



CSR in the Textile Sector: European Fashion Firms and the Bangladesh Safety Accord

Mikhail Aridov / Vanessa Becker / Jiyue Liu / Anne Werner

State Polytechnic University, St. Petersburg, Russia / Technical University of Applied Sciences, Wildau, Germany

Abstract. *The textile industry has long been criticized for irresponsible and dangerous labour conditions in its global supply chain, particularly in very poor Asian countries like Bangladesh. The April 2013 collapse of the Rana Plaza building in Bangladesh came to be a catalyst for reaching an agreement with international labour unions: the Bangladesh Safety Accord was created. This article analyses the Accord, the involvement of European fashion companies such as Primark, H&M and Inditex, the connection with Corporate Social Responsibility (CSR) programmes, and the outlook for improved industry standards in manufacturing clothing.*

Keywords: Apparel and garment industry, Asia, Bangladesh Safety Accord, Clean Clothes Campaign, consumers, corporate social responsibility (CSR), ethics, fashion, health, International Labour Organisation (ILO), labour conditions, labour unions, occupational safety, sourcing, textile industry

Authors: Mikhail Aridov has been a student in the European Management programme at Wildau and is now a master's candidate at St. Petersburg State Polytechnic University, Russia. Vanessa Becker, Jiyue Liu and Anne Werner are master's candidates in the European Management programme at Wildau.

Introduction

Recent events have drawn tremendous attention to those countries producing the majority of the Western world's consumer textiles. Unfortunately, this attention is of a pure negative nature, as working conditions, including health and safety standards, are either of very poor levels or even not in existence at all. After the April 2013 collapse of the eight-story "Rana Plaza" building in Savar, Bangladesh, worldwide media attention and strong criticism of the textile industry forced fashion firms to take action. The Bangladesh Safety Accord was created to improve working conditions and safety standards of Asian clothing manufacturers. This article analyses the Accord and evaluates whether this initiative is actually able to fulfil its aims.

The article first gives an overview of the Asian textile market with a focus on the situation in Bangladesh. The urgent need to manage the accidents and their aftermath is presented together with how countries like Bangladesh are involved in the products one can find in a European clothing shop. As examples, three European firms have been chosen to illustrate an

industry which is known for its hunt for cheap manufacturing opportunities. The article introduces these companies' Corporate Social Responsibility (CSR) programmes and how they can relate to the problem at hand.

The article's main part is an examination of the Bangladesh Safety Accord. It shows how the Accord is organised and what impacts the Accord will have on company signatories in terms of costs, reputation and influence. The article concludes with a critical evaluation of the Accord. It assesses whether the Accord is able to change the textile manufacturing industry in Asia, what its deficits may be, and whether the Accord is able to reach a change in the attitudes and operations of large European clothing companies and the global textile industry.

Market overview

The global textile and apparel industry today places great importance on Asian sourcing markets. This pertains to raw materials, intermediate supply chain work, and manufacturing ready-made garments for export. From 2000 until 2011, many Asian countries succeeded in creating enormous growth in exporting textile and apparel products mainly to Western retail companies.

According to Yen (2012), China exports increased from US\$53 billion in 2000 to \$248 billion in 2011, India's export grew from \$11.9 to \$29.4 billion, Bangladesh's export showed a five-fold growth from \$4.3 to \$21.5 billion in the same period, Vietnam's and Cambodia's grew as well, up to \$16.9 and \$4.1 billion, respectively.

This tendency can be partially explained by low labour costs, improvements in quality and skills, as well as infrastructure improvements. The dense network of major cotton suppliers, yarn spinners and fabric mills has also contributed to this growth.

The modern history of the textile industry in Bangladesh goes back to 1972, when the country gained independence from Pakistan. All companies in this industry were nationalised under the Bangladesh Textile Mills Corp. (Pelot, 2008). Later on, most companies were privatised and formed associations such as the Bangladesh Knitwear Manufacturers and Exporters Association and the Bangladesh Garment Manufacturers and Exporters Association, which represent about 1,500 and 4,490 companies, respectively (Pelot, 2008).

According to the Bangladesh Board of Investment, the ready-made garment sector has contributed significantly to

Bangladesh's export and consisted of around 80 percent of total exports in 2011. Mainly exporting goods are going to retailers in the European Union (60 percent of total exports) and to the United States (32 percent) (Pelot, 2008). Also the importance of this sector is described by the number of companies operating there, accounting for around 5,150 firms in 2011, providing jobs for 3.6 million workers in the sector (BOI, 2013). The Bangladeshi government established supporting measures in order to attract foreign investment in this sector by organising Export Processing Zones (EPZ). According to Pelot (2008), they feature

- customs- and tax-free importing of capital-intensive machinery, equipment and raw materials,
- duty-free exports of goods produced in the zones,
- ten-year tax holidays,
- exemptions on income tax on salaries paid to foreign nationals for three years,
- dividend tax exemptions for the tax holiday period.

As attractive as EPZs are to investors, they have been harshly criticised for their neglect of workers' rights. For example, Masud et al. (2013) state there is almost no freedom for garment workers to join a labour union to protect their interests.

According to Pelot (2008), recent years in Bangladesh have seen ongoing labour union demonstrations in an effort to achieve a higher minimum wage, regular days off and safer working conditions. In order to work with the issues, the Bangladesh government developed a collaborative programme with the International Labour Organisation (ILO) to eliminate child labour, fulfil workers' rights in the EPZs and implement applicable international labour standards.

