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Workshop Documentation
“5 Years After Rana Plaza: Consequences for Labor Standards Improvements in Garment Supply Chains”

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Workshop jointly organized by: Garment Supply Chain Governance Project at the Department of Management, Freie Universität Berlin, and King's Business School, King's College London

International Workshop “5 Years After Rana Plaza: Consequences for Labor Standards Improvements in Garment Supply Chains”

In April 2018 it was five years since the Rana Plaza factory building collapsed, taking the lives of 1136 workers and injuring more than 2500 people. Whereas before this event the name Rana Plaza was unknown to the world, since 24th April 2013 it recalls the deadliest accident in the history of the global garment industry and has become synonymous with the problems of labor rights in global supply chains.

The Garment Supply Chain Governance Project at the Department of Management at Freie Universität Berlin and King’s Business School, King’s College London took the occasion of the 5th year anniversary of the collapse of the Rana Plaza factory building in Bangladesh to jointly organize an international workshop on “*5 Years After Rana Plaza: Consequences for Labor Standards Improvements in Garment Supply Chains*” and reflect on the consequences of this tragic event. The workshop took place at the Department of Management at Freie Universität Berlin, on Friday 27 April and Saturday 28 April 2018.

The two-day workshop brought researchers engaged in assessing the consequences of this disaster for labor standards governance in garment supply chains as well as selected practitioners together to discuss research results, learn from each other, identify possibilities for collaboration, and think about ways in which research can have an impact on labor standards governance.

Scholars working in this field were invited to present their work. During the workshop, 15 papers were presented (3 presentations per session, with 5 sessions overall). More generally, the workshop gained a lot of attention and interest, both from within the academic community as well as from practitioners and the wider public, resulting in an overall number of 60 workshop registrations. The workshop was both international and interdisciplinary, with participants coming from a variety of countries (e.g. Bangladesh, Australia, Sweden, Denmark, Belgium, USA, UK, Austria and Germany) and disciplines (e.g. organization and management research, legal studies, political science, sociology, developmental and gender studies).

On the first day, the workshop was opened with a panel discussion on “Approaches to governing labor standards in the global garment industry”, moderated by Prof. Juliane Reinecke (King’s College London). We were privileged to hear from practitioners working on leading initiatives in the field of labor governance in the garment industry, including Miriam Neale, Head of Signatory Engagement at the Accord on Fire and Building Safety, Dr. Gisela Burckhardt executive director at Femnet and representative in the steering committee of the German Partnership on Sustainable Textiles, Dr. Frank Hoffer, executive director of the Action Collaboration Transformation (ACT) Initiative and Dr. Carolijn Terwindt lawyer at the European Center for Constitutional and Human Rights (ECCHR).



The panel discussion was followed by three presentations on work done in the realm of the Garment Supply Chain Governance Project (coordinated at the Department of Management at Freie Universität Berlin) and King's College London.

Insights from Bangladesh

- Juliane Reinecke and Jimmy Donaghey: *Transnational industrial democracy – Lessons from the Bangladesh Accord for a new paradigm for global labour rights*
- Steve Frenkel, Shahidur Rahman, and Mahmudur Rahman: *After Rana Plaza: Governance, processes and effects in Bangladesh's garment export factories*
- Naila Kabeer: *Multi-stakeholder initiatives in Bangladesh in the aftermath of Rana Plaza: global norms and workers' perspectives*

The second day of the workshop consisted of four sessions that approached the issues of labor standards in the global garment industry from different angles.

Legal and Labor Rights Perspectives

- Johannes Norpoth and Christian Scheper: *Practices of legality in transnational labour regulation: The case of the Bangladesh Accord on Fire and Building Safety*
- Sabrina Zajak, Eva Kocher, Nina Wienkoop, Anna Heinen: *The mobilization of law and transnational legal activism in post-Rana Plaza Bangladesh*
- Rebecca Prentice: *Labour rights from labour wrongs? Rana Plaza and the new era of workers' compensation*

Making Lead Firms Accountable

- Huib Huyse: *5 years after Rana Plaza: a comparative review of human rights due diligence initiatives in four European countries*
- Dorothee Baumann-Pauly and April Gu: *Towards a new paradigm of shared responsibility for labor rights in global supply chains*
- Shahidur Rahman and Mahmudur Rahman: *Multi-actor co-responsibility initiatives in the global garment value chain: Perspective from Bangladesh garment factory management*

