

Threads of Change: Towards a Fair and Resilient Apparel Industry

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Executive Summary

This report outlines a **policy-led pathway to rebuild resilience and fairness in the garment industry** by aligning economic, social, and environmental objectives. Drawing on mixed methods—surveys, interviews, observation, and *Community Conversations*—the THREADS project compares **Bangladesh’s export-oriented garment factories in Dhaka** with the **SME-based garment ecosystem in Leicester, UK**. The analysis is grounded in the principle that sustainable improvement is *co-created* by workers, employers, communities, brands, and the state.

Across both contexts, common structural pressures emerge: **price compression, weak worker voice, limited training opportunities, and uneven enforcement of safety and environmental standards**. Bangladesh’s post-Rana Plaza reforms show that **binding, multi-stakeholder governance** can generate measurable improvements in safety, rights, and productivity. In contrast, Leicester’s industry, though rich in intergenerational skills and community networks, suffers from **insecure work, low pay, and reputational risks** that constrain upgrading potential.

The report proposes a **Sustainable Garment Transformation Framework (SGTF)** that integrates three dimensions of upgrading:

- **Economic:** skills development, innovation, and digitalisation;
- **Social:** decent work, representation, and equality;
- **Environmental:** resource efficiency and circular production.

Through coordinated **industrial and labour policy**, these dimensions can reinforce one another to drive systemic transformation. The framework highlights four priority actions:

1. **Strategic public procurement** linked to living wages, worker voice, and safety compliance;
2. **Fiscal and financial incentives** for green and circular technologies;
3. **Targeted workforce development** to support digital and sustainable production;
4. **Social dialogue mechanisms**—adapted from *Accord*-style models—to fit SME contexts.

The report recommends positioning **Leicester as a testbed for a “New Accord”**, applying lessons from Dhaka through **reverse policy learning**. This approach shifts the UK sector from fragmented compliance to **sustained, high-value, and responsible production**, demonstrating how transnational collaboration can link local industrial renewal with global social responsibility.

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Towards a Sustainable Garment Economy

The global garment industry—employing more than **60 million people** and generating an estimated **US \$2.5 trillion** in annual value—is at a **critical turning point**. While the sector has fuelled growth and job creation across diverse economies, its **buyer-driven, cost-minimisation model** has also produced deeply **uneven development outcomes**, entrenched **social inequities**, and accelerated **environmental degradation**. The industry now faces mounting pressure to evolve beyond short-term competitiveness toward **long-term resilience, fairness, and sustainability**.

This report advances a **new industrial vision** for a sustainable garment economy—one grounded in **collaboration, co-creation, and shared accountability** across the value chain. It argues that genuine transformation cannot be achieved through isolated compliance measures or fragmented initiatives; it must instead emerge from **coordinated policy action that integrates economic, social, and environmental upgrading**.

Drawing on comparative research from the **THREADS Project**, conducted in **Leicester (United Kingdom)** and **Dhaka (Bangladesh)**, the report examines how governance innovations, workforce development, and local industrial ecosystems can be realigned for sustainability. Lessons from Bangladesh's **Accord on Fire and Building Safety (2013)**—a landmark model of enforceable, multi-stakeholder regulation—inform the proposal for a **Leicester Accord**: a participatory framework to revitalise local manufacturing through **fair wages, skills upgrading, and green innovation**.

This approach aligns closely with the objectives of the **UK's Modern Industrial Strategy (2025)**, which sets out a ten-year plan to enhance **productivity, regional competitiveness, and sustainable growth** through innovation, skills investment, and industrial renewal. By positioning the garment and textile ecosystem as a **strategic manufacturing domain** within this framework, the report demonstrates how **inclusive, green, and high-value production** can contribute to the UK's broader industrial transformation. The Leicester Accord concept mirrors the strategy's call for **durable partnerships** between government, business, and workers, offering a tangible model for **shared accountability, skills development, and environmental stewardship** in line with the UK's net-zero and inclusive-growth goals.

In this light, **sustainability is framed not as a constraint but as a strategy for industrial renewal**—linking competitiveness with equality and ecological responsibility. By integrating these dimensions through coherent policy and institutional design, the garment industry can transition toward a future that is both **economically viable and socially just**, contributing to the UK's ambition for a productive, innovative, and fair manufacturing economy.

