

Bangladesh Accord: A success story for garment workers

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Global Supply Chains

- **GSC: Major part of global economy**
 - Phases: raw materials; manufacturing; distribution; use; waste streams
- **Global apparel market**
 - Global apparel retail industry in 2019: \$1.65 trillion (53% womenswear; 31% menswear; 16% child)
 - US imports 97% of apparel sold; 62% from Asia (China accounts for 40%)
 - 60 million workers in global textile, garment and footwear; 75% women



Bangladesh Garment

- World's Number 2 apparel producer
- \$30 billion – 82% of country's exports
- 4 million garment workers – 65% female
- Low wages & long hours
- Near-zero regulations and lack of political will
- History of industrial disasters











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Accord on Fire and Building Safety in Bangladesh

- Private sector initiative established in May 2013
- 220 international clothing brands
- Two global unions and national affiliates
- Four labor rights NGOs in US, Canada and Europe
- Independent staff of inspectors and managers in Dhaka

Inspections

- 1,600 factories covered
- Over 37,287 initial and follow-up inspections – once every 4 months
- 144,886 specific hazards identified
- Conducted by 100+ Bangladeshi engineers
- 34 case handlers assist factories with Corrective Action Plans (CAPs)

Identified Hazards

- Fire hazards: 47,300
- Electrical hazards: 75,710
- Structural hazards: 21,876
- “Top Three Hazards”
 - Lockable gates – 97% of factories
 - Inadequate egress lighting – 93%
 - Inadequate electrical wiring – 91%

Identified Hazards

- Inadequate fire detection and alarm (91%)
- No engineering assessment (82%)
- No load management plan (70%)
- Detectable lateral instability (62%)
- Flammable levels of dust and lint (60%)

Hazard Corrections

- 91% of initial inspections hazards corrected
- 258 factories completed initial remediation
- >90% of initial corrections complete at 1,133 factories
- 1,033 factories with detailed engineering assessments, 490 pending

Hazard Corrections

- Still 267 factories at less than 90% remediation after 6 years
- Brands failed to provide the required financing and/or long-term orders
 - Only 70 confirmed financing plans for CAPs with 1,476 finance plans still “pending” in April 2019

Safety Training

- 1,200 Safety Committees trained
- 8 sessions on safety and FoA
 - Hazard ID and correction
 - Practice inspection walk-throughs
 - Verification of hazard correction
 - Handling H&S complaints

Safety Training

- 1.8+ million workers informed
- 3 separate “All Employee Meetings” at all Accord factories
 - Hazard ID and correction
 - Safe evacuation
 - How to make a H&S complaint
 - Low-literacy booklet with all info

Worker Complaints

- 1,657 total complaints received
- 637 H&S complaints – 461 resolved
- Common H&S complaints
 - Fire/electrical/building hazards
 - Poor ventilation and lighting
 - Workplace violence, including sexual harassment/assault

Brand Responsibility

- Brands must provide supplier list
- Once an Accord inspection opened – brands required to maintain orders for 2 years during hazard correction
- Brands responsible for providing or arranging financing to eliminate identified hazards

Legally Binding

- Two global unions sue two brands for failure to correct identified hazards in supplier factories – arbitration cases at PCA in The Hague
- Case #1: July 2016 – December 2017
 - Required corrections at 200+ factories
 - Funded by a “substantial amount” from the clothing brand

Arbitration Cases

- Case #2: October 2016 – January 2018
 - Required corrections at 150+ factories
 - Funded by \$2 million directly
 - Additional \$300,000 to unions for their “supply chain worker support fund”
- First ever cases at PCA for workplace H&S issues – “landmark cases” and “new dawn for human rights cases”

Transition Accord – May 2018

- 3-year extension – 190+ brands, 1,400+ factories, ~2 million workers
- Safety committees, training in all tiers
- Complaint protocol includes FoA issues related to H&S; “right to refuse”
- Worker severance payments guaranteed
- Transition to national government

Pilot Boiler Program

- Multiple boiler explosions and deaths
- September-December 2018: inspect 35 boilers in 17 factories
- Inspection findings:
 - 19 of 35 unable to undergo all tests due to defective equipment
 - 5 boilers made by uncertified manufacturer
 - 4 boilers immediately shut down

Unprecedented Success

- Transformed Bangladesh's safety approach and record
- No other garment producing country can match it
- No other global supply chain (electronics, toys, sports shoes) can match it

Why did the Accord succeed?

- Key characteristics:
 - Legally-binding between brands & unions
 - Independent safety inspections & CAPs
 - Public disclosure of inspection reports, CAPs, complaint resolution
 - Brand responsibility for hazard correction
 - Safety committee, safety program training
 - Safety complaints & worker rights

Polar opposite of CSR

- **CSR**: all voluntary, corrections not mandatory
- **CSR**: all secret – inspections, hazard corrections (if any), verifications (if any)
- **CSR**: unqualified auditors with clear conflicts of interest
- **CSR**: little/no worker participation

Accord Controversies

- Other OHS issues besides fire and building structural safety
- Covered only 1st tier export factories
- Underlying causes of bad conditions in supply chain factories not addressed
- “Corporate-funded privatization” of government functions, born as a “top-down” initiative

Current Status

- Dhaka Supreme Court orders Accord office to close in May 2020
- BGMEA veto power until then
- Replaced by an industry-dominated “RMG Sustainability Council” working with government’s RCC
- Loss of independence and effectiveness
- “You can lead a horse to water...”

Brands walk away from a unprecedented success

- Calls for maintaining the Accord until May 2021
- Calls for maintaining its independence until May 2020
- Calls for an Accord in Pakistan and India
- Calls for an Accord in Ethiopia and East Africa

Genie out of the bottle

- Accord experience and track-record already out in the world
- Capable of being a complement – not a substitute – for government action
- Especially in the countries the brands have deliberately located their supply chains

Global Solutions

- **New business model**
 - Integration of CSR goals and actual sourcing practices
 - End the “race to the bottom” in pricing
 - Establish long term relationships
- **Establish a genuine “one global standard”**
 - Support OHS/labor law enforcement locally
 - Transparency in supply chain; factory inspections; corrective action and verification

Global Solutions

- **Genuine worker participation:**
 - In the development and implementation of factory-level OHS and CSR programs
 - In inspections, accident investigations, peer training
 - Requires training, authority, paid release time
 - Impossible without workers' right to speak, act and organize

What we can do

- As OHS professionals at work – advocate for effective programs here and abroad
- As consumers – demand brands/retailers obey the law and make good on their CSR promises
- As citizens – demand governments do their job to protect workers here and abroad
- As OHS professionals – support OHS initiatives and capacity-building projects

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