



Accord on “Fire and Building Safety in Bangladesh”: A Breakthrough Agreement?

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ABSTRACT

This discussion aims to review the emergence of the “Accord on Fire and Building Safety in Bangladesh” signed on May 13, 2013, and evaluate if it is an international agreement “breakthrough”. The Accord is signed not only by the global clothing brands and national garment unions but also by international trade union organizations, which is a new development. This raises a question: could this agreement set a new international negotiating precedence in industrial relations between transnational corporations and international trade union organizations? In Bangladesh, globalization has played an important role for booming garment industries. Yet, lack of workers’ rights, weak safety situations, and poor working conditions have continuously been reported. Local and international solidarity movements and garment workers’ welfare associations have been emphasizing workers’ rights and better and safer working environments in workplaces since the beginning of the 1990s. However, their voices were not highly considered even there were some initiatives. Following the ‘Rana Plaza’ garment factory building collapse in April 2013, one of the world’s worst industrial accidents, with more than 1,100 dead workers, some strong measures have been taken—one of these, signing the ‘Accord on Fire and Building Safety in Bangladesh’. This is a strong achievement of a long struggle to take collective action for improving the safety in garment factories in Bangladesh. Although the Accord is understood as a game changer or breakthrough in relation to national and international agreements, do we really know yet if it is a breakthrough or not when it comes to its implementation?

KEY WORDS

Accord / Fire and Building Safety / Breakthrough / Bangladesh textile / Garment industry / Globalization / Solidarity / Workplace safety

Introduction

A series of accidents and deaths of workers in the garment industries have raised the question of safety and rights of the workers, who are the main driving force to bring billions of dollars in earnings through garments export in Bangladesh. Such a wake of garments tragedies in Bangladesh brought attention of various international rights organizations, including groups based on international labor solidarity, such as Clean Clothes Campaign (CCC), International Labor Rights Forum (ILRF), Maquila Solidarity Network (MSN), Worker Rights Consortium (WRC), and many others.

More than 78% of Bangladesh’s export earnings come from the garment industry (Ahamed, 2013). Workers in the garment factories are mostly illiterate and have

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very limited knowledge of human rights, working conditions, and labor standards (Nag, 2010). Several studies of Bangladesh garment industry suggest that the informal recruitment with no contract or formal appointment leads to job insecurity (Ahamed, 2013; Nag, 2010), long working hours, and personally unsafe work environment (Kumar, 2006). All these are in violation of the International Labor Standards and Codes of Conduct that should protect workers (ILO, 2006). Lack of Codes of Conduct in garment factories has resulted in bad working conditions, low work productivity, and increased job dissatisfaction among workers (ILO, 2005; Morshed, 2007).

Following these violations, the international labor rights groups have been trying to raise their voice to pressurize the companies and the government in Bangladesh to take measures to prevent further accidents. Still there were continuous lack of safety measures by factories in Bangladesh. However, since the Rana Plaza collapse in April 2013, which killed more than 1,100 garment workers, the following key steps have been taken:

- Accord signed on Fire and Building Safety in Bangladesh on May 13, 2013;
- Reform of Bangladesh Labor Law on July 15, 2013;
- Permission for reregistration of the local Bangladesh Center for Worker Solidarity (BCWS), the labor rights organization in Bangladesh whose activities were suspended due to cancellation of registration in 2010.

Key issues of Bangladesh Fire and Building Safety Accord 2013

International brands and retailers have failed to take voluntary actions to prevent disasters (e.g., fire, building collapse) in garment industries in Bangladesh. However, continued factory fires and building collapses in Bangladesh influenced international and Bangladeshi trade unions and labor rights organizations to prepare a safety proposal in February 2010. Then, after years of widespread consultations and discussions with various stakeholders, both within Bangladesh and internationally, the Accord ‘Fire and Building Safety in Bangladesh’ was formally signed by major partners on May 13, 2013 (see signatories in the following section). The Accord has been endorsed by the Secretary General of the United Nations (UN), the International Labor Organization (ILO), and the Organization for Economic Cooperation and Development (OECD), among others.

Of course, the Accord is a historical achievement in respect to achieving an agreement to improve workers’ safety and the working conditions in Bangladesh. It has addressed some significant issues, for instance, transparency and public documentation of inspection results. This important achievement of the Accord makes factory inspection results available to unions, labor rights groups, and mass media. The stipulated transparency includes those factories that will receive incentives for ensuring that all safety issues and risks are addressed. Based on the Accord, a three-person steering committee selects the independent inspector, who has the full authority to report the findings publicly, confirming that remediation has taken place without any interference.