Context

The garment industry exemplifies global interdependence and inequality. **Bangladesh's garment sector**, employing 4 million (80% women), has achieved export growth but remains constrained by buyer dominance and low wages. Post-Rana Plaza reforms, notably the **Bangladesh Accord**, improved safety and transparency through binding governance, setting a global precedent for accountability. In contrast, **Leicester** — once a textile powerhouse — now hosts small, often informal workshops producing for UK fast-fashion retailers. The **THREADS (2025)** survey reveals mixed compliance with interventions, minimum wage laws, and limited voice mechanisms, with general satisfaction from workers, given the precarious context under which the sector operates. However a deep dive shows that we need to know more about supporting factories for implementing interventions and enhancing skills base of workers.

Yet Leicester's rich textile heritage, with intergenerational craft skills and community networks, holds potential for regeneration through targeted interventions and collaboration. The comparative Dhaka–Leicester lens demonstrates that sustainability depends on **relational and responsive autonomy**: strengthening workplace relations and identities, enhancing cooperation between workers, suppliers, and policymakers rather than top-down compliance. Both sites highlight that **economic, social, and environmental upgrading** must advance together to create meaningful, dignified, and low-carbon work.

Project Strategy

The THREADS strategy rests on **three pillars**:

1. **Grounded Data and Contextualisation:** Combining quantitative surveys with community conversations to expose forms of upgrading, from wage gaps, informality, and lived experiences of intersectional inequalities.
2. **Collaborative Learning:** Training for workers on rights and safety; workshops for employers on ethical management, HR, and maintenance; and community dialogues bridging workers, managers, brands, and councils.
3. **Toolkits and Policy Frameworks:** Practical resources for ethical sourcing, worker representation models for SMEs, and policy designs enabling social upgrading and resilience.

Methods

A **mixed-methods, co-creative approach** was employed across Dhaka and Leicester over 2024-25, combining surveys, interviews, observations, and **Community Conversations**.

- **Quantitative surveys** captured employment patterns, income, safety, and autonomy from nearly **1,000 Bangladeshi** and **135 Leicester** garment workers.
- **Qualitative interviews** with factory owners, union representatives, NGOs, and local authorities provided institutional perspectives.
- **Observations** recorded conditions within workshops, spatial layouts, and key industry practices.
- **Community Conversations** (8 in Leicester, 15 in Dhaka) operationalised **relational autonomy**, enabling workers, employers, and policymakers to jointly identify challenges and solutions around fair pay, skills, gender equity, and sustainability. Data were integrated through iterative **triangulation** and comparative analysis, situating quantitative trends within workers' lived experiences.

Emerging Findings from Leicester

The comparative Dhaka–Leicester lens demonstrates that sustainability depends on **relational and responsive autonomy**: strengthening workplace relations and identities, enhancing cooperation between workers, suppliers, and policymakers rather than top-down compliance. Both sites highlight that **economic, social, and environmental upgrading** must advance together to create meaningful, dignified, and low-carbon work.

In Leicester, economic upgrading remains constrained by limited technological innovation and persistent growth challenges, further overshadowed by the legacy of recent scandals. While basic wages are widely paid, complementary benefits, such as bonuses, pensions, and insurance, are rarely prioritised, undermining efforts to strengthen social protection mechanisms. The sector's reliance on informal norms and fragmented oversight perpetuates vulnerability but also reveals the readiness of workers and small employers for reform when supported by **trust-based, co-created solutions**. There is evidence of social upgrading with the recent interventions, our Leicester survey (135 respondents) reflects a **skilled but precarious** workforce concentrated in **small firms (≤100 employees, 86%)**.

- **Demographics:** 55% female, 89% Asian, aged 35–49; Gujarati, Hindi, and Urdu are widely spoken.
- **Work conditions:** Average 12 years' experience, 28 hours/week, 35% with no fixed schedule. **63% earn below £1,000/month**, indicating pervasive low pay.
- **Education and housing:** Half have no formal qualification; housing is stable, but incomes are fragile.
- **Worker representation:** 70% report no union or committee; only 7% recognise any form of worker voice.

