

DESIGNING BACKWARDS: WHY A JUST TRANSITION DEMANDS A 'LABOUR- FIRST' APPROACH

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Swaniti also invests in high-quality research on climate and development issues and collaborates actively with policymakers, elected officials, and communities worldwide to address pressing climate concerns and harness opportunities for impactful climate action. With deep technical expertise in public service delivery systems and a strong understanding of last-mile development challenges, Swaniti specializes in orchestrating multi-stakeholder engagements that drive systemic change. This includes unlocking public funding and leveraging institutional mechanisms to support large-scale transitions. Through its work, Swaniti Global aligns local development priorities with national policies and global climate objectives, contributing to the creation of resilient communities and inclusive, low-carbon economies.



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Abstract

This blog challenges the conventional approach to Just Transition in the global garment industry, arguing that current policies face significant challenges due to a fundamental ‘category error.’ It posits that these initiatives are designed as environmental policies with labour side effects, yet on the ground, they function as massive labour reorganization policies, creating a disconnect that presents obstacles to just outcomes. The originality of this analysis lies in its diagnosis of this mis categorization and its proposed solution: a policy inversion. This blog provides utility by offering a new, actionable ‘Labour-First’ framework for policymakers, investors, and advocates to design transitions that begin with labour justice, social protection, and economic diversification as the primary goals, thereby creating a more effective and equitable path to sustainability.

The concept of “Just Transition” faces practical implementation challenges by being decoupled from its labour-centric origins, starting with a significant awareness gap where the term is virtually unknown to a majority of factory managers (86%) and brand representatives (80%) in Bangladesh’s garment sector. This conceptual void is so significant that some workers misinterpret the term as a “Just Transaction,” shifting its focus from social equity to a business exchange. **This leads to a practical gap where technical “green” initiatives may not be fully integrated with “just” outcomes, such as when factories pursue LEED certifications that, while valuable for environmental goals, may not automatically address the full spectrum of working condition improvements that workers seek.** Structurally, the principle faces implementation barriers in policy formation, where labour ministries and workers’ organizations are often excluded from high-level climate planning committees in countries like India.

Introduction

The emergence of comprehensive due diligence laws in the EU and US signals a fundamental shift in how businesses must approach supply chain responsibility. The EU's Corporate Sustainability Due Diligence Directive, which came into force in July 2024, requires large companies to identify and address adverse human rights and environmental impacts throughout their global supply chains, while the US has strengthened expectations for contractors to conduct human rights due diligence throughout their value chains in line with internationally recognized standards. However, a disconnect exists between these policy frameworks being developed at international levels and the practical realities faced by those who must implement them on the ground.

The implementation of these new requirements reveals a world that is somewhat disconnected from the day-to-day realities of global production. A staggering 86% of managers in Bangladesh's garment factories have never even heard of the term "Just Transition."¹ This is more than a communication gap; it represents evidence of a fundamental category error in how we approach one of the most significant industrial transformations of our time. We are designing environmental policies with labour side effects, when we should be architecting labour policies with environmental outcomes. This miscategorization presents challenges to creating truly just transitions.

By framing the transition around climate targets first, we create policies that can feel disconnected from the lived realities of the people who must implement them. **For a factory manager in Dhaka or a garment worker in Delhi-NCR, the immediate concerns center on production costs, job security, and workplace safety, which may not always align seamlessly with broader decarbonization objectives.**²³ To build a transition that succeeds, we must stop trying to fit human needs into an environmental framework. Instead, we must invert the entire process and build a new policy architecture from the ground up, starting with labour.

The Category Error: Diagnosing a Systemic Policy Challenge

The current approach to greening the garment industry follows a clear but challenging logic. It begins with high-level environmental commitments, such as a nation's climate goals under the Paris Agreement or a brand's pledge to reduce its carbon footprint.⁴⁵ **From these targets, specific environmental interventions are designed: investing in renewable energy, promoting water efficiency, and encouraging the use of recycled materials. The impact on workers including potential job displacement, the need for new skills, and changes to working conditions often receives less initial focus in policy design, typically being addressed through supplementary programs developed alongside the environmental initiatives.**

This model encounters difficulties upon contact with reality. As research from a textile cluster in Tamil Nadu, India, reveals, suppliers and workers experience these environmental mandates primarily as economic and labour impacts.⁶ They evaluate the push for circularity not primarily on its ecological merit, but on its direct implications for their livelihoods. The preference for recycling over reuse is a revealing ex-

ample; suppliers favor the option that keeps factories running and people employed, even if it may be less environmentally optimal.⁷ This shows that the policy, whatever its stated environmental intent, is experienced and processed as a fundamental reorganization of their work and economic survival.

The consequence of this category error is a transition that can face issues with mistrust, inefficiency, and social equity challenges. It leads directly to the paradox of the “green factory” where the job itself is not green, a critique powerfully voiced by labour advocates.⁸ **A facility can earn a LEED certification for its energy-efficient design while still working to address ongoing workplace challenges such as fabric dust exposure and worker organizing rights. While many companies are making significant progress on improving conditions, the current environmental-first approach may not fully integrate the comprehensive social improvements that could complement these green initiatives.**^{9¹⁰} By approaching the problem as purely environmental, we risk prescribing solutions that may not adequately address the social challenges that exist within the industry, even as many companies are working to improve conditions and some have made significant progress.

