

# **The Crisis in Bangladesh and the Accord on Fire and Building Safety**

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# Garment industry in Bangladesh

- 2nd largest apparel producer after China; 3,500 factories and 3 million workers; significant producer of university apparel
- Industry/Government strategy: Be the rock-bottom cheapest place to make apparel
- Minimum wage of \$0.18 an hour; weak regulation, near-total disregard for building safety
- A decent building code on the books, but no enforcement
- Tremendous price pressure from buyers gives factories overwhelming incentive to cut corners on safety



# Result: Thousands of Unsafe Factories

- Lack of proper fire exits; open stairwells, no fire doors
- Inadequate safety systems, including emergency lighting and alarm systems
- Substandard wiring, improper storage of cloth, leads to numerous fires
- Structural flaws: unpermitted construction, unsound foundations, additional stories added after original construction



# Factory Disasters Since 2005

Year	Factory		Deaths
2005	Spectrum Sweater	Inditex	64
2006	Phoenix Garment	Several European co's	22
2006	KTS Textile	Leslee Scott, others	61
2010	Gharib & Gharib	H&M	21
2010	Hameem/TIS	Gap, Target, VF, PVH	29
2012	Ali Enterprises*	KiK	262
2012	Tazreen Fashions	Walmart, Sears, ECI	112
2013	Smart Export	Inditex	8
2013	Rana Plaza	Benetton, WM, JCP	1,132
2013	Tung Hai	Primark	8
2013	Aswad	Walmart, Gap	8

**Total Deaths: 1,728**

\*in Pakistan



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# Failure of Industry Monitoring

- Despite assurances about robust inspection systems, industry monitors have failed to protect workers in Bangladesh
- All factories where major disasters have occurred were repeatedly monitored by corporate auditors
  - Tazreen Fashions - Inspected by Walmart
  - Ali Enterprises - Inspected by SAI/SA-8000
  - Rana Plaza – Inspected by BSCI, numerous brands
  - Garib & Garib – Inspected by H&M
  - That's It Sportswear – Inspected by VF, Gap, Target, others





# Why has industry monitoring been inadequate?

- Lack of independence and transparency
- Lack of expertise/training to assess critical safety issues
- Companies do not carry out detailed fire, building, or electrical assessments – only general audits
- Most serious risks have not even been part of the audit process
- Industry monitors were not empowered to tell brands and retailers that buildings need major structural overhauls





Of the four worst disasters in the history of the global apparel industry, three have occurred in the last thirteen months.



# What is needed?

- A shift away from voluntary corporate monitoring to binding commitments, with a central role for worker organizations in holding companies accountable
- Thorough inspections by qualified experts, carried out independently of buyers and with full transparency.
- Not just inspections, but an industry-wide program of renovations and retrofitting to make buildings safe
- Buyers must accommodate sourcing decisions to the imperative of preventing more deaths: financial support from buyers for improvements; willingness to leave unsafe factories
- Workers must be able to play a role in protecting their own safety



# Accord on Fire and Building Safety

- Developed by WRC, other NGOs, international and Bangladeshi unions, beginning in 2010
- A contract between companies and worker representatives, with all commitments legally binding and enforceable
- Under the Accord, signatories agree to:
  - Require factories to submit to thorough, independent inspections with full public reports
  - Ensure that factories undergo all necessary renovations, with financial assistance to factories that need it
  - End business relationship with any factory that refuses to operate safely; make a minimum 2-year commitment to safe factories
  - Ensure a central role for workers and unions, including OHS committees and right to refuse dangerous work





# Broad Support and Credibility

- 100+ companies from 20 countries, including 3 of the world's 4 biggest fashion retailers, 2 of the 3 biggest general retailers
- H&M, Inditex (Zara), PVH, Puma, Abercrombie, Benetton, Tesco, Marks & Spencer, El Corte Ingles, Esprit, UNIQLO
- First two licensees: Knights and adidas
- Bangladeshi and international unions and labor rights NGOs
- Backed by the ILO
- Now covers more than 1,800 factories and 2 million workers– we estimate more than half of all production in Bangladesh



# Accord Implementation

- Plan in place to inspect 1,000 factories by end April
- Emergency protocol in place to affect quick shutdown of factories where there is imminent danger
- First official Accord inspections begin first week of Nov.
- Key Accord staff appointed, legal infrastructure in place
- Factory data collected and publicly posted for more than 1,500 factories, unprecedented data content



# WRC Role Going Forward

- Witness signatory, Steering Committee observer status
- Serve on Technical Working Group, overseeing start-up of inspection program
- Serve on Data Collection Working Group, overseeing factory disclosure
- Close and regular communication with key Accord signatories on both labor and management side
- WRC staff in Dhaka coordinate with labor and company reps to manage factory cases





# University Apparel and Bangladesh

- 40 licensees report sourcing university goods
- VF, adidas, Knights, MJ Soffe, Top of the World, etc.
- 60 disclosed factories
- Collegiate goods were made at Tazreen in 2011 for MJ Soffe (112 were killed in a fire the following year)
- Fire at Eurotex, a VF collegiate factory, in 2012 (factory was closed for vacation at the time, so fortunately no deaths)
- Fire at That's It Sportswear, a VF non-collegiate factory, in 2010 (29 killed)
- The risks to universities are substantial



# Recent Fire Safety Inspections at Collegiate Factories

- Serious fire safety hazards were identified in all 3 facilities inspected
- All had been certified by industry auditors, despite clear violations
- Findings:
  - Not a single proper fire door in any of the factories
  - Open stairwells, which will act as chimneys in a fire, funneling smoke to higher floors and blocking workers' escape
  - Substandard electrical wiring; boiler rooms with unprotected openings
  - Exit stairs that lead to interior ground floor, not outside
  - Substandard alarm systems
  - Lack of adequate emergency lighting



# Why Licensees Should Sign the Accord

- Joining the Accord is the surest way for licensees to protect workers...
- ...and the surest way for universities to know that licensees are doing so
- By joining, they contribute to addressing the most serious human rights challenge in global apparel production
- More than 100 brands – large, medium, and small – have signed; the Accord is a mainstream agreement that is the gold standard for responsible companies





# Walmart/Gap Plan

- “Alliance for Bangladesh Worker Safety” is based on the same voluntary approach that has failed for 15 years
- Brands maintain control over inspection process
- No effective means for enforcing brand commitments
- Lack of worker involvement
- No protection of right to refuse dangerous work
- Lacks credibility in the labor rights community; ILO refused to serve as Chair
- 23 signatory companies, all from US and Canada, including Walmart, Gap, Target, two licensees: VF and Russell



# WRC Recommendation to Affiliates

*“The WRC recommends that colleges and universities add, to their existing labor rights requirements for licensees, a requirement that licensees that sourced, produced or purchased collegiate apparel in Bangladesh as of January 1, 2013, or do so at any point thereafter, become signatories to the Accord on Fire and Building Safety in Bangladesh.”*



# What does it mean for licensees to sign?

- Binding commitment to the Accord program
- Annual fee: minimum is \$1,000 for companies sourcing less than \$1 million
- Accord will not ask small companies to bear any undue financial burden: the industry's large players will bear the bulk of the cost of helping factories become safe
- Companies are well represented in the Accord leadership and are regularly updated and consulted by their representatives





[www.bangladeshaccord.org](http://www.bangladeshaccord.org)



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