Responsibility and accountability for workplace safety in the Bangladesh garments industry

A thesis submitted in fulfilment of the requirements for the degree of Doctor of Philosophy

Suraiyah Akbar
Master of Professional Business Studies (Accounting)
Auckland University of Technology, New Zealand
Master of Commerce (Accounting)
University of Dhaka, Bangladesh
Bachelor of Commerce, Honours (Accounting)
University of Dhaka, Bangladesh

School of Accounting
College of Business
RMIT University

March 2018
Declaration

I certify that except where due acknowledgement has been made, the work is that of the author alone; the work has not been submitted previously, in whole or in part, to qualify for any other academic award; the content of the thesis is the result of work which has been carried out since the official commencement date of the approved research program; any editorial work undertaken by a third party is acknowledged; and relevant ethics procedures and guidelines have been followed. I acknowledge the support I have received for my research through the provision of an Australian Government Research Training Program Scholarship.

Suraiyah Akbar
March 2018
Dedication

Dedicated to the memory of the victims of the Tazreen Fashions factory fire (24th November 2012) and the Rana Plaza building collapse (24th April 2013) and to all garment factory workers and their families who have suffered loss in apparel industry accidents.
Acknowledgements

الحمد لله رب العالمين

I would like to acknowledge all who have contributed towards the completion of my thesis and the attainment of my PhD degree.

RMIT University for granting the funds to conduct my research and providing a conducive and stimulating academic environment, and the faculty and the administration at the School of Accounting, College of Business as well as the School of Graduate Research and the Doctoral Training Centre for providing opportunity to develop my professional and academic skills.

My PhD supervisors, Professor Craig Deegan and Associate Professor Robert Inglis for sharing their knowledge and experience, for their guidance, advice and continuous support, and for keeping me motivated and focused throughout the duration of my research candidature – I feel privileged to have worked with such talented and leading researchers in the field.

My family, for their unconditional love and constant prayers throughout a difficult and challenging phase of my life; my parents for having instilled in me the value of seeking knowledge, my husband whose understanding, help, patience and positive outlook is a treasured gift, and my three precious daughters who light up my life and always inspire me to do better.

My friends (in Australia and in Bangladesh) for their enthusiasm and encouragement from start to finish, beginning with the decision to enrol, in the course of data collection in Bangladesh, and helping me through to the end – I am indeed truly blessed.

My colleagues at RMIT University with whom I have shared the highs and lows of the PhD journey and who have seen me through some tough times.

The various stakeholder groups I have interviewed for my research, who generously shared their time and expertise and whose invaluable insights inform this thesis.

My heartfelt thanks to all.
Research outputs from the thesis

Conference papers


Contents

Declaration ........................................................................................................................................... ii
Dedication ........................................................................................................................................... iii
Acknowledgements .......................................................................................................................... iv
Research outputs from the thesis ....................................................................................................... v
Contents............................................................................................................................................... vi
List of Figures ...................................................................................................................................... xi
List of Tables ....................................................................................................................................... xii
Glossary ............................................................................................................................................... xiii
Research summary ............................................................................................................................ 1

1 Introduction ....................................................................................................................................... 5
  1.1 Introduction .................................................................................................................................. 5
  1.2 Research focus ............................................................................................................................. 5
  1.3 Structure of the research .............................................................................................................. 8
  1.4 Research methodology ................................................................................................................ 12
  1.5 Research significance ................................................................................................................ 15
  1.6 Outline of the thesis .................................................................................................................... 18

2 Literature review ............................................................................................................................ 21
  2.1 Introduction .................................................................................................................................. 21
  2.2 The extant literature ..................................................................................................................... 21
    2.2.1 Corporate Social Responsibility (CSR) literature ............................................................... 22
    2.2.2 Social and Environmental Accounting literature ............................................................ 25
    2.2.3 Literature on CSR issues in the global apparel supply chain ........................................... 30
  2.3 Contextual background ................................................................................................................. 39
    2.3.1 The Bangladesh garments industry and workplace safety ................................................. 39
    2.3.2 Workplace safety-related governance structure of the Bangladesh RMG industry ....... 42
2.3.3 Post Rana Plaza governance initiatives for workplace safety ..................................48
2.4 Conclusion .................................................................................................................52

3 Theoretical perspective .................................................................................................54

3.1 Introduction ................................................................................................................54
3.2 Stakeholder theory .....................................................................................................54
3.3 Institutional theory ....................................................................................................56
  3.3.1 Institutional pillars .................................................................................................59
3.3.2 Organisational legitimacy .....................................................................................65
3.3.3 Isomorphic pressures ............................................................................................69
3.3.4 Application of institutional theory ........................................................................71
3.4 Conclusion ................................................................................................................72

4 Workplace safety governance initiatives for the Bangladesh garments industry: a
managerial perspective ....................................................................................................74

4.1 Introduction ................................................................................................................74
4.2 Theoretical framework ...............................................................................................75
4.3 Research method .........................................................................................................78
  4.3.1 Selecting research participants ..............................................................................79
4.4 Findings and discussion .............................................................................................80
  4.4.1 Institutional change in the Bangladesh garment industry .....................................81
    4.4.1.1 Institutional pillars ..........................................................................................83
    4.4.1.2 A question of legitimacy .................................................................................88
  4.4.2 Change in workplace safety conditions .................................................................91
    4.4.2.1 Tangible improvements in RMG industry factories .......................................92
    4.4.2.2 Mindset change of RMG industry stakeholders .............................................93
    4.4.2.3 Greater transparency and accountability regarding supplier factories ..........93
4.5 Conclusion ..................................................................................................................95

5 Workplace safety governance initiatives for the Bangladesh garments industry: an
NGO perspective ..............................................................................................................99
5.1 Introduction................................................................................................................................. 99
5.2 Theoretical framework ................................................................................................................ 101
5.3 Research method .......................................................................................................................... 102
  5.3.1 Selecting research participants .............................................................................................. 102
5.4 Findings and discussion .............................................................................................................. 104
  5.4.1 Motivations of global apparel buying organisations .............................................................. 104
  5.4.2 Motivations of RMG manufacturing organisations .............................................................. 106
  5.4.3 Perceived change in the RMG industry .................................................................................. 107
   5.4.3.1 Improvements in factory safety ......................................................................................... 107
   5.4.3.2 Industrial accidents/casualties ......................................................................................... 108
  5.4.4 Institutional influences upon implementation of social governance initiatives .................. 109
   5.4.4.1 Enforcement and monitoring of social governance initiatives ........................................ 110
  5.4.5 The Bangladesh socio-cultural environment ......................................................................... 111
  5.4.5.1 Role of international stakeholders .................................................................................. 113
  5.4.5.2 Role of local stakeholders ............................................................................................... 114
5.5 Conclusion .................................................................................................................................. 115

6 Corporate social disclosure practices of the apparel industry .................................................. 119
  6.1 Introduction ............................................................................................................................... 119
  6.2 Theoretical framework .............................................................................................................. 122
   6.2.1 Normative perspective ........................................................................................................ 122
   6.2.2 Positive perspective ............................................................................................................ 124
  6.3 Research method ....................................................................................................................... 128
   6.3.1 Content analysis .................................................................................................................. 128
   6.3.2 Company selection and disclosures selected for analysis ................................................. 129
  6.4 Findings and discussion ............................................................................................................ 130
6.4.1 The quality of workplace safety disclosures of the apparel industry

6.4.2 Why apparel industry organisations publish workplace safety related
disclosures

6.4.2.1 Public report disclosures preceding and following the Rana Plaza accident

6.4.2.2 Media of disclosure

6.5 Conclusion

7 Conclusions

7.1 Introduction

7.2 Research findings, contributions and implications

7.3 Limitations of the research

7.4 Future research directions

References

Appendices

Appendix 1: Participant Information Sheet

Appendix 2: Interview guide

Appendix 3: Research participants from global apparel organisations

Appendix 4: Research participants from the Bangladesh RMG Industry

Appendix 5: Research participants and their affiliations - international

Appendix 6: Research participants and their affiliations - local

Appendix 7: Sample interview transcript (Study 1, group 1)

Appendix 8: Sample interview transcript (Study 1, group 2)

Appendix 9: Sample interview transcript (Study 2, group 1)

Appendix 10: Sample interview transcript (Study 2, group 2)

Appendix 11: Standards used by apparel industry organisations to develop social policy

Appendix 12: Disclosure Index – Workplace safety practices and related performance

Appendix 13: Social disclosures of North American apparel buying organisations

Appendix 14: Social disclosures of European Union apparel buying organisations
Appendix 15: Social disclosures of Bangladeshi RMG manufacturing organisations......224
Appendix 16: Workplace safety disclosures of apparel industry organisations (by category) .........................................................................................................................................................................................225
Appendix 17: Workplace safety disclosures of apparel industry organisations ...............226
List of Figures

Figure 1-1: Structure of the research - studies examining workplace safety-related CSR strategies of the apparel industry .................................................................................................................. 8
Figure 2-1: Buyer-driven apparel supply chain adapted from Appelbaum and Gereffi (1994) ........................................................................................................................................... 30
Figure 4-1: Institutional influences on CSR strategies of apparel industry organisations ...... 76
Figure 6-1: Workplace safety disclosures of Alliance signatory organisations in publicly released reports of 2016 .................................................................................................................. 131
Figure 6-2: Workplace safety disclosures of Accord signatory organisations in publicly released reports of 2016 .................................................................................................................. 133
Figure 6-3: Workplace safety disclosures of Bangladeshi RMG organisations in publicly released reports of 2016 .................................................................................................................. 134
Figure 6-4: Workplace safety disclosures (by category) in the public reports of Alliance signatory organisations .................................................................................................................. 135
Figure 6-5: Workplace safety disclosures (by category) in the public reports of Accord signatory organisations .................................................................................................................. 135
Figure 6-6: Workplace safety disclosures (by category) published in the public reports of Bangladeshi RMG organisations ........................................................................................................ 140
Figure 6-7: Workplace safety disclosures of Alliance signatory organisations in corporate reports and web-sites of 2016 .................................................................................................................. 143
Figure 6-8: Workplace safety disclosures of Accord signatory organisations in corporate reports and web-sites of 2016 .................................................................................................................. 144
Figure 6-9: Workplace safety disclosures of Bangladeshi RMG organisations in corporate reports and web-sites of 2016 .................................................................................................................. 145
List of Tables

Table 1-1: Research objectives and research questions .............................................................11
Table 1-2: Methods of data collection ...........................................................................................13
Table 2-1: Selected studies of corporate social disclosure practices - country classification ..28
Table 2-2: Top ten importers of clothing, 2015 (USD billion and percentage) .........................31
Table 2-3: Top ten exporters of clothing, 2015 (USD billion and percentage) .........................32
Table 2-4: Major concerns of sourcing apparel from low cost supplier countries .................32
Table 2-5: Recent studies of social governance initiatives of the apparel industry ............36
Table 2-6: Recent trends in the Bangladesh RMG industry (2010-2011 to 2014-2015) .........40
Table 2-7: Major reported factory incidents in the Bangladesh RMG industry ......................41
Table 2-8: National regulation relating to workplace safety in the RMG industry ...............43
Table 2-9: Changes in the RMG industry following implementation of workplace safety governance initiatives ..................................................................................................................51
Glossary

Accord  Accord on Factory and Building Safety in Bangladesh
Alliance  Alliance for Bangladesh Worker Safety
AMRC  Asia Monitor Resource Centre
BGMEA  Bangladesh Garment Manufacturers and Exporters Association
BNBC  Bangladesh National Building Code
BSCI  Business Social Compliance Initiative
CCC  Clean Clothes Campaign
CPD  Centre for Policy and Dialogue
CSR  Corporate Social Responsibility
DIFE  Department of Inspection for Factories and Establishments
ETI  Ethical Trading Initiative
EU  European Union
FLA  Fair Labour Association
FWF  Fair Wear Foundation
GRI  Global Reporting Initiative
HRW  Human Rights Watch
IGO  International Government Organisation
ILO  International Labour Organisation
ILRF  International Labour Rights Forum
NGO  Non-Government Organisation
NTPA  National Tripartite Plan of Action
OSH  Occupational Safety and Health
OTEXA  US Imports and Exports of Textiles and Apparel
RMG  Ready-Made Garment
SAI  Social Accountability International
TIB  Transparency International, Bangladesh
UN  United Nations
UNBHR  United Nations Guiding Principles for Business and Human Rights
UNEP  United Nations Environment Program
UNGC  UN Global Compact
UNICEF  United Nations Children's Emergency Fund
US  United States
WBCSD  World Business Council for Sustainable Development
WRAP  Worldwide Responsible Accredited Production
WTO  World Trade Organisation
Research summary

Bangladesh, the world’s second largest apparel exporting country, has a continuous history of workplace accidents leading up to the Rana Plaza building collapse (2013) which is considered one of the world’s worst industrial disasters. Following the Rana Plaza tragedy, global condemnation of the apparel industry led to the introduction of workplace safety governance initiatives for the Bangladesh ready-made garment (RMG) industry. The initiatives were established by a range of stakeholders including global apparel buying organisations and international labour federations and trade unions. This research investigates how apparel industry organisations, global apparel buying organisations and Bangladeshi garment manufacturing organisations, have addressed their responsibility and accountability with regard to workplace safety following the significant disasters in the Bangladesh RMG industry. The research examines the corporate social responsibility (CSR) strategy adopted by apparel industry organisations in relation to workplace safety in Bangladesh’s garment manufacturing factories, specifically the implementation of social governance initiatives and the publication of corporate social disclosures. The research comprises three distinct, interrelated studies. The first two studies (Study 1 and Study 2) look at implementation of social governance initiatives of the apparel industry and consider whether organisations are fulfilling their social responsibility, whilst the third study (Study 3) looks at corporate social disclosure practices to determine whether apparel industry organisations are fulfilling their accountability to society.

The first stage of the research (Study 1) examines how a major industrial crisis in the Bangladesh RMG industry led to the introduction of workplace safety governance initiatives and investigates (any) subsequent changes relating to workplace safety in the RMG industry. The motivation for the study is a real concern regarding unsafe work environments in garment manufacturing factories in developing countries. The study identifies whether the new safety initiatives for the Bangladesh garments sector are likely to improve workplace safety conditions in the industry. The study incorporates managerial viewpoints of global apparel buying organisations sourcing from Bangladesh as well as from Bangladeshi garment manufacturing organisations. Eight compliance managers of global apparel buying organisations and 14 owners/managers of garment manufacturing organisations participated in the study. The study examines how the changing institutional environment influenced the CSR strategy of apparel industry organisations and whether and how change has occurred in organisational behaviour with regard to workplace safety. An institutional theory lens is used to analyse interview data and identify the key factors influencing the introduction and implementation of workplace safety governance initiatives.
Study findings show that the introduction of workplace safety governance initiatives is attributable to limitations of the institutional pillars of the RMG industry, the legitimacy crisis facing the apparel industry (and individual apparel industry organisations) following large-scale industrial disaster, and isomorphic pressures from powerful public, private and social sector constituents which motivated apparel industry organisations to address safety conditions in RMG factories. However, the findings indicate that despite some apparent improvement in RMG industry safety, change in the industry will be a gradual process which will require more than simply introducing changes in regulation, but which also entails a need to understand/address the underlying culture of business and society in Bangladesh. Because of interdependencies between the institutional pillars, the study questions the logic involved in recent international initiatives to improve health and safety within the Bangladesh RMG industry. The study results provide insight into the relevance of introducing western-based initiatives in a developing country context.

The second stage of the research (Study 2) reinforces the findings of Study 1 by presenting an influential third-party perspective evaluating workplace safety conditions in the RMG industry following introduction of workplace safety governance initiatives. The study considers the opinions of prominent international and local organisations working to improve safety conditions in the RMG industry. Interviews are conducted with six representatives of well-known intergovernmental and non-government organisations and seven representatives of Bangladeshi trade and civil society organisations. The purpose of the second study, in parallel with the aims of the first study, is to establish whether the new safety initiatives have been effectively implemented and to consider whether safety conditions in the RMG industry may conceivably be improved in the long run. The study further examines issues initially identified in study 1 - constituent influence upon apparel industry organisations, apparent changes in the RMG industry following introduction of workplace safety governance initiatives, factors which impact upon the effective/successful implementation of workplace safety governance initiatives, and the perceived requirements for long-term sustainability of workplace safety governance initiatives. It is interesting to note that the findings of study 2 support the findings of study 1. Both studies (study 1 and study 2) point to the same underlying issues - managerial and NGO representatives all seem to be agreeing that there are uncertainties that need to be addressed within the apparel industry. An institutional theory lens is (again) used to explain factors influencing the effective implementation of workplace safety governance initiatives for the RMG industry. Through this institutional lens, it is observed that whilst workplace safety governance initiatives were initially
introduced to maintain legitimacy following the legitimacy crisis faced by the apparel industry/individual apparel industry organisations, as well as in response to international constituent pressures, sustained constituent pressures must be maintained to ensure continual improvements in RMG factory safety conditions. However, increased pressures to accept workplace safety governance initiatives may not lead to effective implementation of safety regulations due to high costs of adopting social compliance. NGOs acknowledge that the implementation of workplace safety governance initiatives is further hampered due to local cultural issues (reflecting the local mind-set which does not prioritise workplace safety), and the study findings draw attention to the inadequate enforcement and monitoring of public governance regulations and social governance initiatives and realities of the Bangladeshi socio-cultural environment which may potentially impede long-term improvement in safety conditions in the RMG industry. The findings of the research suggest that improving safety conditions in the RMG industry will represent an industry trade-off between maximising business profits and focussing on effective implementation of sustainability policies.

The first and second stages of the research investigate the implementation of workplace safety governance initiatives adopted by apparel industry organisations following the Rana Plaza disaster, and the subsequent state of workplace safety conditions in the Bangladesh garments industry. It is notable that the separate studies undertaken from different stakeholder perspectives, arrive at similar conclusions. The responses from both managerial and NGO representatives point out that the effectiveness/success of workplace safety governance initiatives will require long-term commitment of international and local stakeholder groups including international NGOs, multi-national buyers and local garment manufacturers (to develop the local workplace safety culture) through providing increased safety training and education initiatives for the RMG industry and engaging further with local stakeholders to raise awareness and encourage participation in factory safety processes/procedures.

The third stage of the research (Study 3) analyses workplace safety information published by apparel industry organisations (global apparel buying organisations and Bangladeshi garment manufacturing organisations) and compares stakeholder expectations of disclosure with actual disclosures of the apparel industry. The study establishes whether apparel industry organisations fulfil accountability for workplace safety and to identify institutional factors which influence corporate social disclosures. The motivation of the third study is to determine if apparel industry organisations publicly demonstrate any real concern for workplace safety in RMG manufacturing factories by way of disclosure. A workplace safety index, which is based upon apparel industry
governance standards, is constructed to examine the workplace safety related disclosure practices of apparel industry organisations for a period surrounding major industrial accidents. A content analysis of apparel industry disclosures following the Rana Plaza accident finds global apparel buying organisations appear to demonstrate accountability for safety in the RMG industry, whereas Bangladeshi garment manufacturing organisations demonstrate comparatively limited accountability. The final research study offers insights into organisational motivations for publishing workplace safety related disclosures. Through the application of institutional theory (once again), the study establishes that institutional influences (legitimacy threats and global stakeholder pressures) upon the apparel industry following recent industrial disasters have led to increased emphasis on workplace safety in apparel industry disclosures. The study concludes that workplace safety related corporate disclosures of the apparel industry may be considered as primarily profit-motivated and influenced by the institutional environment, rather than being an indication of actual concern in regard to improving workplace safety. As implied through the findings of the preceding studies (study 1 and study 2), only change in industry mind-set and development of the local culture/norms of safety will result in long-term improvement in RMG industry safety conditions. Such a change in the safety culture of the apparel industry might encourage publication of increased workplace safety related disclosures, which would demonstrate a greater accountability for workplace safety in the Bangladesh RMG industry.

The research contributes to an overall understanding of how and why apparel industry organisations have addressed their responsibility and accountability with regards to workplace safety in the Bangladesh RMG industry. The identification of the various institutional factors which influences CSR strategy of apparel industry organisations (which includes implementation of social governance initiatives and publication of corporate social disclosures) represents a significant contribution to the literature. The findings from the research may be applied to further investigate and understand the CSR strategy followed within other apparel manufacturing countries as well as in other labour-intensive industries.
1 Introduction

1.1 Introduction

This research utilises institutional theory in order to investigate how apparel industry organisations have addressed their responsibility and accountability with regards to workplace safety following significant disasters in the Bangladesh ready-made garment (RMG) industry. The research comprises three separate studies that examine corporate social responsibility (CSR) strategies of the apparel industry, specifically the introduction of social governance initiatives and the publication of social disclosures. The first and second studies investigate whether organisations are fulfilling their social responsibility through examination of workplace safety governance initiatives implemented for the Bangladesh garment industry following the Rana Plaza accident. The third study considers whether apparel industry organisations are fulfilling their accountability to society through analysis of workplace safety-related disclosure practices of the apparel industry. The following sections within this chapter provide an outline of the research: the research focus, the structure of the research, the research methodology, the research significance, and a preview of the succeeding chapters of the thesis.