A ‘Labour-First’ Approach: Rebuilding Policy from the Ground Up

A policy inversion is needed. A ‘Labour-First’ approach does not begin with a greenhouse gas reduction target; it begins with a comprehensive assessment of the existing labour conditions. It starts by mapping the decent work gaps, occupational safety challenges, high rates of informality, and systemic wage disparities that characterize parts of the garment value chain.¹¹ It acknowledges that three-quarters of the global garment workforce are women, who face specific and often invisible barriers.¹² This deep understanding of the human landscape becomes the foundation upon which all other policies are built.

In this inverted model, any investment in a new production process must be evaluated first on its impact on wages and job quality, and second, it must meet stringent environmental standards. This evaluation framework becomes the core principle rather than an afterthought. Environmental sustainability acts as a crucial boundary condition and a parallel goal. For example, decisions about automation technologies would consider both their potential environmental benefits and their implications for employment and worker wellbeing before implementation.

The first pillars of a ‘Labour-First’ approach are ensuring a living wage, formalizing employment to provide social security, and guaranteeing safe and healthy working conditions for every worker. These are not aspirational “co-benefits” of a green policy; they become the primary objectives of the transition itself, with environmental goals integrated as equally important parallel objectives.

This approach requires an honest conversation about economic diversification from the outset.¹³ A ‘Labour-First’ framework recognizes that the current high-volume, low-cost model of certain segments of the garment industry may face challenges in providing decent, stable livelihoods for millions. Therefore, a core component of the strategy involves investment in developing complementary economic sectors and skills development programs.¹⁴ This means the transition plan becomes not just about improving the garment industry, but about building a more resilient and diverse

national economy, a strategic priority that has been explicitly identified for countries like Bangladesh to enhance economic resilience against future disruptions.

From Abstract Goals to Concrete Mechanisms

A ‘Labour-First’ approach translates this philosophy into concrete policy mechanisms. It means that robust social protection systems including unemployment benefits, severance packages, and health coverage are not afterthoughts but are established and funded as the first step of any transition.^{15¹⁶} This directly addresses the primary concern of job loss that currently fuels resistance and skepticism among workers and unions.¹⁷ It provides a crucial safety net that gives workers the security to engage with, rather than resist, industrial change.

Furthermore, this model embeds genuine social dialogue into the foundation of the policy process. Instead of bringing in unions for consultations after key decisions have been made, a limitation of current approaches; a ‘Labour-First’ policy mandates tripartite (government, employer, worker) engagement from the earliest conceptual stages.^{18¹⁹} No transition funding can be disbursed, and no large-scale projects approved, without a clear, documented, and ongoing process of negotiation with legitimate worker representatives. This shifts the balance of power and ensures that policy is shaped by lived experience.

This framework also redefines industrial “efficiency.” The current model prioritizes energy and material efficiency. A ‘Labour-First’ model prioritizes “social efficiency”; the ability of an industry to generate stable, decent, and safe livelihoods alongside environmental goals. This has important implications for technology adoption. A green technology like advanced automation, which promises to reduce energy use but could significantly impact the female-dominated workforce, would be evaluated carefully for its social implications and potentially implemented gradually with comprehensive retraining and alternative employment programs under this model.²⁰ The goal is to optimize the well-being of the entire system, not just its environmental or financial metrics.

Overcoming the Barriers to a New Blueprint

The most immediate concern about a ‘Labour-First’ approach is its perceived cost. Ensuring living wages, comprehensive benefits, and robust safety measures requires greater investment than models that externalize these costs. However, this new approach does not create new costs; it simply requires transparent accounting of the true price of production. It makes visible the social costs that have been borne by workers and their communities and demands that they be properly addressed.²¹

This approach finds powerful support in emerging legislation from the Global North. The EU’s due diligence laws require brands to identify and mitigate human rights risks in their supply chains, with companies having to prove they are taking action to protect human rights throughout their supply chain. Similarly, US government guidance expects contractors to proactively conduct human rights due diligence throughout their value chains in line with internationally recognized standards.²² A producing nation that proactively adopts a ‘Labour-First’ policy approach, with its

built-in transparency, social dialogue, and focus on worker rights, positions itself as a significantly more attractive and lower-risk sourcing partner. It aligns its national development strategy with the legal obligations of its biggest customers, turning a potential compliance burden into a competitive advantage.

While the implementation challenges of this policy inversion are real, so too are the unprecedented opportunities. Correcting the fundamental ‘category error’ shifting from designing environmental policies with labour side effects to architecting labour policies with environmental outcomes is no longer merely an ethical imperative but a strategic necessity. As many companies already recognize that sustainable business requires addressing social concerns, and as powerful new due diligence laws in the EU and US hold brands legally accountable for human rights throughout their value chains, a ‘Labour-First’ framework becomes the most direct path to compliance and resilience. By anchoring the transition in the non-negotiable principles of labour rights, robust social dialogue, and decent work from the outset, producing nations can transform a potential compliance burden into a decisive competitive advantage, ensuring that the necessary journey towards environmental sustainability is built on the foundation of human dignity and leaves no one behind.

Disclaimer: This analysis is based on a synthesis of documents including policy assessments on Just Transition in India and Bangladesh, academic studies on circularity, and stakeholder perception surveys, as well as insights from conversations with Shehnaz Rafique from the Indian National Trade Union Congress (INTUC). The views expressed represent an analysis of documented approaches and expert perspectives, rather than advocacy for a particular strategy.

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