

Clothing Garment Workers in Safety: The Case of Bangladesh

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The binding Accord signed by some of the top clothing brands to implement a fire and building safety plan in the wake of the Savar tragedy in Bangladesh is likely to serve as a precedent in supply chain management despite its limitations. A systemic improvement of the working conditions in the garment sector and public safety, however, requires the government to strengthen its laws and state machinery.

Introduction

The collapse of the Rana Plaza building, causing the death of over a thousand garment workers, is perhaps the worst industrial disaster in Bangladesh. However, for those familiar with the garment sector in the country, it was hardly a surprising incident. In fact, this tragedy is one amongst the many fire and building accidents that have occurred in the country over the years. Less than a year ago, over a hundred workers died in the Tazreen Fashions fire. In Bangladesh, more than 1000 workers have been killed and over 3000 injured in as many as 275 factory accidents between 1990 and 2012. These incidents are, however, not exclusive to Bangladesh.¹ Countries such as Cambodia, Pakistan, Sri Lanka, India etc. have had their share of similar accidents in the garment sector.

The Ready Made Garment (RMG) sector in Bangladesh, like in India, is mainly export oriented,² and most of these accidents have occurred in factories producing garments for leading international brands like H&M, Esprit, Gap, M&S etc. Rock-bottom prices, the constant need to cut costs, lack of worker representation, poverty wages, failure of industry initiatives, apathy of factory owners, and government inaction have led to dangerous working conditions.³ Reports reveal that factories operate in buildings that are built using substandard materials to cut costs and violate building codes and safety regulations, or they are housed in buildings not constructed for industrial use. It is common for factories to not have enough or functional fire exits, water sprinklers, battery-operated emergency lights, fire alarms, emergency exit sign, etc.⁴ There is almost no training given to workers regarding safety procedures and no safety officer on factory floors to take charge during an emergency. In an accident workers die or get injured in the resulting chaos, heat and

smoke.

In an unprecedented move, responding to pressure from activists and unions, a number of big brands have signed a binding Accord on Fire and Building Safety to implement a fire and building safety plan in Bangladesh for a period of five years.⁵ This article seeks to highlight the significant aspects of the Accord, its importance in the area of business and human rights, the limitations of such an instrument and the critical role which the state plays in preventing fire and building accidents.

The Accord on Fire and Building Safety in Bangladesh

Despite long-standing demands from unions and activists on buyers to take responsibility to improve workplace safety in their supply chain, most measures undertaken have been disparate, top-down and largely ineffective.⁶ The Accord on Fire and Building Safety in Bangladesh (AFBSB) which came into effect on 15 May, is the culmination of previous negotiations and attempts made since the Garib & Garib fire in 2010 to set up a multi-stakeholder mechanism for fire and building safety. A precursor to the AFBSB was the “Joint MoU on Fire and Building Safety” that was signed by PVH and later by Tchibo following the Tazreen Fashions fire. However, the MoU did not come into effect as the required number of brands did not sign.

The Accord is a landmark agreement between the companies and trade unions requiring the former to establish a fire and building safety program in Bangladesh for five years. Based on the sourcing volume, the Accord binds companies to conduct safety inspections, training, remediation and renovation in supplier factories. It stipulates binding arbitration governed by the New York Convention and that the arbitral award has to be enforced where the company is domiciled. The Accord is based on a multi-stakeholder model with a steering committee, comprising of equal number of representatives chosen by companies and unions along with a neutral chair chosen from and by the International Labour Organisation (ILO) overseeing the working of the Accord. The Accord makes provision for workers to raise complaints with the safety inspector and to refuse dangerous work. It also allows the safety inspector to disclose the inspection report to the public accompanied by the factory’s remediation plan. What is also significant is that the companies will have to provide financial assistance to the suppliers to implement remediation plans and ensure that the suppliers maintain an employment relationship with workers during such time. While companies can end their business relationship with a supplier for continued non-compliance, it calls upon them to maintain long-term sourcing relationships with Bangladesh.

A Leap Forward

The signing of this Accord has wider implications for the manner in which businesses deal with workers’ rights. For garment manufacturing and exporting countries like India, Sri

Lanka, Pakistan etc. where labour and human rights conditions are a serious concern,⁷ this Accord is likely to act as a precedent in the supply chain management and pave the way for similar arrangements in future.

