writing the MGMA Code, with support for this endeavor freely available from SMART Myanmar (SMART Myanmar, 2015b). The code describes the MGMA's stance on issues such as fair compensation, working environments, freedom of association, and underage labor. At the time of this study, the MGMA had recently published its code and was distributing it on its website and to member companies on request.

of donor-funded garment industry projects in 2013 and 2015. Until summer 2015, the donors were making steady progress in their CSR promotion endeavors (see examples in table 7.5) with no major sign of discontent or resistance from garment manufacturers. An increasing number of the manufacturers benefited from donor-organized educational services and the MGMA leadership was eager to learn donor-promoted CSR through collaboration in donor-sponsored capacity building activities. This phenomenon, in the language of Oliver (1991), can be best described as acquiescence.

Table 7.5: CSR outcomes and achievements of international donors in Myanmar, 2014–2015 (non-exhaustive list)

Year	Outcomes and achievements
2014	- MGMA took part in several multi-stakeholder meetings organized by Pyoe Pin, BIF, and Coats plc that informed the development of its sector strategy - MGMA began publishing CSR educational materials for garment factories - MGMA launched its first annual factory award dinner to honor social compliance improvements - 15 factories were receiving human resource and productivity training from BIF
2015	- MGMA published its code of conduct as an industry-wide guideline - MGMA published its 10-year garment sector strategy mentioning its ambition for Myanmar to become a world-class location for ethical sourcing - MGMA hosted a seminar on restricted substances in apparel industries - MGMA created a one-person CSR desk to answer CSR-related inquiries from member companies - 10 factories received factory owner and middle management training and three factories received on-site consultancy in the pilot phase of the SMART Myanmar Compliance Academy

Note: BIF = Business Innovation Facility, MGMA = Myanmar Garment Manufacturers Association
Sources: MGMA website, CSR promotion programs' websites and publications

What might explain the acquiescence of local garment manufacturers? To answer this question, the author unpacks how the scope conditions of donors' efforts to promote their CSR understanding might give rise to acquiescence as the most suitable strategic response for manufacturers in their condition of dual embeddedness. First, the donors chose a non-confrontational approach to challenging the rationale of the local CSR understanding. Instead of directly criticizing manufacturers' paternalistic understanding of workers, they tried to co-opt this rationale by arguing that they could still care for their workers by ensuring their legally guaranteed entitlements (such as encouraging factory workers to establish a Workplace Coordination Committee that could raise their collective concerns). To make a stronger case for donor-promoted CSR, the donors emphasized how improvements in working conditions and workers' rights in their factories could lead to tangible business benefits, such as increased

worker satisfaction leading to lower absenteeism or being able to produce for new buyers, as indicated by (SMART Myanmar, 2015c, p. 39):

> All firms acknowledge that social compliance is a success factor for business as is price, quality and lead time. Whereas firms recognized that there is a direct link between workers motivation and payment systems, it is felt that a business case based on local context needs to be built that reinforces that social standards, production output, absenteeism and fluctuation rates are interconnected.

In this way, the donors perhaps intended to convey the message that embracing donor-promoted CSR does not contradict the pursuit of profit, but rather complements it.

The donors also succeeded in showing how their CSR understanding enjoyed broad support from various constituents of GPNs, including international brands for which local garment manufacturers wished to become suppliers. It was not easy for the donors to interest manufacturers already subject to institutional and GPN pressures for CSR in a new CSR understanding. To overcome this challenge and create an impression that donor-promoted CSR was already well regarded in the global garment industry, the donors engaged several network constituents to educate and promote the new understanding. A good illustration is the series of multi-stakeholder workshops that Pyoe Pin and BIF organized to inform the development of the MGMA's 10-year garment sector strategy. Participating brands, supply chain actors (e.g., intermediaries), NGOs, and other stakeholders presented their concerns about working conditions and protection of workers' rights in Myanmar; their views corresponded with the CSR understanding of donors. In this way, donor-promoted CSR was validated as a legitimate interpretation and participating garment manufacturers were encouraged to consider it seriously. In one meeting, "The Myanmar Garment Manufacturers Association representatives responded strongly to the message that they had heard from brands about labour standards, committing to develop their 10-year strategy to include the eradication of child labour" (Business Innovation Facility, n.d.).

In addition, the author speculates that the control mechanism of donor pressure, which relied on diffusion of norms in lieu of regulatory coercion, was effective in engaging local garment manufacturers. Unlike the regulatory coercion of buyers' codes of conduct, local garment manufacturers faced no punitive measure or negative consequence (e.g., not being able to secure orders) if they failed to complete factory training programs or declined to take part in donor-

organized events or services. In the absence of tight constraint on what they should or should not do, the manufacturers were likely to negotiate or, diplomatically, turn down donors' suggestions that they disagreed with or were not interested in rather than defy them or fake compliance.

A potential shortcoming of normative diffusion as a way of promoting CSR is that its effectiveness depends on the strength of diffusion and manufacturers' appetite to adopt donor-promoted CSR. In the author's view, both enablers were in place in Myanmar's garment industry. First and foremost, the manufacturers were eager to learn how to improve labor and environmental standards in their factories so that they could eventually work with CSR-conscious European and North American buyers. Put differently, according to the MGMA's Secretary General, "Myanmar's garment industry seeks out responsible business practices as a pathway to competitive industry growth" (Khine Khine Nwe, 2016). Meanwhile, international and local actors, including buyers and civil society organizations, were increasingly involved in monitoring, research, and policy advocacy for the conditions of garment workers in Myanmar. A steady increase in labor strikes and disputes, the formation of factory-level unions following their legalization in 2012 (Gillan & Thein, 2016), and ongoing research on the rights of garment workers (e.g., Gardener & Burnley 2015; Action Labor Rights 2016; Theuws et al. 2017), created an atmosphere in which norms and values associated with donor-promoted CSR could be diffused and widely shared, at least among like-minded stakeholders.

