

## Supply Chains

### Rana Plaza five years on – safety is greater but not guaranteed

Conditions improve but activists and manufacturers say government must regulate



The scene around Rana Plaza on the day it collapsed as people waited for news of their relatives working inside the building © Reuters Amy Kazmin in New Delhi YESTERDAY

Five years ago today, Rana Plaza, an eight-storey factory building on the outskirts of Dhaka, collapsed killing 1,134 Bangladeshi garment workers making low-cost clothing for some of the west's biggest retailers, including Primark and Walmart.

International horror at the calamity — after other lethal accidents in Bangladeshi garment factories — prompted speculation that Bangladesh's [clothing industry](#) would itself [collapse](#), as image-sensitive western brands retreated.

But under fierce pressure from labour rights groups to [salvage](#) an industry that accounts for 4m jobs and 80 per cent of exports, western groups instead pledged to help suppliers [upgrade](#) their safety standards — and stop patronising those that did not.

Since then, labour activists and analysts say safety conditions in Bangladesh's garment industry — the world's [second-largest](#) after China — have improved dramatically. Meanwhile, its garment exports rose to \$29bn in 2017, up from \$23.5bn in the year of the catastrophe, according to industry figures.

“Rather than seeing companies leave, we wanted to see the industry [cleaned up](#),” said Scott Nova, executive director of the non-profit Workers Rights Consortium. “It’s been slower than we wanted. Many factories still have work left to do. But it’s a radically safer environment for 2.7m workers.”

Rubana Huq, managing director of the Mohammadi Group, a large garment maker that supplies brands including H&M and Zara, agrees that “the sector has gone through a serious correction . . . there is a huge, positive transformation”.



Rana Plaza collapsed on April 24, 2013, killing more than 1,000 people and injuring another 2,000-plus workers © AP

After the Rana Plaza catastrophe, more than 220 mostly European retailers and brands signed the Accord on Fire and Building Safety in Bangladesh, a five-year agreement that set new standards of transparency and accountability for a notoriously secretive industry.

Signatories made binding commitments to ensure suppliers met fundamental safety standards — and to buy garments at rates that allowed factories to operate without cutting corners.

The deal also empowered an independent inspectorate to stop brands from patronising factories that would not, or could not, operate safely and established a dispute resolution process that culminated in the Permanent Court of Arbitration in The Hague.

“It was groundbreaking on so many levels,” said Ben Vanpeperstraete, director of lobbying and advocacy for the Clean Clothes Campaign, adding: “to improve working conditions you need people being accountable — and that is what happened in the accord”.

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It was, said Mr Nova, a “private [regulatory programme](#) intended to achieve what the government would do if the government had its act together”.

H&M was among the first brands to sign up to the accord and said it sees such collaborations as “a good way of addressing industry wide issues”.

**Ben Vanpeperstraete**

According to Penn State's Centre for Global Workers Rights, the accord has substantially delivered on its core mission. Since 2013, more than 1,600 factories have been inspected and nearly 132,000 "high-risk fire, structural and electrical safety concerns" identified, including lack of electrical circuit breakers and inadequate fire exits.

Inspections also revealed 50 buildings with "severe and imminent risk of structural failure" — like Rana Plaza — which were immediately evacuated until they could be reinforced.

Today, 84 per cent of the initial problems have been fixed; 96 factories were barred from supplying accord brands for failing to undertake required safety renovations. In 2016, international unions launched formal arbitration proceedings against two global fashion brands for failing to meet their obligations; the disputes were subsequently settled.

New factories are also coming under the accord's purview, while another five-year initiative — set up by 29 large US brands unwilling to make the kind of binding legal commitments entailed in the accord — has overseen safety improvements in more than 600 factories.

But according to the Penn State report, other working conditions remain poor, such as low wages and long hours. Factories are hostile towards attempts to unionise workers; and safety conditions in some factories supplying western brands remain inadequate. Covert subcontracting to factories below global buyers' radar is still also thought to be a problem.



Inspectors working for the Accord on Fire and Building Safety in Bangladesh identified nearly 132,000 'high-risk fire, structural and electrical safety concerns' © Bloomberg

The accord was intended to wind up after five years, but more than 140 brands have signed a three-year extension.

The International Labour Organisation, activists and local factory owners say it is now time for Bangladesh's government to regulate industrial safety.

“The time for self-monitoring has arrived,” said Ms Huq. “It’s high time for the accord and alliance [for Bangladesh Worker Safety] to leave. If we really want to address this collective and national tragedy, we have to be responsible for our own safety. We have to be proactive about our own corrections and our own tomorrow.”

This month, the Bangladesh High Court — acting on a petition brought by an aggrieved denim producer whose premises were deemed unsafe — ordered the government not to extend the accord's tenure, raising further uncertainty.

But activists are confident the work will carry on. “There is a private agreement between unions and apparel brands and there is no legal reason for the courts to restrict its continued operation,” said Mr Nova.

Bangladesh faces other challenges. It is likely to shed its UN status as one of the world's “least developed countries” in 2024, losing its duty-free access to the EU. Competition from [African countries](#) — where some Bangladeshi garment makers are also setting up factories — is also increasing.

But Ms Huq said safety would remain a priority for garment exporters, adding that Bangladesh had to be seen as “one of the safest manufacturing hubs in the world”.

*This story has been amended to remove incorrect references to H&M and Inditex as buyers of clothing from factories located within the Rana Plaza.*

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