

How the pandemic revealed cracks in global supply chains

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At the start of the COVID-19 pandemic, many Americans were shocked at the sight of empty shelves in stores as global supply chains sputtered to keep up with the demand for a variety of products.

But even the end of the [pandemic](#) is unlikely to solve many of the issues with global supply chains, said Benjamin McKean, associate professor of political science at The Ohio State University.

"The fragility of these supply chains has suddenly become evident to a lot of Americans who expect them to always operate seamlessly," McKean said.

"Of course, they usually do operate seamlessly, but at a cost that many people are just starting to realize."

McKean is author of the new book *Disorienting Neoliberalism: Global Justice and the Outer Limit of Freedom*, which explores the problematic nature of the global supply chains that connect people worldwide, from [garment workers](#) in Bangladesh to consumers in the United States.

Transnational supply chains now represent 80% of [global trade](#), meaning that they touch every part of our lives, he said. They are built to be ruthlessly efficient, manufacturing and delivering goods exactly when and where they are needed.

"As many Americans are finding out as a result of the pandemic, there isn't a giant storehouse of paper towels sitting in a warehouse waiting for your store to request it," McKean said.

"If it is sitting there it means no one's making money on it, so when there is a sudden rush of demand like there is now, it is hard to meet the demand immediately."

When COVID-19 hit, 94% of Fortune 1000 companies had a top-tier supplier in the Wuhan region where the virus originated. Global trade flows dropped by 12% in April, in the wake of widespread shutdowns.

So one result of the pandemic chaos was the empty stores shelves we saw here in the United States, McKean said. How can that be prevented from happening? Corporations would like to take the neoliberal approach that is referenced in the book's title, McKean said. That means relying on even more market flexibility and capital mobility so that when a pandemic—or another emergency—strikes one country, business owners can quickly move to another to find workers. The ability to move quickly and seamlessly across the globe also helps companies find cheaper labor or other opportunities to make products more cheaply.

While this system may be good for corporate owners and supply chain managers, it takes a toll on workers, McKean said. For example, the pandemic has shown what happens to workers who make goods for which demand suddenly disappears. In Bangladesh, more than 1 million garment workers were laid off as a result of lower demand because of COVID-19. Brands cut their orders, so workers had no money for food.

But the precarious position of workers connected to the global supply chain long preceded the pandemic, McKean said.

The 2013 collapse of the Rana Plaza complex in Dhaka, Bangladesh, may be the most well-known example: 1,132 garment workers who made clothes for global corporations were killed when the building that housed their garment factories collapsed.

Beyond disasters like the one at the Rana Plaza, many workers suffer from brutal conditions tied to the need to manufacture products quickly to meet consumer demand, McKean said. The Foxconn company made news by installing nets around some of their factories in China to keep workers from jumping off buildings to commit suicide.

The [current system](#) for providing labor is key to sustaining the main benefit that global supply chains provide consumers in the United States

and elsewhere—cheap products.

"Companies can promise these cheap products to consumers, but these consumers should realize that they are more than just people who buy products: They are also workers themselves. It is not clear that the current system is a net benefit to most people across the world, either as consumers or workers," McKean said.

He noted that one reason that many Americans are eager for access to cheap products delivered by global supply chains is because their household budgets took a hit when they lost good-paying jobs that moved overseas.

McKean said one alternative to the current system is to promote transnational solidarity founded on the shared interests of people on all points along the [global supply chain](#), from workers to consumers.

"The global pandemic has brought into sharp relief our dependence on and vulnerability to each other. The clothes we wear, the phones we carry with us, are a symbol of that connection we have with the workers in other countries who made them for us," he said.

"Most of us across the world share common interests, while others benefit from our unequal arrangements. With the value and operations of global supply chains thrown into question by COVID-19, we may yet see transnational solidarity replace our current system."

Provided by The Ohio State University

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