Modes of Private Governance

- Nicole Helmerich: *The implementation of codes of conduct in garment sector: Fair labor initiative and social accountability 8000 in central America and the Caribbean*
- Kristin Huber and Maximilian J. L. Schormair: *From progressive to conservative and back: constructing political CSR identities in multi-stakeholder initiatives – the case of the “Accord on Fire and Building Safety in Bangladesh”*
- Sarah Ashwin, Rachel Alexander, Nora Lohmeyer, Chikako Oka, Elke Schüßler: *Why do Firms Support Transnational Industrial Relations Arrangements? A Processual Lens*

National Level Initiatives and Perspectives

- Alice Evans: *Hope for Reform: Strengthening Corporate Accountability in Global Production Networks*
- Julia Grimm: *When competing companies call a truce to set higher standards: Evidence from the field*



Overall, the presentations reflected on the most important institutional innovations that have been implemented as a response to the Rana Plaza factory collapse. Presentations covered institutional innovations on the transnational, national, and firm-level.

Transnational level

On the transnational level, the Accord on Building and Fire Safety in Bangladesh was one of the most notable responses to the Rana Plaza factory collapse and was found to have improved factory building and fire safety issues for the more than 2.5 million garment workers working in factories covered by the Accord's inspection program. It was concluded that the Accord has created a "strong climate of compliance" in the Bangladeshi garment industry that both buyers and suppliers increasingly take ownership of.

While innovative and important in many ways, the effectiveness of the Accord deserves continued critical scrutiny. This is the case, as the presentation by Johannes Norpoth (Ruhr-Universität Bochum) and Christian Scheper (Universität Duisburg) underlined from a legal perspective, when it comes to its much-praised legally binding character, which has been shown to be of limited effectiveness when it comes to workers' complaints and resulting consultation processes. More than the Accord's legally binding character, it is the leverage made possible by inter-firm cooperation that makes the Accord powerful in raising safety standards, they argued. Carolijn Terwindt (ECCHR)—referring to the Accord and its auditing program—underlined that the liability of brands, factory owners, and auditors was necessary, as the privatization of governance without liability has created a system without proper oversight over the quality of social audits.

Also stressing the importance of a sound legal framework, Rebecca Prentice (University of Sussex) shifted the focus to the important question of workers' compensation for occupational death and injury. She showed that within the system of privatized regulation dominating labor governance in the global garment industry, questions of compensation are often managed through ad hoc assistance from NGOs, government agencies, corporate charities, and private individuals. However, analyzing the "Rana Plaza Arrangement"—brokered by the International Labour Organization with the participation of multinationals, trade unions, NGOs, local employers, and the Bangladesh government—she showed how the Arrangement was designed to recognize Rana Plaza workers as bearers of labor rights rather than receivers of voluntary donations by lead-firms. The Rana Plaza Arrangement thus might lay the foundations for a robust and state-administered scheme of social protection. The importance of law and transnational legal activism was further highlighted in the talk given by Sabrina Zajak (Ruhr-University Bochum), Eva Kocher (Viadrina University Frankfurt), Nina Wienkoop (Leuphana Universität Lüneburg) and Anna Heinen (Viadrina University Frankfurt), who outlined some of the mechanisms through which legal activism might spur the promotion of effective labor rights.

Furthermore, research by Shahidur Rahman and Mahmudur Rahman (both BRAC University, Garment Supply Chain Governance Project) addressed whether the promises of the Accord and the Alliance are being met. Their research findings—based on interviews with Bangladeshi garment factory managers—show that the RMG industry has been going through a transition stage post Rana Plaza, and that particularly the Accord meant a "significant breakthrough" in terms of developing a culture of safety within the industry. However, factory managers as well as the Accord and Alliance have encountered different challenges because of the experimental nature of this transnational governance approach. Most importantly, the Accord still needs to live up to its idea of

shared responsibility between buyers and suppliers, with suppliers still bearing most of the burden to improve factory safety. Their research shows that factory managers struggle with the Accord's remediation requirements, both from the financial as well as organizational side, emphasizing the importance of buyers taking up "core responsibility" in improving building and fire safety.

A concept of "shared responsibility", however, as the presentation by April Gu and Dorothee Baumann-Pauly from NYU Stern School of Business emphasized, is of utmost importance to realize better working conditions in the global garment industry. Their research shows, among others, that the current safety schemes create "islands of compliance" in which some of the best,

Overall, parts of the industry are safer than before the disaster, which is encouraging, but factories have borne the costs of remediation by themselves and an estimated 3,000 more factories are still outside of the scope of current safety initiatives. The industry as a whole will not be safe until all production facilities are mapped, inspected, and remediation is completed.