In the summer of 2015, an event occurred that made the donors question garment manufacturers' acquiescent attitude to donor-promoted CSR. When the NMWC proposed that Myanmar's minimum wage be established at 3,600 kyats a day, local garment manufacturers were vehemently opposed. Their opposition was not a complete surprise since they had earlier expressed their view that the minimum wage should be 2,500 kyats a day.[104] Given that the manufacturers had not expressed explicit discontent with donor-promoted CSR, and the MGMA's leaders had been supportive of donors' efforts to make them ambassadors of donor-promoted CSR, it came as a big surprise to the donors that the manufacturers chose proactive and highly visible opposition instead of grudgingly accepting the NMWC's proposal or resisting it in a way that would not draw the attention of the media or international brands. Soon after the proposed wage was announced, manufacturers of all national backgrounds came together to

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[104] According to Gardener and Burley (2015), prior to the minimum wage, workers were earning on average USD 1.50 a day (49,400 kyats a month).

discuss a collective strategy to oppose and influence the proposed wage.[105] MGMA leadership coordinated and participated in this collective action. The manufactures submitted their objections to the NMWC and some of them informally met with government officials to convey their concerns. Manufacturers also spoke with local and international media outlets to explain how the proposed wage would damage the Myanmar garment industry given its competitiveness in the global garment market hinged on low production costs. They went as far as warning of factory closures, job loss for workers, and a potential flight of foreign garment manufacturers who would find the operating cost in Myanmar too high after adoption of the minimum wage (Yen Snaing, 2015). Despite their strong and concerted efforts to defy the wage proposal, the Myanmar government endorsed 3,600 kyats a day as the official national minimum wage from September 1, 2015.[106] In retrospect, the author sees that instituting this minimum wage resembled a natural experiment that tested the extent to which local garment manufacturers genuinely understood and embraced donor-promoted CSR. This process also revealed manufacturers' underlying doubt and discontent with the way their industry was evolving.

What may explain the attitudinal change of garment manufacturers from acquiescence to defiance that was provoked by the minimum wage? First, while the donors relied on diffusion of the norms and cultural values associated with their CSR understanding, the minimum wage is a legal mandate with regulatory force. It constrains the agency of garment manufacturers with respect to wage payment through legally-binding obligations and the threat of penalty if they fail to comply. Especially because the final minimum wage was established at a rate higher than the garment manufacturers' proposal, the manufacturers strongly felt that this new regulation contradicted their profit-seeking imperative and possibly even threatened their survival. Such a situation, according to the analytical framework adopted in this article, breeds organizational resistance to the pressure.

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[105] Multiple interviewees stated that local and foreign garment manufacturers tended to operate in silos and rarely came together to discuss issues pertaining to the industry. Although they might previously have interacted informally with each other on an individual basis, the minimum wage controversy was a rare case where groups of Burmese, Chinese, Korean, and Japanese manufacturers convened to develop a collective response.

[106] The immediate aftermath of the new minimum wage was closure of several factories that were unable to cope with increased operating costs; confusion regarding how to calculate workers' wages correctly and associated labor disputes; industry-wide downsizing of the labor force; and reduction in non-salary benefits (e.g. covering lunch and transportation) to balance out the cost of complying with the minimum wage (Bernhardt, 2016; Nyein Ei Ei Htwe, 2015).

Earlier in this article, the author discussed how manufacturers were eager to learn from and experiment with donor-promoted CSR in the expectation that doing so would increase their chance of increasing profit through links with European and North American buyers. The international buyers that participated in donor-sponsored activities, especially those from European countries and the US, were acting as the key constituent of donor pressure, prompting manufacturers to take donor-promoted CSR seriously. On the other hand, during the minimum wage controversy, international buyers became one of the reasons that the manufacturers resisted the proposed minimum wage. The manufacturers argued that typical buyers would not increase their compensation to Myanmar-based suppliers simply because of the minimum wage and that the cost of complying with the minimum wage would rest solely with suppliers. Here, it is timely to recall that international buyers sourcing from Myanmar in 2015 did not only include well-known global brands (such as H&M) that have made public promises to ensure that workers employed by suppliers in their GPNs are paid at least national minimum wage and, ideally, a living wage (for example, H&M). At the time, such buyers constituted a small minority while the dominant majority of buyers was sourcing from Myanmar because of its low wages. This explains the manufacturers' concern that the NMWC proposal could trigger existing buyers to reconsider sourcing from Myanmar.[107] Therefore, the minimum wage placed manufacturers in a situation akin to "multiple, conflicting, constituent expectations exerted on [organizations]" (Oliver, 1991, p. 162). According to the analytical framework, such a condition favors more resistant forms of response from organizations than conformity.

Other explanations for the attitudinal change of Myanmar's garment manufacturers rest on their perception of the environmental context within which the minimum wage was enforced. As discussed earlier, Myanmar's garment manufacturers would perceive the GPN environment to be highly uncertain when many suppliers in different garment producing countries fiercely compete for orders and buyers shop around for the best suppliers in terms of price, quality, and delivery. In this environment, an effort to understand and test donor-promoted CSR by participating in donor-organized training or developing their own code of conduct would not entirely remove the uncertainty, but would at least encourage manufacturers to think they were

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[107] For this reason, even though a group of international brands—members of the Fair Labour Association and Ethical Trading Initiative—expressed their support for the NMWC proposal, saying

> [a] minimum wage set through consultation with relevant stakeholders will attract rather than deter international companies buying garments from Myanmar, who have committed to paying living wages through their supply chains (Judd, 2015)

their assurance failed to change the manufacturers' stance.

gradually building their capacity to comply with future buyers' codes of conduct. In contrast, the minimum wage would increase manufacturers' operating expenditure, which would, as a consequence, propel buyers to increase their costs of production in Myanmar or find suppliers elsewhere. Expecting this scenario, Myanmar's garment manufacturers felt the new minimum wage would not only intensify environmental uncertainty but also weaken their competitive edge as suppliers in GPNs. Therefore, challenging the minimum wage (and changing it if possible) became the most strategic and sensible response.

6. Conclusion

This study examined how international donors promoted their notion of CSR in Myanmar's export garment industry between 2011 and 2015, and how local garment manufacturers responded to their promotional work. For the purpose of analysis, the author constructed an analytical framework using the theory of organizational responses (Oliver, 1991) and GPN analysis (Coe et al., 2008; Henderson et al., 2002). This framework enabled theorizing about the contextual background of the garment manufacturers, their dual embeddedness in national institutional context and GPNs, and their likely responses to donors' efforts to promote a new CSR understanding. The framework permitted the author to ascertain how Myanmar's garment manufacturers came to choose a seemingly contradictory path to donor-promoted CSR, from acquiescence to defiance, the latter provoked when Myanmar instituted its national minimum wage in the summer of 2015.