Recent incidents in factories

Incidents in the Bangladeshi garment industry are not something new, they have been happening just as long as the industry exists and grows. In the recent past, from 2006 until 2009, fire accidents were following one another over time, and they add up to 213 fires in factories with 414 workers having being killed. In 2010, 21 incidents were recorded with 79 workers losing their lives (Clean Clothes Campaign, 2012). For example, on 24 November 2012, a fire took lives of 117 peoples, and more than 200 persons were seriously injured. The accident happened when the Tazreen Fashion factory burned down in the Ashulia district on the outskirts of the capital city Dhaka (Masud et al., 2013).

The most severe incident happened on 24 April 2013 in a sub-district Savar, near the capital of Dhaka, where an eight-story commercial building, the "Rana Plaza," collapsed. The building housed five garment factories with around 5,000 employees, several shops and a bank (Masud et al., 2013). As it was stated on 14 June 2013, 1,127 people were found dead and 2,438 people had been rescued, while 98 persons were missing. "We never were able to get a full accounting from the factory owners", said an army captain involved in the rescue mission (Ahmed & Lakhani, 2013).

This accident raised global public attention to the problem of fire and safety conditions in the garment factories in Bangladesh and became a starting point for improvement planning. But six months later, another accident happened: another fire broke out in the factory on the outskirts of the capital and at least seven people were killed in the accident (Ahmed, 2013).

All these tragedies have shown the urgent need to manage them, not only in a reactive way, but also by focusing on preventing such disasters by establishing proactive mechanisms. Media coverage of the dramatic incidents was worldwide. International labor unions and NGOs – such as the Clean Clothes Campaign (formed in 1989) – seized the opportunity

to bring on relevant negotiations while firing up public pressure through media, street and online petition campaigns (for example on Avaaz.org). Unlike earlier brand-targeting campaigns and boycotts, this time a broader coalition was ready for a bold move.

European fashion firms and CSR

European fashion firms import many of their articles from Asia and are thus connected to the generally poor labour standards in Asian factories. At the same time, they have subscribed to Corporate Social Responsibility (CSR), which includes not only environmental safeguards and ecological sustainability but also a commitment to taking responsibility for sourcing ethics and conditions for their workers. Obviously, the hazards manifested in their Asian suppliers' factories do not shed a positive light on the implementation of CSR in the supply chain.

In this section an overview about three European fashion firms is provided. The CSR activities of Primark of Ireland, Hennes & Mauritz (H&M) of Sweden, and the Inditex Group of Spain are briefly described and contrasted with recent media exposure. The three were chosen as representatives for the Western fashion retailing world, which covers very cheap (Primark) to medium (H&M) to medium-high (Inditex) pricing retailing segments.

Primark (Ireland)

Primark is a subsidiary company within the Associated British Foods Group (ABF). The company was launched in 1969 in Ireland trading as Penneys; in Ireland, Primark still uses the Penneys brand. In 2009, Primark opened its first store in Germany. Since 2011, Primark has been rapidly expanding in the European market and had, in January 2014, in total 268 European stores (Primark, 2014a). Primark sources the majority of its products from Bangladesh, India, China, Vietnam and Turkey. As most retailers, Primark does not own the companies or factories which produce their goods (Primark, n.a. a).

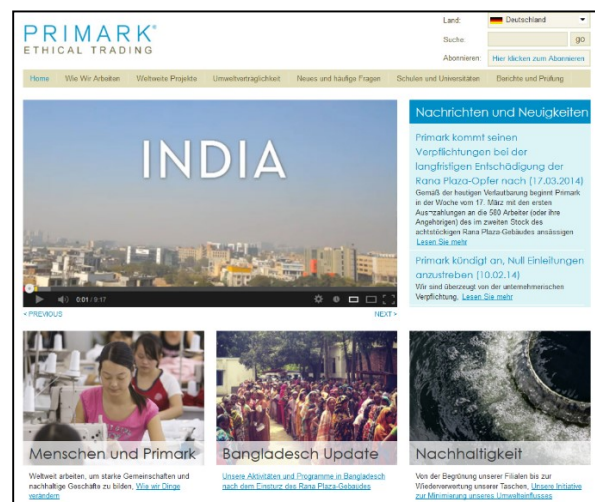


Figure 1. Primark's Ethical Trading website, here in German (www.primark-ethicaltrading.de) in April 2014.

Regarding CSR, Primark offers many programmes which are explained on a dedicated "ethical trading" website. The company's CSR programme considers the working conditions on the one hand and environmental sustainability on the other hand. The working conditions and Primark's core principles, which have to be followed by all suppliers and factories, are set in their Code of Conduct – this is based on the "Ethical Trading Initiative" base code (founded on the conventions of

the International Labour Organisation). (Primark, n.a. a). Furthermore, Primark has various social partnerships and provides several programmes such as school projects in the UK, financial inclusion for workers in India or a women's health programme in Bangladesh. This latter "HERproject" is meant to empower female workers through health care and health education (Primark, n.a. b). Environmental sustainability of Primark is covered by cleaner production and sustainable cotton programmes. However, Primark does not provide information where its cotton comes from, and the firm is not buying raw cotton directly itself – therefore, these programmes are questionable (Primark, n.a. c).

In June 2008 Primark came under suspicion of employing child labour, exposed by the BBC's investigative Panorama programme. Newspapers headlines asked, "Is this the end for Primark?" (Hickmann, 2008). These accusations could be repelled after long investigations and a comprehensive review by the BBC Trust. It was announced that the broadcast had used fake material (Channel4, 2011). Primark received negative headlines after the accident in Bangladesh in 2013 (Guyot, 2013). Primark paid compensation to the Bangladesh factory victims, which was noted in the news as well (Reuters, 2013).