Leicester's Social Fabric of Work

Leicester's garment workforce demonstrates that **flexibility and community are key non-financial incentives** sustaining the sector, particularly among **BAME, migrant, and low-income groups, who are predominantly women**. The ability to adjust working hours to accommodate family and care responsibilities provides women with a rare form of agency within otherwise low-autonomy jobs. This flexibility—though often informal—enables continued labour market participation and contributes to household stability.

In the absence of formal representation structures such as **trade unions or dedicated HR systems**, workers depend heavily on **peer networks** for both practical and emotional support. Skills are shared, shifts are covered, and job opportunities circulate through word-of-mouth connections, forming **informal recruitment channels and social safety nets**. Workplaces often function as **community spaces**, where women exchange information, childcare strategies, and everyday advice, creating a sense of solidarity that substitutes for institutional support.

These **informal social infrastructures** represent a critical but undervalued component of Leicester's garment ecosystem. They illustrate how social capital and community embeddedness sustain production in the face of economic precarity. Recognising and strengthening these grassroots mechanisms—through inclusive policy design, local partnerships, and capacity-building initiatives—could enhance both **worker wellbeing** and **sectoral resilience**, complementing formal approaches to decent work and social dialogue.

Industry pressures and Employer Perspectives

Employers portray a sector under **economic and reputational siege**—squeezed by fast-fashion pricing, strained by negative media coverage, and burdened by rising business costs. Many of Leicester's garment firms are **BAME-owned SMEs and second-generation family enterprises** with deep community ties but limited access to institutional or financial support. They describe shrinking profit margins, buyer-driven price compression, and reputational damage that discourages long-term contracting.

Despite these challenges, many employers express a genuine **commitment to workforce welfare, training, and ethical recovery**, even as they operate under tight financial constraints. However, they lack both the capital and advisory infrastructure needed to modernise operations, meet compliance standards, and pursue sustainable growth. Informal management

styles remain the norm—anchored in **trust, personal relationships, and tacit norms** rather than formal HR or governance systems.

Employers consistently call for **mentoring, financial leniency, and targeted support for minority-owned businesses** to facilitate modernisation, accreditation, and access to sustainable contracts. Their perspectives reflect a readiness for transformation—provided systemic barriers linked to **ethnicity, reputation, and exclusion from formal business networks** are addressed through coordinated policy action.

Many small factories report being unable to pay living wages or invest in skills development while competing with low-cost international suppliers. Some have adopted modest forms of training and open-door communication, yet such informality can obscure weak accountability and inconsistent labour practices. Owners identify a need for **external support mechanisms**—including **tax relief, training subsidies, and stable procurement frameworks**—to rebuild trust, upgrade production standards, and transition toward responsible competitiveness.

Collectively, their testimonies reveal both **resilience and willingness to change**. With fair pricing, accessible finance, and shared responsibility across the supply chain, Leicester's garment manufacturers could become **active partners in a new social contract for ethical and inclusive industry renewal**.

Policy Pathways for a Sustainable and Inclusive UK Garment Industry

To align Leicester's garment ecosystem with the UK's **Modern Industrial Strategy (2025)** and broader goals for **inclusive growth, innovation, and net-zero transition**, this report outlines five interlinked policy pathways. These measures combine regulatory incentives, targeted investment, and community partnership to rebuild trust, competitiveness, and sustainability in the UK garment sector.

1. Social Value Procurement

- Introduce a **Social Value Sourcing Standard** across public-sector textile and uniform contracts to prioritise **fair-wage, local suppliers** and ensure **long-term pricing stability**.
- Embed social and environmental performance metrics into procurement criteria to reward firms demonstrating ethical employment, low-carbon operations, and circular design practices.

2. Circular Economy and Green Innovation

- Establish a **Textile Circularity Hub and Materials Bank** in Leicester as a national pilot for **fabric reuse, recycling, and green energy adoption**.
- Support SMEs to participate in **low-waste design, repair, and remanufacturing ecosystems**, fostering collaboration between industry, academia, and local authorities.

3. Human Capital and Inclusion

- Launch a **Future Garment Skills Apprenticeship Programme** to build technical, digital, and sustainability skills tailored to modern manufacturing.
- Introduce **mentorship initiatives for second-generation and minority-owned firms**, linking them to innovation networks and financial advisory services.
- Create a **Women in Manufacturing Leadership Programme** to strengthen gender diversity, progression, and representation across the sector.