Empirical analysis results in the following insights. First, the national CSR context of Myanmar encourages garment manufacturers to conceptualize CSR as paternalistic care for workers through financial and material benefits and discretionary exercise of philanthropy. This CSR understanding is partly challenged by the context of being suppliers in GPNs in which newer buyers, many from Europe and North America, conceptualize CSR as making suppliers comply with buyers' codes of conduct. Taken together, these contexts constitute a condition of dual embeddedness, in which garment manufacturers accept the local CSR understanding but are interested in learning about and eventually complying with buyers' codes of conduct to seize the economic opportunities that compliance can bring. To these manufacturers, international donors have promoted a new understanding of CSR, based on respect for workers' rights and provision of decent working conditions, which resembles the content of buyers' codes of conduct. The donors' promotion work involved enhancing manufacturers' awareness and capacity to practice

donor-promoted CSR through training and other educational services, along with making the MGMA a local champion of donor-promoted CSR. The author concludes, on the basis of her analysis, that manufacturer acquiescence came to exist because of favorable rationale and constituents, and the control mechanism of donor pressure to promote the new understanding of CSR. However, donor pressure was unable to make manufacturers accept Myanmar's new minimum wage. Instead, the manufacturers reacted to the minimum wage proposal with strong defiance because they considered the legal control mechanism, constituents, and environmental context to severely contradict and constrain their organizational goals of survival and profit making. In short, manufacturers' responses to donor-promoted CSR were nuanced and changing in tandem with the evolving context of donor-promoted CSR.

This is a rare study investigating the role of international donors in conceptualizing CSR in a country that hosts production activities for GPNs (e.g., Fayyaz et al. 2015). In addition to the empirical contribution made to understanding this phenomenon, this study makes theoretical contributions by shedding light on areas of refinement to the theories that underpin its analytical framework. First, some underlying premises of Oliver's typology of organizational responses (e.g., the hypothesis that strong regulatory coercion triggers organizational conformity if local laws reinforce cultural expectations) do not take account of the political, social, and economic context of a developing country like Myanmar (e.g., strong regulatory coercion, itself, is difficult due to weak legal structure). To make this theory better account for the developing country context, one needs to revisit and revise its underlying premises. Second, the author's experience of empirically applying this theory shows that the scope conditions of external pressure are highly interrelated, making it difficult to neatly discern which individual scope condition has triggered an observed organizational response. This calls for careful and more detailed specification of each scope condition if one wants to study precisely which scope conditions caused manufacturers' acquiescence or resistance to donor-promoted CSR. Third, having applied Oliver's theory in the context of GPNs, the author proposes that its original hypothesis concerning environmental uncertainty be revisited. The original theory predicts that the organization can create an image or impression of future stability by conforming to external pressure, but in the GPN context where environmental uncertainty is a 'fact of life', individual organizations like those in Myanmar's garment industry may not see any need or value in seeking such comfort. The organization may be more likely to resist external pressure when

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perceived environmental uncertainty is high or, alternatively, the condition of environmental uncertainty may not influence organizational responses as much as expected by Oliver (1991).

This study also has practical implications for groups intent on promoting their own CSR understandings or changing the local CSR understanding of a host country. It demonstrates the value of understanding how the local CSR understanding came into being, knowledge that enables the change agents to make sense of why local organizations respond to change attempts as they do. Instead of rushing to judge the intention behind organizational responses or labeling them as irrational or inconsistent, an empathetic approach can help change agents build rapport and work more effectively with local organizations.

Lastly, this study is not without limitations, which future researchers can use as inspiration or preemptively address in their own research designs. First, it does not pay attention to micro-processes undergirding the observed responses of the garment manufacturers (acquiescence followed by defiance). It would be interesting to critically revisit the author's assessment of these responses by unpacking detailed processes, conflicts, and compromises and asking again whether the observed responses really were acquiescence and defiance. Second, it was not part of this study to understand how different international donors promote CSR differently. Nonetheless, given these donors themselves hailed from different national institutional contexts and employed different strategies in Myanmar's export garment industry (as indicated in tables 7.3 and 7.4), the topic of donor variation in conceptualizing and operationalizing CSR merits a study on its own. Third, more than two years have now been passed since the first minimum wage of Myanmar was enacted. Recalling how controversial the wage-setting process was, not to mention the unprecedented resistance from garment manufacturers, the author believes it is worth investigating what has happened so far, including the immediate consequences for the garment industry and changing garment manufacturer perceptions (or lack thereof) of the minimum wage.

8. Conclusion

CSR has always been a contested notion. Nevertheless, a growing number of the MNEs that coordinate production activities through global networks that include suppliers in developing and least developed countries have operationalized CSR by enforcing corporate codes of conduct in their networks. The export garment industry of Myanmar, a country emerging out of more than a decade of economic sanctions imposed by Western countries, is no exception. Since 2011, Myanmar has undertaken wide-ranging political and economic reform in an effort to embrace semi-civilian democracy and export-oriented economic development. The domestic changes have encouraged international fashion brands and retailers to consider Myanmar as a new cost-competitive place for sourcing garments. The international buyers have sought local garment manufacturers willing to adopt and capable of working with their social and environmental demands laid out in buyer-designated codes of conduct. This demand caught many of Myanmar's garment manufacturers by surprise because existing buyers, many from East Asian countries, had never made such a demand. Certain social and environmental stipulations made by the buyers were also found to contradict local norms and cultural practices. At the same time, the imposition of buyer CSR triggered garment manufacturers and stakeholders in Myanmar's export garment industry to discuss how to conceptualize and practice CSR as a key topic for the industry's development.

Myanmar is internationally unique because of the country's experience of economic sanctions and process of reintegrating itself into the global economy. It, therefore, offers an optimal empirical setting to examine economic, social, and cultural implications for local workers, businesses, and societal stakeholders as a result of the country's deepening linkage with GPNs. In particular, the country underwent profound changes during the period 2011 – 2015, including the legalization of labor unions and establishment of country's first-ever minimum wage. Until now, this context of Myanmar has not been subject to academic inquiry. This background motivated this doctoral dissertation which aimed to answer the following research question:

How and why has CSR been introduced, embraced, and challenged in Myanmar's export garment industry between 2011 and 2015?

In answering this question, the author focuses on the perspectives of three key actors in the GPNs within which Myanmar's export garment industry is embedded. Three sub-questions supported examination of how these actors conceptualize CSR differently (or similarly). For the purpose of this dissertation, CSR was considered to encompass various interpretations and practices that recognize the social and environmental impacts of business activities, business' responsibility to manage the behaviors of business partners, and business' responsibility to manage relations with relevant societal actors (Frynas & Blowfield, 2005).

1) How and why did buyers from different countries differently conceptualize and implement CSR with their Myanmar suppliers?

2) How did Myanmar's garment manufacturers perceive and practice CSR, and what might drive divergence in their understanding and practice of CSR?