1.2 Research focus

Managing CSR strategies in the apparel supply chain has become a major challenge for global firms sourcing from low-cost production and labour countries (Mann et al., 2013). The CSR strategies of apparel industry organisations incorporate the implementation of social governance initiatives and the publication of corporate social disclosures. The importance of appearing to uphold socially responsible business practices in the international apparel industry is reflected in the increasing number of multinational organisations that adopt social governance initiatives, and publish disclosures (through various media such as corporate annual reports, sustainability reports, and corporate websites) which document such initiatives (Fernandez-Feijoo et al., 2014).

Global apparel buying organisations increasingly face international pressures from NGO and consumer groups to assume social responsibility for human rights violations in supplier countries mainly relating to labour practices and poor working conditions (Mayer and Pickles, 2011). Bangladesh, a leading apparel manufacturing country, has one of the worst workplace safety records in the world (CCC, 2016). The most recent large-scale accident in the country’s ready-made-garments (RMG) industry was the Rana Plaza building collapse (April 24, 2013) which caused 1,129 worker fatalities and over 2,000 injuries (Labour behind the Label, 2015).
Another tragic disaster was the Tazreen Fashions factory fire (November 24, 2012) which resulted in 112 worker deaths and over 300 injuries (Business-human rights, 2015). The unprecedented and tragic loss of life in successive accidents in the RMG industry led to a collective global response condemning workplace conditions in Bangladesh’s garment factories (HRW, 2015; Global Labour Rights 2015).

The governance structure of the international apparel industry acts to uphold social and environmental standards through a multi-layered, multi-actor system of global authority that includes national level regulation, formal international agreements, and private social governance initiatives (Vogel, 2008). Governance structures can be classified into public, private, and social forms of governance (Abbott and Snidal, 2009, Gereffi and Fernandez-Stark, 2011). Public governance regulations dealing with workplace safety incorporate national legislation, such as labour laws and trade/industry policies. Public governance regulations are developed and enforced by national governments, either on their own or in cooperation with other governments or regulatory bodies (Haufler, 2003). However, the weak regulatory frameworks of developing countries are not in alignment with their industrial growth and have led to increase of private social governance initiatives (Djankov and Ramalho, 2009). With economic globalisation undermining national regulations, progressively more apparel organisations follow private social governance initiatives. Whilst public governance regulations represent mandatory regulation (hard law), private social governance initiatives are voluntary (soft law) forms of governance (Gilbert et al., 2010).

Private social governance initiatives comprise industry codes that focus on labour practices and human rights policies (Gereffi and Lee, 2016), for example, corporate codes of conduct implemented by leading apparel retailers such as Wal-Mart and Hennes & Mauritz. Global apparel buyers have dominant influence over their suppliers and enforce codes of conduct within their supply chains to address social concerns within clothing manufacturing factories (Locke et al., 2009). Social governance initiatives include internationally recognised codes of labour practice, industry accredited certification standards, and multi-stakeholder initiatives which involve public, private and non-profit actors. Social governance initiatives of the apparel business include corporate codes of conduct, certification standards, and independent initiatives established by business groups, trade associations, and NGOs (O’Rourke, 2006). Social governance initiatives are aimed at standardizing firms’ behaviour and are initiated by civil society actors and NGOs such as labour unions, human rights groups and consumer associations (Gilbert et al., 2010). NGOs have great influence over apparel industry organisations and often
use the media to influence organisational behaviour (Deegan and Islam, 2014). Ultimately, to be more effective, private social governance initiatives must be reinforced by state-based and enforced regulatory policies at both the national and international level (Vogel, 2008).

Adoption of social governance initiatives by apparel industry organisations have strategic significance (Rodriguez-Garavito, 2005, Gereffi and Lee, 2014) that may either represent a ‘public relations smokescreen’ (Bartley, 2007), or an act consistent with good corporate citizenship (Matten and Crane, 2005). Global apparel buying organisations may implement social governance initiatives as part of their CSR strategies to protect financial performance (Callan and Thomas, 2009), to establish legitimacy (Islam and Deegan, 2010), to comply with government regulation (Bartley, 2003), in response to pressure from stakeholder groups such as NGOs and the media (Deegan and Islam, 2014), because of peer pressure (Vogel, 2010), or due to moral/ethical concerns (Rupp et al., 2010). Garment manufacturing organisations in developing countries often have weakly enforced public governance regulations (Mayer and Gereffi, 2010) and their motivation for implementation of private social governance initiatives is typically considered to be a response to pressure from global buyers (Belal and Owen, 2007).

The history of accidents in the RMG industry, which have culminated in latest major disasters, highlight the apparent failure/absence of the existing governance structure to help ensure workplace safety in apparel manufacturing factories. Lack of enforcement of Bangladeshi government regulations (Ahamed, 2013), difficulties with imposing western standards in the cultural context of a developing country (Belal and Owen, 2007, Belal and Roberts, 2010), and limitations of existing social governance initiatives that address workplace safety in supplier factories (Locke and Romis, 2012, Locke, 2013), are significant factors in considering why governance initiatives may not have successfully led to improvement in safety conditions in garment factories.

Following the Rana Plaza tragedy several governance initiatives specifically addressing workplace safety in the Bangladesh RMG industry were implemented. The Government of Bangladesh signed The National Tripartite Plan of Action (NTPA) (DIFE, 2016) – an initiative supported by the International Labour Organisation’s (ILO) Better Work Program - ‘Improving Working Conditions in the RMG Sector’ (ILO, 2016). Two significant initiatives: the Accord on Factory and Building Safety in Bangladesh (The Accord) (Accord, 2016) and the Alliance for Bangladesh Worker Safety (The Alliance) (Alliance, 2016) were collaboratively established by international constituents of the global apparel business including global apparel buying
organisations, retailers and brands, global labour federations, and international NGOs. Implementation of these latest initiatives for the RMG industry raises interesting research questions regarding motivations for implementation and whether these initiatives will be successful in improving safety in Bangladesh’s garment manufacturing organisations. These initiatives therefore provide a fertile and important area for research.

1.3 Structure of the research

The research examines CSR strategy of apparel industry organisations in relation to workplace safety in the Bangladesh RMG industry through three interrelated studies that look at implementation of social governance initiatives and publication of corporate social disclosures of the apparel industry. The structure of the research is shown in Figure 1.1 below.

**Figure 1-1:** Structure of the research - studies examining workplace safety-related CSR strategies of the apparel industry

Study 1 and 2 are complementary studies which examine implementation of social governance initiatives for workplace safety from different stakeholder perspectives. Whilst the findings of the first study are established from a managerial perspective, the second study is considered from an NGO perspective. The first two studies look at the factors which have motivated apparel industry organisations to implement workplace safety governance initiatives, whether the introduction of workplace safety governance initiatives has been perceived to have led to change/improvement in workplace health and safety in the Bangladesh RMG industry, examines institutional factors which impact upon the effective/successful implementation of workplace
safety governance initiatives, and considers requirements for long-term sustainability of workplace safety governance initiatives. Study 3 examines corporate social disclosure practices of the apparel industry for a period surrounding large-scale industrial disaster. The third study identifies (any) change in workplace safety related disclosures published by apparel industry organisations and looks at how social disclosures may be influenced by the institutional environment.

**Study 1:** The objective of the first study is to consider the potential impact of workplace safety governance initiatives on safety conditions in the Bangladesh RMG industry. To accomplish this objective the study considers managerial perspectives to understand the various institutional factors (including societal attitudes, existing social governance initiatives and public government regulations, and pressures faced by apparel industry organisations) that influence organisational CSR strategy. The study investigates consequent change/improvement in safety conditions in RMG factories following the introduction of workplace safety governance initiatives, together with potential impediments thereto. The overall motivation for undertaking this research is a genuine concern for workplace safety in arenas such as factories in developing countries that produce products predominantly for people in the west who typically are quite removed from the dangerous and unhealthy working environments in place. Relatedly, the study seeks to highlight that any moves towards changing workplace health and safety must consider whether the proposed changes in workplace safety governance initiatives are consistent with the underlying institutional pillars in place within the institutional context wherein change is being planned, and if they are not consistent, what efforts need to be undertaken to address such inconsistencies. Inconsistencies are likely to undermine any efforts to improve the health and safety of factory workers.

The findings of study 1 show that apparel industry organisations adopted workplace safety governance initiatives because of stakeholder pressures, to re-establish organisational legitimacy, and for business survival. Despite some real improvements in industry safety, this thesis suggests that ongoing international pressure/attention is required for change to continue in the RMG industry. Additionally, ‘ways of thinking’ in relation to health and safety within the apparel industry need to change, which can only take place gradually over time.

**Study 2:** The second study also investigates the state of workplace safety conditions in the RMG industry. The purpose of the subsequent study is to look at NGO’s reactions/perceptions of industry safety following implementation of workplace safety governance initiatives. The study
seeks to gain an overall impression of the state of RMG industry safety by incorporating additional stakeholder (i.e. NGO) perspectives, in addition to the viewpoints provided by managers of apparel industry organisations. The initial study reveals how apparel industry organisations have been influenced by the institutional environment, and examines how the limitations of existing governance structure, legitimacy threats to the global apparel business, and subsequent pressures faced by apparel industry organisations led to a restructure of the regulatory pillars of the apparel industry, i.e. the introduction of workplace safety governance initiatives for the RMG industry. The second study confirms the institutional influences which have led to apparent changes in factory safety, the factors which influence (i.e. impede) effective implementation of workplace safety governance initiatives, and the requisite conditions for long-term sustainability of the new safety initiatives.

Significantly, the second study utilises a different stakeholder (i.e. NGO) perspective and arrives at similar conclusions, thus supporting the findings of the initial study. The study reinforces that apparel industry organisations adopted workplace safety governance initiatives due to international constituent pressures. NGOs acknowledge that whilst some positive developments have taken place, lasting improvement in workplace safety conditions in the RMG industry will require continuous effort/involvement of local and international constituents. Findings of both study 1 and study 2 suggest that long-term safety improvement will not be likely unless local socio-cultural realities are recognised and addressed and there is change in ‘safety mind-set’ within the industry. The effective implementation of new workplace safety standards will depend upon the social/financial cost-benefit strategy employed by the apparel industry.

Study 3: The third study examines how the apparel industry appears to have addressed its accountability with regards to workplace safety following large-scale accidents in the Bangladesh RMG industry. The study investigates (through analysis of corporate social disclosures) whether apparel industry organisations demonstrate any real concern for workplace safety in RMG manufacturing factories. The study analyses workplace safety related information published by apparel industry organisations to identify whether corporate disclosures meet stakeholder expectations of disclosure. The objective of the study is to establish the level to which apparel industry organisations fulfil accountability for workplace safety and to identify institutional factors which may influence corporate social disclosures. The study adds to the research on corporate social disclosure practices of the apparel industry, through a detailed analysis of workplace safety disclosures of apparel industry organisations for a period surrounding significant industrial disaster.
The findings of the third study suggest that global apparel buying organisations appear to demonstrate accountability for workplace safety in the RMG industry compared to the poor accountability demonstrated by Bangladeshi garment manufacturing organisations. Findings of the previous studies (study 1 and study 2) confirm that workplace safety governance initiatives have been implemented by apparel buyers to maintain organisational value and by garment suppliers for business survival. Consistent with findings of the preceding studies, the results of the final study imply that workplace safety related disclosures of apparel industry organisations appear to be influenced by institutional pressures (i.e. legitimacy crisis and stakeholder pressures), and organisations are shown to be motivated more by profits rather than by genuine concern for worker safety.

The overall research findings suggest that a gradual change in organisational workplace safety culture/norms may lead to more effective implementation of safety initiatives and may be reflected in change in workplace safety related disclosures over time.

The research objectives and the research questions for each study are outlined in a separate chapter relating to the study and are also presented together in summary form in Table 1-1 below.

**Table 1-1: Research objectives and research questions**

<table>
<thead>
<tr>
<th>Study 1 and Study 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Research objectives</strong></td>
</tr>
<tr>
<td>• To examine institutional factors motivating apparel industry organisations to implement workplace safety governance initiatives for the Bangladesh garments industry.</td>
</tr>
<tr>
<td>• To identify changes relating to safety conditions in the Bangladesh garments industry following the introduction of workplace safety governance initiatives.</td>
</tr>
<tr>
<td>• To consider whether it is reasonable to expect workplace safety governance initiatives to work given the institutional environment of the Bangladesh garments industry.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Research questions</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RQ1</strong>: What institutional factors motivate global apparel buying organisations to implement workplace safety governance initiatives within the Bangladesh garments industry?</td>
</tr>
<tr>
<td><strong>RQ2</strong>: Are Bangladeshi garment manufacturing organisations embracing the real need for ongoing improvements in workplace safety?</td>
</tr>
</tbody>
</table>
RQ3: Have there been real changes/improvements in workplace safety in the Bangladesh garments industry following the introduction of workplace safety governance initiatives?

RQ4: Are the prevailing institutional pillars (and related notions of legitimacy) within the Bangladesh garments industry likely to work with, or against, any quest to improve workplace safety?

RQ5: Is it naïve to believe that workplace safety governance initiatives - developed in large part by western participants – will provide long term solutions to problems endemic in the Bangladesh garments industry?

Study 3

Research objectives

• To examine workplace safety-related social disclosure practices of apparel industry organisations and consider accountability demonstrated by apparel industry organisations.
• To identify institutional factors which may/may not influence workplace safety-related social disclosure practices of apparel industry organisations.

Research questions

RQ1: To what extent do apparel industry organisations appear to demonstrate accountability for workplace safety-related issues in the Bangladesh garments industry?

RQ2: How and why do apparel industry organisations make workplace safety-related disclosures?

1.4 Research methodology

The type of research methodology applied is typically identified through the nature and the background of the research (Creswell, 2009). Considering the research focus and the contextual background of the research, this research uses a qualitative approach. Methodological triangulation in qualitative research involves using more than one method of data collection (Denzin and Lincoln, 2000). In qualitative research triangulated data sources increase validity of findings and capture different dimensions of the same phenomenon (Barratt et al., 2011). This research employs triangulation through the use of several qualitative research methods. Qualitative research approaches rely on data collection methods such as observation, field notes,
Interviews, and analysis of documents and materials. The data collection methods adopted in the research is presented in Table 1-2 below.

**Table 1-2: Methods of data collection**

<table>
<thead>
<tr>
<th>Study</th>
<th>Method</th>
<th>Research type</th>
<th>Technique</th>
</tr>
</thead>
<tbody>
<tr>
<td>Study 1 &amp; 2</td>
<td>Personal interview</td>
<td>Field research</td>
<td>Semi-structured interviews</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-observation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-use of interview schedule with open ended questions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-use of audio recording device</td>
</tr>
<tr>
<td>Study 3</td>
<td>Content analysis</td>
<td>Desk research</td>
<td>Analysis of documents</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-study of historical CSR disclosure</td>
</tr>
</tbody>
</table>

**Study 1 and Study 2**
The first and second studies adopt a qualitative interpretive research approach. The term interpretive refers to the fact that qualitative research is aimed at understanding and interpreting the meanings and intentions that underlie everyday human action (Mouton, 1985). Interpretive methodologies are conducted through hands-on/practical research, broadly encompassing both fieldwork and textual-archival research (Bevir and Kedar, 2008). The interview is the primary data collection technique for gathering data in qualitative methodologies (Cooper et al., 2006). Data is collected through face to face, one on one interviews which give the benefit of immediate feedback, allow for confirmation of meaning, and offer in-depth insight (Daft and Lengel, 1986). Conducting interviews in a face-to-face setting provides the opportunity to probe particular aspects of the interviewees of response to questions and related discussion on issues of workplace safety in the RMG industry. Conducting between ten to fifteen interviews is suggested to provide a reasonable amount of variation, and a maximum of twenty interviews is recommended to allow for effective management of gathered data (Trigwell, 2006). A sufficient number of interviews lead to ‘saturation’, when interviewees’ responses no longer reveal fresh insights and no new themes or variations come to light. A number of semi-structured interviews (starting with a few specific questions then following individual thoughts with interviewer probes) were conducted with key persons from the selected stakeholder groups.

The main stakeholder groups involved with the Bangladesh garments industry identified from the literature include: international buyers, garment manufacturers, international regulatory
Several stakeholder groups are selected for interview in this research: global apparel buying organisations (also referred to in the thesis as apparel buyers), Bangladeshi garment manufacturing organisations (also referred to in the thesis as garment suppliers), and local and international NGOs. Global apparel buying organisations are selected for interview as they represent powerful stakeholders in the apparel industry with control over garment suppliers who are dependent upon them for orders. The apparel buyers introduce social governance initiatives for the RMG industry and are aware of and need to deal with the various issues which arise with implementation of social governance initiatives. The second stakeholder group chosen for interview are Bangladeshi garment manufacturing organisations. Although garment suppliers have comparatively less power, they are the group which must implement workplace safety policies into practice and can provide a practical assessment of the effectiveness of social governance initiatives in practice. In the labour-intensive garment manufacturing industry, the factory workers directly involved in garments manufacturing have next to no power. Their interests are represented by NGOs who have significant power in influencing the industry. Thus, the third stakeholder group selected for interview are NGOs. The research conducts interviews with local and international NGOs working on agendas relating to workplace safety in the Bangladesh RMG industry.

Field research was conducted in Dhaka, Bangladesh. At the time of data collection, the Australian Department of Foreign Affairs and Trade listed Bangladesh as ‘politically unstable’ and advised exercising ‘a high degree of caution' when travelling to the country. All appropriate cautions were taken when conducting the research.

Prior to conducting interviews, ethics approval was received from the RMIT Human Research Ethics Committee. A participant information sheet (included in Appendix 1) detailing the research objectives was provided to each participant and explained at the start of the interview. All the interviews were semi-structured in nature and based upon an interview guide containing open-ended interview questions. The interview guide is included in Appendix 2. The interview guide was developed based upon the research objectives and the research questions of Study 1 and 2. The questions contained in the interview guide link back to institutional theory. Each interview transcript is coded around categories relating to institutional theory. The findings of
each study are presented around themes linking to institutional theory (institutional pillars, organisational legitimacy, and isomorphic pressures) as well as other emergent themes and are discussed in the separate chapters relating to each study.

The names of interview participants and their organisations are de-identified. Interview participants from stakeholder group 1 – managers of apparel buying organisations are identified as B1, B2 etc; interview participants from stakeholder group 2 – managers of garment supplier organisations are identified as S1, S2 etc; and interview participants from stakeholder group 3 - representatives of local and international NGOs are identified as NGO1, NGO2 etc. The research participants from the various stakeholder groups are described and listed in no particular order in Appendices 3 to 6. The order of respondents listed in the appendix does not represent the order in which they are numbered. Thus, as far as possible, the anonymity of the interviewees is maintained, whilst still allowing sufficient information to be provided about the respondents/organisations.

**Study 3**

The research method for the third study involves content analysis of selected corporate social disclosures. Content analysis is the research method most commonly used to study social and environmental disclosure of an organisation (Parker, 2005). Content analysis is defined as a research method for making replicable and valid inferences from data to their context (Krippendorff, 2012). Content analysis demands meticulous reading of documents and understanding and interpreting text in its relevant context. Content analysis makes subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns (Hsieh and Shannon, 2005). The goal of content analysis is to provide knowledge and understanding of the phenomenon under study (Downe-Wamboldt, 1992). The study conducts content analysis of workplace safety related disclosures contained within corporate annual reports, sustainability reports, and corporate websites.

The research method for each study is elaborated upon in a separate chapter relating to the respective study.

**1.5 Research significance**

The overall research contributes to the understanding of how and why apparel industry organisations have addressed their responsibility and accountability with regards to workplace
safety in the Bangladesh RMG industry. Further, each individual study makes significant contribution to the literature.

**Study 1:** The first study considers the workplace safety governance initiatives introduced by the apparel industry to establish safe working conditions in Bangladesh garment manufacturing factories. To examine managerial motivations for implementing workplace safety governance initiatives and to study the impact of the social governance initiatives on workplace safety, interviews are conducted with key parties in the apparel supply chain, specifically managers from global apparel buying organisations and from Bangladeshi RMG manufacturing organisations. The views of global buyers provide insight from influential stakeholders in the apparel supply chain and opinions of apparel manufacturers provide direct accounts of current workplace safety conditions and changes within the RMG industry. The interview responses provide useful insight into whether global buyers and local suppliers are actually embracing the real need to improve health and safety within factories, as well as an understanding of the factors that might impede efforts to improve workplace safety. Notably, much of the prior research examining the implementation of social governance initiatives is based upon secondary sources (published documents). There are few empirical investigations, and studies conducting field research - such as interviews - represent a valuable contribution to the literature (Belal and Cooper, 2011). The study contributes to the literature (using primary data) through interviews with managerial stakeholders that will help contribute to an understanding of multi-stakeholder efforts towards improving fire and building safety conditions in the RMG sector. The study considers whether organisations are fulfilling their social responsibility to ensure a safe workplace in the RMG sector.

The study applies aspects of institutional theory (DiMaggio and Powell, 1991) as the framework to explain factors that have, and potentially will, impact institutional behaviour around implementation of social governance initiatives and improvements in workplace safety. To the best of the researchers' knowledge this is the first study that examines institutional factors that have influenced adoption (and likely long-term success or otherwise) of workplace safety governance initiatives post Rana Plaza, and which looks at subsequent impact of the new initiatives on safety conditions in Bangladeshi garment factories.

