

## **GLOBAL SUPPLY CHAIN – CONSEQUENCES**

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Global supply chain is the child of globalization. Technological advancement and structural change brought a sea change in relations of production and method of production. Revolution in I.T, Communications and Transport took away the barriers of time and distance. Invisible employer and accumulation of unknown capital in the name of share market strengthened capitalism and developed it as Corporatism which in turn to Multi National Corporations without borders or barriers. The newly emerged industrial revolution marginalized labour and dehumanized the industrial arena.

The Neo Liberal policies enabled profit oriented multinationals to go in search of cheap labour. This resulted in shifting the industries from developed countries to Third World or developing Countries from decent job to precarious job.

Government of developing Countries and undeveloped Countries by all means, promote and welcome Multinationals to their respective Countries by way of F.D.I or through collaborations. They hope that their countries can be developed by increasing production and by employment generation. Multi National Corporations whole heartedly accepted the offer and moved to different part of the world.

Out of the 4 billion work forces all over the world substantial portion were starving for employment. Robot and mechanization replaced human

beings in developed countries from production apparatus. Liberalization, privatization and globalization made it possible for flow of capital without restrictions.

Asian and African Countries were abundant with cheap labour. Multi National Corporations wanted to exploit this situation. Governments were interested in inviting Multi National Corporations without much restriction. China and India, having the largest human resources and cheap labour by policy started inviting entrepreneur relaxing conditions of their countries to start their units. Multi Nationals found this as an opportunity to develop their business and widen their supply chain. Apart from production they also found that having a large population, as consumers for their production and a market place. The newly emerging economics, BRICS – Brazil, Russia, India, China and South Africa experienced a high growth in their G.D.P India from 4.5 to 7.5, China upto 6.9 and South Africa 2.6.

The Global Supply Chain grew like a Monster. Its Octopus tentacles started sucking the blood of the workers of the world. Burton wood Institutions, World Bank, W.T.O, IMF and ADB through their Doha Development agenda encouraged Multi National Corporations and Global Supply Chain. Thousands of Multi National Corporations like retail business to automobiles, Apparels to Tourism Industry. They generated a new class - the neo rich middlemen and contractors. Wealth concentrated in few hands. 80% of the work force became poor. 20% held the 80% of the wealth of the world. Impoverisation of the majority by distancing the people is the net result. Exploitation became possible, unbridled.

On the quest of maximum production and maximum profit – safety, security and social protection were given a go by. The fire in ‘Rana Plaza’ in Bangladesh is a monument for lack of safety and security. The repeated industrial accidents in China and India show the greed of multinationals to make profit at the behest of human being. Minimum wage is a mirage instead of living wage. It is not decent job – but precarious job. Minimum hours of work replaced by maximum hours of work and maximum production. Permanent employment by contract workers. Instead legal protection by labour laws, withdrawal of laws which protect labour interest. Trade union rights and collective bargaining restricted. Freedom of Association negated. Discrimination worldwide increased. Workers have become bonded labour. Children are exploited. Child labour rampant.

Several studies have been made to assess the impact of global supply chain. It is found that imbalances are created worldwide. In certain areas they generate employment in the nature of precarious job and on other place they generate less employment. Price rise and inflation results on account the fiscal policies. Special Economic Zone or Export Promotion Zone created a new state without trade union right. Slavery is the Net result.

U.N and ILO have made several studies. ILO Conventions and recommendations are the international labour standards. Most of the conventions are in negation of the core convention 87 and 98 giving right of association and collective bargaining is not guaranteed. The recommendations for Multi National Corporations are discarded. Global job pact not even considered. Governments are interested in promoting Multi National Corporations. Hence no heed is paid by governments in implementing those

ILO Declaration, UN Guidelines and principles, OCD guidelines, ISO 26000, ethical trade practice etc. The Global Supply Chain and the change in the industrial system a third industrial revolution has taken place. If the second industrial revolution gave birth to Capitalism, the third revolution has generated Corporatism. A neo rich class of mere minority and invisible employer by destabilizing the employer – employee relationship.

The global supply chain has caused the displacement of indigenous technologies. This resulted in loss of employment and livelihood of substantial population. It has created the discrimination and different interest for the workers of different countries. Jobs were robbed from developed countries and transplanted into precarious job in developing countries. Not only it has resulted in precarious job but also the new technologies reduced job opportunities. The interest of the workers is now divided and the unity of the workers worldwide becomes impossible. Poverty by all means increased. Concentration of wealth in few hands and distribution of poverty enlarged.

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