3) How did international development agencies introduce and promote their notions of CSR in Myanmar's export garment industry, and what challenges did they encounter?

8.1. Empirical contributions

This dissertation makes an immediate contribution by being a rare academic study of the hitherto under-researched context of Myanmar (e.g., Holliday 2005; Meyer & Thein 2014). It sheds light on how various actors associated with Myanmar's export garment industry held different CSR understandings. By analyzing how the actors came to promote their own understandings and/or work with different understandings, this dissertation articulates how the CSR context of the garment industry evolved from 2011 to 2015. The specific contributions of each empirical paper are discussed in this section.

The first article (chapter 5) contributes to the empirical literature of the role of buyers in conceptualizing CSR in GPNs. The literature enlightens understanding of how the imposition of buyers' codes of conduct upon suppliers can lead to uneven improvement in both economic gains to suppliers participating in the global economy and workers' exercise of rights. On the other hand, it tells us little about how non-Western buyers conceptualize CSR in GPNs; in particular, it lacks comparative research. The article addressed this gap by comparing the CSR approaches of six buyers of garments made in Myanmar from five different home countries (US,

UK, Germany, Sweden and South Korea). A major finding is that there was a marked difference in the CSR approaches of Korean buyers compared to the rest. European and North American buyers understood CSR as managing the ethical behavior of their suppliers through enforcement of corporate codes of conduct and managing relations with stakeholders through such groups as ethical sourcing MSIs and NGOs. In contrast, Korean buyers focused on ad hoc philanthropic donations and employee volunteering as their CSR in Myanmar. The author argues that the unique approach of Korean buyers was derived from the industrial relations context of their home country. South Korea lacks both the strong labor unions and corporatist industrial relations of coordinated market economies and powerful NGOs that can mobilize the public as in liberal market economies. In the absence of these mechanisms, Korean buyers were able to define the scope and intensity of CSR in their GPNs, choosing to invest less in the kind of CSR practices formalized and undertaken by Western buyers.

The second article (chapter 6) builds on the emerging literature of the role of suppliers in conceptualizing CSR in GPNs. This literature suggests that suppliers play unique and indispensable roles because, while they locally undertake buyer CSR (e.g., by complying with buyer-given codes of conduct), they also critically assess the relevance and feasibility of buyer CSR against local regulatory, normative, and cultural realities. However, the literature offers limited insight into how suppliers perceive CSR in their own terms, independent of their obligation to comply with buyer CSR, or how and why suppliers operating in the same host country can exhibit different CSR understandings. These knowledge gaps motivated the second article, which revealed three different CSR understandings among Myanmar's garment manufacturers. The first group of suppliers favored faithful compliance with buyer-given codes of conduct as their approach to CSR in Myanmar. These suppliers were producing for well-known global buyers that exercised captive governance on the social and environmental behaviors of their suppliers. Working with captive buyers led this group of suppliers to resist local norms and cultural values when they were deemed to hinder supplier compliance with buyers' social and environmental demands. The second group also complied with buyer-given codes of conduct as part of their CSR in Myanmar, but the social and environmental requirements in these codes were less stringent than those of captive buyers and interactions with buyers less frequent. Suppliers in this group were more sympathetic to local ideas of being socially responsible. Some expressed discontent with buyer enforcement of a code of conduct because the code conflicted with and delegitimized their own efforts to care for local workers.

The third group of suppliers was producing for buyers that did not attempt to govern their social and environmental behavior. Local norms and cultural values, that is, paternalistic care of workers and philanthropic donations, provided the major inspiration for how these suppliers perceived CSR in Myanmar. An additional insight from these findings was that the multinationality of the supplier (that is, whether or not the supplier itself is an MNE) did not substantially influence its CSR understanding. However, when a supplier's headquarters failed to understand or commit the time and resources required to comply with the buyer's code of conduct, the Myanmar subsidiary's attempts to achieve compliance could be hindered.

The third article's empirical contribution comes from studying the under-examined role of international donors in conceptualizing CSR in GPNs (chapter 7). This paper focuses on international donor development projects that aim to facilitate improvement in the productivity and social and environmental production practices of Myanmar's garment manufacturers. The empirical findings document uneven progress in the donors' CSR promotion efforts. First of all, the study reveals the complex attitudes of local garment manufacturers to CSR. The manufacturers empathized with the local interpretation of CSR, which emphasize corporate philanthropy and a paternalistic view of workers. At the same time, they were eager to comply with Western buyers' corporate codes of conduct in order to become suppliers to these new buyers. Against this background, the donors promoted a new CSR understanding based on respect of workers' rights and improvement in working conditions according to national and international labor standards. The donors emphasized how fulfilling donor understanding of CSR could help manufacturers meet the social and environmental demands of buyer codes of conduct. The manufacturers were initially acquiescent to this donor-promoted CSR understanding and the rationale, constituents, and control mechanism of the donors' CSR promotion work supported the manufacturers' goals of organizational survival and profit-seeking. The acquiescent attitude of the manufacturers did not persist, however, and they engaged in visible defiance against Myanmar's first-ever minimum wage. The control mechanism, constituents, and environmental context of the minimum wage undermined and contradicted manufacturers' pursuit of organizational survival and profit. In summary, this study shows how the local institutional context and manufacturers' situation in GPNs contributed to uneven success in the CSR promotion work of the donors.

At this point, the author would like to discuss her view of the generalizability of empirical contributions. Critical realism, the philosophical underpinning of this dissertation, does not accept context-free generalizability because a social phenomenon unfolds against the backdrop of specific political, socio-cultural, and historical contexts and is temporally contingent (Sayer, 2000; Welch et al., 2011). Therefore, the empirical insights in this dissertation are only relevant and valid in an empirical setting that resembles Myanmar's export garment industry between 2011 and 2015. An ideal setting for generalization would be a labor-intensive industry that (1) used to produce primarily for domestic and regional markets, (2) is trying to increase its linkage with global brands and retailers and facing growing pressure to comply with buyers' codes of conduct, and (3) is located in a developing or least developed country where the legal framework remains weak and civil society is not strong enough to provide checks and balances of government actions.