Hennes & Mauritz (Sweden)

H&M Hennes & Mauritz AB is one of the most prominent multinational retail clothing companies. It was established in 1947 and has become a leader in the global textile business (H&M, 2013). The group with 3,000 stores in 53 countries consists of six independent brands: H&M, COS, Monki, & Other Stories, Weekday and Cheap Monday (H&M, 2013). H&M works with 800 independent suppliers mainly in Asia and Europe, not owning any factory itself (H&M, 2013).

In regard to CSR activities, H&M promotes its sustainability strategy as one of its major elements in doing business. Interestingly, H&M was named among the 2013 World's Most Ethical Companies (MWE, 2013).

Seven specific commitments are raised by H&M concerning both environmental and social sustainability. The environmental challenges include sustainable raw material, energy efficiency and waste reduction while the social aspect is mainly aimed to improve working conditions of their suppliers and build community dialogues.

As the major principle to guide the sustainability work, H&M's Code of Conduct outlines the requirements on all suppliers and their subcontractors (H&M, 2013). H&M produced a series of short films, including two on fire safety which it claims more than 570,000 workers in Bangladesh have seen (H&M, 2013). Moreover, H&M has established regional programmes. In the 2012 annual sustainability report, for the first time H&M made public the names and addresses of their suppliers (H&M, 2013). H&M is one of the few retailers to publish information on their suppliers.

Some stories about labour practices spread in the media are less positive. The Garib & Garib fire disaster in Bangladesh in 2012 took 21 lives away. H&M was criticised of claiming that the company is a "minor producer" and less responsible for auditing this supply firm (Claeson, 2010). It was also involved in the child and forced labour in Uzbek cotton harvests resulting in a new strengthened cotton commitment (Doward, 2012).

Inditex Group (Spain)

Founded in 1985, Spanish corporation Inditex is one of the biggest fashion players worldwide (Inditex, 2013a). More than 6,000 stores in 86 markets were in place around the world in 2012 (Inditex, 2013b). The main market is Europe which comprises 66 percent of the stores, leaving North America with 14 percent and Asia and the rest of the world with 20 percent of the stores. The Inditex Group covers several brands

and shops, the most popular ones are Zara, Pull&Bear, Massimo Dutti and Bershka. There are four more brands in the umbrella group. Regarding sourcing, 672 suppliers out of 1,434 in total are situated in the Asian market in 2012, followed by EU and Non-EU European suppliers (Inditex, 2013b).

Inditex' CSR activities are highly promoted in an annual report and the company's website. The CSR programme is divided into social and environmental concerns, including sustainability efforts and strategic planning for achieving a zero discharge of emissions and a responsible global water management on the environmental side. The social dimension encompasses the establishment of CSR offices all over the world to ensure internal and external auditing of standards and the compliance to Code of Conducts are kept. All suppliers are meant to comply with these codes in order to foster human rights, safe conditions in the workplace and the development of the local communities Inditex is sourcing from. Also, country-specific programmes are in place, as for Bangladesh, India or even European countries such as Portugal (Inditex, 2013c).

Media perception is not as positive. Accusations range from sourcing from slave labour factories in Brazil (Moore, 2011) to consciously polluting water sources in China (Greer, 2012). Inditex has also been allegedly involved in the unacceptable health and safety conditions for Asian workers producing for Inditex brands (Tanquintic-Misa, 2013).

The Bangladesh Safety Accord

After numerous tragedies happened in several Asian countries in regard to producing garments for the world's fashion shops, the accidents which occurred in Bangladesh seemed to receive greatest attention as their severity had enormous dimensions and the Western world is realising that it cannot ignore such events anymore. The garment industry had no other choice but to finally react to the circumstances their products are fabricated in. This is why the Bangladesh Safety Accord was created.

The Accord is a legally binding agreement between several parties, including international labour unions, which are IndustriALL Global Union and UNI Global Union who also initiated the Accord, local unions, several NGOs and 132 companies as of year's end 2013 (AFBSB, 2013; see appendix for a list of signatories). [Editor's note: By mid-April 2014, the number had risen to more than 150 apparel firms, according to the Accord Foundation's website, www.bangladeshaccord.org]. The Accord aims at

a safe and sustainable Bangladeshi Ready-Made Garment industry in which no worker has to fear fires, building collapse, or other accidents that could be prevented with reasonable health and safety measures (IndustriALL Global Union & UNI Global Union, 2013).

The Accord has a time frame of five years and comprises safety inspections and fire safety training programmes for Bangladeshi workers. In the case of identifying safety and health risks in the factories, work will be suspended and the related authorities will be informed. The health and safety threats then have to be corrected without withholding the worker's salary. (IndustriALL Global Union & UNI Global Union, 2013).

Workers' rights in case of repairs form one of the specialties of the Accord, as they are firstly supposed to still receive their salary during times of repairs and, in addition, if damages are not likely to be corrected, for instance when the manufacturer refuses to induce them, the signatories are obliged to withdraw their business and further have to show effort to help the workers find a new occupation with another manufacturer if their jobs are at risk. The inspections are based on international standards and are currently taking place in the 1,553 factories covered by the Accord. It reaches 1,993,123 workers,

according to a status report of 24 December 2013 (AFBSB, 2013). Also, the results of these inspections are to be made publicly available (Clean Clothes Campaign, 2013).