4. Technology and Infrastructure Modernisation

- Provide **Compliance-Tech Vouchers** and a **Safety Modernisation Fund** to help SMEs upgrade machinery, ventilation, and fire-safety systems.
- Link funding eligibility to demonstrable improvements in health, safety, and environmental performance, with advisory support for implementation.

5. Digitalisation and Transparency

- Introduce a **Digital Skills and Transparency Rebate** under the apprenticeship levy to promote advanced digital literacy and traceability across the value chain.

- Support state-of-the-art initiatives such as **digital product passports**, **data-driven market forecasting**, and **business intelligence tools** to enhance supply chain accountability and competitiveness.

Autonomy and Agency in a Community-Based Industry

In the garment sector, **autonomy is not merely an expression of individual freedom** but a **relational process**—shaped by social connections, community networks, and shared responsibilities that enable both workers and employers to act with purpose and dignity. Two interrelated forms of autonomy—**relational** and **responsive**—define how flexibility, trust, and accountability are negotiated in Leicester’s garment ecosystem.

Relational Autonomy

Relational autonomy recognises that workers’ capacity to make choices depends on **supportive environments** that balance livelihood needs with care responsibilities. Flexible scheduling for childcare, translation assistance for workers facing language barriers, and mutual help among colleagues all exemplify how **social structures foster participation, confidence, and well-being**, especially among women and migrant workers.

For employers—many of whom are **BAME-owned or second-generation family firms**—relational autonomy is rooted in **trust, cultural continuity, and long-standing community ties**. However, sustaining these relationships requires **formal mechanisms of dialogue, representation, and accountability** to move beyond purely informal management practices. Building structured spaces for negotiation and participation can preserve trust while ensuring consistency and fairness.

Responsive Autonomy

Responsive autonomy refers to the **freedom to act within defined organisational and market boundaries**. Workers exercise responsive autonomy when they have scope to plan tasks, contribute to production targets, or improve workflow. Similarly, employers demonstrate responsive autonomy when adapting to buyer expectations, sustainability standards, and technological change—balancing external pressures with local realities.

Toward Ethical and Productive Workplaces

Together, these two forms of autonomy underpin **ethical, resilient, and high-performing workplaces**. Strengthening them requires **collaboration between workers, employers, and community organisations** to embed trust, flexibility, and shared responsibility into everyday operations. Policies that promote inclusive dialogue, participatory management, and gender-sensitive workforce support can help ensure that **independence and interdependence coexist**, laying the foundation for a **sustainable and socially just garment industry**.

Conclusion: From Precarity to Partnership

Leicester's garment sector faces **deep structural challenges**—low pay, insecure employment, and unrelenting brand pressure. Yet its enduring strengths lie in **skilled labour, cultural heritage, entrepreneurial resilience, and community solidarity**. The future of the industry depends not on replication of past models, but on **co-creation**—a collective effort among workers, employers, policymakers, and communities to rebuild trust and shared value.

Three priorities define this path forward:

1. **Invest in Stability** – through **public but ethical procurement**, ensuring long-term demand and fair pricing for compliant local producers.
2. **Future-Proof Skills** – by embedding **digital, green, and gender-inclusive training** that enables workers and firms to adapt to technological and sustainability transitions.
3. **Formalise the Informal** – by recognising and supporting **worker and community networks** as vital components of the local industrial ecosystem.

The **THREADS Project** demonstrates that transformation is possible through **partnership and shared accountability**. By fostering **relational and responsive autonomy**, Leicester's garment sector can balance **independence with interdependence**, embedding trust, flexibility, and responsibility in everyday practice. This social fabric—woven from collaboration between workers, employers, and community organisations—is the foundation of a sustainable and ethical industry.

Aligned with the UK's **Modern Industrial Strategy (2025)**, this report calls for a **Sustainable Garment Transformation Framework (SGTF)** that integrates **industrial policy, labour rights, and environmental goals**. Drawing inspiration from Bangladesh's **Accord on Fire and Building Safety**, a proposed **Leicester Accord** could unite business, labour, and governance under a shared commitment to fairness and competitiveness.

By embedding **co-creation in policy design** and **collaboration in industrial practice**, Leicester can move from **crisis management to sustainable regeneration**—offering a **national and global model of inclusive industrial renewal** where social justice, innovation, and environmental stewardship reinforce one another.

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