From this angle, the case of Myanmar offers some similarities, as well as some differences, from other garment manufacturing countries in Southeast Asia (e.g., Cambodia, Indonesia, and Vietnam). In terms of GPN conditions, all these countries have benefited from the wage increases in China that have propelled global brands and retailers to shift their sourcing bases to Southeast Asia. As a result, garment manufacturers in these countries have been under increasing pressure to upgrade their factory facilities and improve internal management practices in line with the new buyers' codes of conduct. In terms of national institutional conditions, all these countries have weak local government or civil society capacity to enforce laws and rectify unlawful behavior among locally operating garment manufacturers. Nevertheless, the case of Myanmar remains distinct. The decade-long economic sanctions blindfolded many of Myanmar's garment manufacturers from the latest, international business trends and knowledge. They found themselves poorly informed and poorly prepared to meet the production requirements of global buyers. To tackle this problem, an increasing number of international donors have undertaken capacity-building projects with the aim of improving manufacturers' knowledge about and access to GPNs. Yet, the scope and diversity of donor engagement in Myanmar are not as great as in its regional neighbors; for instance, Better Work[108] was running in Cambodia, Indonesia, and Vietnam at the time of writing, but not in Myanmar. It is, therefore, reasonable to consider that Myanmar's export garment industry

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[108] Better Work is a co-initiative of the ILO and the International Finance Corporation (a member of the World Bank Group) to improve working conditions in the garment industry.

between 2011 and 2015 invokes the early days of the export garment industries in other Southeast Asian countries. Donors' experiences of developing the garment industries of neighboring countries can provide lessons and pathways for application in Myanmar's export garment industry, not the other way around. Thus, empirical insights from Myanmar are likely to resonate with and relate more strongly to least developed countries in other regions where labor-intensive industries are just beginning to attract global buyers (for example, the garment industry in Ethiopia).

8.2. Theoretical contributions

The theoretical contributions of this dissertation have been achieved by combining and cross-cultivating institutional theories in the field of organization studies with GPN analysis. The institutional theories help understand how the rules, norms, and cultural values of a particular geography (e.g., Myanmar) affect the way in which locally-based GPN actors perceive and practice CSR. GPN analysis articulates the multi-scalar nature of the GPN, the actors within it, and the inter-relationships often taking place in multiple or cross-geographical settings. In this regard, the GPN—one of the latest heuristic frameworks of global economic integration—serves as a unique context to test and refine the analytical relevance of institutional theories.

The first article makes theoretical contributions by enhancing our understanding of the role of home country institutional context in buyer CSR in GPNs. Previous studies of buyer CSR have traditionally been concerned with how the institutional contexts of the host country affect the way in which buyers conceptualize and operationalize CSR; the role of buyers' home country institutional contexts was less studied and under-specified. The article responds to this gap by developing an analytical framework based on the varieties of capitalism (VoC) model (Hall & Soskice, 2001). The VoC model offers ideal types for different capitalist economies (LME, CME, and SLME) and allows hypothesizing how the institutional contexts of different economies may translate into the different CSR approaches adopted by national firms (buyers) in their GPNs. Specifically, this study demonstrates that home country institutions concerning industrial relations and inter-company relations inspire, and to some extent shape, how buyers manage relations with suppliers and other local and transnational stakeholders.

The second article offers an approach to theorizing how suppliers conceptualize CSR in GPNs. Suppliers are characterized by the condition of institutional plurality, that is being exposed to

multiple and possibly contradicting sets of rules, norms, and cultural assumptions. Only a handful of studies have examined how institutional plurality may give rise to different CSR understandings among suppliers in the same country (e.g., Lund-Thomsen 2013). This study is unique in that it considers the supplier's multinationality (being part of an MNE) as a potential factor for divergence. The analytical framework combines (1) the typology of value chain governance modes (Gereffi et al., 2005) to articulate different modes of buyer influence, (2) social contract thesis (Knorringa & Nadvi, 2016) for analysis of host country institutional influence, and (3) discussion of how the MNE differs from non-multinational firms (Kostova & Roth, 2002; Kostova et al., 2008; Regnér & Edman, 2014).

The theoretical contributions of the third article concern the role of international donors in conceptualizing CSR in GPNs. This study's analytical framework combines the theory of organizational responses (Oliver, 1991) and GPN analysis (Coe et al., 2008; Henderson et al., 2002). The underlying premise is that Myanmar's garment manufacturers choose their organizational responses to external pressure for CSR based on scope conditions: rationale, constituents, content, control mechanisms, and environmental context. The framework illustrates how local suppliers' and donors' CSR understandings differ in their scope conditions. It also helps explain the limited impact of the CSR promotion work of international donors once Myanmar's manufacturers chose to proactively resist the establishment of the country's minimum wage at 3,600 kyats a day.

Applying the different analytical frameworks to the empirical data enabled the author to identify where the explanatory power of the theories falls short and how they can be refined. This theoretical enlightenment is discussed in each article. Some examples are provided here. In the first article, the varieties of capitalism (VoC) model (Hall & Soskice, 2001) is useful for understanding the difference between Korean buyers and buyers from Europe and North America but does not adequately explain what brought the CSR approaches of the European and North American buyers to be similar. The author speculates that the similarity is due to socialization and mutual learning among these buyers through supranational fora such as ethical sourcing MSIs. In the second article, empirical analysis shows that, contrary to the original premise of value chain governance (Gereffi et al., 2005), suppliers with high capability chose to work with captive buyers to meet those buyers' demands for CSR. The suppliers perceived that working with captive buyers signaled their excellence in fulfilling buyers' social and

environmental demands and could attract other buyers. The third paper shows that certain constructs in the theory of organizational responses (Oliver, 1991) can be redefined or better specified in light of today's global economy encompassing dynamic GPNs. For instance, one may view the very notion of environmental uncertainty to be tautological when uncertainty and constant evolution are essential features of GPNs (Coe et al., 2008).

8.3. Research implications

So far, this dissertation has investigated how the notion of CSR has been introduced, embraced, and challenged in Myanmar's export garment industry during the period 2011 to 2015. Taking stock of this research and looking forward, the author considers the following topics worthy of further study. First, future studies can delve into CSR understandings of more GPN actors than the three studied here. Personally, the author is intrigued about how workers and their family members perceive CSR. Many workers choose to work in order to support their families. At the same time, family members might have their own views of what kind of workplace is most socially responsible and desirable for their family, and these views may influence how they understand CSR (ILO-IPEC Myanmar, 2015; Jang-sik Park & Chae, 2014). In light of growing national and international interest in the environmental impact of business in Myanmar, it is also timely to examine how local community members living near garment factories perceive CSR.

