Two global unions, four labor rights organizations and 23 apparel brands and retailers agreed in late June to amend and extend the ground-breaking Bangladesh Accord on Fire and Building Safety that has led to safer working conditions for 4 million garment workers in the world’s #2 apparel producer. The legally-binding agreement, initiated in 2013 following the Rana Plaza building collapse that killed 1,138 workers in Dhaka, is a success story that could improve working conditions in other countries and global supply chains.

The new Accord agreement, which goes into effect in May 2018 when the current Accord agreement expires, strengthens several aspects of the original program. These include reinforced protections for workers against retaliation for expressing safety concerns and for seeking to organize a union; mandatory severance payments for factory closures; tightened requirements to correct identified hazards in a timely fashion; and improved dispute resolution between the brands and unions.

The new agreement builds on the original five-year Accord that involves 217 clothing brands and retailers covering 2.5 million workers in more than 1,600 factories in the “ready-made garment” industry. The industry produces 80 percent of Bangladesh’s export earnings and is second only to...
Other enhancements of the original Accord program include: “freedom of association” rights under ILO conventions to organize factory unions as an important method of developing scheduled termination in May 2021.

The Accord will continue to function in close collaboration with the ILO, other international efforts, and the Bangladesh government with the ultimate goal of handing the program over to competent, sufficiently resourced national regulatory agencies. In fact, the Steering Committee will evaluate in December 2019 whether the Bangladesh government agencies are able to take over the program, or to continue with the Accord until the ultimate goal of handing the program over to competent, sufficiently resourced national regulatory agencies. In fact, the Steering Committee will evaluate in December 2019 whether the Bangladesh government agencies are able to take over the program, or to continue with the Accord until the

More than 350 new labor and fire service inspectors have been hired by the Bangladesh government as part of a “National Action Plan” to improve workplace safety throughout the national economy. The ILO and others have trained thousands of government inspectors, factory supervisors and managers, and workers and their unions on basic occupational safety and health topics.

Besides the Accord, there is a second private sector effort to strengthen worker safety. The Alliance for Bangladesh Worker Safety involves 26 brands in the US and Canada, and covers about 600 factories. It is a corporate-only effort that has mirrored some aspects of the Accord program, but does not report publicly on progress in correcting hazards and has already declared that it will cease operations in May 2018.

Elements of the New Accord

The structure of the new Accord will remain the same with a Steering Committee composed of three brand and three union representatives with the ILO acting as the neutral chair. The Accord’s Chief Safety Inspector will continue to report to the Steering Committee, and will remain autonomous in the implementation of the program. Funding for the organization is provided by the member brands based on their size and level of production in Bangladesh. The Accord is a legally-binding agreement between the brands and unions. Disputes are resolved in binding arbitration by the Permanent Court of Arbitration at The Hague and enforceable by court action in the brands’ home countries.

The brands which have signed on for the new Accord include major European clothing brands – C&A, H&M, Inditex (Zara), Primark, Tchibo and KiK – as well as the US-based Phillips-Van Heusen (PVH) Corporation. PVH brands include Calvin Klein, Tommy Hilfiger, Speedo, Warner’s and Olga. It is estimated that about 1,000 of the current 1,660 Accord factories and 1.5 million workers will continue to be covered by the new Accord after May 2018.

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In addition to completing the correction of all hazards identified during the first Accord, the new Accord will also focus on protecting workers’ “freedom of association” rights under ILO conventions to organize factory unions as an important method of developing meaningful worker participation in health and safety programs.

Other enhancements of the original Accord program include:

- Incorporation of all suppliers (including sub-contractors) of the signatory brands into the requirements of the Accord;
- Mandatory and time-bound deadlines for factory hazard corrections;
- Reiterated responsibility on the part of international brands to provide incentives, direct or facilitated financing to factory owners to ensure timely repairs and renovations;
- Mandatory severance pay up to six months for factory closures;
- Protection of workers’ “right to refuse” unsafe working conditions, including in buildings with fire and imminent structural collapse hazards;
- Incorporation of “freedom of association rights” into factory training programs, as well as OHS topics; and
- Clarified timelines and mediation opportunities in dispute resolution procedures.
Possible Expansion of the Scope of the OHS Program

The new agreement also lays the basis for an expansion of the scope of the Accord, on a “voluntary basis” as decided by the Steering Committee, both in the types of factories and in the types of hazards covered by the new Accord.

On June 1, 2017, a fire broke out at the Pakiza Textile Ltd. factory in Dhaka which injured more than 21 workers. Since 2013, local media have reported that more than 100 workers have been killed in factory fires in the textile sector. The Accord’s current jurisdiction is restricted to garment assembly plants.

If these factories are included in the new Accord, an estimated 1,000 to 1,500 additional factories will be covered after May 2018.