The Accord's second pillar is training of workers. Depending on the status of the factory, either all employees will receive the training or only key workers, such as managers and floor supervisors. Additionally, each factory is obliged to set up a Health and Safety Committee and a Complaints Scheme to enable each worker to confidentially lodge complaints about health and safety measures taken in his factory. Should workers consider the circumstances in the factory unbearable, they are given the right to refuse to work or even to enter the manufacturing building (King, 2013).

Another notable element of the Accord is the commitment the signatories make to Bangladesh, as they are required to keep sourcing from the country for the five-year-period the Accord is designed for (IndustriALL Global Union & UNI Global Union, 2013).

The Accord is not covering all factories to the same extent but rather gives gradation to the changes to be made in the factories in three tier-categories (see figure 2). Tier 1 factories are those given full inspections; also, all employees are receiving full safety training. Tier 2 factories are given full inspections, and Tier 3 factories are given limited initial inspections to identify high risks (King, 2013). The Accord is rather vague on how much training will be provided to Tier 2 and 3 factories. The future will show how training is going to be introduced in these factories.

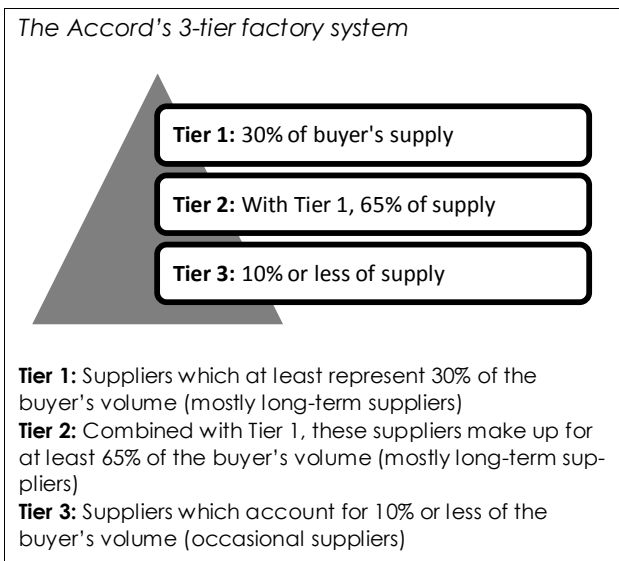


Figure 2. 3-Tier System for categorising factories (IndustriALL Global Union & UNI Global Union, 2013; Accord on Fire and Building Safety in Bangladesh, 2013, 1-2)

Impact on company signatories

The three exemplary fashion firms chosen here – Primark, H&M, and Inditex – signed the Safety Accord. They had good reason to do so, as they source large numbers of their products from the Asian market and thus also from Bangladesh.

Inditex, for instance, sources 47 percent of its products from Asian suppliers. However, the group is not revealing the actual number of Bangladeshi manufacturing firms Inditex has contracted with (Inditex, 2013b). H&M lists 165 official Bangladeshi supplier firms on its website. For comparison, H&M sources from 104 factories in India and from 262 factories in China (H&M Hennes & Mauritz AB, 2013a). Primark is not openly publishing any of its suppliers currently, showing some considerable opacity in their supply chain (Primark, 2014b).

Even though there is not full disclosure from the companies' site, it is reasonable to argue that all three companies will have a majority of products sourced from the Asian market, as this market currently offers economically efficient and effective conditions for this type of firm.

Below, we consider possible impacts the companies might experience during the period of enforcement of the Accord.

Costs

The Accord measures have to be funded by the signatory companies' membership fees. The cost structure of the Accord is built on a scaling system which depends on the individual volume of one company sourced from Bangladesh relative to the annual volume of other company signatories. This scaling system requires a minimum annual fee of US\$ 1,000 and a maximum annual fee of \$500,000 per individual company. The funding from these fees is mainly used for the activities conducted by the Accord's Steering Committee, the Safety Inspector and Training Co-ordinator.

Tier	Value of Yearly Volume Sourced (in US\$)
7	More than 500 million
6	250 to 500 million
5	100 to 250 million
4	50 to 100 million
3	25 to 50 million
2	10 to 25 million
1	1 to 10 million
0	Less than 1 million

Table 1. Structure of funding the Accord (Accord on Fire and Building Safety in Bangladesh, 2013).

It is expected that the three selected companies will buy a large volume from Bangladesh compared to smaller actors such as, for example, Germany-based Distra GmbH, which is a signatory as well and a relatively small company. They surely will end up easily among the top three tiers which are comprised of the top three financiers. Nevertheless, the amounts to be paid appear to be small compared to the annual profits made by Inditex (€2.360 million in 2012, Inditex, 2013b), H&M (€1.915 million 2012, H&M, 2013b) and Primark (€430 million in 2012, Associated British Foods, 2013).

One interesting point of the Accord is the implementation of management of the money. By paying these fees, the companies fund the steering committee, safety inspector and training co-ordinator but they do not cover any expenses necessary to conduct structural repairs of factories lacking safety and health standards (IndustriALL Global Union & UNI Global Union, 2013). Indeed, the Accord states that companies are responsible for ensuring that sufficient funds are available to address repairs and renovations, conversely they do not have to cover these costs themselves. Rather, the companies are meant to somehow organise financing for the manufacturer, by lending money or entering joint investments, for instance (AFBSA, 2013).

However, it does not seem likely that a large number of signatories will be investing their own money without demanding certain deals or repayment from the garment manufacturing firms – this is simply not how the industry works.

The effect on reputation

Naturally, companies desire to gain reputation improvements when signing on to the Accord, and align their corporate communication, their CSR programmes and their brand marketing with the positive echo for the Accord.