The Accord emphasizes to empower workers, trade unions members, and managers. Although Bangladesh law requires the forming of workplace safety committees, it is very rarely practiced. Suppliers see trade unions as barriers. In the Accord, it is acknowledged

that without workers' empowerment and responsibility in safety training, there is little use of knowledge building for risk and safety at workplaces. The Accord gives the right to Bangladeshi trade unions to participate in workers' training through a training coordinator appointed by the steering committee. The Accord requires that all signatory factories establish joint worker–management health and safety committees in compliance with Bangladeshi law.

A key aspect of the Accord is the governance structure of a three-person “steering committee” with equal representation from labor and company signatories, and with a neutral chair (from ILO or UN specialized agency). In addition to the steering committee, there is an “advisory committee” that includes other brands and retailers, suppliers, unions, governments, and nongovernmental organizations. The advisory committee is formed to ensure that a wide range of stakeholders' views are represented in the implementation of the program.

“Dispute resolution” of the Accord is a binding and legally enforceable process based on standard international commercial arbitration models. Initially the disputes are referred to the steering committee for resolution using the United Nations Commission on International Trade Law (UNCITRAL Model Rules). If it fails to reach an agreement, it can be enforced by a court order under the New York Convention.

Is it breakthrough?

Some describe the Accord as a “game changer” (Ryan, 2013) and others state that the Accord is a “breakthrough” (Hensler and Blasi, 2013):

‘One of the most distinctive attributes of the recently signed Accord on Building and Fire Safety in Bangladesh (“Accord”) is that, unlike nearly all initiatives since the advent of global manufacturing to address the safety and wellbeing of supply chain workers, the agreement entails commitments by multinational enterprises that are legally enforceable’ (Hensler and Blasi, 2013, p. 1).

The Accord is definitely a breakthrough and game changer because of its achievement as an agreement, which is discussed in the following three points:

- Legally binding international and national agreement
- Government supports
- Strengthening of workers

Legally binding international and national agreement: After the “Spectrum” factory collapse in 2005, a draft proposal about fire and building safety was developed. Fire at “That’s It Sportswear” in 2011 influenced international and Bangladeshi trade unions and allies to present the “Bangladesh Fire and Building Safety Agreement” in a meeting. Only two buyers “PvH/Tommy Hilfiger and Tchibo” were included in the agreement. The agreement was renamed “Accord” over long negotiations and several changes in the past agreement. Finally in 2013 after the Rana Plaza disaster, the “Bangladesh Fire and Building Safety Accord” was signed by over 100 international brands and retailers (please see detailed list of signatories at <http://www.bangladeshaccord.org/signatories>),



IndustriALL Global Union, and UNI Global Unions. Bangladeshi unions that have signed the Accord include National Garments Workers Federation (NGWF), Bangladesh Independent Garment Workers Union Federation (BIGUF), Bangladesh Independent Garment Workers Federation (BIGWF), and Bangladesh Revolutionary Garment Workers Federation (BRGWF). Signatory NGOs (as witnesses) include Clean Cloth Campaign, Maquila Solidarity Network, International Labor Rights Forum (ILRF), and Workers Rights Consortium (WRC). In addition, the ILO and UN specialized agency agreed to act as an Independent Chair to the Steering Committee (Campaign, 2014). The Accord covers 1,800 factories in Bangladesh, which “mandates that both brands and the companies they source from fix building and fire hazards and ensures unions are a key part of this process” (Ryan, 2013, p. 1). The international character of the agreement with IndustriALL and UNI Global Unions signing an agreement with leading transnational corporations and local garment unions is an industrial relations breakthrough that possibly could be setting precedence for future agreements.

Bangladesh Government's support: Many government departments and official bodies have publicly supported the Accord. For example, the government has reformed the Bangladesh Labour Law on July 15, 2013 (e.g., to enable workers to more freely form unions), and further has taken steps to increase the salary of garment workers. The government has passed a law to increase the monthly minimum wage as 77% for entry-level garment industry workers from 3,000 taka currently to 5,300 taka (\$68) (Reuters, 2013). Allowances for food, rent, transport, and medical care are included in the new wage structure and workers' basic salaries will also be increased by 5% a year. OECD announced that they support the Accord as a robust and credible program. The Deutsche Gesellschaft for Internationale Zusammenarbeit (GIZ) GmbH announced it “welcomes this development (the Accord) as a key step on the road to a sector-wide approach for improving building and fire safety in the textile industry in Bangladesh” (Campaign, 2014, Q-17).