The study also seeks to highlight to managerial stakeholders, as well as to government-appointed and private regulatory bodies and NGOs, why implementation of particular legislative and
private social governance initiatives may (or may not) effectively influence safety conditions in the garments manufacturing industry over the longer term.

**Study 2:** The second study examines the implementation of workplace safety governance initiatives from the perspective of international NGOs and Bangladeshi trade and civil society organisations working to improve safety conditions in the RMG industry. The perceptions of international and local NGOs provide a critical, third party account of conditions in the RMG industry following the introduction of new social governance initiatives.

Similar to study 1, study 2 also applies institutional theory to explain institutional factors which influence effective implementation of workplace safety governance initiatives in the RMG industry. The studies (study 1 and study 2) present new findings on the state of the RMG industry following the introduction of workplace safety governance initiatives, considers whether these initiatives will lead to any lasting change in workplace safety conditions in Bangladesh’s garment industry, and explores the reservations of constituents regarding the ‘success’ of the new initiatives.

There is limited empirical research examining effectiveness of workplace safety governance initiatives of the apparel industry post Rana Plaza, and this research contributes to the emerging literature for example, (Siddiqui and Uddin, 2016) and (Sinkovics et al., 2016), in this area.

The research may be of benefit to various stakeholders of the apparel industry. The research reinforces for both government-appointed and private regulatory bodies, how effective implementation of an appropriate balance of regulatory and social governance initiatives can significantly impact on safety conditions in the apparel manufacturing industry. The research highlights the important role of key institutional constituents, NGOs such as labour unions and human rights organisations (central in establishing The Accord/The Alliance) and international government organisations such as the ILO (which have supported implementation of the NTPA), in working to ensure that new governance structures lead to improved safety conditions in RMG factories. The research is significant for global buying organisations to consider factors which will influence effective implementation of similar governance structures introduced in other apparel supplier countries (such as Pakistan, Cambodia, Vietnam).

**Study 3:** In the aftermath of large-scale workplace accidents and ensuing global stakeholder demand for corporate accountability, organisations may respond by altering their disclosures. The third study analyses social disclosures made by two key parties in the international apparel
supply chain: global apparel buying organisations and retailers sourcing clothing from Bangladesh, and Bangladeshi garment manufacturing organisations. Corporate social disclosures contain information relating to organisational workplace safety policies and practices. Analysis of disclosures of apparel buyers and garment suppliers will identify CSR information published by two key parties in the apparel industry. A comparison of workplace safety related disclosures of apparel buyers and garment suppliers demonstrate how apparel industry organisations account for the issue of workplace safety in the Bangladesh RMG industry.

No study has yet examined specifically the workplace safety-related disclosure practices of the apparel industry, particularly in light of the latest industry tragedies. The study extends the literature on corporate social disclosure practices of the apparel industry (Islam and Deegan, 2008, Islam and Deegan, 2010, Islam and McPhail, 2011) and looks at disclosures for a period surrounding significant workplace incidents examined in the context of increasing social and institutional pressures for greater RMG industry accountability. The study contributes to the social and environmental accounting literature by providing an overview of workplace safety related disclosure practices of the apparel industry, which will help to establish whether apparel industry organisations appear to be fulfilling their accountability to society (with respect to the issue of workplace safety) – an issue which to the best of the researcher’s knowledge has not yet been investigated.

This study extends the literature on accountability in relation to workplace safety in the Bangladesh garments industry. The study examines the quality of workplace safety related information disclosed by apparel industry organisations and considers institutional factors which affect the publication of workplace safety related disclosures. The study may be useful for apparel industry organisations (both apparel buyers and garment suppliers) to realise the significance of disclosing workplace safety related information, as well as for academics who may apply insights from the study to support further research (such as broader/more extensive desk/field research) into how workplace safety issues are addressed by apparel industry organisations.

### 1.6 Outline of the thesis

The further chapters of the thesis are outlined below.

Chapter 2 presents an overview of the extant literature in the areas of Corporate Social Responsibility (CSR), social and environmental accounting, and the global apparel supply chain.
The review of the CSR literature identifies various social and environmental problems which arise in labour-intensive industries in developing countries and considers how organisations establish their sustainability policies and practices. Review of the social and environmental accounting literature focuses on corporate social disclosure practices, and more specifically on corporate social disclosures published by the apparel industry. An overview of the existing literature on CSR in the global apparel supply chain highlights various CSR related challenges (such as human rights abuses and unsafe working conditions in apparel manufacturing factories), looks at the implementation of social governance initiatives, and considers the institutional factors which influence the effective implementation of CSR strategy of the apparel industry.

The contextual background of the research focuses on Bangladesh, the world’s second largest apparel manufacturer. The Bangladesh RMG industry is associated with huge health and safety risks. The chapter traces the history of fatal workplace accidents in the Bangladesh garments industry, outlines the existing workplace safety governance structure for the RMG industry, and examines the state of the RMG industry following implementation of the workplace safety governance initiatives. The main question which arises (and which is addressed in the research) is whether the CSR strategy of the apparel industry adopted post Rana Plaza has led to improved workplace safety in the Bangladesh RMG industry.

Chapter 3 presents the theoretical perspective applied in the research. The research applies normative and positive theoretical perspectives to examine CSR strategy of the apparel industry. Primarily, the research utilises institutional theory, a positive theory, to explain the nature of how apparel industry organisations fulfil their social responsibility / accountability with regard to workplace safety conditions in the Bangladesh RMG industry. The theory helps to explain/understand the various institutional elements that influence organisational CSR strategy (in relation to workplace safety). The research identifies institutional factors (including legitimacy threats, institutional pillars, and isomorphic pressures) which influence CSR strategy of apparel industry organisations. The theoretical framework applied for each study is elaborated upon in a separate chapter which relates to the individual study.

Chapters 4, 5, and 6 relate to the individual studies - study 1, 2, and 3 respectively. Each chapter presents the research background, the theoretical framework, the research method, the findings and discussion, and the conclusions of each study. Overall, the research identifies influences of the institutional environment upon the CSR strategy of apparel industry organisations. CSR strategy includes the implementation of social governance initiatives and the publication of social disclosures. Study 1 and 2 focuses on implementation of social governance initiatives and
consider whether organisations are fulfilling their social responsibility, and study 3 looks at corporate social disclosure practices of the apparel industry and considers whether organisations are fulfilling their accountability to society. The first study (chapter 4) investigates institutional factors influencing the implementation of social governance initiatives of the apparel industry from a managerial perspective. The second study (chapter 5) reinforces the findings of the initial study through examining the effective implementation of workplace safety governance initiatives from an NGO perspective. The final stage of the research (chapter 6) analyses corporate social disclosure practices of the apparel industry and institutional influences upon workplace safety related disclosures of apparel industry organisations.

The conclusions of the thesis are presented in chapter 7. The chapter reviews the objectives of the research and summarises the main research findings. Further, the chapter includes research implications and contributions, the limitations of the research, and directions for future research.
2 Literature review

2.1 Introduction

This research considers the social responsibility\(^1\) and accountability of apparel industry organisations for activities within the apparel supply chain. The most significant social concerns associated with the apparel industry relate to poor working conditions and abusive labour practices within garment manufacturing factories. Apparel industry organisations attempt to fulfil their social responsibilities by implementing social governance initiatives (such as industry standards and corporate Codes of Conduct) for supplier factories. Apparel industry organisations attempt to fulfil their accountability by publicly reporting on their activities in corporate reports (such as annual, sustainability and integrated reports) as well as on corporate web-sites (and in other forms of advertising such as media reports, leaflets etc). Specifically, this research examines responsibility (Study 1 and 2) and accountability (Study 3) of apparel industry organisations for workplace safety in the garments industry following large-scale tragedy in Bangladesh.

This chapter provides an overview of relevant literature in the areas of CSR, social and environmental accounting, and the global apparel supply chain. The chapter also presents the contextual background of the research which centres around workplace safety and the Bangladesh RMG industry. The objective of the research is to extend the existing literature by considering the responsibility and accountability demonstrated by apparel industry organisations for workplace safety in the Bangladesh garments industry, in light of recent, large-scale industrial tragedy in Bangladesh.

2.2 The extant literature

The review of the CSR literature focuses on social and environmental problems/issues in (labour-intensive) industries in developing countries and considers the establishment of corporate sustainability policies and practices. The review of the social and environmental accounting literature looks at how organisations ‘account’ for their CSR activities and studies corporate social disclosure practices of the apparel industry.

\(^1\) The social responsibility of apparel industry organisations signifies corporate social responsibility and is also referred to in the thesis as the responsibility of apparel industry organisations.
Literature on CSR issues in the global apparel supply chain covers specific challenges faced by leading apparel manufacturing countries, considers the social governance initiatives of the apparel industry and the problems faced in implementing social governance initiatives in clothing manufacturing factories, and notes the various factors which influence apparel industry organisations to establish CSR strategy.

2.2.1 Corporate Social Responsibility (CSR) literature

There is a significant body of literature on the concept of CSR. The fundamental idea of CSR is that business and society are interwoven rather than distinct entities (Wood, 1991). CSR is used interchangeably with overlapping concepts such as corporate citizenship, business ethics, stakeholder management and sustainability (Carroll and Shabana, 2010). Although there are various definitions of CSR, the basic principle is that in addition to the economic responsibility to undertake profitable activities for shareholders, a company also has a legal, ethical, environmental and social responsibility towards society (Carroll, 1999, Whetten et al., 2002). Dahlsrud (2008) analysed 37 definitions of CSR largely from the past two decades and determined CSR is socially constructed based on five concepts: stakeholder, social, economic, voluntariness and environmental. There is no single definition of CSR as the meaning differs from the standpoint of governments and legal frameworks, and stakeholder groups. From a business perspective, the World Business Council for Sustainable Development defines CSR as “the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large” (WBCSD, 2006). The United Nations Guiding Principles for Business and Human Rights, states that all businesses have a responsibility to respect, protect and remedy the human rights of individuals and communities impacted by their operations (UNBHR, 2016). The concept of CSR may be considered as an ‘ideal’, which may not be embraced by businesses in all countries.

Some of the main environmental problems attributable to corporate activities are identified by the United Nations (UN) as pollution, global warming, climate change, ozone layer depletion, environmental degradation, deforestation, and loss of biodiversity (www.unep.org). Social issues on which the UN considers organisations must focus include promoting justice and international law through economic and social progress and development, and respect for human rights and fundamental freedoms (www.un.org).
There are many social and environmental issues which arise within industry supply chains, especially where global organisations source products from developing countries. Some examples of (labour-intensive) industries in developing countries in which social and environmental problems/issues arise include the following:

- Ship breaking and recycling industry
- Leather industry
- Fish farming industry (e.g. shrimp aquaculture, catfish, carp)
- Agriculture industry (e.g. coffee, tea, cocoa, spices, flowers, fruit)
- Textile and clothing/footwear industry

Some typical CSR related issues faced by these industries are outlined below.

**Ship breaking and recycling industry:** The ship breaking and recycling industry is an indispensable part of the economy for developing countries as it requires little investment and is mainly dependent on manual labour. However, the industry is associated with many environmental and occupational health and safety issues. Accidents cause regular loss of life due to prevailing unsafe work practices especially in South Asian countries such as Bangladesh, Pakistan and India (Talas, 2015, Ferdousi, 2013, Shameem, 2012, Ahuja, 2012). Degradation of the environment, marine pollution, human rights violations, and non-conformity with environmental, health and safety regulations are persistent problems linked with the industry (Sarraf et al., 2015, Chang et al., 2010). Heavy metal exposure/contamination is a key concern in major ship breaking sites in Turkey and India (Deshpande et al., 2012, Neşer et al., 2012, Neşer et al., 2008).

**Leather industry:** The leather industry in countries such as Brazil, China and India produces substantial pollutants which are harmful to humans and the environment (Sankar, 2006, Zhang and Zhang, 2006). The environmental effects of the leather industry are significant (Nazer and Siebel, 2006). The negative environmental impact of the tanning industry is due to pollution caused by tannery wastes which are discharged into aquatic systems (Dixit et al., 2015), and leather tanning workers face health risks due to the industry’s toxic effects (Balachandar et al., 2010, Rastogi et al., 2008, Kumar et al., 2008).

**Fish farming industry:** There are global concerns about the social and environmental impacts of fisheries and aquaculture (Kaiser, 2012). Aquaculture is negatively associated with ‘unnatural’ production modes that may cause health and environmental problems (Tlusty et al., 2012, Sebesvari et al., 2012). For example, the shrimp aquaculture industry (in the Philippines and in
Bangladesh) has had serious negative environmental impacts including degradation of natural resources which have effected agricultural production, income sources and the natural supply of food. Changing ecological conditions have caused other socio-economic impacts on land use patterns, drinking water, and law and order (Swapan and Gavin, 2011, Islam, 2008, Dunaway and Macabuac, 2007).

**Agriculture industry:** The scope of CSR includes ethical trade, an approach that allows organisations to manage the social and environmental dimensions of their supply chains. Ethical trade is applied in agricultural industries, for example to tea, coffee and cocoa growers in Asia, Africa and South America (Blowfield, 2003). Social issues related to these industries include abusive child labour, forced labour and slavery, poor working conditions, low wages, low job and income security, discrimination along ethnic and gender lines, lack of protective gear and inadequate basic facilities such as housing, drinking water and food. The environmental footprint of agricultural industries is considerable, with reduced biodiversity as the result of habitat conversion, high energy consumption (mainly using logged timber) and a high application of pesticides in some countries (Bitzer et al., 2012, Zutshi et al., 2009, Van Der Wal, 2008, Blowfield, 2004).

**Textile and clothing/footwear industry:** In the fashion industry, organisations are held responsible for environmental and social problems caused not only by themselves directly, but also by their suppliers (Caniato et al., 2012). The industry’s environmental impact is high. The phases of dyeing, drying and finishing use chemical products and natural resources, the production of natural fibres such as cotton and wool require large quantities of water and pesticides, whilst production of synthetic fibres require considerable energy and are extracted from non-renewable resources (De Brito et al., 2008, Myers and Stolton, 1999). Social issues that arise within supplier factories commonly relate to workers’ human rights, labour rights abuses, and working conditions (Locke and Romis, 2012, Yu, 2009, Lim and Phillips, 2008).

The above examples demonstrate some of the common social and environmental problems which arise in various industries in developing countries. This research focuses on social issues in the clothing industry, specifically the issue of workplace safety within supplier factories, which is an important issue relevant to stakeholders globally.

Organisations establish sustainability policies and practices with guidance from various international bodies as well as from private industry associations, unions, and NGOs. The UN is a leading international authority that guides/regulates social and environmental
activities/performance of organisations. Two important UN initiatives are the United Nations Environment Programme (UNEP) and the UN Global Compact (UNGC).

The United Nations Environment Programme (UNEP) is the leading global environmental authority that sets the global environmental agenda, promotes the coherent implementation of the environmental dimension of sustainable development within the United Nations system and serves as an authoritative advocate for the global environment. UNEP work encompasses: assessing global, regional and national environmental conditions and trends; developing international and national environmental instruments; and strengthening institutions to manage the environment wisely (www.unep.org).

The United Nations Global Compact (UNGC) encourages businesses to embrace universal principles and promotes information about sustainable supply chain initiatives, programmes, codes, standards and networks. The principles of the UNGC are derived from: the UN declaration on human rights, the ILO declaration on fundamental principles and rights at work, the Rio declaration on environment and development, and the UN convention against corruption. The 10 principles of the UNGC address issues related to human rights and abuses, freedom of association & collective bargaining, forced, compulsory and child labour, discrimination, environment, and corruption (www.unglobalcompact.org).

Standards such as the SustainAbility/UNEP guidelines (www.sustainability.com) and the UNGC principles have been integrated into corporate sustainability policies. The sustainability performance of organisations may be evaluated against benchmarks such as the UNEP/SustainAbility benchmark (Bebbington and Larrinaga, 2014, Ameer and Othman, 2012, Kolk, 2008, van Staden and Hooks, 2007), and corporate guidelines based upon the UNGC principles (Perez-Batres et al., 2011, Balachandran et al., 2011, Dillard et al., 2010, Rasche, 2009).

The preceding discussion explains the concept of CSR, identifies social and environmental problems/issues which arise in (labour-intensive) industries in developing countries, and considers how organisations establish their sustainability policies and practices. The following sub-section looks at how organisations ‘account’ for their CSR activities.

2.2.2 Social and Environmental Accounting literature
The social and environmental accounting literature may be considered as a sub-set of the CSR literature (Gray et al., 1987). The social and environmental accounting literature relates to a
corporation’s societal responsibility to account for their CSR-related activities. The well-cited work of Gray et al., (1987) describes social and environmental accounting as:

*The broader societal responsibility of corporations beyond the responsibility to provide a financial account to account for how organisational behaviour affects society and environment.*

The concept of social and environmental accounting implies that organisations have a societal responsibility to account for social and environmental issues which arise due to corporate activities. Organisations are considered to be accountable to shareholders, stakeholders and society in general (Porter, 2009). Organisations are responsible to society because of the power they wield. The enormous impact of organisations on issues involving society as a whole – such as energy consumption, environmental pollution, health and safety, and equal employment opportunities, renders organisations accountable to the public and forces them to accept responsibility (Porter, 2009).

McKernan (2012) suggests different forms of accountability including hierarchical accountability, transparency as accountability and civic accountability. Hierarchical forms of accountability as seen in financial accounting are considered as preoccupied with self-interest at the expense of society. Transparency is considered to produce accountability through expanding public rights to information. However, transparency is also recognised as having potentially dysfunctional effects due to the power imbalance in society. Civic accountability concerns rules relating to social behaviour and civic duty. McKernan (2012) suggests socialising forms of accountability to recover the moral component in the process of accountability and considers how accountability might contribute to raising levels of responsibility.

Accountability is about identifying what one is responsible for and then providing information about that responsibility to those who have rights to that information (Gray et al., 1996). In an organisational context, people and groups to whom organisations are typically responsible are called stakeholders. Accountability is about providing answers to relevant stakeholders about the consequences of a firm’s actions and omissions (Crane and Matten, 2007). Accountability implies that if organisations fail to fulfil their obligations to shareholders, stakeholders and the public and fail to give a satisfactory account of their actions, some form of sanction/repercussion may follow. This may range from loss of public popularity/position, business boycott, fine, imprisonment, or government intervention. Corporate social reporting practices are important to achieve accountability (Hess, 2007).
The growing attention to firms’ CSR strategies has led to increased interest in how firms account for and report on their CSR activities (Fortanier et al., 2011). CSR reporting involves disclosures about the performance of an organisation - this disclosure of information is deemed to be a part of an organisation’s responsibility to its stakeholders or a response to stakeholder expectations (Deegan, 2002). Corporate social disclosures have been categorised based on a broad set of themes (including consumer interests, employee welfare, product and safety, community activities, environmental impacts and other) established and developed by leading researchers in the field, amongst them - Ernst and Ernst (1978), Guthrie (1982), Gray et al. (1995), Hackston and Milne (1996), and Deegan et al. (2002).

Initial research looking at corporate social disclosure practices focused on developed nations such as the UK, the US, and Australia (Belal and Momin, 2009). Recently, more research has been conducted on corporate social disclosure practices in developing countries. Table 2-1 lists some recent research conducted over the last decade (2008 – 2018) on studies of corporate social disclosure practices in developed and developing countries. The table does not aim to provide a comprehensive review of all the social disclosure studies undertaken in this period, but simply indicates the range of disclosure studies conducted of various countries. The literature reveals CSR initiatives of developing countries are not on a parallel with practices existing in developed countries (Azmat and Samaratunge, 2009). On the whole, corporate social disclosure practices in developing countries are found to be in the preliminary stages, with disclosures being mostly self-laudatory in nature and on a limited scale (Belal, 2016).

Studies of corporate social disclosure practices include descriptive studies of disclosure and studies that examine motivations for disclosure. Studies of corporate social disclosure practices primarily use content analysis method to examine determinants of CSR (Owen, 2008). Studies explaining managerial motivations for disclosure generally apply political economy theories such as legitimacy theory, stakeholder theory, and institutional theory (Chen and Roberts, 2010). More recently, corporate social disclosure research has extended beyond descriptive studies, and examines managerial and other stakeholders’ perceptions of CSR more directly by using methods such as in-depth interviews (Belal and Owen, 2007, Belal and Cooper, 2011). Another area of study includes literature focusing on critical discourse analysis (Tilt, 2016, Higgins and Coffey, 2016, Dobers and Springett, 2010, Reynolds and Yuthas, 2008, Cho et al., 2015).
In the context of Bangladesh, a review of the literature reveals that corporate social disclosure practices are generally very poor. Studies of publicly listed organisations show limited extent and volume of corporate social disclosure (Imam, 2000, Azim et al., 2009, Sobhani et al., 2009). Analysis of specific sectors such as the banking sector (Khan et al., 2009, Khan, 2010), the industrial sector (Belal, 2001) and the financial sector (Azim et al., 2011) finds significantly less disclosure in comparison to a global context. Extending these descriptive studies, further research utilises interview-based studies which identify the main motivators for reporting as the need to manage powerful stakeholder groups and pressure from international buyers (Belal and Owen, 2007), and identify the main reasons for non-disclosure as being a lack of resources, profit imperative, lack of legal requirements, lack of knowledge/awareness, poor performance and fear of bad publicity (Belal and Cooper, 2011).