The companies are already making use of their signatures. Inditex, Primark and H&M include communications on the Accord on their corporate websites. In addition, individual efforts in Bangladesh existing prior to the Accord can now be brought into focus of CSR activities even more.

For example, Primark had initiated a programme for improving the fire safety systems in factories in Bangladesh already in 2010. This programme focuses at the fire safety management and the root causes of incidents in Bangladesh. Moreover, it contains training programmes and tools to accomplish a three-phase plan (FSMS, 2013). H&M had pledged to pay a higher wage to suppliers by using the Fair Wage Method, an established process for achieving a living wage (2013, Farrell).

So there is obvious potential in developing a strong marketing and CSR tool out of the Bangladesh Safety Accord as it is quite similar to companies' own efforts and ideas. The success of it, however, depends on the transparency the companies are willing to offer and also how well they integrate the Accord measures in their own programmes and initiatives. And, naturally, company success depends on the success of the Accord itself and how it is going to develop after its five-year deadline.

Exerting influence on industry standards

At this moment, the Accord's members are still processing one of its milestones, namely the initial inspections of the factories and the creation of renovations plans where needed. This phase was meant to be finished by April 2014. Much uncertainty concerns how funding plans for renovations are going to look like and how many factories will need repairs (AFBSA, 2013).

When considering the current standing of the Accord, the companies certainly are testing their spheres of influence among the steering committee, the employed inspectors and training co-ordinators as well as the contracted manufacturers (the steering committee is comprised of buyers and unions equally, the chairperson being chosen by the ILO) (AFBSA, 2013). Given the fact that buyers are in the committee, they will try to enforce what is best for them. The current version of the Accord is vague and gives considerable space for interpretation which results in a large room for manoeuvre for the company signatories. Even if they aim at doing good, they will not lose track on how to be cost-savers and efficient. These are points which might conflict with the Accord's good intentions to ensure a safe and humane working place.

Evaluation of the Accord

The Bangladesh Safety Accord will be implemented step by step. It is advisable to judge progress in phases; most changes for the better cannot happen overnight. However, there are still a lot of general concerns about the Accord. First of all, concerns center on corruption, as Bangladesh has had a continuous problem with this. It is one of the most corrupt countries in the world today, according to Transparency International's Corruption Perception Index 2013: Bangladesh was ranked 136th among 177 countries on the list (Transparency International, 2013). Although this problem has strongly improved, since Bangladesh on the same list of 2005 ranked at the absolute bottom (Transparency International, 2005), the country's corrupted environment in business and government sets obstacles for implementing the Accord.

To make a step towards preventing corruption, a so-called multi-stakeholder approach was established for the Accord which also differentiates previous work protection initiatives to the Bangladesh Safety Accord. Now, many various people from local and international unions, the International Labour Organization (ILO), the UN, the prestigious German Society for International Cooperation (GIZ) and the textile companies themselves act together towards a common goal (Diekmann, 2013). This is remarkable for enabling a legal agreement but also carries some risks as multi-stakeholder initiatives do not include a formal mechanism for government coordination and

are running the risk of mismatching with national policy (Roscoe, 2013).

Here the initiators of the Accord have to pay close attention to Bangladeshi governmental institutions and their own approaches towards worker safety. The political influence of the signatories, commercial and non-commercial, can be another chance to put pressure on the government to ensure the working conditions are improving within the country. However, it is not sure whether an Accord put together largely by foreigners and buyers is in the best interest of the garments industry in Bangladesh (Morshed, 2013). Also, it is very uncertain whether companies will show loyalty to the country, as for instance H&M has considered the possibility of sourcing the clothes from other markets like Africa in "respect of sustainability" after the building collapse (Milne, 2013). In addition, the Accord has not formulated a clear system for penalties in case signatories fail to act upon their obligations.

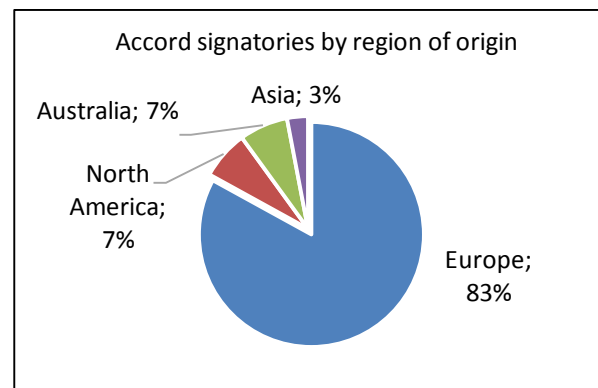


Figure 3. Share of Accord's signatory companies by region of origin, based on the January 2014 list (132 firms).

Although a great number of big companies have signed on to the Bangladesh Safety Accord, there are still big firms and brands missing. Among them are leading American companies GAP and Wal-Mart but also key European names like Germany's NKD. Many German companies like Metro, Adidas or Puma did not want to join the Accord in the first place because of their membership in the Business Social Compliance Initiative (BSCI) and as only a low percentage of their textile production comes from Bangladesh. Finally, they were convinced of the Accord's merits and signed it.

The overwhelming majority of Accord signatories are European. The Accord is, thus, principally a European commitment. The reluctance of U.S. firms to join, one may even speak of hostility to the scheme, has a concrete reason. American companies have reason to fear a backlash from the U.S. legal system, which puts firms at a higher risk of litigation than in Europe. If the American firms entered this legally binding contract, they could be sued for extraordinary sums of damages in U.S. courts. Thus, the American fashion industry has followed a different strategy of voluntary, legally non-binding action. GAP and Wal-Mart, together with 15 other North American retailers that rely on cheap overseas production, founded the Alliance for Bangladesh Worker Safety. The alliance has pledged more than US\$ 40 million towards safety, as well as US\$ 100 million in low-cost loans to help improve factories (Jamieson, 2014). But it does not set legal enforcement for safety problems in Bangladeshi facilities the way the Accord does, nor does it formally include labour unions as stakeholders.