The Accord indicates an acknowledgement, at least by some companies, that voluntary codes of conduct without rigorous monitoring and remediation systems have proved ineffective in either ensuring workplace safety or in sustaining improvements in working conditions. Most of the top international brands already subscribe to a voluntary code, or are a part of voluntary initiatives. In the case of Bangladesh at least, these initiatives have effected no substantial change. It also points towards the inadequacy of company audits and certifications. The Ali Enterprises in Pakistan where a fire killed over 250 workers was a SA8000 certified factory. Garib & Garib sweater factory was certified by Worldwide Responsible Accredited Production. This Accord has lent credence to those advocating binding regulations to govern corporate conduct.

Limited Benefits

The Accord is aspirational, and much will depend on the implementation plan drawn up. It is still to be seen how the legal aspects of this Accord will unfold should a dispute arise and the behavior of companies if they are faced with liabilities. The effectiveness of this arrangement has to be tested on two parameters; prevention and remediation. The signatories of the Accord must also evolve an equitable mechanism for victims of industrial accidents. However, its impact can only be judged more accurately after the initial phase of implementation.

While it is encouraging that the AFBSB enjoys the consent of some big brands and retailers, a large number of them also continue to keep out of it; notably Wal-Mart, JC Penny and GAP. Wal-Mart and GAP have opted to create an independent plan together with other firms and industry trade groups. The impact of the Accord is limited only to the signatory companies and their suppliers. Factories producing for the growing domestic market or for lesser-known local and regional retailers will not benefit from this Accord either. Outlook recently reported that one of the factories housed in Rana Plaza supplied to an Indian producer contracted by Benetton. Bangladesh has over 5000 factories and nearly 3.6 million workers in the RMG sector. These are big numbers, and one needs to look beyond the buyers for a systemic change.

Role of the State: Duty to Protect

The government probe into the tragedy found that extremely poor construction materials were used, and the violation of construction regulations led to the disaster. The local municipality gave permission to construct additional floors in violation of the Bangladesh National Building Code. The machines and generators caused vibrations, further contributing to the collapse. The authorities renewed licenses to the factories every year.

Proper implementation of labour laws, buildings codes and safety regulations could have prevented the tragedy.⁸ The flagrant violation of laws by the owner of the building combined with the obvious connivance of the State resulted in this tragedy.

The role of the State in preventing fire and safety accidents is critical and irreplaceable. There are only about 52 factory inspectors to oversee more than 26,000 registered factories across the country.⁹ While the companies have a vital role to play in improving working conditions in the sector, industry driven mechanisms have serious inherent limitations; orders could always migrate, buyer commitments are ever shifting and commercial considerations almost always trump all others. Laws and their implementation need to be strengthened to ensure workplace safety and prevent industrial accidents.

Accidents of this nature, however, go beyond the garment sector and expose the shoddy implementation of building laws and safety regulations in general. It is a larger concern of public safety and is not only a labour issue. Irrespective of what Rana Plaza housed, the structure per se was a threat to the public, and its collapse was bound to kill people. Recently a three-storey building in Dhaka tilted, prompting the authorities to order its demolition. The government has to be accountable to all its citizens. Once again, this is not a problem peculiar to Bangladesh. Similar accidents are sadly common in the entire region, including India.

Conclusions

The Accord is a welcome move, and it is time that the buyers took some serious steps to mitigate human rights risks in their supply chains. Companies need to be proactive and do more to prevent accidents by investing in better working conditions instead of waiting for another large-scale disaster to occur. However without the government taking on the primary responsibility, labour conditions overall are unlikely to improve in the long-term. If the government does not act decisively, pressure from activists and consumers might make sourcing from the country too risky. Some buyers have already expressed concern over sourcing from Bangladesh due to its tarnished reputation.¹⁰ The European Union has warned that the failure to improve working conditions soon might result in trade actions being taken under the generalised system of preferences of the World Trade Organisation rules. This will result in blunting the competitiveness of Bangladesh's RMG sector by making its products dearer to the European brands. If the industry suffers a setback, it is workers who will finally pay the price.