The topic of Myanmar's minimum wage merits a study on its own because, despite strong resistance by garment manufacturers, it went into force in September 2015 and the progress of its implementation has attracted much media and civil society attention (e.g., Nyein Ei Ei Htwe 2015; Theuws et al. 2017). Future inquiry can investigate what has happened since enactment of the minimum wage, how garment manufacturers have come to terms with this new rule, and whether the minimum wage indeed undermined the garment industry's contribution to local employment and competitiveness in the global market as the garment manufacturers argued when initially opposing it. Recalling that garment manufacturers of all sizes and nationalities came together in unprecedented unity to oppose the minimum wage proposal in 2015, the author additionally proposes that it would be worth examining whether this event has led to more frequent collective action by and self-organization among the manufacturers.

Future research can also follow up on the current study to understand how CSR has been contested in Myanmar's export garment industry since 2015. The author thinks the following

questions are empirically relevant and academically intriguing: Has the understanding of CSR promoted by international buyers and donors been more broadly accepted among Myanmar's garment manufacturers, compared to the period 2011–2015? Has buyers' enforcement of codes of conduct improved workers' rights and working conditions in Myanmar's supplier firms? Have the perceptions of CSR held by suppliers whose buyers demand compliance with their codes of conduct and those of suppliers whose buyers do not diverge even more? As the number of international buyers that require supplier compliance with buyer-given codes of conduct increases, have local norms and cultural values relating to CSR lost their hold on garment manufacturers?

In terms of methodological implications, this dissertation demonstrates the usefulness of case study for intensive research that aims to ascertain how a particular process works and how a change in the process unfolds (Sayer, 2000). Application of two different methodological approaches in future research can complement and advance the knowledge of CSR in Myanmar's export garment industry presented in this dissertation. First, researchers can continue with intensive research and employ other, complementary methodologies. Conducting ethnography in factories would allow researchers to corroborate owners' claims about CSR and generate deeper and more nuanced knowledge about their understanding of CSR. Second, researchers can engage in extensive research designed to capture the prevalence and regularity of a certain pattern or process (ibid). For instance, large-scale surveys of Myanmar's garment manufacturers and their workers can be used to evaluate the extent to which the manufacturers perceive and practice CSR as respect for workers' rights and their legal entitlements. In practice, international donors have widely used randomized controlled trials (RCTs) to measure the impact of their projects. In Myanmar's garment industry, the BIF and Tufts University have undertaken an RCT to measure the impact of BIF's HR management and productivity training for 15 garment factories, seeking "evidence for the link between worker welfare and the increased profitability of garment manufacturers [which] is central to BIF's theory of change" (BIF, 2016b).

8.4. Managerial and policy recommendations

This dissertation concludes with research-based recommendations directed to (1) garment manufacturers operating in Myanmar, (2) international buyers sourcing garments from Myanmar, and (3) GPN actors trying to promote a new CSR understanding in the industry, such as

international donors, local and international unions, and NGOs. As these recommendations are context-dependent, a careful examination of whether the political, economic, socio-cultural, and temporal context of another setting is largely similar to, or compatible with, that of Myanmar's export garment industry from 2011 to 2015 should inform any decision to apply these recommendations.

1) Myanmar's garment manufacturers

Exposed to multiple and contradictory pressures from international buyers and the national institutional context, Myanmar's garment manufacturers have exhibited diverse and nuanced views of CSR. Their views range from upholding workers' rights and legal entitlements, the view favored by international buyers operating with corporate codes of conduct, to corporate philanthropy and paternalistic care of workers, a view that reflects local norms and cultural values. In the author's assessment, the manufacturers are likely to continue wavering between or hybridizing buyer CSR and local CSR because it generally takes a long time for local norms and cultural values to change or disappear. In addition, not all buyers are keen to enforce their codes of conduct upon suppliers, in which case the suppliers are more prone to embrace local CSR.

Notwithstanding these varying CSR approaches, Myanmar's garment suppliers have encountered that the institutional environment of country's export garment industry has drastically changed since the year 2011. This calls for the manufacturers to critically revisit their production practices as well as management of relations with workers and local communities. As a case in point, this dissertation documents various governmental and non-governmental endeavors to strengthen and reform Myanmar's national labor and environmental laws to align with relevant international standards. The government of Myanmar has expressed its commitment to improving enforcement of the law and the ILO has been working closely with the government to reform its outdated labor law regime and train government inspectors. Therefore, it is ever more important that garment factory owners and the headquarters of Myanmar production units (in the case of multinational suppliers) commit the organization and necessary resources to improve internal management practices and factory conditions in compliance with the country's labor and environmental laws. Once manufacturers are compliant with national laws, they can strive to meet the social and environmental stipulations laid out in the associated international standards (e.g., the ILO Core Conventions and the UN Guiding Principles on Business and Human Rights). As a practical step, it is suggested that each garment

factory designates one or more managers of Myanmar nationality to lead and manage efforts to improve and maintain legal compliance.[109] Factory management needs to support this person or team with the necessary organizational mandate, resources, and capacity building opportunities (e.g., sending the person to training held outside).

Another set of recommendations urges garment manufacturers to acknowledge labor unions and other forms of worker representation in their factories as important stakeholders in their business operations. Since 2011, workers have increasingly formed factory unions and expressed their concerns and demands through strikes and labor disputes. In recognizing their importance, the government of Myanmar has involved labor union leaders in policy advisory fora such as the NMWC. Against this background, it is timely for the top management of garment factories to revisit their perception of workers as under-educated and unable to make decisions in their own best interests. Managers are called upon to recognize workers as persons of equal dignity who can understand and exercise their legal entitlements. Enabling management to change their perception starts from having more interaction with and building trust in workers. Firstly, management can establish and use multiple, transparent communication channels through which workers can address their concerns without fear of retaliation. For instance, management can involve voluntarily formed[110] labor unions in identifying and addressing problems of worker welfare and working conditions, assuming that the unions are provided with an autonomous space to operate and the resources to which they are legally entitled according to the 2011 Labour Organization Law. When there is no such union in the factory, the Workplace Coordinating Committee can be an alternative channel.[111] Secondly, these trust-building exercises can be complemented with efforts to reach out to individual workers. Examples include setting up a complaints or suggestion box, where workers can anonymously submit grievances, and getting to know individual workers during factory-wide events or daily shop floor rounds.

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[109] The author recommends a Myanmar national for following reasons. First, a local person is likely to retain knowledge and experience gained from overseeing a factory's legal compliance within Myanmar, even if their foreign employer decides to close down its Myanmar operation and leave the country. Second, concrete efforts to improve a factory's compliance with national laws involve frequent dialogue and culturally sensitive interactions with factory employees at various levels from management to shop floor. Given the dominant majority of factory employees are local, this task is better undertaken by a local person who speaks the local language and understands local realities.