The different concept in the U.S. may also be rooted in American understanding of Corporate Social Responsibility as a concept of enterprise voluntarism rather than acceptance of contract-type binding agreements with external stakeholders. The latter is typically European for its tradition of broader social partnership mechanisms between companies and labour unions. It is a framework which distinguishes European from American concepts of CSR.

Conclusion

When looking at the Bangladesh Safety Accord, it becomes apparent that there are “known unknowns” about the realisation of the Accord but also “unknown unknowns,” to use the idiom popularised by Donald Rumsfeld. The great opportunities this agreement offers are basically on the table, but there are still many uncertainties and risks more or less invisible to the signatories. For instance, the undetermined future of the Accord after its initial five years is known to all, but problems few have thought about so far are probably striking the stakeholders in the very near future. Dramatic events such as new factory fires with worker casualties may question the effectiveness of the Accord, and exposure of mishandling, neglect and corruption may put extra pressure on the Accord supporters. We also do not know whether the organisation and funding of the Accord will hold. Moreover, five years is barely enough to change the labour market conditions in a country like Bangladesh.

As for individual companies and their CSR approach, much depends on their willingness to improve standards in their own

supply chains, and at the same time do so in a coordinated way. Even if low- cost to medium high-cost retail companies like Primark and the Inditex Group get involved, their range of influence is limited in the Accord’s structures.

The Accord is a success for labour unions. They can now work with a stronger role in the Bangladeshi system. Labour unions have long been left unheard or reduced to on-site influence. There is a chance that this may substantially change. Workers may realise what a labour union can do for them and how they can empower themselves and press for their rights for safety, health, humane working conditions as well as fair wages.

Also, the manufacturers and factory owners, just as the Bangladeshi government, are now in the focus of the world’s media and observed thoroughly. This will probably force them to foster development to the better. The labour conditions in Bangladesh are among the worst in the world’s textile industry. The Accord aims to terminate this and hopefully succeeds in its first steps in a long-term process. If it does, it might even rise to a paradigm for the many other Asian countries experiencing the same tragedies as Bangladesh has gone through for such a long time.

References

- AFBSB - Accord on Fire and Building Safety In Bangladesh. (2013). FAQs. Retrieved from <http://www.bangladeshaccord.org/faqs/>
- AFBSB - Accord on Fire and Building Safety in Bangladesh. (2014). Signatories. Retrieved from <http://www.bangladeshaccord.org/signatories/>
- Ahmed F. (2013). At least 7 killed in Bangladesh clothing factory fire. CNN. Retrieved from <http://edition.cnn.com/2013/10/08/world/asia/bangladesh-factory-fire-deaths/index.html>
- Ahmed S. and Lakhani L. (2013). Bangladesh building collapse: An end to recovery efforts, a promise of a new start. CNN. Retrieved from http://edition.cnn.com/2013/05/14/world/asia/bangladesh-building-collapse-aftermath/?hpt=hp_t2
- Associated British Foods plc. (2013). Annual Report 2012. Retrieved from <http://www.abf.co.uk/documents/pdfs/ar2012/abf-annual-report-2012.pdf>
- Berfield, S. (2013). H&M Goes Public With List of Suppliers. Businessweek. Retrieved from <http://www.businessweek.com/articles/2013-04-04/h-and-m-goes-public-with-list-of-suppliers>
- BOI, Bangladesh Board of Investment (2013). Garments and textiles. Retrieved from <http://www.boi.gov.bd/index.php/potential-sector/garments-and-textiles>
- Channel4. (2011). BBC's Primark apology over 'fake' child labour footage. 4 News. Retrieved from <http://www.channel4.com/news/bbcs-primark-apology-over-fake-child-labour-footage>
- Clean Clothes Campaign. (2013). Frequently Asked Questions (FAQ) about the Bangladesh Safety Accord. Retrieved from <http://www.cleanclothes.org/issues/faq-safety-accord/#1----what-is-the-accord-on-fire-and-building-safety-in-bangladesh>
- Clean Clothes Campaign (2012). Hazardous workplaces: Making the Bangladesh Garment industry safe. Retrieved from <http://www.cleanclothes.org/resources/publications/2012-11-hazardousworkplaces.pdf>
- Claeson, B. (2010). Twenty-one Locked-In Apparel Workers Die in another Factory Fire in Bangladesh. Labor Right Blog. Retrieved from http://laborrightsblog.typepad.com/international_labor_right/2010/03/twenty-one-locked-in-apparel-workers-die-in-another-factory-fire-in-bangladesh.html
- Doward, J. (2012). H&M comes under pressure to act on child-labour cotton. The Observer. Retrieved from <http://www.theguardian.com/business/2012/dec/15/cotton-child-labour-uzbekistan-fashion>
- Diekmann, F. (2013). Sichere Textilfabriken: Metro verweigert sich Bangladesch-Abkommen. Spiegel Online. Retrieved from <http://www.spiegel.de/wirtschaft/unternehmen/warum-deutsche-textilkonzerne-nicht-dem-bangladesch-abkommen-beitreten-a-900539.html>
- Farrell, S. (2013). H&M Pledges To Pay Living Wages To Workers In Bangladesh And Cambodia After Factory Collapse. The Guardian. Retrieved from <http://www.businessinsider.com/hm-pledges-to-pay-living-wages-to-workers-in-bangladesh-and-cambodia-after-factory-collapse-2013-11>
- FSMS – Fire Safety Management Systems. (2013). Improving fire safety systems in our supply chain. Primark Ethical Trading. Retrieved from http://www.primark-ethicaltrading.co.uk/how_we_work/partnerships_and_programmes/fire_safety_management_systems
- Greer, L. (2012). Top clothing brands linked to water pollution scandal in China. China Dialogue. Retrieved from <https://www.chinadialogue.net/blog/5203-Top-clothing-brands-linked-to-water-pollution-scandal-in-China/en>
- Guyot, O. (2013). Primark appoints former Inditex CSR exec as Crisis Advisor. Fashionmag. Retrieved from http://uk.fashionmag.com/news/Primark-appoints-former-Inditex-CSR-exec-as-Crisis-Advisor,353424.html#.UtPvj_tOJH1
- Hickmann, L. (2008). Is this the end for Primark? The Guardian. Retrieved from <http://www.theguardian.com/business/2008/jun/24/primark.retail>
- H&M Hennes & Mauritz AB. (2013a). Supplier List. Retrieved from <http://about.hm.com/en/About/Sustainability/Commitments/Responsible-Partners/Supply-Chain/SupplierList.html>
- H&M Hennes & Mauritz AB. (2013b). Annual Report. Retrieved from http://about.hm.com/content/dam/hm/about/documents/en/Annual%20Report/Annual-Report-2012_en.pdf
- H&M Group. (2013). Facts about H&M. Retrieved from <http://about.hm.com/en/About/facts-about-hm.html>
- H&M Group. (2012). Conscious Actions Sustainability Report 2012. Retrieved from <http://about.hm.com/en/About/Sustainability/Reporting-and-Resources/Reports.html#cm-menu>
- H&M Group. (2013). Code of Conduct. Retrieved from <http://about.hm.com/en/About/Sustainability/Commitments/Responsible-Partners/Code-of-Conduct.html>
- H&M Group. (2013). Bangladesh Development Plan. Retrieved from <http://about.hm.com/en/About/Sustainability/Reporting-and-Resources/Case-Studies/bangladeshplan.html>
- Inditex Group. (2013a). Our Group. Retrieved from http://www.inditex.com/en/who_we_are/our_group
- Inditex Group. (2013b). Annual Report 2012. Communication and Institutional Relations Corporate Division, Inditex S.A. Retrieved from