References/Notes

1. Two factories collapsed in Cambodia just days after the Savar accident. The fire in Ali enterprises in Pakistan killed over 250 garment workers last year. India saw a major fire in a garment unit in Delhi in 2005 killing 12 workers, and another one last year.

2. Bangladesh Garment Manufacturers and Exporters Association show RMG exports account for nearly 78% of the total exports from Bangladesh.

3. The desperate working conditions in Bangladesh are sustained by the play of a variety of factors. Bangladesh is known for its low cost manufacturing. Its cost is considered its competitiveness. Buyers keep the prices drastically low which compels the suppliers to cut costs. Therefore, wages remain pathetically low and no investment is made to ensure workplace safety. Wages in Bangladesh are the lowest globally. With such little as wages workers need to do work overtime and have no option to either refuse work or change their employers. No unions in factories mean that any complaints workers have regarding working conditions is not heard by the management. The sector is economically significant and the government lacks the will and the ability to change it. The result is a festering safety situation.

4. The International Labor Rights Forum published a report, "Deadly Secrets" analysing fire and safety accidents in Bangladesh in the RMG sector. The report can be accessed at <http://laborrights.org/sites/default/files/publications-and-resources/DeadlySecrets.pdf>.

5. The following companies have signed the Accord: Abercrombie & Fitch, Aldi North, Aldi South, Benetton, Bonmarche, C&A, Carrefour, Charles Vögele, Comtex, El Corte Inglés, Ernstings's Family, Esprit, Fat Face, G-star, H&M, Helly Hansen, Hema, Hess Natur, Inditex, Jbc, John Lewis, Kik, Lidl, Loblaw, Mango, Marks & Spencer, Mothercare, N Brown, New Look, Next, Otto Group, Primark, PVH, S.Oliver, Sainsbury's, Sean John, Stockmann, Switcher, Tally Weijl, Tchibo, Tesco, V&D, We Europe and Zeeman. "Getting it wrong: Walmart and Gao run away from Bangladesh Accord", Industrial, 31.05.2013, <http://www.industrial-union.org/getting-it-wrong-walmart-and-gap-run-away-from-bangladesh-accord> (visited on 02.06.2013).

6. Responding to fire accidents in Bangladesh and Pakistan, many voluntary initiatives and brands launched various programs. For instance, the Worldwide Responsible Accredited Production (WRAP) started conducting training programs. The Business Social Compliance Initiative (BSCI) proposes to raise awareness of health and safety issues through training programmes and Roundtables. Brands like Gap, H&M and Next also launched independent initiatives to deal with fire and safety incidents in their supply chains.

7. Independent Factory Monitoring Reports published by the Fair Labor Association reveal that Indian factories also suffer from safety violations. Some operate without the necessary licenses and approvals. Safety and evacuation procedures are not followed and workers are not trained to deal with accidents. Overcrowded factory floors, insufficient or blocked fire escapes and inadequate or insufficiently qualified fire safety officers are common. "While many of the larger manufacturing units are better equipped with fire and safety equipment, a large number of smaller factories do not follow the required protocols. Overcrowded factory floors are however, are very common across the board." says Pratibha, Vice

President of the Garment and Textiles Workers Union (GATWU) in Bangalore.

8. Apart from initiating criminal action against the owner, the investigating body recommended the formation of trade unions and the strengthening of the implementation of building laws. The high level mission of the ILO to Bangladesh has recommended labour law reform to allow for trade unions without permission from the owners, appointment of additional safety inspectors, increased inspection of factories, training, and implementation of the National Tripartite Plan of Action on Fire Safety.

9. "Factory licenses give, renewed despite faults", The Daily Star, 18 May, 2013, <http://www.thedailystar.net/beta2/news/factory-licences-given-renewed-despite-faults-2/>, (visited on 20.05.2013)

10. Last year, some of the top brands including H&M, Gap, Levis Strauss, Wal-Mart, M&S etc., sent a letter to the Prime Minister of Bangladesh backing their support for the demand of increased minimum wages and to improve working conditions as it getting increasingly difficult to source form Bangladesh in the face of growing consumer pressure in the West and scrutiny by NGOs and unions of working conditions.

11. The EU accounts for nearly 60% of the apparel exports from Bangladesh making it the most important trading partner. If EU withdraws GSP facilities, exporters will have to pay 12.50% duty on exports.