



In the years since the Accord and Alliance were created, millions of dollars have been spent to improve conditions for factory workers.

BUSINESS

As Alliance Exits, Accord Faces Battle in Bangladesh

● While the Alliance gets ready to leave, the Accord is struggling for an extension.

BY MAYU SAINI

As the year ends, there is both a sense of completion – and uncertainty – among global brands and retailers who have been working for factory safety in Bangladesh for five years.

The last six months have been a scramble for extensions, arguments about work not done, about the efficacy and readiness of local teams monitoring safety in the future and the looming question about whether this is really the right time to leave.

The Alliance for Bangladesh Worker Safety, which is made up mostly of North American brands and retailers including Walmart Inc., Target Corp., Benetton Group, Primark and others has made it clear that it is time for a farewell.

“With an ecosystem of safety now in place, the Alliance is transitioning its widely renowned training program and help line to local partners who will continue to expand them to additional factories throughout Bangladesh,” said Jim Moriarty, executive director of the Alliance. “In these past five years, the Alliance, our member brands and the owners of Alliance-affiliated factories have achieved unprecedented progress toward the goal of improving safety in Bangladesh’s ready-made garment industry, while simultaneously helping to solidify Bangladesh’s standing as a global leader in garment exports. Maintaining this progress must remain an ongoing effort – and for our member brands, it will remain a priority long beyond the Alliance’s departure,” he said.

Going forward, he noted that “most Alliance member brands plan to work through a locally based organization to collectively monitor safety standards, training execution and help-line promotion in the factories from which they source as consistency in the level of safety achieved under the Alliance will remain a requirement of these brands.”

As the Alliance completes its mandate,

the annual report noted that 93 percent of remediation across Alliance-affiliated factories is complete, including 90 percent of items most critical to life safety. Nearly 1.6 million workers have been trained to protect themselves in case of a fire emergency, 28,000 security guards have been trained in fire safety and emergency evacuation procedures, more than 1.5 million workers have access to a 24-hour confidential worker help line – which has been transferred to local management and will soon be available to garment factories throughout Bangladesh – and 181 worker safety committees have been formed, giving workers a seat at the table with management in resolving safety issues within their factories.

Meanwhile, the Accord on Fire and Building Safety, which is made up of mostly European brands, led by H&M, has made it clear that their mandate would not quite be completed for another three years, until 2021, with the creation of a Transition Accord.

However, the continued presence of the Accord has been challenged in Bangladesh high court by a local manufacturer. While it is clear that there is government displeasure as well as that by local manufacturers, it is the high court judgement that will determine the course of the future of the Accord in Bangladesh.

Over the last one month, this has been hanging in the balance, with a hearing postponed several times. This week, the court has given a new date of Jan. 21, extending the moment of decision, and leaving the industry in suspense. This would also mean that the decision would be made after the Bangladesh elections, which are scheduled for Dec. 30.

Both organizations were formed in the aftermath of the collapse of Rana Plaza in April 2013, in which more than 1,100 workers were killed, and thousands injured. Both had mandated a five-year term. The Alliance covers more than 700 garment factories in Bangladesh, while the Accord has more than 1,500 factories. In these years factories have been inspected, and millions of dollars have been spent in fixing and improving conditions to ensure

the safety of workers.

Over the last few months, the Bangladesh government has also shown a growing restlessness with what they indicate is high time they were allowed to manage their own businesses.

“We will not extend the tenure any further,” Mujibul Haque Chunnun, state minister for labor and employment said in October, referring to the Accord. “The Remediation Coordination Cell is now ready to take over,” he said.

Factory owners in Bangladesh, too, have been expressing increasing annoyance at what they describe as “unreasonable demands on the part of the Accord. Even after completing five years of intense work and remediation in their factories, we are constantly held to shifting targets,” a factory owner who asked not to be named told WWD.

Siddiqur Rahman, president, Bangladesh Garment Manufacturers and Exporters Association, echoed the sentiment. “Bangladesh is now capable of implementing its own safety measures. It has been more than five years. I must say the Accord has done a lot for us, but there have been some attitude problems, leaving a lot of factory owners annoyed. We want the Accord to leave because of the changing attitudes. DIFE [Department of Inspection for Factories and Establishments] is ready to take over now, and has more than 200 inspectors. Every brand has their own compliance teams, there are auditors. It’s not that the Accord cannot leave Bangladesh in six years,” he said.

While some analysts have been wondering if it is turning into a power game between buyer groups and manufacturers, Mustafizur Rahman, distinguished fellow, Centre for Policy Dialogue, Dhaka pointed out, “It’s much more serious than that.”

“The Accord is concerned that some of the factories have not completed remediation yet and that their job isn’t quite done. But the BGMEA feel they are very intrusive and that the RCC [Remediation Coordination Cell] and the Transitional Coordination Committee

[TCC] is ready to take over.

“This is a very powerful business, and the pressure is extremely high, and leaders of the association are voicing their frustration as they want to get rid of the Accord,” he explained. “At the same time, there is a concern that if the Accord leaves Bangladesh, the efficacy of the work could be undermined and the remaining remediation will not be finished,” he said.

One of the main points, as Rahman pointed out, has been the “tough love” between the Accord and the BGMEA. “Accord has had an acrimonious relationship with the BGMEA and BGMEA was very much against any extension,” he said.

On Nov. 15, the European parliament passed a resolution calling on the Bangladesh government to allow the work of the Accord to continue beyond November.

The two global unions, IndustriALL and UNI Global as well as the retailers who are signatories of the Transition Accord, which has more than 200 signatories, made it clear that they do not believe it is the right time to hand over the continuing factory inspections to the Bangladesh government. At an executive committee meeting in Mexico of the IndustriALL last month, the executive committee passed a resolution calling on the government of Bangladesh to “guarantee that the Accord is able to continue its work in Bangladesh until such time as there is a competent national regulatory body with the capacity to take over its functions.”

“The Government of Bangladesh has set up a Remediation Coordination Cell to regulate garment factory safety. However, this body still lacks the capacity to take over the role of the Accord, despite claims to the contrary by the Government of Bangladesh,” it noted.

In a subsequent statement from the labor signatories and witnesses to the Accord, the unions said the Bangladesh government was “using proceedings before the Supreme Court of Bangladesh to prevent the Accord from operating, thereby putting workers safety at risk.”

The statement noted that “in its submission to the court regarding the Accord’s appeal against an order that it cease operating in Bangladesh from Nov. 30, the government has stated that the Accord should only be allowed to continue operations in Bangladesh under a set of highly obstructive constraints, which strip the globally respected safety initiative of its ability to operate independently of government and employer control. The constraints include that this will be the last extension allowed to the Accord maintaining its office in Dhaka.”

The Accord also reacted by saying that if the court instructs the Accord to leave, they will stop business with 500 factories, citing that the RCC, which was set up the government in May 2017, does not have the required monitoring strength and that the retailers, brands, and labor will all be put at risk by the Accord leaving as being cited by signatory brands as essential for continuing production from Bangladesh.

BGMEA’s Siddiqur Rahman said it was a matter of concern that “on the one hand, they say they are supporting the labor in Bangladesh. On the other, if they stop business with 500 factories, it will be against the workers.”

“They say they are working for workers’ rights. If they leave 500 factories, millions of workers will be jobless. Who will take responsibility? They want jobless workers?” he asked. “We don’t have a problem with the Accord. But they should not create unnecessary pressure for factory owners.”

Meanwhile, the new wage board salary kicked in from Dec. 1 with the minimum wage being set at 8,000 taka (\$95.35), an increase of 51 percent from the previous 5,300 taka, or \$63.17.