- from http://www.inditex.com/en/shareholders_and_investors/investor_relations/annual_reports
- Inditex Group. (2013c). Corporate Responsibility. Retrieved from http://www.inditex.com/en/corporate_responsibility
- IndustriALL Global Union and UNI Global Union. (2013). Accord on Fire and Building Safety in Bangladesh. Retrieved from http://www.bangladeshaccord.org/wp-content/uploads/2013/10/the_accord.pdf
- Jamieson, D. (2014). How A Plan To Help Curb Garment Factory Disasters In Bangladesh Died In The U.S. Senate. Huffpost. Retrieved from http://www.huffingtonpost.com/2014/01/04/rana-plaza-bangladesh-senate_n_4538747.html
- King, R. (2013). A visual explanation of the factory safety plan in Bangladesh. Quartz. Retrieved from <http://qz.com/86137/a-visual-explanation-of-the-factory-safety-plan-in-bangladesh/>
- Masud, A., Hoque, A. A. M., Hossain, M. S., & Hoque, M. R. (2013). Corporate Social Responsibility Practices in Garments sector of Bangladesh, A Study of Multinational Garments, CSR view in Dhaka EPZ. *Developing Country Studies* 3(5), 27-37. Retrieved 15 Oct 2013 from <http://www.iiste.org/Journals/index.php/DCS/article/view/5495>
- Milne, R. (2013). H&M rethinks sourcing policy in wake of Bangladesh disaster. *The Financial Times*. Retrieved from <http://www.ft.com/cms/s/0/79cedd4e-c000-11e2-b19c-00144feab7de.html>
- Moore, M. (2011). Zara Caught In 'Slave Labor' Scandal. *Green Go Post*. Retrieved from <http://greengopost.com/zara-slave-labor-scandal/>
- Morshed, S. (2013) Is the Bangladesh safety accord enough? *The Daily Star*. Retrieved from <http://archive.thedailystar.net/beta2/news/is-the-bangladesh-safety-accord-enough/>
- Pelot, S. (2008). The growing textile industry is the backbone of Bangladesh's economy. *Textile world Asia*. Retrieved from http://textileworldasia.com/Issues/2008/November-December/Features/Bangladesh_Textile_Industry_Profile
- Primark. (2013). Our Work in Summary. Primark Ethical Trading. Retrieved from <http://www.primark-bangladesh.co.uk/>
- Primark. (2014a). Firmengeschichte von Primark. Retrieved from http://www.primark.de/uber_uns/firmengeschichte_von_primark/
- Primark. (2014b). Suppliers. Retrieved from http://origin-prim-english.grouptreehosting.co.uk/about_us/suppliers/
- Primark. (n.a. a). Our Values. Primark Ethical Trading. Retrieved from http://www.primark-ethicaltrading.co.uk/how_we_work
- Primark. (n.a. b). Women's health. Primark Ethical Trading. Retrieved from http://www.primark-ethicaltrading.co.uk/our_work_worldwide/c/womens_health
- Primark. (n.a. c). Sustainable Cotton. Primark Ethical Trading. Retrieved from http://www.primark-ethicaltrading.co.uk/our_work_worldwide/c/sustainable_cotton
- Reuters. (2013). Primark pays more compensation to Bangladesh factory victims. *Fashionmag*. Retrieved from http://uk.fashionmag.com/news/Primark-pays-more-compensation-to-Bangladesh-factory-victims,364110.html#_UjRh6_tOJH1
- Roscoe, A. (2013). The evolution of multi-stakeholder initiatives: Lessons for the Bangladesh garment sector. Retrieved from <http://alexaroscoe.com/2013/07/22/the-evolution-of-multi-stakeholder-initiatives-on-business-and-development-lessons-for-the-bangladesh-garment-sector/>
- Tanquintic-Misa, E. (2013). Bangladesh Factory Collapse: Zara, H&M, Western Clothing Retailers 'Awaken', Sign Factory Safety Upgrade Agreement. *International Business Times*. Retrieved from http://au.ibtimes.com/articles/467317/20130514/2013-bangladesh-factory-collapse-zara-h-m.htm#_UuT1pxCIXIV
- Transparency International. (2013). Corruption Perceptions Index 2013. Retrieved from <http://www.transparency.org/cpi2013/results>
- Transparency International. (2005). Corruption Perceptions Index 2005. Retrieved from http://archive.transparency.org/policy_research/surveys_indices/cpi/2005
- Yen, G. (2012, Nov). The evolution of textile and apparel industry in Asia. Presentation. Retrieved from <http://www.fshl.com/uploads/files/Speech/20121108.pdf>