[110] "Voluntarily formed" here includes receiving possible assistance from union federations or labor NGOs in the course of forming labor unions.

[111] This committee, made up of an equal number of employer and employee representatives, is required to be set up in workplaces of more than 30 employees according to the 2012 Settlement of Labour Dispute Law.

As documented in the dissertation, various stakeholders have attempted to influence national policies, industry-wide norms, and individual factory practices according to their own understanding of CSR. Not only is such stakeholder activism expected to sustain the contestation around how to conceptualize CSR in Myanmar, it also makes it important for garment manufacturers to self-organize and use a collective voice. Given that the MGMA is already in place as an employer organization, it is recommended that individual garment manufacturers build deeper linkages with the MGMA by participating in the association's activities, networking with other members, or assuming leadership roles. Individual garment manufacturers are also encouraged to build rapport with other industry stakeholders to dispel misunderstanding or preconceived notions about them. A good place to start is to attend conferences, seminars, and other events involving representatives of government agencies, union federations, and NGOs.

2) International buyers sourcing from Myanmar[112]

All buyers are obliged to comply with Myanmar's national laws through their local suppliers. In this light, buyers are encouraged to examine whether their purchasing practices enable suppliers to comply with the national laws of the country where they conduct production activities. For instance, buyers can ask whether last minute changes in production orders are so frequent that they cause suppliers to impose overtime beyond the legal number of working hours. Equally important to this self-assessment is buyer commitment to actually modifying purchasing practices. One concrete step would be for buyers to encourage their CSR and purchasing divisions to communicate and collaborate more often. In this way, purchasing officers can gain a better understanding of their company's CSR goals and make purchasing decisions in the knowledge of how these decisions influence the working conditions at supplier factories.

However, as national laws in Myanmar have been undergoing profound change since the country's reform, complying with national laws has not been straightforward. As described in this dissertation, buyers, garment manufacturers, and international donors commonly acknowledge the difficulty of keeping track of legal changes and implementing certain legal provisions when local labor offices themselves do not have clear answers to questions raised.

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[112] Here the author assumes all buyers regardless of whether they demand supplier compliance with buyers' codes of conduct or not.

Legal enforcement has been inconsistent and sometimes low in transparency. Given this regulatory environment, buyers are called upon to take a proactive and committed stance on legal compliance by suppliers. First, in order to complement suppliers' legal knowledge, buyers can keep themselves informed about the ongoing regulatory reform in Myanmar through their own study and interaction with local stakeholders (e.g., the MGMA and collaborating local NGOs). Second, buyers can design their CSR activities in Myanmar in ways that reinforce supplier legal awareness and compliance. Instead of undertaking only charitable activities (e.g., employee volunteering at local orphanages) as their CSR practice, buyers can sponsor suppliers to participate in factory training programs on topics such as occupational health and safety and sexual harassment. Third, when buyer representatives visit Myanmar, they are encouraged to meet with the local government of the townships and villages where their supplier factories are located. In face-to-face meetings, buyers can communicate their interest in keeping suppliers legally compliant and ask for local government cooperation in this regard.

3) Other GPN actors trying to promote a new CSR understanding in the garment industry (e.g., international donors, local and international unions, and NGOs)

This dissertation illustrates how other GPN actors, mainly those operating in the realm of civil society, have conceptualized CSR as respecting workers' rights and providing decent working conditions, both of which presuppose compliance with the respective national laws. To promote this new CSR understanding, different actors have employed different tactics ranging from anti-corporate campaigning and policy advocacy by labor unions to factory improvement training funded by international donors.

Civil society actors can benefit from ascertaining how garment manufacturers understand the idea of being socially responsible. With this knowledge, the actors can identify common ground between their CSR understanding and that of their manufacturers, and develop the language and tactics necessary to promote their CSR in a way that strikes a chord with manufacturers' interests and needs. Take a hypothetical example. Many local garment manufacturers said one way of practicing CSR was to take workers to Buddhist temples on religious holidays. Instead of quickly dismissing this claim as not genuine or outdated, civil society actors can examine the rationale and sociocultural functions of this practice, which offers a chance for factory management to meet individual workers and hear their concerns in a relaxed setting. This kind of factory-wide activity can help narrow the relational distance between factory management

and workers and make it easier for the latter to engage with and address their concerns to their managers. Similar reasoning can be used to promote the kind of CSR activity that civil society actors wish to promote. For example, they can explain to manufacturers how the Workplace Coordinating Committee is a more time-efficient way of narrowing relational distance and communicating with workers than the traditional approach of meeting and talking with individual workers on a sporadic basis.

For international GPN actors, it is important to remember that it takes a long time to influence the local understanding of CSR that is rooted in time-tested norms and cultural values, possibly well beyond the duration of their planned interventions in Myanmar. Prolonged engagement in Myanmar is therefore preferred, although not always feasible. Given this limitation, international actors can prioritize CSR promotion efforts that are sustainable and locally owned. First, international actors can work conscientiously to transfer managerial and technical knowledge to the local staff and partners they rely on to continue to run and expand these efforts. Second, they can focus on building the capacity of local actors, enabling them to achieve labor and environmental improvements in the export garment industry on their own. For example, training government factory inspectors to improve the techniques and rigor of inspection, and sponsoring local civil society actors to become trainers of national labor laws, can establish an environment for effective checks and balances in Myanmar's garment industry. With improved knowledge and skills, local actors can monitor garment manufacturers' legal compliance and engage with manufacturers to address the social and environmental harm caused by garment production activities.

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Appendices

1. A sample information sheet about this doctoral research, sent to interviewee candidates

Social responsibility as a source of competitiveness in post-reform Myanmar's export-oriented garment industry

Participant Information Sheet

My name is Jinsun Bae, and I am a PhD candidate at the Department of International Economics and Management, Copenhagen Business School, Denmark. I cordially invite you to take part in my academic research that explores issues of competitiveness and social responsibility in Myanmar's export-oriented garment industry after the country's reform in 2011. Before you decide whether or not to take part, it is important for you to understand what this study is about. Please take time to read the following information.

What is the background of the research?

Since the country's reform announcement in 2011, the export-oriented garment industry has seen a rising number of new factories and potential new markets especially in North America and Europe. This force of change has led to new laws, policies as well as new ideas about what should be the competitive advantage of made-in-Myanmar garment in this new age. Practicing social responsibility of business has emerged as a potential boost for made-in-Myanmar garment's global appeal.

What is the purpose of the research?