Studies of the international apparel industry have examined corporate social disclosure practices of both global apparel buying organisations and of garment manufacturing organisations in Bangladesh. A study by Islam and Deegan (2010) link negative media attention to positive increases in disclosures by global apparel buying organisations. Another study of disclosures of

<table>
<thead>
<tr>
<th>Studies of corporate social disclosure practices</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed countries</td>
<td></td>
</tr>
<tr>
<td>UK: (Jones et al., 2014), (Campbell and Slack, 2011)</td>
<td></td>
</tr>
<tr>
<td>US: (Van der Laan Smith et al., 2010), (Holder-Webb et al., 2009)</td>
<td></td>
</tr>
<tr>
<td>Australia: (Pellegrino and Lodhia, 2012), (Farneti and Guthrie, 2009)</td>
<td></td>
</tr>
<tr>
<td>Canada: (Berthelot et al., 2012), (Fonseca et al., 2011)</td>
<td></td>
</tr>
<tr>
<td>New Zealand: (Bebbington et al., 2009)</td>
<td></td>
</tr>
<tr>
<td>Germany: (Gamerschlag et al., 2011)</td>
<td></td>
</tr>
<tr>
<td>Developing countries</td>
<td></td>
</tr>
<tr>
<td>India: (Murthy, 2008)</td>
<td></td>
</tr>
<tr>
<td>Malaysia: (Said et al., 2009), (Haji and Ghazali, 2012)</td>
<td></td>
</tr>
<tr>
<td>Hong Kong: (Chau and Gray, 2010)</td>
<td></td>
</tr>
<tr>
<td>China: (Luethge and Han, 2012), (Noronha et al., 2013)</td>
<td></td>
</tr>
<tr>
<td>China and Malaysia: (Yang and Yaacob, 2012)</td>
<td></td>
</tr>
<tr>
<td>Egypt: (Rizk et al., 2008)</td>
<td></td>
</tr>
<tr>
<td>Qatar: (AlNaimi et al., 2012)</td>
<td></td>
</tr>
<tr>
<td>South Africa: (Dawkins and Ngunjiri, 2008)</td>
<td></td>
</tr>
<tr>
<td>Pakistan: (Kemp and Vinke, 2012), (Hassan and Batool 2016)</td>
<td></td>
</tr>
<tr>
<td>Fiji: (Sharma and Davey, 2013)</td>
<td></td>
</tr>
<tr>
<td>Mauritius: (Mahadeo et al., 2011)</td>
<td></td>
</tr>
<tr>
<td>Bangladesh: (Islam and Deegan 2008), (Azim et al., 2009), (Sobhani et al., 2009), (Khan et al., 2009), (Belal and Roberts, 2010), (Islam and Deegan, 2010), (Khan 2010), (Azim et al., 2011), (Kamal and Deegan, 2013), (Momí 2013)</td>
<td></td>
</tr>
</tbody>
</table>
global apparel buyers finds an increasing trend in human rights-related disclosures in the apparel industry over the last two decades (Islam and McPhail, 2011). A study on disclosures of garment suppliers finds international expectations/pressures influence disclosures of Bangladeshi garment manufacturing firms (Islam and Deegan, 2008). In a study of organisations in the Bangladesh textile and garments sector, social governance disclosures (categorised into themes including human rights and child labour, labour practice and decent work, community/society, and environment) were found to be far behind international community expectations, suggesting limited accountability and transparency in corporate social disclosure practices of Bangladeshi suppliers (Kamal and Deegan, 2013).

Organisations often follow international guidelines/standards for reporting on their social and environmental performance. The world’s most widespread framework for the voluntary reporting of environmental and social performance by business worldwide is the Global Reporting Initiative (GRI) (Nikolaeva and Bicho, 2011, Brown et al., 2009). The GRI is a worldwide effort to develop common standards for publicly reporting corporate environmental performance, involving the UN Environment Programme, the International Chamber of Commerce, numerous environmental activist groups, and extensive solicitation of public input. The GRI comprehensive sustainability reporting framework offers credibility, consistency and comparability and is widely used around the world. The GRI sustainability reporting guidelines have become the de facto standard in sustainability reporting. The GRI Standards set out principles for use by an organisation to report economic, environmental, and social performance and impacts. The specific standard disclosures of the GRI contain the categories: economic, environmental and social, with social sub-categories of labour practices and decent work, human rights, society, and product responsibility (www.globalreporting.org). Various research for example, (Milne and Gray, 2013, Milne and Gray, 2007, Burritt et al., 2010, Dumay et al., 2010) investigates corporate sustainability reporting practices based on the GRI framework.

Sustainability reporting and the assurance of sustainability reports are used by organisations to provide accountability to their stakeholders (Junior et al., 2014). Third party inspection of sustainability reports using assurance standards such as AccountAbility: AA1000 Assurance Standard (AS) 2008 has become common (Kolk, 2008). AA1000AS was developed in consultation with professional organisations, the investment community, NGOs, labour, and business, to assure the credibility and quality of sustainability performance and reporting. The AA1000AS evaluates how an organisation adheres to the AA1000 principles of inclusivity (stakeholder participation in sustainability strategies); materiality (relevance and significance of
an issue to an organisation and its stakeholders); and responsiveness (organisational response to stakeholder issues that affect sustainability performance) (www.accountability.org). Another commonly used global assurance standard is the International Standard on Assurance Engagements ISAE 3000 issued by the International Federation of Accountants (IFAC) (www.ifac.org). There is much literature such as (O’Dwyer et al., 2011, O’Dwyer, 2011, Simnett et al., 2009, Mock et al., 2007, O’Dwyer and Owen, 2005) that explains the voluntary assurance market and evaluates both the benefits and the shortcomings of using assurance statements in sustainability reports.

Various initiatives by the accountancy profession encourage corporate sustainability reporting practices. For example, Ceres and the Association of Chartered Certified Accountants (ACCA) annual award recognizing excellence in sustainability reporting in North America (www.ceres.org/awards/reporting-awards); and Australasian Reporting Awards ARA – Annual Sustainability Reporting Award (www.arawards.com.au/SustainabilityAward).

Commercial surveys such as the KPMG triennial survey of corporate responsibility (www.home.kpmg.com) document corporate sustainability reporting practices of the world’s largest organisations, and indices such as the Dow Jones Sustainability Index (www.sustainability-indices.com) are also used as global sustainability benchmarks to evaluate the sustainability reporting performance of the largest global organisations.

The preceding sub-section considers how organisations account for their sustainability activities and looks at corporate social disclosure practices, specifically those of the apparel industry. The following sub-section provides an overview of particular CSR issues which relate to the global apparel supply chain, which is the focus of this thesis.

### 2.2.3 Literature on CSR issues in the global apparel supply chain

The apparel industry has become one of the most globalised business sectors in the world. The industry has experienced enormous expansion since the 1970s with multinational organisations from developed nations increasingly outsourcing manufacturing activities to developing and low labour cost countries (Jin, 2004, Gereffi and Frederick, 2010).

![Buyer-driven apparel supply chain](image)

**Figure 2-1:** Buyer-driven apparel supply chain adapted from Appelbaum and Gereffi (1994)
The current apparel supply chain (Figure 2.1) is primarily buyer driven, with large, global organisations playing pivotal roles in setting up decentralised production networks in apparel supplier countries (Gereffi and Memedovic, 2003). The main parties involved in the supply chain include: suppliers of raw material (cotton, wool, synthetic fibre,) textiles, and accessories; garment manufacturing organisations in developing countries; international buyers including global apparel buying organisations and retailers, brands, and buying houses (representatives of foreign buyers); and finished product distributors such as department stores, clothing chains, retail outlets etc.

This research focuses on two key parties in the apparel supply chain. The international buyers, specifically global apparel buying organisations (apparel buyers), and manufacturers, specifically Bangladeshi garment manufacturing organisations (garment manufacturers).

Current consumption in the global apparel industry is concentrated in the world’s developed regions. In 2015, the EU and the US accounted for over 53% of world apparel imports (see Table 2-2) (WTO, 2016).

<table>
<thead>
<tr>
<th>Importer</th>
<th>Value</th>
<th>Share in world imports</th>
<th>Annual percentage change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. EU</td>
<td>170</td>
<td>34.0</td>
<td>-14</td>
</tr>
<tr>
<td>2. US</td>
<td>97</td>
<td>19.4</td>
<td>-8</td>
</tr>
<tr>
<td>3. Japan</td>
<td>29</td>
<td>5.7</td>
<td>4</td>
</tr>
<tr>
<td>4. Hong Kong / China</td>
<td>15</td>
<td>-</td>
<td>-8</td>
</tr>
<tr>
<td>5. Canada</td>
<td>10</td>
<td>2.0</td>
<td>-2</td>
</tr>
<tr>
<td>6. Republic of Korea</td>
<td>9</td>
<td>1.7</td>
<td>0</td>
</tr>
<tr>
<td>7. Australia</td>
<td>7</td>
<td>1.3</td>
<td>1</td>
</tr>
<tr>
<td>8. China</td>
<td>7</td>
<td>1.3</td>
<td>7</td>
</tr>
<tr>
<td>9. Switzerland</td>
<td>6</td>
<td>1.1</td>
<td>-8</td>
</tr>
<tr>
<td>10. Russian federation</td>
<td>6</td>
<td>1.1</td>
<td>-34</td>
</tr>
</tbody>
</table>

Source: (WTO, 2016)

In 2015, the top ten exporters of clothing (eight of which are developing countries) accounted for 87 per cent of world clothing exports (see Table 2-3) (WTO, 2016). Among top clothing exporters, increases in export values were recorded by Bangladesh, Vietnam, India and Cambodia. The other major exporters saw stagnation in their export values (United States) or recorded a decline (all other top ten economies).
### Table 2-3: Top ten exporters of clothing, 2015 (USD billion and percentage)

<table>
<thead>
<tr>
<th>Exporter</th>
<th>Value</th>
<th>Share in world exports, 2015</th>
<th>Annual percentage change, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. China</td>
<td>175</td>
<td>39.3</td>
<td>-6</td>
</tr>
<tr>
<td>2. EU</td>
<td>112</td>
<td>25.2</td>
<td>-11</td>
</tr>
<tr>
<td>3. Bangladesh</td>
<td>26</td>
<td>5.9</td>
<td>6</td>
</tr>
<tr>
<td>4. Vietnam</td>
<td>22</td>
<td>4.8</td>
<td>10</td>
</tr>
<tr>
<td>5. Hong Kong / China</td>
<td>18</td>
<td>-</td>
<td>-10</td>
</tr>
<tr>
<td>6. India</td>
<td>18</td>
<td>4.1</td>
<td>2</td>
</tr>
<tr>
<td>7. Turkey</td>
<td>15</td>
<td>3.4</td>
<td>-9</td>
</tr>
<tr>
<td>8. Indonesia</td>
<td>7</td>
<td>1.5</td>
<td>-10</td>
</tr>
<tr>
<td>9. Cambodia</td>
<td>6</td>
<td>1.4</td>
<td>8</td>
</tr>
<tr>
<td>10. US</td>
<td>6</td>
<td>1.4</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: (WTO, 2016)

### Challenges facing the global apparel industry

Global apparel organisations are often challenged by the global reach of their supply networks and the need to consider social impacts such as possible irresponsible practices along the supply chain (Slave Free Trade, 2017). As the more powerful party in the garment buyer-supplier relationship, global firms are considered to have a responsibility to influence suppliers (Amaeshi et al., 2008). Global clothing organisations face increased pressure to deal with conditions under which products are made, such as the working conditions in supplier factories (Andersen and Skjoett-Larsen, 2009). Apparel workers in less developed countries face harsh working conditions (De Brito et al., 2008). Exploitation of workers in apparel manufacturing factories include a range of labour violations and basic human rights abuses, with concerns regarding issues such as the earning of a living wage, the use of child labour, the right to form trade unions, worker health and safety and workplace safety issues (see Table 2-4).

### Table 2-4: Major concerns of sourcing apparel from low cost supplier countries

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inequitable working conditions</td>
<td>(Sethi and Rovenpor, 2016), (Mair et al., 2016), (Ruwanpura, 2016), (Sethi, 2014), (Saha, 2014), (Locke and Romis, 2012), (O’Rourke, 2006), (Welford and Frost, 2006), (Mamic, 2005), (Pollin et al., 2004), (Emmelhainz and Adams, 1999)</td>
</tr>
<tr>
<td>Labour violations and human rights abuses</td>
<td>(Toffel et al., 2015), (Egels-Zandén and Merk, 2014), (Lund-Thomsen and Lindgreen, 2013), (Locke et al., 2013), (Ruggie, 2013), (Choi et al., 2012), (Baskaran et al., 2012), (Laudal, 2010), (Locke et al., 2007), (Rodriguez-Garavito, 2005), (Locke, 2003), (O’Rourke, 2003), (Adams, 2002)</td>
</tr>
</tbody>
</table>
CSR issues arising in the global apparel supply chain need to be addressed by the apparel industry. The anti-sweatshop movement, which arose in response to the global restructuring of the apparel industry, demanded that international apparel buying organisations accept responsibility for the negative effects of their business to communities, workers, and consumers (De Winter, 2001, Powell and Zwolinski, 2012). Well-known cases such as Nike, Gap, H&M, and Wal-Mart have resulted in positive change i.e. increased human rights awareness in supplier factories. For example, child labour in the Bangladesh garments industry has considerably diminished in the face of pressure in the mid-1990s from western consumers and international agencies such as the United Nations Children's Emergency Fund (UNICEF) and the International Labour Organisation (ILO). Similar efforts to establish fire and building safety standards may lead to improved working conditions in the Bangladesh RMG industry.

CSR issues in the global apparel supply chain (such as human rights abuses suffered by factory workers and unsafe factory working conditions) represent an important research area addressed in the CSR literature. Some of the main CSR concerns faced by leading apparel manufacturing countries are discussed below.

*China’s apparel industry:* China’s clothing industry faces mounting international pressure to take CSR issues seriously, especially environmental concerns and labour standards. The state of CSR in the Chinese apparel industry appears to be improving, with firms who practice CSR performing better both socially and economically than those firms which have not incorporated CSR into their business practices (Chi, 2011, Linfei and Qingliang, 2009). However, Chinese firms tend to adopt a business case approach to CSR, focusing on the market rather than their employees (Cooke and He, 2010). Resistance to the execution and enforcement of CSR-related laws and regulations may be attributed to western CSR concepts which do not adapt well to the Chinese market. Chinese suppliers need to understand CSR to bring about long-term sustainable change (Tsoi, 2010). The Chinese business environment and culture must be taken into consideration to encourage Chinese organisations to adopt CSR on their own initiative (Wang and Juslin, 2009).

*The Bangladesh textile and garment industry:* CSR concerns relating to the Bangladesh RMG industry include problems such as dangerous factory working conditions (Taplin, 2014, Lund-Thomsen and Nadvi, 2010), low wages (Ahmed and Nathan, 2016, Berik and van der Meulen Rodgers, 2008), and abuse of the rights of women workers (Prieto-Carrón, 2008, Mahmud and Kabeer, 2003). CSR policies introduced by western buyers are often disregarded by local
industry stakeholders. The disregard for CSR concepts may be attributed to the different perspective of CSR of local stakeholders, which is reflected in the continuous exploitation of workers’ rights and recurrent accidents such factory fires and building collapses, which have led to death, injuries of workers, on-going labour unrest and violence (Haque and Azmat, 2015). International pressures have led Bangladeshi suppliers to adopt socially sustainable practices (Sinkovics et al., 2016). Barriers to the implementation of social governance initiatives include absence of good governance in Bangladesh (Azmat and Haque, 2016), and a misalignment between the requirements of western codes of conduct and the cultural and socio-economic context of Bangladesh (Walker et al., 2014).

The clothing industry in India: Multinational clothing organisations have introduced labour standards in Indian supplier factories due to increased international pressures to improve severe working conditions. Implementation of legal and social governance initiatives have benefitted Indian suppliers by leading to decreased labour turnover and increased buyer orders (Stigzelius and Mark-Herbert, 2009). However, corporate codes of conduct of global buyers appear to have had limited impact on improving working standards. This is due to a mismatch between codes of conduct and effective ‘codes of practice’ imposed by firms to deploy labour and organise the labour process (Mezzadri, 2012). The main difficulty of implementing labour standards in Indian garment factories is the attitude of Indian garment workers, who often actively seek to avoid employment in organisations where CSR policies are implemented as they consider that codes of conduct control labour practices and curtail freedom and dignity at work (De Neve, 2014). Global buyers' approaches to labour standards have been criticised, and the effectiveness of CSR projects and the implementation of meaningful standards within decentralised production regimes have been called into question (Mezzadri, 2014).

Vietnam’s apparel export industry: Apparel suppliers in Vietnam are struggling to deal with the increasing number of sustainable sourcing policies of multinational organisations. To maintain the sustainability practices of Vietnamese apparel suppliers, more collaborative models of governance among organisations along the supply chain including local authorities, international players, and civil society at large is essential (Lenssen et al., 2008). Labour regulations in the apparel industry of Vietnam need to be improved, and the plight of disadvantaged women workers in the industry is one of the particular concerns which need to be addressed (Hoang and Jones, 2012). The major challenge in development and implementation of CSR policies amongst Vietnamese organisations is a lack of interest and problems with referring to the concept of CSR.
and conveying CSR guidelines to influence the long-term outlook of domestic organisations (Unden, 2007).

The literature identifies the various social problems related to the apparel industry as well as the problems with implementing social governance initiatives in the developing country context. In the interests of social justice, there is need to address these social issues and to further investigate the problems relating to implementation of social governance initiatives by apparel supplier organisations. This research focuses on Bangladesh, one of the leading garment exporting countries in the world and aims to highlight the issue of workplace safety and to examine the implementation of workplace safety governance initiatives introduced for the Bangladesh garments industry, so as to consider the responsibility and accountability for workplace safety demonstrated by the apparel industry.

**Social governance initiatives of the global apparel industry**

In the context of globalisation, governance aims to designate regulations on a global scale (Haufler, 2003). Global governance refers to the multi-actor system of global authority developed by public, private, and non-profit communities, through which various rules and norms order the impacts of economic activity in relation to international issues of public concern (Levy and Kaplan, 2008). Governance includes national level regulation, formal international agreements and private social governance initiatives such as voluntary codes and certification systems.

Global apparel buying organisations on their own, or through business groups, trade associations and NGOs have developed industry standards and best practices which are communicated through corporate codes of conduct (Egels-Zandén and Lindholm, 2015). Codes of conduct of the apparel industry specify ‘safe and healthy working conditions’ and are derived from internationally-recognised labour standards such as the ILO Conventions and the UN’s Declaration on Human Rights. Organisations commit to implementing codes of conduct as part of their business relations with suppliers. Corporate codes of conduct may be based on NGO initiatives such as the Ethical Trading Initiative (ETI) and the Business Social Compliance Initiative (BSCI); may be initiated by key NGOs such as the Fair Labour Association (FLA) and the Fair Wear Foundation (FWF); or may be aligned with certification standards such as the Worldwide Responsible Accredited Production (WRAP) certification program and Social Accountability International (SAI) SA 8000 social standard.
Some recent studies which examine social governance initiatives of the apparel industry are shown in Table 2-5.

**Table 2-5: Recent studies of social governance initiatives of the apparel industry**

<table>
<thead>
<tr>
<th>Social governance initiatives</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>NGO initiatives (e.g. ETI/BSCI)</td>
<td>(Gereffi and Lee, 2016), (Ruwanpura, 2016), (Egels-Zandén and Lindholm, 2015), (Brown, 2015), (Bair and Palpacuer, 2015), (Barrientos, 2013), (Meier, 2013) (Esbenshade, 2012), (Wu et al., 2012), (Mezzadri, 2012), (Fransen and Burgoon, 2012), (Bartley, 2010), (Merk, 2008)</td>
</tr>
<tr>
<td>Civil society collaborations (e.g. FLA/FWF)</td>
<td>(Baumann-Pauly et al., 2016), (Egels-Zandén and Lindholm, 2015), (Pekdemir et al., 2015), (Fransen and Conzelmann, 2015), (Bartley et al., 2015), (Egels-Zandén and Merk, 2014), (Fransen, 2011)</td>
</tr>
<tr>
<td>Certification standards (e.g. WRAP/SA8000)</td>
<td>(Soundararajan and Brown, 2016), (Mann et al., 2013), (Mayer and Pickles, 2014), (Kim, 2013), (Baral, 2010), (Mayer and Pickles, 2011), (Ruwanpura and Wrigley, 2011), (Bartley, 2010), (Cinis, 2010), (De Neve, 2009)</td>
</tr>
</tbody>
</table>

Various problems have arisen in implementing social governance initiatives of the apparel industry. Problems associated with such industry initiatives have been identified as: inappropriate qualifications of auditing personnel, weakness in audit methodology, duplication of effort, cost ineffectiveness, the endemic nature of audit deception in some countries, and lax monitoring and enforcement policies (Emmelhainz and Adams, 1999, O'Rourke, 2003, Ascoly and Zeldenrust, 2003, Esbenshade, 2004). Suggestions for improving poor social compliance in supplier factories include: incorporating initiatives such as training programs and workplace health and safety committees into monitoring schemes; replacing commercial auditors with independent monitoring organisations; disclosing the location of supplier factories; publishing the results of audits; introducing additional regulations for the labour market; collaborating with suppliers, local unions, NGOs and government authorities to implement new management systems; and developing mature industrial relations systems and training for both management and workforce (Sabel et al., 2000, O'Rourke, 2003, Bartley, 2003, Mamic, 2005, Rodriguez-Garavito, 2005, Miller et al., 2011, Locke and Romis, 2012).