Appendix

Alphabetical list of commercial signatories to the Accord

List of 132 commercial signatories of the Bangladesh Safety Accord as of January, 2014. Colours indicate the continental distribution of the companies which signed the Accord: Europe (blue), North America (red), Asia (violet) and Australia (green).

Abercrombie & Fitch [US]	Gina tricot AB [SE]	Olymp Benzer GmbH [DE]
Adidas [DE]	Groupe Casino [FR]	O'Neill Europe BV [NL]
Ahlens [SE]	G-Star [NL]	Osping Textil Logistik [DE]
Aldi South [DE]	H&M [SE]	OTL Brands Ltd [UK]
Aldi North [DE]	Hanson Im- und Export [DE]	Otto Group [DE]
American Eagle Outfitters [US]	Helly Hansen [NO]	Pacific Brands [AU]
Arcadia Group [GB]	Hema [NL]	Padma Textiles [ES]
Auchan [FR]	Hemtex [SE]	Primark [IE]
Baum Huetter [DE]	Herding Heimtextil [DE]	Prenatal [IT]
Belotex [DE]	Hess Natur-Textilien [DE]	Pretty Girl Fashion [AU]
Benetton [IT]	Horizonte [DE]	Pty [AU]
Bestseller [DK]	Hueren Professional [DE]	Puma [DE]
De Bijenkorf [NL]	IC Companys A/S [DK]	PVH [US]
Bonmarche [UK]	ICA Sverige [SE]	Rawe Modern [DE]
Brands Fashion [DE]	Inditex [ES]	REWE Group [DE]
C&A [DE] [BE]	JBC NV [NL]	River Island [GB]
Camacieu [FR]	Jogilo [BE]	s.Oliver [DE]
Carrefour [FR]	John Lewis [GB]	Sainsbury's [GB]
Charles Voegelé [CH]	Jolo Fashion [DE]	Schmidt Group [DE]
Chicca [DE]	Juritex [DE]	Scoop NYC/Zac Posen [US]
Chicco [IT]	K-Mart (Australia) [AU]	Sean John Apparel [US]
Comtex [LK]	KappAhl [NO]	Shop Direct Group [GB]
Coolcat [NL]	Karl Rieker GmbH & Co. [DE]	Speciality Fashions [AU]
Coop Danmark [DK]	Karstadt [DE]	Stockmann [FI]
Cotton On Group [AU]	Kik [DE]	Switcher [CH]
Cronytex Sourcing [BE]	Knights Apparel [US]	Target (Australia) [AU]
Dansk Supermarked [DK]	LC Waikiki [TR]	Tchibo [DE]
Daytex Mode [DE]	Lidl [DE]	Tesco [GB]
Debenhams [UK]	Loblaw [CA]	Texman [DK]
Deltex [DE]	LPP [PL]	Texsport BV [NL]
Distra [DE]	Mango [ES]	Topgrade International [HK]
DK Company [DK]	Marks and Spencer [GB]	Top of the World [US]
E Leclerc [FR]	Matalan [GB]	Uncle Sam GmbH [DE]
El Corte Ingles [ES]	Mavi [TR]	V&D [NL]
Ernsting's Family [DE]	Metro Group [DE]	Van Der Erve [BE]
Esprit [DE]	Milords [UK]	The Varner Group [NO]
Fashion Linq [NL]	Mosgen Limited [HK]	Veldhoven International [NL]

Table 2: Commercial signatories of the Bangladesh Safety Accord. Information taken from Accord on Fire and Building Safety in Bangladesh. (2014). Signatories. Retrieved from <http://www.bangladeshaccord.org/signatories/>

Country codes: AU: Australia, BE: Belgium, CA: Canada, CH: Switzerland, DE: Germany, DK: Denmark, ES: Spain, FI: Finland, FR: France, GB: Great Britain, HK: Hong Kong, IE: Ireland, IT: Italy, JP: Japan, LK: Sri Lanka, NL: Netherlands, NO: Norway, PL: Poland, SE: Sweden, TR: Turkey, US: United States of America