Strengthening of workers: In the Accord, it is acknowledged that without workers' empowerment there is little use of knowledge building for risk and safety at workplaces. In line of this understanding, the Bangladesh government has reregistered the Bangladesh Center for Worker Solidarity (BCWS). The registration was revoked in 2010, which caused to weaken and suppress labor interests. The Accord requires that all signatory factories support trade unions to participate in workers' training through a training coordinator appointed by the steering committee. Increasing the monthly minimum wage by 77% is also seen as strengthening garment workers' ability to improve social and living conditions.

Therefore, to summarize, the three discussion points above clearly highlight that the Accord is a breakthrough and game changer in relation to achieving a national and international agreement. In the following section, a brief discussion is presented to see if the Accord so far is a breakthrough in respect to implementation.

Is the Accord a breakthrough or game changer when it comes to implementation?

We do not know if the Accord is a breakthrough or game changer when it comes to implementation. For example, since the Accord was signed in May 2013, a new fire

accident at “Aswad garment factory” on October 8, 2003, killed at least 10 people. Even very recently on November 29, 2013, a huge fire accident was reported in “Standard Group garment factory.” Continuation of such events in the garments industries may raise questions about the effectiveness of the implementation of the Accord. Moreover, adopted new labor law (July 15, 2013) to boost workers’ rights, including the freedom to form trade unions, is also in a questionable state of effectiveness. A local newspaper commented on the issue as “trade union was implemented in some places, but not in the real sense. The trade unions should not be ‘pet associations’ of the owners. The trade unions should not be for the owners, but for the workers” (Star, 2013). The law also stipulates that factories must deposit 5% of annual profits in provident and welfare funds for workers—although fully export-oriented factories have been exempted (Al-Mahmood, 2013). This means that export-oriented garment factories will not have to contribute 5% of their profits even most of the tragedies, fire, building collapses, and poor working conditions today are linked to garment factories in Bangladesh.

The Accord has acknowledged workers’ empowerment through safety training and gives the right to Bangladeshi trade unions to participate in workers’ training program, which is managed through a training coordinator appointed by the steering committee. However, the objective of this empowerment could disappear if political party intervention and rivalries take over. For examples, various political parties attempt to gain strength from workers and their organizations. The political local elite have often joined trade unions to control and have benefits. Similarly, some trade unions want to be political insiders with clear intention to get involved in politics, such as manifested in voter mobilization, candidate endorsements, and campaign donations. As a result most trade unions are somehow linked with political parties and split by party lines in Bangladesh and more political-oriented leadership in trade unions has emerged. For example, the Awami League government maintained close contact with the workers through “*Jatiya Sramik League (JSL)*”. The Bangladesh Nationalist Party government did so through “*Bangladesh Jatiyatabadi Sramik Dal (BJSJ)*”. Ershad government did the same through “*Jatiya Sramik Party (JSP)*” (Ahmed, JSJ website visited 2013). Thus, the impacts of local trade unions’ political biasness might be an interesting aspect to observe regarding the effectiveness of the Accord and the possibility of improving working conditions.

Finally, the growing political uncertainty (nationwide strikes, blockade, etc) in Bangladesh due to fights over national election issues in January 2014 has had a negative impact on productivity in garment industries. This might increase production cost and could affect different initiatives to improve health, safety, and working conditions in garment industries in Bangladesh.

Conclusion

In conclusion, the “Accord on Fire and Building Safety in Bangladesh” is no doubt a historical achievement (breakthrough or game changer) in reaching an agreement by relevant national and international parties to protect garment workers from health risks in garment industries. It is now only a few months since the Accord was signed, and the growing political struggles (nationwide strikes, blockade, etc.) make the future uncertain for garment industries in Bangladesh to adopt many of the changes in the Accord. So we do not know and it is too early to say anything about the effectiveness in



implementation. In the future, industrial relation experts might be able to evaluate if it is a breakthrough in relation to implementation in changing the weak safety conditions in garment industries in Bangladesh.

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