The extent to which social governance initiatives of apparel organisations truly represent an ethical commitment of organisations has been questioned (Bondy et al., 2004). Corporate codes of conduct have been described as public statements of lofty intent and purpose without specific content (Sethi, 2002). Lack of regulation has resulted in huge growth and variation in codes since
the early 1990s (Barrientos, 2000, Welford, 2005). The vast number of codes in the apparel business have been attributed to a desire to promote corporate image, protect brand name, and contain potentially damaging issues (Dickson and Chang, 2015).

Factors influencing CSR strategy of the global apparel industry

The CSR strategy of the apparel industry incorporates the implementation of social governance initiatives and the publication of relevant social policies and practices. This research looks at factors that influence apparel industry organisations to establish CSR strategy (i.e. to adopt social governance initiatives and to make social disclosures) related to workplace safety. The issue of workplace safety within apparel supplier factories is a key concern for a wide range of stakeholders from factory workers to global consumers of apparel. This research, which investigates CSR strategies of the apparel industry, aims to provide an understanding of organisational behaviours and to contribute towards improving workplace safety conditions within manufacturing factories. The research seeks to explain why organisations implement CSR strategy and whether these strategies reflect any real improvement/change in workplace safety. The research focuses on the two key parties in the apparel supply chain – global apparel organisations and retailers (apparel buyers) and Bangladeshi garment manufacturers (garment suppliers). Various research has studied organisational motivations for implementing CSR strategy.

Apparel buyers: Global apparel buying organisations (apparel buyers) may employ CSR strategy as a symbolic policy to provide insurance against reputation damage, or as a substantive policy to achieve significant results (Giuliani, 2016). Global organisations increasingly face international pressures to assume social responsibility for human rights violations in supplier countries mainly relating to labour practices and poor working conditions (Barrientos et al., 2011). The inclination of global buyers to implement a CSR strategy (through adoption of social governance initiatives and publication of related social disclosures) within developing countries might be motivated by a variety of factors (not necessarily mutually exclusive) including: to protect financial performance (Callan and Thomas, 2009), to attain/maintain organisational legitimacy (Islam and Deegan, 2010), to comply with government regulation (Bartley, 2003), in response to pressure from stakeholder groups such as NGOs and the media (Deegan and Islam 2014), because of peer pressure (Vogel, 2010), or due to moral/ethical concerns (Rupp et al., 2010).
**Garment suppliers:** Comparatively limited research looks at motivations of garment manufacturing organisations (garment suppliers) in adopting CSR strategies. Garment manufacturers in developing countries often have weakly enforced public governance regulations (Mayer and Gereffi, 2010) and their motivation for implementation of private social governance initiatives is typically considered to be a response to pressure from global buyers (Belal and Owen, 2007). The motivation and practice of CSR in Bangladesh is attributed to pressures from international markets which has produced a largely cosmetic response (Belal and Roberts, 2010). Research on Bangladeshi garment suppliers finds global pressures from multinational clothing organisations influence Bangladesh’s top industry body, which in turn influences organisational disclosure of individual garment organisations (Islam and Deegan 2008). Studies of Bangladeshi RMG manufacturers mainly focus on their corporate social disclosure practices, and the primary organisational motivation for publishing disclosures is identified as external stakeholder (community) pressure (Kamal and Deegan, 2013).

CSR activities of developing countries lag behind the CSR initiatives of western countries (Jamali, 2007). Gugler and Shi (2009) refer to the evident gap between developed and developing countries in relation to CSR, as the North-South ‘CSR Divide’. CSR initiatives are driven by investors, organisations, campaign groups and consumers based in the world’s richest countries, whilst often the first experience with CSR for developing countries is through multinational organisations which develop and impose CSR practices (Gugler and Shi, 2009).

The emergence of an array of supplier codes, monitoring mechanisms and compliance policies is due to worldwide efforts of trade and non-profit organisations. NGOs use the media to influence consumer and other stakeholder groups to create change in operating practices of the apparel industry (Deegan and Islam, 2014). Recent disasters in Bangladesh led to a collective global response from human rights organisations, labour federations, western consumer groups, NGOs, and international agencies, condemning workplace safety conditions in RMG factories and threatening product boycotts (ILRF, 2015). Almost immediately following the disaster the apparel industry established workplace safety governance initiatives for the RMG industry. Whilst global apparel organisations face rising international pressures to behave responsibly and increase the visibility of their supply networks, apparel manufacturing organisations face pressures to comply with various social governance initiatives such as the most recent multi-stakeholder initiatives.
2.3 Contextual background

The next section presents the research issues within the context of the Bangladesh RMG industry. This section examines the problem of workplace safety in the Bangladesh garment industry; outlines the existing workplace safety-related governance structure of the Bangladesh garment industry and identifies the problems faced in implementing social governance initiatives in Bangladesh; and considers the effectiveness of workplace safety governance initiatives introduced for the RMG industry post Rana Plaza.

2.3.1 The Bangladesh garments industry and workplace safety

Bangladesh, a leading apparel supplier country, is currently the world’s second largest exporter after China (WTO, 2015). Bangladesh’s main export markets are the EU and the US. It is a primary supplier of apparel to the EU (ranked second largest after China) and to the US (positioned third after China and Vietnam) (IFM, 2013; OTEXA, 2016). In recent years Bangladesh has also increased RMG exports to other non-traditional markets including Japan, Australia, Russia, and Korea (BGMEA, 2016).

The Bangladesh garments sector is the number one export earning sector of the country and the mainstay of the economy. Established in 1978 it spans four decades; and with an average annual growth rate exceeding 20% over the last 20 years provides a vital source of employment, production and foreign currency to the country. Bangladesh has in excess of 4,000 garments factories and a mainly female workforce of more than 4 million. In the fiscal year 2015-2016 garments exports totalled more than US$13.1 billion, comprising over 81% of the country’s total exports (BGMEA, 2016). A summary of recent Bangladesh garment trade statistics is shown in Table 2-6.

The competitive advantage of Bangladesh as a garments supplier are the large labour force, cheap labour cost, and unutilized capacity to absorb future demand. Bangladesh’s low labour costs have attracted almost every major multinational clothing company. A new minimum wage of US$75/month was implemented in January 2014, with entry level wages in factories starting at 33c/hr. The wage is well below subsistence level and according to the Institute for Global Labour and Human Rights, corresponds to the lowest labour costs in the world (www.globallabourrights.org).
Table 2-6: Recent trends in the Bangladesh RMG industry (2010-2011 to 2014-2015)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of garments factories*</td>
<td>5150</td>
<td>5400</td>
<td>5876</td>
<td>4222</td>
<td>4296*</td>
</tr>
<tr>
<td>Workers employed (million)</td>
<td>3.6</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Bangladesh RMG exports (USD million)</td>
<td>17914.46</td>
<td>19089.69</td>
<td>21515.73</td>
<td>24491.88</td>
<td>25491.40</td>
</tr>
<tr>
<td>RMG as a percentage of total exports</td>
<td>78.15</td>
<td>78.60</td>
<td>79.61</td>
<td>81.13</td>
<td>81.68</td>
</tr>
<tr>
<td>Percentage of RMG exports to the EU</td>
<td>-</td>
<td>-</td>
<td>58.44</td>
<td>60.26</td>
<td>60.74</td>
</tr>
<tr>
<td>Percentage of RMG exports to the US</td>
<td>-</td>
<td>-</td>
<td>23.22</td>
<td>20.99</td>
<td>20.32</td>
</tr>
<tr>
<td>Percentage of RMG exports to Non-Traditional Markets</td>
<td>-</td>
<td>-</td>
<td>13.78</td>
<td>14.65</td>
<td>15.4</td>
</tr>
</tbody>
</table>

Source: BGMEA website (as of June 2016)
*Following the Rana Plaza accident, the total number of garment factories in the country have decreased as non-compliant/dangerous factories were closed down after safety review.

The rapid and remarkable growth of the Bangladesh garments sector comes at a price. Recent, unprecedented, industrial accidents have focused world attention on health and safety risks in the Bangladesh RMG sector (ILO, 2015a). The garments sector has a history of fatal workplace accidents. Factory fires are a regular concern. Between 1990 and 2005 there were 115 reported factory fires resulting in 300 deaths and over 2500 injuries (Belal and Owen, 2007). Further, between 2006 and 2010 over 500 garment workers were killed in at least 234 separate recorded occurrences. The main concerns that need to be addressed in the RMG sector are: existing labour laws and standards (Berik and van der Meulen Rodgers, 2008, Berik and Rodgers, 2010, Nasrullah and Rahim, 2014, Afrin, 2014); and noncompliance with workplace safety standards (Rahim and Wisuttisak, 2013, Ahamed, 2013).

Factory fires are a regular concern. Between 1990 and 2005 there were 115 reported factory fires resulting in 300 deaths and over 2500 injuries (Belal and Owen, 2007). Further, between 2006 and 2010 over 500 garment workers were killed in at least 234 separate recorded occurrences. The high death toll from factory incidents have been attributed to substandard buildings, poor emergency procedures, inadequate and blocked fire exits and overcrowded workplaces (CCC, 2012). The continuous disregard for safety in the RMG industry reflects an environment where workplace safety is not prioritised, and systemic corruption and bribery abounds. There appears to be an acceptance of injury and death in factories. A list of major accidents in the Bangladesh RMG industry can be seen from Table 2-7. Despite periodic factory fatalities, there has been no evident improvement in factory safety conditions over time.
### Table 2-7: Major reported factory incidents in the Bangladesh RMG industry

<table>
<thead>
<tr>
<th>Date</th>
<th>Company</th>
<th>Incident</th>
<th>Casualties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 27, 1990</td>
<td>Saraka Garments, Mirpur, Dhaka</td>
<td>Stampede</td>
<td>32 dead</td>
</tr>
<tr>
<td>Aug 1, 2000</td>
<td>Globe Knitting Ltd, Banani</td>
<td>Fire</td>
<td>12 deaths, 1 severe injury</td>
</tr>
<tr>
<td>1997</td>
<td>Rahman &amp; Rahman Apparels, Mirpur</td>
<td>Fire</td>
<td>22 deaths</td>
</tr>
<tr>
<td>1997</td>
<td>Tamanna Garments, Mirpur</td>
<td>Fire</td>
<td>27 deaths</td>
</tr>
<tr>
<td>Nov 25, 2000</td>
<td>Chowdhury Knitwear and Garments Ltd, Narsingdi</td>
<td>Fire</td>
<td>51 workers dead, more than 150 injured</td>
</tr>
<tr>
<td>Aug 8, 2001</td>
<td>Mico Sweater Ltd, Mirpur</td>
<td>Stampede</td>
<td>24 workers dead, over one hundred injured</td>
</tr>
<tr>
<td>May 3, 2004</td>
<td>Misco Super Market, Dhaka</td>
<td>False fire alarm</td>
<td>Nine fatalities, 50 injuries</td>
</tr>
<tr>
<td>Jan 6, 2005</td>
<td>Shan Knitting &amp; Processing Ltd, Narayangonj</td>
<td>Fire</td>
<td>23 victims</td>
</tr>
<tr>
<td>April 11, 2005</td>
<td>Spectrum Sweater Factory, Savar</td>
<td>Factory collapse</td>
<td>64 worker deaths, 80 injuries</td>
</tr>
<tr>
<td>Feb 23, 2006</td>
<td>KTS Textile Mill, Chittagong</td>
<td>Fire</td>
<td>91 killed</td>
</tr>
<tr>
<td>Feb 24, 2006</td>
<td>Phoenix building, Dhaka</td>
<td>Building collapse</td>
<td>19 dead, 50 injured</td>
</tr>
<tr>
<td>Feb 27, 2006</td>
<td>Imam Group of Industries, Chittagong</td>
<td>Stampede</td>
<td>57 injured, 4 critically</td>
</tr>
<tr>
<td>March 6, 2006</td>
<td>Saiem Fashion factory, Gazipur</td>
<td></td>
<td>3 killed, 50 injured</td>
</tr>
<tr>
<td>Feb 25, 2010</td>
<td>Garib &amp; Garib Sweater Factory, Gazipur</td>
<td>Factory fire</td>
<td>21 worker deaths</td>
</tr>
<tr>
<td>Dec 14, 2010</td>
<td>That's It Sportswear Factory, Ha-Meem group, Ashulia</td>
<td>Factory fire</td>
<td>29 worker deaths, 11 serious injuries</td>
</tr>
<tr>
<td>Nov 24, 2012</td>
<td>Tazreen Fashions factory, Ashulia</td>
<td>Factory fire</td>
<td>117 worker deaths</td>
</tr>
<tr>
<td>Jan 26, 2013</td>
<td>Smart Exports Garments</td>
<td>Factory fire</td>
<td>7 worker deaths</td>
</tr>
<tr>
<td>April 24, 2013</td>
<td>Rana Plaza commercial building, Savar</td>
<td>Factory collapse</td>
<td>Death toll 1,129</td>
</tr>
<tr>
<td>May 9, 2013</td>
<td>Tung Hai Group, Mirpur</td>
<td>Fire</td>
<td>8 killed</td>
</tr>
<tr>
<td>Oct 8, 2013</td>
<td>Aswad Composite Mills</td>
<td>Fire</td>
<td>7 worker deaths</td>
</tr>
<tr>
<td>July 4, 2017</td>
<td>Multifabs Ltd, Gazipur</td>
<td>Boiler blast</td>
<td>9 killed</td>
</tr>
</tbody>
</table>


Bangladesh’s garment factories have become synonymous with unsafe working conditions (Khosla, 2013). The deadliest factory fire in the history of the Bangladesh garments industry occurred at Tazreen Fashions on November 24, 2012, when at least 112 people lost their lives and over 300 were injured. Investigation of the Tazreen factory fire identified poor electrical wiring in the building, insufficient fire or emergency exits, and inadequate fire extinguishers and other fire defence materials as causes of fire (AMRC, 2012). Following the blaze at Tazreen, the ensuing 5 months up until mid-April 2013, saw a further 41 factory fires that killed nine workers.
and injured more than 660 (Solidarity Centre, 2015). On April 24, 2013, the Rana Plaza factory collapse in Savar caused 1,129 worker fatalities and over 2,000 injuries. It was described by Scott Nova, executive director of Worker Rights Consortium, as ‘the world’s worst industrial accident’. Government investigation into the tragedy revealed the eight-storey commercial building had planning approval for only four storeys and housed five factories although designed only for shops and offices. The building was constructed using substandard materials, the necessary clearances were not obtained, and the structure was potentially not strong enough to bear the weight and vibration of heavy factory machinery. Cracks appeared in the building the day before the collapse leading building inspectors to recommend evacuation and closure and the BGMEA to label the building unsafe, however, workers were forced to enter under threat of dismissal (The Economist, 2013). These latest tragic episodes have drawn international attention to the deplorable state of fire and building safety conditions in the Bangladesh RMG sector and highlighted the need to implement effective measures to prevent similar future disasters.

With international focus on human rights, labour practices, and workplace safety in the RMG sector, multinational buying organisations face global pressure to take responsibility to ensure better working conditions in supplier factories, and Bangladesh is increasingly pressured to meet social and environmental compliances imposed by the apparel industry. Responding to global reaction following the recent tragedies, representatives of Bangladesh’s two major trading partners, the EU and the US, demanded reviews of worker rights and safety standards in the garments sector. The EU Trade Commissioner threatened to revise preferential treatment (duty free and quota-free access) to the Bangladesh garments sector under the ‘Everything But Arms’ arrangement and offered a collaboration together with the ILO and the US, the Bangladesh Sustainability Compact (European Commission, 2013); and the Office of the US Trade Representative cut off GSP trade benefits for Bangladesh in June 2013 (USTR, 2013).

2.3.2 Workplace safety-related governance structure of the Bangladesh RMG industry

The workplace safety-related governance structure of the Bangladesh garments industry includes national level regulation, international guidelines, and private social governance initiatives such as corporate codes of conduct and industry certification systems. The governance structure related to workplace safety in the Bangladesh garments industry is discussed below.

I. National regulation

Bangladesh legislation addressing workplace safety in the RMG industry is in the form of various Acts (such as the Labour Act 2006), Codes (such as the Bangladesh National Building Code
and Standards which set occupational safety and health (OSH), and electrical, fire, and building standards (See Table 2-8).

Table 2-8: National regulation relating to workplace safety in the RMG industry

<table>
<thead>
<tr>
<th>Regulation/Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity Rule 1937</td>
</tr>
<tr>
<td>Electricity Licensing Board Regulations 1961</td>
</tr>
<tr>
<td>Factories Act 1965</td>
</tr>
<tr>
<td>Factory Rules 1979</td>
</tr>
<tr>
<td>Environment Conservation Rules 1997</td>
</tr>
<tr>
<td>Bangladesh Energy Regulatory Commission Act 2003</td>
</tr>
<tr>
<td>Fire Prevention and Fire Fighting Law 2003</td>
</tr>
<tr>
<td>Bangladesh National Building Code 2006</td>
</tr>
<tr>
<td>Labour Act 2006 (Section 62 of the 2006 Bangladesh Labour Law-RMG factories)</td>
</tr>
<tr>
<td>BERC License Regulations 2006</td>
</tr>
<tr>
<td>Electricity Grid Code 2012</td>
</tr>
<tr>
<td>Electricity Distribution Code 2012 (draft)</td>
</tr>
<tr>
<td>BSTI Standard Specification</td>
</tr>
<tr>
<td>Occupational Health and Safety Policy 2013</td>
</tr>
</tbody>
</table>

Source: (Dept. of EEE, BUET, 2014; ILO, 2015)

However, national legislation regulating the RMG industry has been described as inadequate (Absar, 2009) and statutes are rarely enforced due to lack of resources and corrupt practices in the system (Haider, 2007). Bangladesh is ranked as the 13th most corrupt country in the world by Transparency International’s Corruption Perception Index 2015. Many RMG factories do not meet minimum standards prescribed in building and construction legislation, and there is blatant violation of safety and health codes with no direct implications (Taplin, 2014). Out-dated labour laws, ineffective building codes, poor law enforcement and absence of a labour standards monitoring system have been identified as major concerns for fire and building safety in the RMG industry (Ahamed, 2013). Following the Rana Plaza collapse, revised standards for factory inspection have been established based on the previously unenforced Bangladesh National Building Code 2006 (BNBC, 2006). Further, 87 sections of the Labour Act 2006 were amended to incorporate various safety provisions for the workplace (ILO, 2015). However, to achieve real change/improvement in safety conditions in Bangladesh’s garment factories it would appear that more is required than the revision of building and labour laws – ensuring proper enforcement of the revised laws is of critical importance. Whether various institutional factors work against such enforcement is something explored in this research.
II. International guidelines

International guidelines are a form of soft (i.e. voluntary) law that aim to fill governance voids created by the rise of the global economy (Gilbert et al., 2010). Standards applicable to the apparel industry have been established through international institutions such as the International Labour Organisations, the United Nations and the Organisation for Economic Co-operation and Development. Occupational Safety and Health is an issue broadly addressed by international standards. Significant international agreements relevant to workplace safety in the apparel industry are listed as follows.

International Labour Organization (ILO) conventions

International labour standards are drawn up by ILO constituents (governments, employers and workers) and set out basic principles and rights at work. These standards may be conventions (legally binding international treaties ratified by member states) or recommendations (non-binding guidelines). The conventions considered ‘fundamental principles and rights at work’ cover: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation (www.ilo.org). ILO Convention 155 on Occupational Safety and Health outlines action to be taken by governments and within enterprises to improve working conditions (ILO, 2016a). However, this convention has not been ratified by the Bangladesh government and as such is not enforceable within the Bangladesh RMG industry.

Declarations and principles of the United Nations (UN)

The UN Universal Declaration of Human Rights is a global standard (representing international consensus) that recognises human rights and promotes social progress (www.un.org/en/documents/udhr/). The UN Guiding Principles on Business and Human Rights, adopted by all member nations (thus accepted by Bangladesh), recognise safe work as a labour right, and affirm responsibilities of governments and businesses to ensure workplaces meet national/international standards on health and safety at work. The UN principles are incorporated within private social governance initiatives of the apparel industry which are adopted by apparel industry organisations.

UN Global Compact (UNGC)

The UNGC encourages organisations worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The UNGC promotes Occupational Safety and
Health practices and systems in the supply chain through implementation of various projects, programmes and initiatives (www.unglobalcompact.org). Various prominent social governance initiatives of the apparel business (implemented by leading apparel buying organisations) are based upon principles of the UNGC.

