

The Bangladesh Accord - a model to secure workers rights in global supply chains?

By Frauke Banse

After the collapse of the Rana Plaza Building in Bangladesh in April 2013, there was massive public outrage on retailers and brands in Europe. It was under these conditions that a coalition of Bangladeshi unions, workers' rights organisations such as the Clean Clothes Campaign (CCC) and the Workers' Rights Consortium (WRC), and the global union federations IndustriALL and UNI Global Union was able to establish the Accord on Fire and Building Safety in Bangladesh. This agreement, known as the Accord, was to be signed by brands and retailers sourcing from Bangladesh. It is legally binding and has high standards of transparency. Labour and capital are represented equally in the governing body of the Accord, and workers' health and safety committees, with at least 50% of representatives drawn from labour, have to be established in the factories covered by the Accord. The Accord provides the chance to reduce the incidence of deadly accidents in Bangladesh's garment industry. Due to heavy public pressure, more than 200 companies have so far signed the Accord. It now covers more than 1 600 of nearly 6 000 Ready Made Garment (RMG) factories in Bangladesh (BGMEA, 2014; Accord, 2015).

IndustriALL (2013a and 2013b) sees the success story of the Accord as a potential model for new forms of global industrial relations.¹ Similar sentiments were raised by the International Trade Union Conference (ITUC) and the German retailer KiK (ITUC, 2014; KiK, 2013). However these sentiments tend to overlook, first, the specific circumstances under which the Accord came into being and, second, the problems of practical implementation.

Circumstances of the treaty's emergence

The Accord is a reaction to the weaknesses of the associational and structural power² of garment workers in Bangladesh. The workers have indeed a great potential to paralyse the country's economy – the RMG industry is its most important export industry. However, lack of job security among garment workers weakens their structural power. In addition, the labour laws are pro-capital or weakly implemented, and trade union density at less than 2% weakens the associational power of garment workers.

Despite numerous deadly factory accidents in the years before Rana Plaza, the government continuously neglected factory inspections. The combination of weak union power and strong representation of garment-capital interests in state structures led to workers relying on international solidarity to improve safety in their workplaces. Years before the Rana Plaza collapse, there was an initiative by Bangladeshi trade unions, workers' rights organisations and global unions to draft and campaign for a binding international agreement which laid the basis for today's Accord.

The coalition made use of the weak but existing power³ resources of the Bangladeshi unions and added symbolic power. The human rights discourse ("No more deaths in Bangladesh's garment factories!") was disseminated to a broad international public, targeting the image of the international brands and retailers. The agreement finally came to life as a result of the human catastrophe of the Rana Plaza. Before this, public pressure was not high enough to force companies into signing a treaty that legally bound them to improve their supply chains.⁴ Nobody wishes that such a window of opportunity happens again, but any agreement negotiated with less media pressure risks being boycotted or heavily watered down by the brands and retailers.

Clothes for export – relatively easy to campaign on

Creating public pressure in the countries importing garments was possible because the RMG industry – which comprises the cutting and sewing of clothes – is the last step in the garment value chain. Even though the network of RMG suppliers for Western companies is deliberately difficult to track, RMG is the part of the value chain where the retailers and brands give their direct orders to the factories, even if processed by middlemen. In case of workers' rights' violations, business relations can often be traced to the buying company abroad. In earlier parts of the value chain such as dyeing or spinning, this is hardly possible. Consequently, it would be close to impossible to build sufficient public pressure to ensure a high standard international agreement such as the Accord for preceding parts of the value chain.

Taking the Accord as a model tends to overlook another factor: it is difficult to go beyond clothes. Campaigning for the Accord was only successful because the Clean Clothes Campaign could activate its twenty year old network in fifteen European countries and launch an intense media campaign. So far, there is no well-established equivalent for pan-European campaigning on other goods. Furthermore, the image of garments is much easier to attack than the image of other globally produced goods such as cans, cables, coffee machines or radios.

Limitations of addressing companies

Even if public pressure can be built around a product, it always gives capital the chance to recreate or even upgrade its image after the demands are (partly) met. Replications of Accord-like campaigns will create space for companies to use them in their PR work – without fundamental changes to their overall supply chain. Furthermore,

treaties between international capital and labour such as the Accord tend to relieve the state from its responsibility to secure the respect of national and international laws. These types of treaties should be negotiated only in exceptional cases and with a clear strategy on how to improve, for example, state-led factory inspections, not only for the RMG industry.

Words are yet to become reality – implementation and monitoring of the Accord

The question of whether the Accord is a model for other problems in global supply chains is not only related to the question of symbolic power. It is also related to the capacities needed to ensure satisfactory implementation (see critically Khan and Wichterich, 2015). The national and global unions responsible, as well as the labour NGOs involved, have limited resources. Handling several intense monitoring processes could be challenging. Another challenge is the capacity of these organisations to bring violations to court. The binding character of the Accord is ensured by its reference to the so-called New York Convention, and violations of the treaty can be taken to the appropriate national court. But this requires significant legal capacities, which are often not easily replicated. A similar problem emerges with the capacity of local trade unions in Bangladesh to use the guaranteed right to 50% labour representation in the workers' health and safety committees in factories covered by the Accord. The rights is used by the local unions but it will, due to their very limited resources, probably only be used in a few of the factories covered by the Accord. In many other factories, yellow unionism or pro-management committees is very likely (Khan and Wichterich, 2015).

Learning not replicating

The Accord is worth learning from: from the text, from the conditions that brought it into life and from the challenges of implementation. In this learning process, broader aspects of the international political economy should be taken into account. These include increased global competition through increased liberalisation of trade in garments and of investment regulations as well as the lack of legal regulations to hold capital accountable. Weak state-led factory controls can attract investment and enable capital to produce at cheaper prices.

Moreover, the practice of global outsourcing in the production of garments has created a network of legalised irresponsibility. It is difficult to take sourcing companies to court for violations of workers' rights earlier along their supply chains. If laws were improved and precedents set, in the producing countries as well as in the brands' home countries, this would also have a preventive effect. Only in an international culture of impunity does a treaty like the Accord becomes necessary.

¹ "Successful implementation of the Accord in Bangladesh will create a model for other parts of the world and other industrial sectors that are equally in need of attention but have not suffered the same headline-grabbing events as Bangladesh" (IndustriALL 2013a).

² In a discussion on trade union renewal, Wright (2000: 962) identifies two main sources of workers' power: associational power and structural power. The structural power of workers is a result of their position in the economic system. Associational power results from the organi-

sation of workers in organisations such as trade unions, works councils or community organisations.

³ Symbolic power can be seen as one form of associational power, taking its strengths from a normative argument on what is right or wrong. It can be used to compensate weak structural power of workers and unions. If symbolic power is applied, unions do not only orientate on the workplace itself, but intervene in public domains. Trade unions often use this power resource in coalitions with other civil society organisations (McGuire 2013: 31; Webster et al. 2008: 12).

⁴ The predecessor of the Accord was rejected by the companies, despite intense campaigning. See for the history Clean Clothes/ Maquila Solidarity Network 2013

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