Boiler inspections are also not currently part of the Accord program, despite a history of fatal boiler explosions in Bangladesh, including at a plastic packaging factory last year. Earlier this month, at least 13 workers were killed, and more than 50 injured, on July 3, 2017, when a boiler exploded at the Multifabs Ltd. garment factory in Dhaka. The pressure relief valve of the 20-year-old boiler failed, causing an explosion and fire in the 6,000-worker factory and a partial collapse of the four-story building. Fire-rated walls around boilers are part of Accord requirements, but the explosion at Multifabs Ltd. breached the wall and spread the fire from the ground floor to upper floors.

The Accord’s witness signatories have proposed expanding the Accord’s inspection protocols to include the equipment and operations of boilers, electrical generators, natural gas lines, and freight elevators.

Factory Owner Opposition to Accord Extension

The extension of the Accord beyond May 2018 and proposed scope revisions of the new Accord are strongly opposed by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

An emergency meeting of BGMEA members is scheduled for late July to oppose the “unilateral extension of the Accord” and to petition the government to intervene and prohibit the new Accord. The employer organizations object to the new Accord’s greater emphasis on the rights of workers to organize and join a union, and the enhanced protections for workers whose factories are closed or relocated for safety reasons.

BGMEA Vice President Mahmud Hasan Khan proposed that the government strengthen the recently formed “Remediation Coordination Cell” – the RCC is a joint effort of several government agencies tasked with overseeing the elimination of identified safety hazards at garment factories – so that it can take over all safety activities in the industry in 2018.

Controversy over the Accord Model

The proposed expansion of jurisdiction and scope in the new Accord highlights a controversy among some labor rights advocates. Is the Accord is a model that should be expanded to other countries and the supply chains of other consumer products? Or is it an example of corporate-funded privatization of regulatory functions (inspections, mandatory hazard correction, and worker rights protection) that should be conducted by governments?

Unions and labor activists in the United States, Canada, Australia and the European Union have consistently opposed “third party monitoring” financed by corporations in lieu of government inspections of labor rights, including health and safety.

It is widely recognized in the OHS profession that safe workplaces depend on strong government regulations and enforcement combined with genuine participation by workers and their organizations, and management commitment and resources for effective factory-level health and safety committees and programs. The question is what to do when these elements simply do not exist, as is the case in Bangladesh and in many other countries which are part of global supply chains.

Accord model proponents have responded that reliance solely on the Bangladesh government – notorious for its corruption, lack of financial and technical resources, and the overwhelming influence of factory owners – means condemning garment workers to uncontrolled hazards that have caused hundreds of deaths and injuries in the last decade.

The Accord is substantially different from the standard corporate-controlled and -financed CSR programs in several important ways:

- It is a legally binding agreement between unions and corporations where the workers’ representatives have an equal voice and vote, and there is an enforceable dispute resolution process;
- The inspection procedures are genuinely independent of the companies, and all the inspection findings, mandatory corrective action plans, and progress of implementing these are publicly reported and posted on the internet; and
- Workers’ rights to participate in factory health and safety programs, to refuse unsafe work, and to organize for a collective voice are explicitly recognized in the Accord, and there are meaningful penalties set for violations of these rights.

In the words of the global union leaders who signed the new Accord:

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In the words of the global union leaders who signed the new Accord:
"The Accord is, at present, the only credible option for health and safety in Bangladesh garment factories. It shows that industrial relations can be used to save lives and improve global supply chains," said Valter Sanches of IndustriALL.

Christy Hoffman of UNI Global declared,

"simply put, this model of accountability and transparency works. The first agreement is saving lives, and the 2018 Accord strengthens worker protections by explicitly acknowledging the role unions play in making work safe."

Lynda Yanz of Canada’s Maquila Solidarity Network noted

"the Accord has not yet met all of its goals, but it has already distinguished itself as a huge advance over all the initiatives that preceded it. The agreement has unquestionably been challenging to implement and it has encountered many bumps in the road, with renovations running well behind schedule in many instances. However, the progress achieved is real, it involves tens of thousands of documented safety improvements, and it has reduced risks for millions of workers."

The debate over the most effective method – or combination of methods – of improving working conditions and protect workers’ rights in global supply chains will no doubt continue, especially for countries where the government is weak or corrupt or both. But the Bangladesh Accord has already demonstrated real progress and it is an experiment that deserves close study and consideration in a global economy which gets more harsh and pitiless for working people every day.

Garrett Brown is a certified industrial hygienist who worked for Cal/OSHA for 20 years as a field Compliance Safety and Health Officer and then served as Special Assistant to the Chief of the Division before retiring in 2014. He has also been the volunteer Coordinator of the Maquiladora Health & Safety Support Network since 1993 and has coordinated projects in Bangladesh, Central America, China, Dominican Republic, Indonesia, Mexico and Vietnam.