**Guidelines of the Organization for Economic Co-operation and Development (OECD)**

The OECD Guidelines for multinational enterprises (MNEs) are a set of recommendations on responsible business conduct in a global context. The guidelines encourage and maximise the positive impact MNEs make to sustainable development and enduring social progress. In reference to Occupational Health and Safety the guidelines emphasise that MNEs follow prevailing regulatory standards and industry norms to minimise the risk of accidents and injury to health (www.oecd.org). The OECD guidelines are referenced by many social governance initiatives of the apparel industry and implemented by global apparel buyers.

There are difficulties with enforcement of international standards (which are incorporated within social governance initiatives of the apparel business) in apparel manufacturing countries. Suppliers in developing countries face difficulty in incorporating western style social standards in factories due to a misalignment between western standards and local culture (Walker et al., 2014). The Bangladeshi institutional environment, for example, is beset by institutionalised socio/cultural problems such as corruption, bribery, and a disregard for workers’ basic rights (Ahmed et al., 2014). The gap that exists between international standards and the socio/cultural environment of the Bangladeshi society represents a potential major challenge for ensuring safety in the Bangladesh RMG industry.

**III. Private social governance initiatives**

Commitments to voluntary apparel industry initiatives represent an organisation’s potential willingness to operate as a social responsible corporation. Private social governance initiatives include corporate codes of conduct which are based on initiatives such as the Ethical Trading Initiative (ETI) and the Business Social Compliance Initiative (BSCI); or are initiated by key NGOs such as the Fair Labour Association (FLA) and the Supplier Ethical Data Exchange (Sedex); as well as certification standards such as the Worldwide Responsible Accredited Production (WRAP) certification program and Social Accountability International SA 8000 social standard. A number of prominent self-regulatory initiatives of the apparel industry are briefly described below.
**Worldwide Responsible Accredited Production (WRAP) certification program**
WRAP is a NGO dedicated to promoting ethical, humane, and lawful conditions and practices in manufacturing facilities around the world. The organisation has developed a series of codes and practices governing manufacturing conditions worldwide and licenses independent auditing firms to conduct audits based on those codes and practices. It is not a membership organisation, and does not certify brands or businesses, only facilities. The WRAP principles include: compliance with laws and workplace regulations, freedom of association and collective bargaining, prohibition of harassment or abuse, prohibition of discrimination, prohibition of forced labour, prohibition of child labour, compensation and benefits, hours of work, health and safety, customs compliance, and environment security (www.wrapcompliance.org).

**Social Accountability International (SAI) SA 8000 social standard**

**Business Social Compliance Initiative (BSCI)**
The BSCI was launched in 2003 as an initiative of the Foreign Trade Association (FTA) - a leading European association for trade policy and global supply chains. BSCI has current membership of over 1,300 organisations committed to improving working conditions in their supply chain. Principles of the BSCI Code of Conduct 2014 include: the rights to freedom of association and collective bargaining; protection of young workers; no discrimination; no precarious employment; fair remuneration; no bonded labour; decent working hours; protection of the environment; occupational health and safety; no child labour; and ethical business behaviour. The BSCI monitoring system provides standard management tools for member organisations and uses accredited auditors to provide audit reports (www.bsci-intl.org).

**Ethical Trading Initiative (ETI)**
The ETI was launched in the UK in 1998 with backing from the UK government; it has current membership of over 80 global organisations and reaches nearly ten million workers across the world. The ETI does not issue certificates/labels to organisations, accredit auditing
organisations/individuals as ‘ethical trade' auditors or trainers, or carry out audits. The ETI provides information on overall trends in performance across corporate membership. Company members adopt the ETI Base Code (01/04/14) which has 9 clauses (covering free choice of employment; freedom of association and the right to collective bargaining; safe and hygienic working conditions; child labour; living wages; working hours; discrimination; regular employment; and prohibition of harsh or inhumane treatment) and provide an annual report on progress in addressing working conditions in their supply chains (www.ethicaltrade.org).

**Supplier Ethical Data Exchange (SEDEX)**

Sedex is a not for profit membership organisation dedicated to driving improvements in ethical and responsible business practices in global supply. The Sedex Supplier Workbook provides guidelines for operating ethical business which have specific standards for Health and Safety. Sedex members number over 32,250 in more than 150 countries. Sedex aims to reduce multiple audits, questionnaires and certifications through Sedex Members Ethical Trade Audit (SMETA). SMETA is an audit procedure which is a compilation of good practice in ethical audit technique. SMETA uses the ETI code and local law as the measurement tool to provide an ethical audit report format i.e. SMETA audit reports are country-specific (www.sedexglobal.com).

**Fair Labour Association (FLA)**

FLA (formerly the Apparel Industry Partnership) is a US based non-profit organisation incorporated in 2000 dedicated to protecting workers’ rights around the world. The FLA Workplace Code of Conduct defines nine labour standards: employment relationship; non-discrimination; harassment or abuse; forced labour; child labour; freedom of association and collective bargaining; health, safety and environment; hours of work; and compensation. FLA holds organisations accountable for monitoring their own supply chains and conducts independent random assessments of organisations’ supplier factories. FLA provides training and resources to help organisations/factories meet standards, ensure compliance & improve working conditions (www.fairlabor.org).

Global organisations sourcing from Bangladesh typically require manufacturing factories to follow various such initiatives as those described above. The initiatives stipulate codes of labour practice - that specify ‘safe and healthy working conditions’ that RMG manufacturing organisations must comply with, and detail monitoring mechanisms such as factory inspections and social audits to track compliance with codes.
The history of accidents in the RMG industry have highlighted the ineffectiveness of existing private social governance initiatives to help ensure workplace safety in RMG manufacturing organisations and emphasises the need for more effective social governance initiatives to support and change the Bangladeshi institutional environment. Hence, given some recent major ‘shocks’ within the Bangladesh RMG industry, apparent compliance with such initiatives as those outlined above – and which have been in place for many years - would be little likely now to be perceived as sufficient to address issues to do with potential loss of life and injury.

2.3.3 Post Rana Plaza governance initiatives for workplace safety

Following the Tazreen factory fire and the Rana Plaza building collapse, new proposals to improve workplace safety were implemented at the national and international level. The Government of Bangladesh initiated the National Tripartite Plan of Action – involving the government, employers’ and workers’ organisations; and two significant initiatives (with global apparel organisations, labour federations, and NGOs) were established: The Accord on Fire and building safety in Bangladesh (Accord) and the Alliance for Bangladesh Worker Safety (Alliance). Each of these initiatives are now considered in turn.

The National Tripartite Plan of Action (NTPA)
(http://database.dife.gov.bd)

In July 2013 the Government of Bangladesh and representatives of Bangladesh employers’ and workers’ organisations signed an integrated National Tripartite Plan of Action (NTPA) on fire safety and structural integrity in the garment sector of Bangladesh (ILO, 2013). Key activities in the NTPA include assessment of the structural integrity and fire safety of RMG factory buildings, strengthening labour inspection, worker and management training, and awareness of occupational safety and health and worker rights. To support implementation and coordination of the NTPA the ILO developed the Better Work Program - ‘Improving Working Conditions in the RMG Sector’ focusing on minimizing the threat of fire and building collapse in RMG factories and on ensuring the rights and safety of workers (ILO, 2016). In January 2014, the Ministry of Labour and Employment upgraded the Department of Inspection for Factories and Establishments (DIFE), to enforce the laws set out in the Bangladesh Labour Act 2006, and to play a central government role in ensuring compliance in garments factories (www.dife.gov.bd). The main role of DIFE is to implement labour laws and regulations in RMG factories. The Bangladesh government initiative to enforce compliance issues in the RMG industry is integral for improved workplace safety in the RMG industry.
The Accord on Factory and Building Safety in Bangladesh
(www.bangladeshaccord.org)
The Accord on Factory and Building Safety in Bangladesh (formed in May 2013) is an independent, tripartite, agreement between global brands, unions and NGOs covering a five-year period from 2013 to 2018. The Accord has a membership of 200 apparel organisations from over 20 countries, the majority from Europe and also from North America, Asia and Australia. The Accord is approved by global labour federations and Bangladeshi trade unions, witnessed by leading global NGOs and independently chaired by the ILO. The Accord works with relevant stakeholders with the aim of ensuring a safe and sustainable RMG industry in Bangladesh. Accord signatory brands disclose key data on supplier factories including: factory name and address, number of stories of each structure, whether a building includes multiple apparel factories or houses other types of businesses, number of workers at each factory, and number of Accord signatories using each factory. The program involves independent safety inspections of factories, the public reporting of inspection results, and commitment of funds to ensure repairs where safety issues are identified. Factory inspection reports cover fire, electrical and structural issues, ongoing remediation, and corrective actions completed.

The Alliance for Bangladesh Worker Safety
(www.bangladeshworkersafety.org)
The Alliance for Bangladesh Worker Safety (formed in July 2013) is a five-year initiative from 2013 to 2018 intending to provide a transparent, results oriented, measurable and verifiable mechanism for improving safety conditions of workers in Bangladesh garment factories. The Alliance constitutes a group of 28 apparel organisations, retailers and brands representing the majority of North American imports of RMG from Bangladesh. The Alliance is supported by various retail associations of North America, and is advised by Building Resources Across Communities (BRAC) a prominent Bangladeshi NGO, Li & Fung a major Hong Kong based sourcing company, and additional advisors incorporating the expertise of labour, government, and academia. The core elements of the initiative include: factory inspections - developing uniform standards for fire and building safety to guide inspection of factories including third party monitoring and verification of activities; safety training - fire and building safety training of factory workers and management and developing and implementing common protocols and training curriculum materials; and worker empowerment – through creation of worker participation committees. Third-party experts verify Alliance members’ activities with results and milestones reported through semi-annual public reports.
The workplace safety governance initiatives for the RMG industry cover a substantial number of the garment factories in the RMG industry (ter Haar, 2013). These latest initiatives stand apart from previous (apparently ineffective) initiatives of the apparel industry due to several important factors including: involvement of the Bangladesh government, large-scale of membership, legal nature, and the inclusion of unions. These factors are likely to be important in moving forward towards a safer RMG industry. The Bangladesh government initiative (supported by the ILO) signifies national level commitment to enforce workplace safety related legislation. The extensive membership of the Accord and the Alliance demonstrates apparent commitment of the majority of apparel buying organisations to improve factory safety conditions, while the legal nature of the initiatives represents an obligation to continue business in Bangladesh. The inclusion of unions (in the case of the NTPA and the Accord) provides opportunity for workers’ voice to contribute to improving conditions in the workplace.

The first (inspection) phase of the initiatives, incorporating public disclosure of supplier factory information, initial inspection of factories, write up of inspection reports, and closure of unsafe factories is finished. The second (remedial) phase, involves development of a Corrective Action Plan (CAP) detailing necessary remedial actions with clear timeline and financial plan, which is uploaded on-line for each factory. The CAP is to be regularly updated after periodic follow-up inspections to monitor and verify implementation of remedial measures. However, as reflected in Table 2-9, the remediation process under all three initiatives is progressing very slowly.

Whilst initial inspections have been completed (with target factories inspected in a timely manner), the factory remediation process (implementation of CAPs) is greatly behind schedule. It might thus be determined that whilst there might have been relatively intense activity following the recent catastrophic events (which perhaps indicated that credible actions were being taken to address global concerns which in itself might have alleviated some of the pressure on the industry), such activity has not been sustained. Potential reasons for this will be introduced later in this thesis.
**Table 2-9: Changes in the RMG industry following implementation of workplace safety governance initiatives**

<table>
<thead>
<tr>
<th>The NTPA</th>
<th>The Accord</th>
<th>The Alliance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Review of factory safety conditions and closure of unsafe factories</strong></td>
<td>- The Accord lists factory details for approximately 1646 supplier factories providing employment for over 1.9 million workers. - 1541 factory inspections have been conducted. - 30 supplier factories have been terminated for reasons of workplace safety.</td>
<td>- The Alliance has released supplier information for 689 factories representing an estimated 1.1 million workers. - 689 factories have been inspected. - 83 factories have been suspended due to failure to ensure a safe working environment. 34 factories have been closed/partially closed/temporarily closed or are operating with reduced load.</td>
</tr>
<tr>
<td>- The National Initiative provides factory information for 1549 factories, employing 2.2 million workers. - Factory inspections have been conducted for 1549 factories. - 39 factories have been closed, 42 factories partially closed, and 69 factories allowed to operate with some recommendations.</td>
<td>- The Accord lists factory details for approximately 1646 supplier factories providing employment for over 1.9 million workers. - 1541 factory inspections have been conducted. - 30 supplier factories have been terminated for reasons of workplace safety.</td>
<td>- The Alliance has released supplier information for 689 factories representing an estimated 1.1 million workers. - 689 factories have been inspected. - 83 factories have been suspended due to failure to ensure a safe working environment. 34 factories have been closed/partially closed/temporarily closed or are operating with reduced load.</td>
</tr>
<tr>
<td><strong>Implementation of Corrective Action Plan and disclosure of safety reports (building assessments conducted for structural integrity, fire and electrical safety)</strong></td>
<td>1549 inspection reports have been uploaded to the DIFE website. Only 300 Corrective Action Plans have been received and 5 approved for implementation.</td>
<td>655 Corrective Action Plans have been approved by the Alliance. 372 factories have been categorised as non-compliant, 253 factories are ‘in-progress’ of remediation, and 30 have not started the remediation process.</td>
</tr>
<tr>
<td><strong>Further safety programs</strong></td>
<td>In cooperation with the BGMEA, the National Action Plan is conducting drills and training programs on fire prevention, extinction, safe evacuation, search, rescue and first aid to raise awareness among factory workers about fire safety.</td>
<td>The Accord is building functioning Safety Committees, providing access to a credible safety and health complaint mechanism, and encouraging workers to refuse unsafe work if necessary.</td>
</tr>
<tr>
<td>The Accord lists factory details for approximately 1646 supplier factories providing employment for over 1.9 million workers. - 1541 factory inspections have been conducted. - 30 supplier factories have been terminated for reasons of workplace safety.</td>
<td>- The Accord lists factory details for approximately 1646 supplier factories providing employment for over 1.9 million workers. - 1541 factory inspections have been conducted. - 30 supplier factories have been terminated for reasons of workplace safety.</td>
<td>- The Alliance has released supplier information for 689 factories representing an estimated 1.1 million workers. - 689 factories have been inspected. - 83 factories have been suspended due to failure to ensure a safe working environment. 34 factories have been closed/partially closed/temporarily closed or are operating with reduced load.</td>
</tr>
</tbody>
</table>

Source: DIFE, Bangladesh Garment Manufacturers & Exporters Association (BGMEA), Accord and Alliance websites (data as of July 2017)
In 2017, the Accord was extended for a further three years (Accord, 2017). The Alliance has not been extended any further beyond the initial five years which runs until mid-2018 (Alliance, 2017). The Bangladesh regulatory environment may become more effective post Rana Plaza as the Bangladesh Government (purportedly) focuses on stronger enforcement of workplace safety governance initiatives in the RMG industry. So, at face value it appears that the latest tragedies in the RMG industry have led the industry to assume a greater level of care/responsibility for workplace safety, albeit that there should be some concern that some activities are not being completed in a timely manner. Of relevant concern for improving safety conditions in the RMG industry is whether adoption of the recent safety standards are simply an organisational response to public pressures to do the ‘right thing’ –that is - whether workplace safety governance initiatives have been established merely for ‘good’ publicity (and as a symbol that the issue is actually being addressed), or whether implementation of new standards represent genuine efforts of the apparel industry organisations to improve workplace safety conditions in manufacturing factories. Further, even if the standards have been put in place for proper purpose, is it realistic to expect them to actually work in the longer run in an institutional environment such as the Bangladesh RMG industry? Will implementation of workplace safety governance initiatives lead to more than surface change/improvements in factory safety conditions? What are the impediments/challenges to successful implementation of workplace safety governance initiatives and what mechanisms can be implemented to make initiatives more effective in the long run? These are some of the questions considered in this research.

2.4 Conclusion

This chapter looks at existing literature in the overlapping research areas of CSR, Social and Environmental Accounting, and the Global Apparel Supply Chain. The chapter identifies CSR issues of concern for the global apparel industry and examines CSR strategy (i.e. implementation of social governance initiatives and publication of social disclosures) and factors which influence the CSR strategy of the apparel industry. The chapter presents an overview of the contextual background of the research and highlights the issue of workplace safety conditions in the Bangladesh garment industry, a matter of global concern following the Rana Plaza disaster. The workplace safety-related governance structure of the Bangladesh garments industry and the problems related to implementation are identified, and the workplace safety governance initiatives introduced post Rana Plaza are examined. The literature review draws attention to a relevant research topic which calls for further investigation namely, workplace safety in the apparel industry.
In the context of Bangladesh, the world’s second largest apparel exporter, and particularly following recent workplace tragedies in the RMG industry, the issue of workplace safety in garment manufacturing factories is a current/relevant research area which needs to be investigated. Recent studies that look at the state of the RMG industry post Rana Plaza include Siddiqui and Uddin (2016), Sinkovics et al. (2016), Haque and Azmat (2015), Baumann-Pauly et al. (2015), Khan and Rodrigues (2015), Ahmed et al. (2014), Walker et al. (2014), Motlagh and Saha (2014), Rahim and Alam (2014), and Haar and Keune (2014). The Rana Plaza tragedy highlighted the ineffectiveness of the existing governance structure to help ensure workplace safety in the RMG industry. There is limited research investigating the effectiveness of social governance initiatives in improving working conditions in the RMG industry. This research investigates the CSR strategy of the apparel industry post Rana Plaza and thus contributes to the emerging literature in this area. The focus of the research is on whether adoption of latest safety standards is simply an industry response to public (NGO and consumer) pressures to do the right thing i.e. whether workplace safety governance initiatives have only been established for ‘good’ publicity, and whether implementation of new social governance initiatives will result in any real improvements in workplace safety in the RMG industry.

The discussion of these issues is the preface for the three research studies presented in the subsequent chapters of the thesis. Prior to presenting the chapters pertaining to the research studies, the following chapter (Chapter 3) presents the theoretical perspective of the research which has been applied to gain an understanding of the institutional influences that impact upon implementation of workplace safety governance initiatives, and to examine how organisations account for these issues.
3 Theoretical perspective

3.1 Introduction

The review of the existing literature and the presentation of the contextual background of the research (in the preceding chapter) leads to an examination of the factors which influence the CSR strategy of the apparel industry, specifically the implementation of social governance initiatives for workplace safety and the publication of related corporate social disclosures.

The first two studies (reported in Chapters 4 and 5 respectively) examine new social governance initiatives for workplace safety, and the third study (presented in Chapter 6) analyses workplace safety-related disclosure practices of the apparel industry. The research applies positive and normative theoretical perspectives to examine CSR strategy of the apparel industry. A positive theory attempts to explain how the world works in a value-free way, while a normative theory provides a value-based view about how the world ought to work (Velasquez, 2007). The research utilises a positivist view to help understand and explain organisational behaviour. The research utilises a normative view to consider how organisations should behave based on an ethical responsibility/commitment to improve workplace safety. By considering positive (how organisations are expected to behave) and normative (how organisations should behave) perspectives, the study findings establish how organisations are fulfilling their social responsibility and accountability with regards to workplace safety. This chapter starts with a description of the two branches of stakeholder theory (positive/managerial and normative/ethical) relevant to the research, presents an overview of institutional theory which is applied in this research to understand the institutional environment within which organisations operate, which includes description of institutional pillars, the concept of organisational legitimacy and isomorphic pressures, details the application of institutional theory in the context of the Bangladesh RMG industry, and offers some concluding comments.

3.2 Stakeholder theory

The concept of the stakeholder has become established since Freeman’s landmark publication Strategic Management: A Stakeholder Approach, in which he described stakeholders of an organisation as ‘any group or individual (in the company’s environment) who can affect or are affected by the achievement of the organisation’s objectives’ (Freeman, 1984). The significance of the stakeholder concept has evolved through stakeholder theory. There are two major branches
of stakeholder theory – the managerial/positive theory, and the normative theory based on ethical propositions.

The managerial branch of stakeholder theory suggests that managers will be influenced by the powers that particular stakeholders are perceived to have to impact on the business activities of an organisation (O’Dwyer, 2002). When stakeholders control resources critical to the organisation, the company is likely to respond in a way that satisfies the demands of the stakeholders (Ullmann, 1985). Conversely, if the power of stakeholders is low, their demands tend to be ignored by the focal organisation.

The ethical branch of stakeholder theory considers that all stakeholders have rights to fair treatment, regardless of stakeholder interest in/relationship to the business (Deegan, 2000). The interests of all stakeholders are of intrinsic value, and each group of shareholders merits consideration for its own sake and not merely because of its ability to further the interests of its own group, such as the shareowners (Donaldson and Preston, 1995).

The different approaches to stakeholder theory may be considered as mutually supportive (Donaldson and Preston, 1995). The managerial and the ethical branch of stakeholder theory have been applied in various research (see for example, (An et al., 2011, Barako and Brown, 2008, Guthrie et al., 2006, Ratanajongkol et al., 2006)) to explain CSR strategies.

Both the managerial/positive and the ethical/normative branch of stakeholder theory are relevant to this research.

The positive branch of stakeholder theory is relevant to the research to help explain how CSR strategies of the apparel industry may be influenced by powerful stakeholder groups. The research considers how powerful stakeholders of the apparel industry (including governments, NGOs, and consumer and activist groups) may pressure apparel industry organisations to: address their social responsibilities through implementation of social governance initiatives (Study 1 and Study 2) and demonstrate their accountability to society through publication of social disclosures (Study 3).