April Gu, NYU Stern School of Business

most well-financed factories are getting better, while the smaller, already struggling factories remain off the radar. Shared responsibility for workplace safety in the industry would mean to bring all export-oriented factories under a safety scheme that is funded by relevant stakeholders.

Besides the Accord, further transnational initiatives are currently

being developed and were discussed during our workshop. One example is the Action Collaboration Transformation (ACT) initiative that seeks to promote the development of industrial relation systems in leading garment producing countries and to ultimately realize the payment of living wages to workers working in this industry. The presentation given by Sarah Ashwin, Rachel Alexander (both London School of Economics), Nora Lohmeyer (Freie Universität Berlin), Chikako Oka (Royal Holloway University of London), and Elke Schüßler (Johannes Kepler University Linz) (all Garment Supply Chain Governance Project) analyzed how ACT compares to existing initiatives in this industry—it is a union-inclusive and multi-firm initiative like the Accord—and looked at the process of ACT's foundation.

Also looking at what developments are needed for more long-term, structural change in the global garment industry, Juliane Reinecke (King's College London) and Jimmy Donaghey (Warwick Business School) underlined the importance of industrial democracy. Industrial democracy centers on labour involvement, that is, the involvement of those who are affected by governance. Here global union federations as the legitimate representatives of global labour play a key role, such as in the development of global framework agreements, which provide one mechanism for creating transnational industrial relations and supporting collective bargaining across the global supply chain.

The importance to learn from other contexts was underlined in the talk by Nicole Helmerich (University of Lausanne), who presented the results of a study on the implementation of social and labor rights codes of conduct in the garment industries of Central America and the Caribbean, which were the first countries where such projects were implemented. She argued that the success or failure of local capacity building programs to enhance the implementation of social and labor rights in the textile, apparel and footwear sector depends transnationally on the support of influential transnational brand name companies. Locally it depends on the support of the main (project) target groups such as industry associations and Ministries of labor. In the projects under study she showed that the support by the brand companies was strong and that the projects were more successful in terms of output and outcome (i.e. behavioral change of the project participants) when the support by the industry association and the representatives by the Ministries of labor were strong.

National level

On the national level, the development of National Action Plans for Business and Human Rights in many European countries as well as national level initiatives such as the German Partnership for Sustainable Textiles or the implementation of law on extra-territorial liability in global production networks are notable. National Action Plans on business and human rights (NAPs) have become a key policy instrument to give structure and content to human rights due diligence efforts at the national level and therewith strengthen the implementation of labor standards in global supply chains. In a comparison of the NAPs from France, Germany, Belgium and the Netherlands conducted by Huib Huyse (KU Leuven) all NAPs were shown to be lacking in some ways. Most importantly, they seem to share a preference for self-regulation and voluntary action, with only the German and especially the French NAP also containing explicit clauses about binding regulatory measures. The findings might serve as an input for future policy influencing work by civil society organizations, working on the topic of business and human rights, as well as for policy makers across Europe.

Ever since Rana Plaza, most lead firms accept at least some sort of co-responsibility for the social ills in their supply chain, which is coined in their increasing engagement in voluntary activities.

Julia Grimm, Wittenberg Center for Global Ethics

The work of Julia Grimm (Wittenberg Center for Global Ethics) on the German Partnership for Sustainable Textiles illustrated the process which German lead firms went through when engaging in institution formation, showing that since Rana Plaza, many German lead firms accept at least some sort of co-responsibility for the social problems in their supply chain. She also highlighted the important role that NGOs played in pressuring firms into these initiatives. However, what needs

further investigation is which effect the standards that have been set in the realm of the Textile Partnership have on the ground.

The talk by Alice Evans (King's College London) analyzed the introduction of the world's first law on extra-territorial liability in global production networks in 2017 in France, mandating that parent companies tackle risks of labor, environmental, and

Key to amplifying activism more broadly is to highlight reasons for hope: showing that other countries are introducing legislation.

Alice Evans, King's College London

human rights abuses, and particularly looked at the political drivers of legislation, in global supply chains. As key drivers were mentioned the multilateral support from the UN, OECD, and ILO, the public outcry over Rana Plaza, widespread skepticism of multinationals as well as the broad acceptance of state intervention as the mode of problem-solving in France, and finally, a Socialist majority. By connecting the broader political economy to activists' expectations and their subsequent mobilization, her talk provided crucial insights into the micro- and macro-level drivers of political change in Western democracies, with the potential to stipulate binding regulation in other countries as well.

