Will decentralized supply chains destabilize emerging economies?

As production moves closer to the point of demand and e-commerce takes up a larger share of overall sales, demand will shift for workers’ skills and location. Emerging economies may experience the most profound changes as a result of such shifts. This has been keenly felt in Bangladesh during the pandemic, for example.1

Under pressure

As companies break the limits of supply chains, they should consider the impact on vulnerable workers.

Ensuring positive change

As companies decentralize their supply chains, they can support affected workers by investing in long-term skills development in partnership with government and local industry associations.

83% of Bangladesh exports were comprised of ready-made garments prior to the pandemic.

1,150 factories reported order cancellations worth US$11 billion in the first half of 2020.

43% of factories still operated with under half of their pre-pandemic workforce at the start of the third quarter of 2020.

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