The normative branch of stakeholder theory is relevant to the research to assess corporate social disclosures of the apparel industry i.e. to study the accountability of apparel industry organisations. The research (Study 3) utilises a normative view to consider what social disclosures organisations should provide to all stakeholders (the public) based on an ethical responsibility/commitment to improve workplace safety. From a normative perspective,
corporate social disclosures should reflect what managers are accountable for, and what the public has a right to know about the organisation (Deegan 2002).

3.3 Institutional theory

Positivist theoretical perspectives may offer in-depth insights to explain factors that influence CSR strategies of the apparel industry. The positivist theoretical perspectives used in this research (the managerial branch of stakeholder theory and institutional theory) originate from the political economy paradigm (Deegan, 2013). The political economy is defined as ‘the social, political and economic framework within which human life takes place’ (Gray et al., 1996, p. 47). Consideration of the political economy allows for an understanding of the global community expectations and constituent pressures that impact an organisations CSR strategy. This framework recognises the significance of the stakeholder, incorporates the concept of legitimacy, and supports the institutional environment within which organisations operate.

Institutional theory is used in this research to understand the relationship between the institutional environment and organisational behaviour. Institutional theory provides rich insights/understanding of the societal influences and other institutional factors which impact upon CSR strategies of the apparel industry. Many prominent research papers (Campbell, 2007, Matten and Moon, 2008, Bartley, 2003, Bartley, 2007, Dillard et al., 2004, O'Neill et al., 2015) apply institutional theory to explain why organisations act (or do not act) in ways that appear socially responsible.

Institutional theory is a systems-oriented theory that assumes that an entity is influenced by, and in turn has influence upon, the society in which it operates (Deegan, 2013). Institutional theory is applied in this research as it combines elements of the managerial branch of stakeholder theory and legitimacy theory to offer broad/rich insights into factors that influence the CSR strategy of the apparel industry. Within institutional theory, ‘institutions’ are considered to encompass rules and regulations together with various ‘understandings’ and cultural frameworks (Scott, 1995). When particular ideas and practices are considered as commonplace, and to have influence, within a particular organisational field then they are deemed to have become ‘institutionalised’ (Wicks, 2001).

DiMaggio and Powell (1983) recognise that organisational fields which are initially diverse in approach become increasingly similar once established. Organisations become homogenous through the process of isomorphism, which is described as a constraining process that forces one
unit in a population to resemble other units that face the same set of environmental conditions (Hawley, 1968). Institutional theory explains how organisations may adopt CSR strategies due to isomorphic pressures. In the global apparel industry, pressures exerted by stakeholders have led multinational clothing organisations to adopt various forms of governance including multi-stakeholder regulation and industry self-regulation.

Although institutional theory has generally been applied to explain why organisations might take on forms that exhibit similar attributes (related to the idea of ‘isomorphism’), it can also be used to explain change, and resistance to change, within organisational fields. The view taken herein is that changes within an organisational field (such as within the supply organisations of Bangladesh) rely not only upon regulation but also upon the norms and beliefs (values) of the constituents within that field. The regulative, normative and cultural elements (pillars) of institutions act to reinforce each other as well as potentially working against each other.

Organisations not only require particular factors of production (for example, raw materials, labour, financial and intellectual capital) but also rely upon acceptance by those society(ies) in which they operate. Organisations need to be responsive to both their market environment, as well as their institutional environment. As Baum and Oliver (1992) note, significant long term organisational/institutional change is often difficult because of the normative embeddedness of an organisation within its institutional context.

Hence, in explaining or predicting the likelihood of significant organisational change it is important to understand what values or norms might act to effectively ‘anchor’ constituents to ‘old ways’ and what additional mechanisms might need to be put in place to lessen the effects of such ‘anchors’. Significant change in an institutional environment arguably needs to be accepted and supported by the ‘change recipients’ (Palthe, 2014), who in the case of Bangladesh would include the managers and owners of the supply organisations as well as the workers. Regulative changes – such as the introduction of new regulations - will be undermined if they are not consistent with the norms and values of the local constituents. That is, the CSR strategy of organisations will be influenced by the (changing) institutional environment which encompass overarching social forces such as norms, standards, and expectations held by relevant constituents (stakeholders) and common to inhabitants of a particular organisational field (Kraatz and Zajac, 1996).

The organisational field has been defined as ‘a community of organisations that partakes of a common meaning system and whose participants interact more frequently with one another than
with actors outside the field’ (Scott, 1995; p.56). However, to assume that there is homogeneity of views and values (‘meaning systems’) held by all institutional participants within an organisational field is somewhat simplistic. It may be argued that the ‘meaning system’ of a developing country such as Bangladesh, and perhaps more specifically the RMG industry, is not the same as the meaning system of the developed western community – the buyers and customers and those organisations that support western values such as the right to free speech, safety, education, health and so forth.

The organisational field of the RMG industry extends beyond the physical boundaries of Bangladesh and ventures into a global arena where different ‘institutional pillars’ (to be explored shortly) operate and potentially differ to a significant degree in their evolution and present composition. Whilst the Bangladesh RMG industry is certainly part of a broader environment that includes western-based buyers and customers (with particular values and norms which in themselves will be somewhat different between different western countries), how health and safety is practiced in the factories of Bangladesh will arguably be strongly influenced by the values and norms of the owners, managers and employees of those organisations.

The institutional field includes constituents such as the government, critical exchange partners, providers of funding, professional and trade associations, special interest groups, and the general public — all of which can exert influence over the organisation (Scott, 1991). The institutional field of the global apparel industry includes several key constituents (such as governments, NGOs and civil society organisations) which can influence the behaviour of apparel industry organisations. Institutional theory provides a useful framework to explore and explain why some actions to create change might not be sustainable over time. For example, it allows for a consideration of whether, as in the case of the Bangladesh RMG industry (a sub-field of the global apparel industry), it is naive for buyers, NGOs and other apparently concerned stakeholders to impose particular regulation and/or codes on local suppliers and then take for granted that desired change will ultimately be embraced. Despite how ‘well meaning’ particular actions might be, introducing particular governance structures will not create the same results in different institutional environments and institutional theory provides a useful framework to explain why this is so.

Institutional theory has been regularly adopted to explain how changes in, and pressure emanating from, social, political, and economic factors influence organisations’ strategies and decision-making with respect to adopting ‘legitimate’ practices and/or to legitimise their
practices from the perspective of their constituents (Jennings and Zandbergen, 1995, North, 1990). Change in the institutional field may be due to an ‘initiating trigger’ (Hoffman, 1999). The latest industrial accidents in Bangladesh - the Tazreen Fashions factory fire and the Rana Plaza building collapse - may be considered as a major ‘initiating trigger’ which has led constituents of the global apparel industry to heighten the scrutiny, and potentially influence the behaviour of, apparel industry organisations. With the occurrence of the latest large-scale tragedies, the forms of governance that had been in place were thereafter deemed to lack the required ‘legitimacy’.

The above discussion briefly referred to institutional pillars – these will now be considered in a little more depth.

### 3.3.1 Institutional pillars

Institutional theory suggests several forms of institutional influences. Scott (1995) identifies 3 influences or pillars of institutional order – regulative (legal), cultural/cognitive (cultural), and normative (social). Whilst this is a fairly simplistic view of institutional environments it nevertheless provides a useful framework to inform this research. These pillars are viewed by many institutional researchers as being quite independent and which encompass their “own internally consistent set of isomorphic rules, guidelines, and internal variations for all (micro-through macro-) levels of society” (Hirsch, 1997, p 1709).

The actions and behaviours of individuals, organisations, industries and societies may be influenced by one or other of the three institutional pillars. However, for long term stability in particular institutional arrangements, the pillars need to work together in a consistent and mutually reinforcing manner (else there is instability and the institutional structure will ultimately ‘collapse’ and new institutions will be created). Such a view is somewhat different to some of the views from ‘institutional economics’ for example, see Williamson (1985) wherein focus is predominantly placed upon regulative or coercive elements in creating change in a world where market related mechanisms (laws and contractual mechanisms) are predicted to inevitably lead organisation towards creating economically (and thereby assumed socially) optimal outcomes. Such a view would see local suppliers comply with regulation else suffer loss of income for non-compliance. The economic interests of the organisation are paramount.

Whilst proponents of ‘institutional economics’ as just briefly discussed above might perceive regulation and contractual arrangements as creating relatively consistent changes across different institutional environments (and in a sense this is the view most probably being embraced by
many people involved in developing the latest forms of governance for the Bangladesh RMG industry), the sociological branch of institutional theory would caution such a view by emphasising the importance also of the normative and cultural/cognitive pillars in place within specific social/institutional contexts. Within each pillar ‘conformity and compliance’ (and ‘legitimacy’) are maintained by the adoption and/or acceptance of legal, social and moral rules of behaviour (regulatory and normative pillars) or, (in somewhat of a contrast to the former two pillars) by following (or mimicking) the behaviours of others with whom there is a social interaction (cultural/cognitive pillar).

Hence, whilst international pressures may lead to similar changes/systems in one institutional domain, these effects may be mediated by the wider configuration of national institutions. This explains why internationalisation has not led to quick convergence of national corporate governance models. The result is often a hybridization of corporate governance models, where practices developed in one national setting are transferred to another, and they undergo adaptation through their recombination with other ‘local’ governance practices (Pieterse, 1994) p. 165.

Stakeholder perceptions of organisational legitimacy and/or changes in perceptions of legitimacy across an institutional field may (or may not) have an effect on institutional pillars, such as a change in laws or regulations within the regulatory pillar. Whilst one pillar may be dominant at any given time, Hirsch (1997) argues that the three pillars co-exist and are inter-connected. Three strong, mutually consistent pillars are perceived as bringing stability to an institutional environment whereas pillars which are mutually inconsistent generate instability.

In noting the absence of research on the interaction of the institutional pillars and the need to consider the consistency and mutual reinforcement of the pillars, Li et al. (2008) examine the interaction and effect on corruption of the three institutional pillars across a range of societies (with a discussion specifically focussed upon Singapore and Hong Kong). Their findings suggest that the interactions among, and the different combinations of, the institutional pillars will impact individual and organisational behaviour. The authors identify “significant” differences in the cultural/cognitive (e.g., collectivist values versus individualistic) and normative pillars (e.g., high or low levels of government intervention in legal and economic activities) in Singapore and Hong Kong (respectively) and find that legitimacy and relative effectiveness of the institutional pillars in influencing, in this case, the level of corruption, can be explained by the (differing) interactions of the institutional pillars (p. 337). Previous studies have also noted that the
regulative pillar often reflects aspects of the cultural/cognitive pillars of that society (Li and Karakowsky, 2002, Li et al., 2005) – that is, they do not operate independently – and the likelihood that regulation will create desired effects is influenced by the cultural/cognitive and normative pillars in place and whether the regulation was developed within the particular institutional environment, or transplanted from ‘outside’.

The research by Li et al. (2008) is quite pertinent to this study as corruption and bribery have been identified as particular societal factors (and therefore reflected in the cultural/cognitive pillar) that have contributed to the lack of effectiveness of various national laws, international guidelines and private social governance initiatives around workplace safety in the RMG industry in Bangladesh. This is to say, that workplace safety is a construct which is impacted by potentially many factors (of which corruption is one) and that improved workplace safety (and impact of social governance initiatives) rests upon consideration of, and the interaction of changes in, the regulatory, normative and cultural/cognitive pillars. Therefore, it may be argued that establishing an apparently strong regulative pillar will not create lasting effects unless the pillar is consistent with the influences/support of the other two pillars (cultural/cognitive pillar and the normative pillar). Where there is a lack of consistency between the pillars the likelihood of decoupling increases whereby a particular image of compliance with established or ‘legitimate’ codes might be projected (thereby providing a form of symbolic legitimacy (Ashforth and Gibbs, 1990a)) to the public whereas the actual functioning of the organisation might be quite different.

Hence this research contends that, like a physical structure, lasting institutional change requires consistent platforms (pillars) that reinforce the structure. All the pillars need to work together as a whole. It may be argued that if attention is primarily directed towards one pillar (for example, the regulative pillar) then the creation of a preferred (safer) institutional environment will not succeed, particularly if the monitoring/enforcement is only set to be in place for a minimum time (such as five years, as is the case for the recent initiatives in Bangladesh). Hence, whether the governance changes being made in Bangladesh can realistically be perceived as influencing all pillars must be investigated. If results suggest that only one pillar is being addressed or prioritised, then it may be suggested that this is consistent with an unstable institutional environment that will simply default to the reasonings inherent in the majority of the pillars. Each of these three pillars are now considered in more detail below.
**Regulative pillar**

The regulative pillar stresses rule setting, monitoring, and sanctioning activities that most commonly take the form of regulations (Scott, 1995). The institutionalised rules guide organisational action and perspectives through coercion, or threat of legal sanction. Organisations generally accede to the rules for reasons of expedience, preferring not to suffer penalty from non-compliance (DiMaggio and Powell, 1983). In a sense, from this perspective, compliance is perceived as being based on a ‘have to’ mentality (rather than a ‘ought to’ or ‘want to’ mentality).

It would appear that the regulatory pillar within the RMG industry in Bangladesh has, to date, not effectively operated to enforce social (behavioural) control, i.e., at the organisational level, factory owners/management have not actively engaged with regulations nor, at a (national) state level, has the government enforced regulations. That is, perhaps in the absence of non-compliance costs suppliers have not felt they ‘have to’ comply (and the normative beliefs and values within the institutional environment have not moved them towards acceptance of codified safety rules). At issue therefore is what has changed? Why would a new range of rules/policies be expected to be implemented and enforced when this has not happened in the past?

Increasing the costs of non-compliance creates an environment that could effectively force or coerce suppliers to comply with particular rules or policies. Short term change is to be expected if the sanctions are strong and monitoring is effective. However, if the other pillars (to be discussed below) do not reinforce the need or desire to comply, then quests to improve workplace health and safety will be problematic. Arguably, it might be perceived that in such a scenario, regulation might create short term change, and this could solve legitimacy threats that have arisen. If efforts to enforce and monitor compliance fall – as they might once the legitimacy threat seems over – then cultural/cognitive and normative pillars, if left relatively unchanged, may act to return the institutional environment to what it previously was – dangerous and unsafe for factory workers. Indeed, evidence already suggests (see chapter 2, table 2-9) that whilst there seemed to have been a great deal of activity early on (which in a sense might have created some ‘legitimacy’ for the industry) monitoring has been slow, and remedial action has been patchy.

This raises questions as to whether this regulative pillar alone is sufficient to ensure a level of safety (perceived as appropriate and necessary by constituents operating outside Bangladesh – NGO’s, global consumers, global buyers of RMG products) within the RMG industry. That is, change is also necessary in one or both of the other institutional pillars in order for change to
take place in workplace safety in the Bangladesh RMG industry. From what can be understood, and prior to discussing the issue with institutional constituents, it did appear that whilst efforts were made by ‘outsiders’ to implement workplace safety governance initiatives and rules that were required to be followed in the Bangladesh RMG sector, no apparent efforts were being made to try to influence the normative or cultural/cognitive functioning of local constituents (perceptions of these efforts are explored in the interviews conducted as reported later in the thesis).

**Cultural/cognitive pillar**

The cultural/cognitive pillar emphasises shared perceptions that constitute the nature of social reality and the frames through which meaning is made (Scott, 1995). Cognitive or cultural aspects of institutions embody symbols as well as cultural rules and frameworks that guide our understanding of the nature of reality and the frames through which that meaning is developed. People will abide by them often without conscious thought (Zucker, 1983). Over time, understandings become instilled in, and synonymous with, the culture – or ways of being and acting – in society and reflects a sense of normality and culturally acceptable behaviour (Hirsch, 1997). Changes in the cognitive pillar are viewed as taking place relatively slowly, and over lengthy periods (DiMaggio and Powell, 1991) and where change-resistant behaviours may be observed (Zucker, 1977). In relation to this pillar the question is raised as to when, and how, governance (regulative) initiatives might influence the way those involved in the RMG industry come to understand changes in perspectives, activities and behaviours around safety such that these changes become a ‘normal’ and culturally acceptable way of behaviour? It is proposed that change in cultural/cognitive perspectives will be slow and change resisted given the apparent existing institutionalised acceptance (regrettably) of failures in work-place safety and on-going corruption.

In a sense compliance with the cultural pillar can be seen as being based on a ‘want to’ mentality. The need for change becomes internalised by institutional members and is deemed to be culturally supported. It may be argued that for organisational/institutional change to be sustained the need for change needs to be accepted and internalised by institutional members. The alternative to this would be to have high levels of monitoring and enforcement which continually creates fear and coercion and that makes stakeholders feel compelled to (‘have to’) comply (as opposed to ‘want to’ comply).
Therefore, the point which needs to be stressed is that the ‘success’ of regulation is not context free as some might believe (for example, some institutional economists). Some regulations will create the desired effects because they are consistent with local norms and values. Indeed, when developed within a particular institutional context, laws often reflect the values and expectations of people within that environment, albeit with some time lag. However, this might not be the case when particular rules are developed outside of that institutional environment. That is, if regulations are developed based upon western ideals and values and then simply ‘implanted’ elsewhere then there must be some question as to whether they are likely to work. The other point to raise here is that factory workers within Bangladesh tend not to concentrate on health and safety, but rather tend to focus on simply holding some employment which thereby provides funds necessary to have sufficient food and shelter. As Haque (2010, p. 2) reports from interviews conducted with a range of workers/employees in Bangladesh, those people identified as “lower-lower class” (factory workers) were “happy if they are able to get their basic needs”, and “they do not consider safety because surviving is the main fight”. (Haque, 2010) found that it is only when individuals are classified as being in the “upper-middle class” that personal safety becomes very important to them. Therefore, culturally it appears that factory workers in Bangladesh do not prioritise safety and this also might tend to counter the likelihood that they will play a part in insisting that proper governance policies be continuously followed. As will also be indicated, managers and owners have not traditionally prioritised health and safety but have focused more directly on profits and corporate survival and growth.

**Normative pillar**

The normative pillar encompasses the prescriptive, evaluative, and obligatory dimensions of social life (Scott, 1995). The normative pillar refers to consistency with societal values such as fairness in treating employees and customers. It may be noted here that the role of societal values in the normative pillar is a factor that often makes it difficult at times to differentiate between what falls with the cultural/cognitive and the normative pillars (Zeitz et al., 1999, Hirsch, 1997) and perhaps adds weight to the view that, in some sense, they should be seen as interconnected pillars.

At an industry and organisation level, norms and values regarding various practices and employee attitudes further detail and reflect those of the larger society (DiMaggio and Powell, 1983). Normative or social aspects of institutions generally take the form of rules-of-thumb, standard operating procedures, occupational standards and educational curricula. The ability of these aspects to guide organisational action and beliefs stems largely from social obligation or
professionalisation. Organisations – and people therein - will comply with them for reasons of moral/ethical obligation, or a necessity for conformance to norms established by universities, professional training institutions or trade associations operating within that institutional environment (March, 1981 as cited in Hoffman 1999). In a sense, compliance from this perspective (pillar) can be seen as being based on a ‘ought to’ mentality. It remains to be seen in this study, how, when and in what form the social governance initiatives discussed earlier in this paper translate (if at all) into the practices and norms of the organisations in the RMG industry in Bangladesh.

When considering the three pillars it is arguable that regulative changes can be made relatively quickly and in response to major crises, whereas changes in cognitive and normative reasoning will take much longer. As Palthe (2014) p. 64 states:

> Organisational change is challenging not solely because of the difficulties of igniting internal support and poor organisational learning. These challenges also stem from the normative embeddedness of an organisation within its institutional context. The greater the embeddedness, the greater the resistance to change and the more difficult is the attainment and sustaining of significant organisational change.

Compliance with the ‘pillars’ is deemed by institutional theorists to establish/maintain organisational legitimacy – something that is discussed below.

### 3.3.2 Organisational legitimacy

According to Scott (2008b, pp. 59-60), legitimacy is not ‘a commodity to be possessed or exchanged’. Rather, it is ‘a condition reflecting perceived consonance’ with regulative, normative institutions, or ‘alignment with cultural/cognitive frameworks’ (Scott, 2008b). Each of the pillars discussed above provides a basis for legitimacy which might be based on an assessment that actions of institutional constituents are consistent with laws, are aligned with particular cultures, and are supported by existing norms. It is ultimately the attribute of legitimacy which determines whether organisations – such as those in the Bangladesh RMG industry – survive. As Palthe (2014) p. 63 notes:

> Institutional theory suggests that social legitimacy, whether regulative (have to), normative (ought to) or cognitive (want to), should be considered as an input to organisational change along with raw materials and other resources upon which the process of change depends.
Organisational legitimacy is a key concept of institutional theory wherein legitimacy of an entity is conferred by the institutional constituents/stakeholders. The three institutional pillars (cognitive, normative and regulative) described in the previous section provide a foundation from which legitimacy can be derived or, as described by Scott (1995, pg. 45), legitimacy is "a condition reflecting cultural alignment, normative support, or consonance with relevant rules or laws". Change, in the organisational field, such as the massive loss of life in Bangladesh brought about by the building collapse of Rana Plaza and the fire at Tazreen Fashions, may influence constituents’ perceptions of organisational legitimacy and, in turn, may bring about change in the institutional pillars (for instance, regulatory change which creates a change in the regulatory pillar).