Lead firms, factories and workers

On the lead firm level, the Rana Plaza factory collapse has spurred a number of developments as well that were discussed during our workshop. For instance, research by Kristin Huber and Maximilian Schormair (both University of Hamburg) showed the various effects the Accord membership has on lead firms. While some firms through their political



engagement in the Accord remained or became more progressive with regards to how they approach corporate social responsibility in their supply chains, others seem to take the Accord membership more as a way to defend themselves from societal expectations, staying or becoming more conservative in how they approach corporate social responsibility. Their research thus shows that next to the question of how effective multi-stakeholder-initiatives are with regards to the goals they aim to reach, the effects they might have on their members need to be considered as well.

The stronger collective approach of lead firms against the "race to the bottom" dynamic is notable, but it needs to be complemented by hard regulation and stronger legal norms.

Elke Schüßler, Garment Supply Chain Governance Project

Insights into the challenges faced by Bangladeshi garment factory managers were presented by Steve Frenkel (UNSW Australia, Garment Supply Chain Governance Project), Shahidur Rahman and Mahmudur Rahman (both BRAC University, Garment Supply Chain Governance Project). They argued that in the wake of Rana Plaza lead firms were integral to the emergence of a hybrid multi-level regulatory system comprising the Accord-Alliance ensemble and individual codes administered at the factory level. Based on a survey with 150 factory managers, they concluded that this system has generated improvements in some worker

outcomes resulting in a pattern resembling a hardship workplace labor regime. That is, while the factories covered by their survey have changed from sweatshop to hardship conditions, they still remain below a level that could be described as fair work labor regime.

The presentation given by Naila Kabeer (London School of Economics, Garment Supply Chain Governance Project) drew on a survey with 1500 workers from Bangladeshi garment factories she conducted together with Simeen Mahmud (BRAC University, Garment Supply Chain Governance Project) and provided insights into working conditions at factories as well as changes that workers felt had occurred in the aftermath of the Rana Plaza factory collapse. One important and hopeful insight of her talk was that the majority of workers feel safer at work now and reported positive change on issues such as building safety, healthier working environment, and improved safety training. However, workers also reported that no changes have occurred with regards to the manager behavior on the factory floor, i.e. how workers are treated by factory managers, as well as with regards to freedom of association, which still remains very limited. What is needed is a deeper understanding of whether worker participation councils might be one avenue for workers to gain greater voice.

Taken the insights gained from the research in the Garment Supply Chain Governance Project to date is that labor conditions in the large, export-oriented factories in Bangladesh are better than in the past, but that factory managers struggle to accommodate different buyers' demands. However, we need more qualitative insights into the nature of buyer-supplier relationships.



Future research

As discussions showed, the responses to the Rana Plaza factory collapse have set in motion a range of new developments, accompanied by various research projects around the world. The workshop offered a concentrated forum for dialogue on important issues related to labor standards governance in post-Rana Plaza Bangladesh and beyond.

Important questions that remain and need future scrutiny by the academic community were identified. These include:

- What are the effects, possibilities and threats related to process of technologization and digitization in the global garment industry? This concerns both new production trends, such as 3D printing, as well as new ways to implement, assess and improve working conditions and compliance.
- What are the potentials and threats of increased productivity? Are productivity gains opening up the road to industrialization or are they burdening workers with increased pressures?
- What are the potentials to transfer the new institutional innovations introduced in the Bangladeshi garment industry to other garment producing countries as well as to other industries?
- What is the role of consumers in the improvement of working conditions in the global garment industry? Particularly, what roles can consumers play that go beyond limited forms of 'enlightened consumerism'? Also, what are the prospects of the current initiatives to be effective on the ground of the 'fast fashion' model?
- We also need to develop a qualitative understanding of how the effectiveness of worker participation councils is perceived by workers, as well as into the nature of buyer-supplier relationships.
- We need further insights—quantitative and qualitative—into the effectiveness of a wide range of efforts with particular regard to their ability to incite effective, systemic and long-term solutions.
- What are the domestic as well as international impacts of national law? On the national level these might include companies' procurement policies, the ways NGOs, unions, businesses, and government engage with this legislation, the ways law is perceived by companies and whether it motivates reform, what grievances are pursued in courts and with what effects. Internationally, this might include how campaigners and politicians in other countries perceive this legislation, and how it shapes efforts for legislation in other countries, in multilateral bodies (e.g. OECD, EU, UN).



Thank you

We thank all participants for their important contributions to inspiring and constructive discussions, which we hope will continue in the future. We also would like to thank the Center for International Cooperation at Freie Universität Berlin and the Center for Global Engagement at King's College London for funding the workshop.