My research aims to understand suppliers' perceptions and practices of social responsibility as a source of competitiveness in post-reform Myanmar's export-oriented garment industry. I also examine how their views and practices are influenced by their interactions with supply chain actors and stakeholders in Myanmar. These findings will enable a comprehensive understanding of how the context of social responsibility as a source of competitiveness has been shaped in the industry.

Who is funding the research?

This is an independent academic research, and funding comes from two sources. First is the PhD research funding given from my school. Second is the PhD fieldwork grant awarded by the Danish Royal Academy of Sciences and Letters.

Do I have to take part and do I have to answer all the questions?

Taking part in this study is entirely voluntary, and you decide whether or not to take part. Even if you decide to take part, you are free to withdraw at any time and without giving a reason. You do not have to answer any questions that make you uncomfortable.

I will ask for your permission to record the interview. This is done in order to document your input precisely and produce the best quality of data. Even if you choose to be recorded, you can ask me not to record certain sections of the interview or stop the recording at any time without giving any reason.

What will happen if I take part?

You will be invited to take part in a one-to-one interview in English with me. The duration for the interview will be approximately 1 hour and 15 minutes. The interview will be scheduled per your convenience. I will confirm the date and time of the interview and call or SKYPE.

What are the possible benefits of taking part?

Your participation in this study will help me gain a comprehensive understanding of perceptions and practices of social responsibility in Myanmar's export-oriented garment industry. Such understanding is highly demanded when the garment industry hopes to improve the brand image of 'made-in-Myanmar' and look to increase garment sales globally. Upon completion, this study hopes to inform policy actors, garment businesses and support organizations about realizing repsonsible business practices while maintaining economic competitiveness.

Will what I say in this study be kept confidential?

What you say will be kept strictly confidential. Your identity and organizational association will be anonymized, and any information that can allude your identity will be thoroughly de-identified.

I will ensure privacy and anonymity in the collection, storage and publication of research material. Data generated from this study will be kept securely in paper or electronic format for a period of three years after the completion of my PhD dissertation.

What will happen to the results of the research study?

First and foremost, this study forms a crucial part of my PhD dissertation. Findings of the study will be published as working papers and academic articles in internationally recognized, peer-reviewed journals. They can also be used as teaching materials in business schools and universities around the world to educate future managers and entrepreneurs. My PhD dissertation and published articles from the study will be made publicly available on the internet.

For further information about this academic study, please contact: Jinsun Bae, PhD candidate, Copenhagen Business School, Denmark (jiba.int@cbs.dk).

Thank you for taking part in this study!

2. A sample interview guide

Below is an interview template for garment manufacturers (suppliers). The author of this dissertation modified this template and tailored individual questions according to interviewees.

----

1. Profile of the supplier firm

1.1. Can you tell me briefly about yourself? (role & responsibility in the company, starting year)

1.2. Can you tell me briefly about your company? (history, size, # of people working)

1.3. Is your company independent or a part of a bigger company?
- if independent, does the owner closely manage operations?
- if you have a mother company, how is the division of responsibilities between your operation and the headquarter?

1.4. Do you work with buyers directly or as a sub-contractor to bigger suppliers?

1.5. Do you have non-Burmese staff in your firm? What roles do non-Burmese staff take?

1.6. What does your company do better than others in the export garment industry?

1.7. How is your company culture like?

2. Garment production

2.1. What types of garment have you produced, and how skill-intensive?
- Do buyers supply raw materials?

2.2. Where in Myanmar are your factories located?

2.3. Where are your garment products exported?

2.4. Who are your key buyers, and what kinds of buyers (country, business type, etc.) are they?
- How did you find these buyers?
- How long have you been making garments for the buyers?

2.5. How long is the average lead time of your garment products? (Time taken from receiving orders to being ready to ship garment products)

2.6. How predictable and stable are the size and completion time of garment orders from your buyers?

2.7. How do you decide on the price of garment product? How do you interact with your buyers (and the headquarters)?

- What is the average CMP/FOB ratio? Has this ratio changed in the past five years?

2.7. What have been main difficulties in garment production in Myanmar for the past five years?

3. Perception of social responsibility

3.1. Have you heard of the word 'social responsibility of business'? What thoughts come to you?
   - In your opinion, when does the business become 'socially irresponsible'?
 - Does your company have a vision or policy on social responsibility?

3.2. What activities or programs in your company do you consider as 'practices of social responsibility'?
 - How did these actions begin?
 - Who are target beneficiaries?
 - Who are key partners?

3.3. How have these activities or programs been started and developed within your company?
 - Who initiates and leads the discussion?
 - Inter-departmental coordination?

4. Realizing social responsibility

4.1. Regarding your practices of social responsibility, how does your firm involve your key buyers?
 - Do the buyers suggest or require your company to practice social responsibility differently? If so, in what ways?

4.2. Regarding your practices of social responsibility, how does your firm involve your headquarter?
 - Do they suggest or require your firm to practice social responsibility differently? If so, in what ways?

4.3. Regarding your practices of social responsibility, how does your firm involve workers?
 - Do they suggest or require your company to practice social responsibility differently? If so, in what ways?

4.4. Regarding your practices of social responsibility, how does your firm involve with government agencies?
 - Do they suggest or require your firm to practice social responsibility differently? If so, in what ways?
 - In doing your business, how do you work with the Ministry of Labor?
 - When government labor inspectors come, what things do they pay attention to? What answers do you give to them?

4.5. On the issues of social responsibility (as the interviewee said), how does your company interact with other actors (i.e. MGMA, NGOs, etc)?
 - Has your company participated in relevant workshop, conference and other events?

       - Sitting at any advisory board? Why or why not?
       - Are you a member of any business communities? Why?

4.6. How has your company benefited from your practice of social responsibility?

4.7. What are the difficulties in pursuing your practices of social responsibility?
       - How does your company respond to these difficulties?

5. Changing context of social responsibility

5.1. How have Myanmar's reform efforts since 2011 affected your company's competitive advantages in Myanmar?
       - Planning to tap into EU and US buyers?
       - To do so, what extra preparation do you need?

5.2. How has the reform affected your firm's view and practices of social responsibility?
       - How social responsibility should be
       - Whether it is more relevant in doing business
       - Whether it has been more feasible to realize

5.3. Since the reform, which actors have become more or less relevant in doing your garment business?

5.4. Since the reform, which actors have become more or less relevant in practicing social responsibility?

5.5. Have your company tried to influence rules, norms or cultures..
       - Regarding garment production in Myanmar? How and why? Partners?
         - Regarding social responsibility? How and why? Partners?

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