Suchman (1995) defines legitimacy as ‘a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions’. Legitimacy theory is based on the idea that corporate activity must be within bounds of what society identifies as socially acceptable behaviour. Society can be regarded as a series of social contracts between members of society and society itself (Gray et al., 1996). The concept of a social contract is essential to legitimacy theory and is used to explain the relationship between society and business (Deegan, 2002). The implied social contract between society and business, explains how businesses adopt CSR practices to meet societal expectations. It is recognised that society, or elements thereof, grants legitimacy to business, and in the long run those who do not act in a manner which society considers responsible will tend to lose it (Wood, 1991).

Organisational legitimacy theory can take a strategic or an institutional approach (Suchman 1995). The strategic approach to legitimacy adopts a managerial perspective and is associated with researchers such as Dowling and Pfeffer (1975), Salancik and Pfeffer (1978) and (Ashforth and Gibbs (1990). Strategic legitimacy researchers assume a high level of managerial control over legitimation (the process that establishes legitimacy of an organisation) which is considered purposive, calculated, and frequently oppositional. The institutional approach to legitimacy has been adopted by researchers including DiMaggio and Powell (1983, 1991), (Meyer and Rowan, 1977), Campbell (2007) and Scott (2008a, 2008b) who consider legitimacy and institutionalisation (the process by which an organisation becomes an institutionalised form) as almost synonymous.
Legitimation strategies

An organisation can adopt a number of social strategies when faced with threats to legitimacy. Dowling and Pfeffer (1975) suggest that when faced with legitimacy threats an organisation may legitimate its activities by adapting to conform to prevailing definitions of legitimacy or attempt through communication to alter the definition of legitimacy so that it conforms to organisational operations or become identified with symbols, values or institutions with a strong legitimacy base. In line with (Dowling and Pfeffer 1975), (Lindblom, 1994) identifies four legitimation strategies which may be employed by a corporation. In response to a legitimacy gap (the distinction between how society believes an organisation should act and a perceived failure of performance) an organisation can: inform the relevant public about changes in performance or activity; seek to change public perception without changing behaviour; seek to manipulate perception by deflecting attention to other related issues; or seek to change external expectations of performance.

According to Suchman (1995), legitimation strategies are implemented to gain, maintain, or repair legitimacy.

Gaining legitimacy: When commencing a new activity, organisations face a liability of newness (Freeman et al., 1983). The challenges of gaining legitimacy include energy expended in sector building, creating new allegiances and gaining support of pre-existing legitimate entities. Strategies for gaining legitimacy in the institutional environment include: conforming to an environment by signalling allegiance and posing few challenges to established institutional logics; selecting an environment that either does not demand change, or that involves explicit certification and formal requirements; and manipulating environments by lobbying, sponsorship, advertising, litigation or scientific research

Maintaining legitimacy: Maintaining legitimacy is considered easier than gaining or repairing legitimacy, as once gained legitimacy tends to be taken for granted, reassessments of legitimacy become perfunctory and legitimation activities become routine (Ashforth and Gibbs 1990). O’Donovan (2002) recognises that organisations may have different levels of legitimacy and the more an organisation relies upon its legitimacy the more vigilant the organisation must be against potential legitimation threats. Suggested strategies to maintain legitimacy include: perceiving future changes through monitoring the environment and exploring multiple outlooks; and protecting past accomplishments by avoiding unexpected events, considering benefits of new legitimation initiatives, and stockpiling goodwill and support.
Repairing legitimacy: As legitimation is often mutual, a legitimacy crisis can lead to retraction of support of previously allied institutions, to avoid the risk of guilt by association. Repairing legitimacy in times of crisis is challenging as previous claims to legitimacy constrain management response and scrutiny makes it difficult to decouple activities (Ashforth and Gibbs 1990). Repairing legitimacy resembles the task of gaining legitimacy (as both call for intense activity and decisiveness) and legitimacy-building strategies can also serve to re-establish legitimacy following a crisis. Additional strategies may include: offering a normalised account of the issue through denial, excuse, justification, or explanation; institutional restructuring by creating monitors and watchdogs or by dissociation; and avoiding panic which may impair decision making and promote organisational failure.

In the aftermath of the Rana Plaza building collapse, leading brands and multinational organisations were directly linked to suppliers located in the building. Following establishment of the Accord and the Alliance, signatory organisations informed the public about their commitment to improve workplace safety through media releases and updates on corporate websites (which may be considered as a legitimating strategy of apparel organisations). Many top brands linked with Rana Plaza initially denied sourcing from the Rana Plaza suppliers, some organisations later admitted to the possibility of illegal subcontracting, and (in a potential attempt to repair legitimacy) progressively more organisations joined the international initiatives to regulate workplace safety in the Bangladesh RMG industry.

The history of accidents in the Bangladesh RMG industry corresponds with establishment of a range of apparel industry initiatives. Through joining various apparel industry initiatives, organisations appear to have applied a ‘compromise’ strategy over time. Organisations partially conform to expectation of stakeholders through the use of pacifying tactics - by continuing operations but allocating resources to monitor factory safety conditions through processes such as social audits. However, the global response following consecutive large-scale accidents in the RMG industry (major external shocks) may have led organisations to respond to perceived legitimacy threat by acceding to increased global stakeholder pressures - through implementing an ‘acquiescence’ strategy. The strategic response of apparel industry organisations was to comply with apparel industry requirements and adopt social governance initiatives for workplace safety. By adopting workplace safety governance initiatives organisations may have consciously and strategically complied with stakeholder pressures. Establishment of workplace safety governance initiatives enhances organisational legitimacy and protects organisations from public (stakeholder) criticism.
Arguably, where social governance initiatives are put in place, and without evidence to the contrary, constituents – particularly those residing in distant countries - might assume (incorrectly perhaps) that there is alignment between the different drivers of legitimacy. It is only when there is a ‘crisis of legitimacy’ that outsiders might question the values and norms of local inhabitants. A ‘crisis of legitimacy’ results from a loss of public confidence towards an organisation or institution (Habermas, 1975). In a ‘crisis of legitimacy’, governance structures are unable to demonstrate that they fulfil the role for which they were instituted.

**Symbolic or substantive legitimation?**

The adoption of workplace safety governance initiatives may be perceived as a form of symbolic or substantive legitimation. Symbolic legitimacy is when organisations demonstrate apparent legitimacy through low effort symbolic gesture and implement strategies for superficial compliance without any actual changes in performance (O’Sullivan and O’Dwyer, 2009). Substantive legitimacy is when organisations pursue legitimacy by implementing actual changes in performance (Ashforth & Gibbs 1990). It remains to be seen whether implementation of new CSR strategy leads to real change in workplace safety conditions in Bangladesh’s manufacturing factories in the long-run. The research investigates changes/improvements in safety conditions in the RMG industry following adoption of social governance initiatives by apparel industry organisations.

**Limitations of legitimacy theory**

Although legitimacy theory is extensively used in CSR literature, it is important to be aware of limitations of the theory. Addressing gaps in legitimacy theory (Deegan, 2013) suggests: the need for a measurement of legitimacy; more research evaluating the effectiveness of CSR disclosure; considering the institutional approach to legitimacy beyond focus on the strategic approach; and considering CSR disclosures as part of an organisation’s reputation risk management strategy.

**3.3.3 Isomorphic pressures**

As has already been noted, the three institutional pillars in combination move the acceptability of certain structures or processes from ‘the conscious to the unconscious, and from the legally enforced to the taken for granted’ (Hoffman, 2001). The three pillars are the ‘central building blocks of institutional structure’ (Scott, 2008b) that both constrain and empower social behaviour (DiMaggio and Powell, 1983).
The organisational field is dynamic and organisations face various pressures to change to forms which are deemed to be ‘legitimate’. Isomorphic pressures are pressures that are exerted on individual organisations often with the outcome that organisational uniformity or conformity becomes apparent even though such uniformity or conformity often might not be justified from a pure efficiency perspective. A change in stakeholder perceptions of an organisation’s legitimacy, or changes in existing institutional pillars (which in themselves might be suffering a crisis of legitimacy) may lead to different types of pressures being exerted on an organisation. According to institutional theorists, change in the institutional environment can occur through coercive, mimetic, and normative mechanisms. A combination of these pressures may be in effect at any given time.

**Coercive pressure**
Coercive isomorphism results from pressure exerted by organisations on other dependent organisations, by cultural expectations of society, and by government mandate and international regulation (DiMaggio and Powell, 2000). Coercive pressures force organisations into adopting and maintaining practices which provide them with legitimacy. This study identifies constituents (initially) external to the Bangladeshi society – NGO’s, global buyers and global consumers – as placing coercive pressure on the Bangladeshi RMG industry and the government to adopt, implement and enforce regulations around governance of workplace safety, else lose valuable supply contracts. Hence, it is observed that changes in CSR and government intervention have been undertaken in *response to* threats and potential boycotts. At issue is whether coercive pressure alone is enough to sustain positive change in workplace safety. The investigation/results will show that more is required.

**Mimetic pressure**
Mimetic isomorphism is often a response to organisational uncertainty (perhaps due to poor technology, ambiguous goals, or uncertain environments) that leads to imitation (DiMaggio and Powell, 2000). Organisations model themselves on other organisations that are perceived to be more legitimate or successful with a view to improving institutional practice and gaining competitive advantage. When organisations follow institutionalised practices, they attain a level of legitimacy not otherwise achievable. In the movement by the Bangladeshi government and RMG industry to adopt and regulate workplace safety governance initiatives, arguably there is pressure to adopt ways of governance – policies and procedures – that are perceived as legitimate by powerful stakeholders and which are consistent with health and safety principles adopted in developed (western) countries. Again, this raises the question of how governance initiatives
effectively translate from large apparel buying organisations in developed countries, which are influenced by their respective institutional pillars, into the RMG industry in the developing country of Bangladesh where regulatory, normative and cultural influences (and related pillars) are arguably quite different.

On a practical level, to implement, maintain and improve workplace safety governance initiatives at an operational level within organisations would require additional resources (e.g., infrastructure and systems of managing, measuring and reporting changes) and the concomitant development of organisational capabilities and skills. With a potential to increase organisational costs such operational resourcing may place RMG manufacturing organisations (and potentially the industry) in a position where they lose their competitive cost advantage. Hence, potentially there may be some organisational and governmental resistance to change in current ways of behaving and/or motivations (in the absence of additional resources and capabilities) to “circumvent” or “manage” the economic impact of workplace safety governance initiatives (at least in the short-term).

**Normative pressure**

Normative isomorphism relates to the adoption of norms and institutional practices of organisational and professional bodies (DiMaggio and Powell, 2000). Normative pressures represent organisational actions motivated by a sense of ‘doing the right thing’. Conformity to institutional norms leads to legitimacy. In a similar vein to the coercive and mimetic pressures to implement regulatory reform around governance of workplace safety, there is, to some extent, pressure for organisations in the RMG industry to adopt (western-oriented) norms including standards operating policies, procedures and educational/staff development and training programs. As noted in the discussion in the mimetic section above, the research questions whether it is realistic (feasible, at least in the near-term) to expect that organisations within the Bangladesh RMG industry have the requisite human skills and capabilities (education development) and resources to successfully implement workplace safety governance initiatives. Hence, the research questions whether the existing normative pillar within Bangladesh acts to encourage the implementation of safe work practices of a nature typically seen in the west (rather, it may tend to work against change).

**3.3.4 Application of institutional theory**

Institutional theory is used to analyse organisational behaviour and considers the process of development of formal organisational structures. Organisations are the subject of institutional
processes that define how they may operate legitimately and are subject to regulative processes where they operate under local and general governance structures (Dillard et al., 2004). Following unprecedented and highly publicised disaster in the Bangladesh RMG industry, apparel industry organisations have joined workplace safety governance initiatives, the Accord and the Alliance. This research looks at the various institutional factors that influence the CSR strategy of apparel industry organisations.

An organisation may implement sustainability policies/practices for the sake of appearance, to create a desired public image. In such case, the perception of an organisation may be decoupled from the institutionalised practice i.e. actual organisational practice. Organisations protect their formal structures from evaluation by decoupling (Meyer and Rowan, 1977). As attempts to control and coordinate activities in organisations can lead to conflict and loss of legitimacy, elements of formal organisational structure are separated or decoupled from actual organisational activities. Decoupling enables organisations to maintain standardized, legitimating, formal structures while their activities vary in response to practical considerations. An organisation gains from decoupling as - disputes and conflicts are minimized, the public assumes that formal structures are working, and the organisation can mobilise support from a broad range of stakeholders. While organisations in an industry tend to be similar in formal structure - reflecting a common institutional origin, they may show much diversity in actual practice.

Organisations might implement certain mechanisms more for public show than to actually influence corporate conduct. In examining managerial motivations for implementing sustainability policies/practices the real issue is whether multinational clothing organisations have any ethical commitment to employee safety or are concerned only with looking like they are doing the right thing. This research examines workplace safety governance initiatives adopted by apparel industry organisations and considers whether organisations act in response to stakeholder pressure and to gain public approval and legitimacy, and whether the change in corporate strategy reflects any real change in workplace safety conditions in the RMG industry.

3.4 Conclusion

This chapter discusses the normative and positivist theoretical perspectives applied in this research to examine responsibility and accountability for workplace safety in the Bangladesh RMG industry. The normative theoretical perspective presented in the chapter relates to the ethical branch of stakeholder theory. The positivist theoretical perspectives presented in the chapter include the managerial branch of stakeholder theory and institutional theory. The
application of institutional theory forms the main theoretical foundation for the research. Institutional theory explains societal factors (including institutional pillars, threats to organisational legitimacy, and isomorphic pressures upon apparel industry/organisations) that impact upon the CSR strategy of the apparel industry. The specific application of the theory is presented within the following chapters of the thesis (Chapters 4, 5 and 6 respectively) which comprise the three interrelated studies of the research.
4 Workplace safety governance initiatives for the Bangladesh garments industry: a managerial perspective

4.1 Introduction

The latest disasters in the Bangladesh ready-made garments (RMG) industry, the Rana Plaza building collapse (2013) and the Tazreen Fashions factory fire (2012), highlight the apparent failure of workplace safety-related governance structures (public governance regulations and private social governance initiatives) to address workplace safety in RMG manufacturing factories. Following the most recent large-scale tragedies, and signalling an acceptance that previous workplace safety-related governance structures were not protecting workers, new governance initiatives were introduced for the Bangladesh RMG industry. The motivation for the study is a desire to see improved safety conditions in the RMG industry. The study contributes to the emerging literature in this area which includes studies by Walker et al. (2014), Ahmed et al. (2014) and Rahim and Alam (2014) (an overview of the existing research can be found in Chapter 2 – literature review).

This chapter is the first part of a broad research on responsibility and accountability for workplace safety in the Bangladesh RMG industry, which looks at CSR strategies implemented by apparel industry organisations following large-scale accidents in the Bangladesh RMG industry. This study focuses on the introduction of workplace safety governance initiatives of the apparel industry and considers whether organisations are fulfilling their social responsibility with respect to improving safety conditions in the Bangladesh RMG industry. The component of the broader study reported upon in this chapter examines factors which influence the implementation of social governance initiatives from the perspective of managers of apparel buyer and garment supplier organisations.

The study examines various institutional factors (including societal attitudes, existing governance regulations and social governance initiatives, and pressures faced by apparel industry organisations) that influence the potential impact of the workplace safety governance initiatives in helping to ensure workplace safety in the Bangladesh RMG industry. The study also investigates consequent change/improvement (if any) in safety conditions in RMG factories, together with potential impediments thereto.
The research questions of this component of the research are presented below.

**RQ1**: What institutional factors motivate global apparel buying organisations to implement workplace safety governance initiatives within the Bangladesh garments industry?

**RQ2**: Are Bangladeshi garment manufacturing organisations embracing the real need for ongoing improvements in workplace safety?

**RQ3**: Have there been real changes/improvements in workplace safety in the Bangladesh garments industry following the introduction of workplace safety governance initiatives?

**RQ4**: Are the prevailing institutional pillars (and related notions of legitimacy) within the Bangladesh garments industry likely to work with, or against, any quest to improve workplace safety?

**RQ5**: Is it naïve to believe that workplace safety governance initiatives - developed in large part by western participants – will provide long term solutions to problems endemic in the Bangladesh garments industry?

The balance of this chapter is organised as follows. Section 4.2 presents the theoretical framework used to examine how changes in the institutional environment following major industrial accidents in Bangladesh may have influenced organisational CSR behaviour. Section 4.3 includes the research methods adopted for this component of the broader study and explains selection of research participants and describes how the interviews were conducted. The study findings and discussion are presented in Section 4.4. Section 4.5 presents the conclusions of the study.

### 4.2 Theoretical framework

In Chapter 2 (Literature review) a range of factors in the institutional environment (including lack of resources, corruption, poor law enforcement and apparent disregard for workers’ human rights) are identified to have reduced the effectiveness of national regulations, international guidelines, and private social governance initiatives relating to workplace safety in the Bangladesh RMG industry. Despite the poor record of workplace safety in RMG factories, the industry has continued to grow thereby providing substantial economic benefits to the Bangladesh economy, and for apparel buyers and suppliers.

Following global stakeholder reaction in the wake of the Rana Plaza disaster, apparel industry organisations have adopted workplace safety governance initiatives for the RMG industry which,
at face value, appear to address some of the problematic issues existing around workplace safety in the Bangladeshi institutional environment. This study now considers how institutional theory might be applied to explain changes (or lack thereof) in the CSR-related behaviour of apparel industry organisations and the possible impact on workplace safety following the introduction of the NTPA, the Accord and the Alliance. The study also considers, from an institutional theoretical perspective, whether the recent initiatives can reasonably be expected to create safer working conditions in the longer run.

Figure 4-1: Institutional influences on CSR strategies of apparel industry organisations

In Figure 4.1 and the discussion below, a theoretical framework is developed to depict the various institutional influences that might bring about change in organisational behaviour relating to
implementation of workplace safety governance initiatives. The figure illustrates how shocks in the form of a disaster, such as Rana Plaza which pose a threat to the global apparel business, affect constituents of the apparel industry. The subsequent impacts on the institutional environment (i.e. threats to organisational legitimacy, limitations of institutional pillars and isomorphic pressures on apparel industry organisations) lead to change in organisational behaviour.

The major legitimacy threat to the RMG industry created by successive major loss of life served to highlight failings of the existing institutional pillars (regulative, cultural/cognitive and normative) regarding safety within the apparel industry and also generated isomorphic pressure for change in workplace safety governance structure. Consequently, institutional constituents introduced new governance initiatives (the NTPA, The Accord and The Alliance) for the Bangladesh RMG industry, thereby creating changes in the institutional pillars – but more particularly, in the regulative pillar. Whether sufficient attention has been directed to the other pillars is something that will become evident from this investigation.

The utility of institutional theory is examined in its application to the RMG industry - and in particular - how it might explain a change in organisational behaviour concerning implementation of workplace safety governance initiatives. That is, it is predicted that in response to isomorphic pressures, the mutual interdependencies between apparel industry organisations and other institutional constituents of the apparel industry (including international government organisations, governments and civil society actors) have led to the establishment of various forms of “new” governance which will become institutionalised and represent (new or different compositions of the) institutional pillars of the industry. These changed institutional pillars (re) establish a sense of legitimacy for the industry and for institutional constituents, in particular, apparel buyers and suppliers.

It is relevant to again note the lack of success of previous regulations and initiatives in helping to ensure workplace safety in the RMG industry in Bangladesh. Given this context, it may be predicted that improvements in workplace safety may ensue (only) as a consequence of pressure to create change in all institutional pillars (regulative, cultural/cognitive and normative). That is, change in the regulative pillar alone is not sufficient to bring about genuine and on-going change in workplace safety. It may be questioned for instance whether, as new regulations and social governance initiatives around workplace safety disseminate within an organisational field, that they then (simply) evolve into a (different) normative way or role of doing business and a
changed cultural understanding of appropriate behaviour, i.e., it is questionable whether they become ‘natural’ and ‘taken for granted’ (Tolbert and Zucker, 1999) or ‘logically socially appropriate’ (Campbell 1994; p 7). It is identified in Chapter 2 that the Bangladeshi government have for some time chosen not to enforce legal or regulatory requirements around workplace safety suggesting that the “normative” practice locally is one where government does not intervene and is accepted as such in the institutional field (Li et al., 2008). The effectiveness of workplace safety governance initiatives in the RMG industry in Bangladesh may therefore require change in the normative pillar either through greater government intervention in the institutional field and/or enforcement of laws and regulations within the regulative pillar. Moreover, change in the cultural/cognitive pillar is one that may be potentially slow and where resistance to (a cultural convergence with) western-oriented ways of governing is a quite real possibility.

4.3 Research method

In order to investigate motivations for implementation of workplace safety governance initiatives, and further issues relating to changes in workplace safety, a qualitative approach was adopted in which interviews were conducted with management from both global apparel buying organisations and Bangladeshi RMG manufacturing organisations. The insights of managerial stakeholders are important as apparel industry organisations are directly involved in the introduction of workplace safety governance initiatives, and responses of managers of apparel buyer/supplier organisations can provide an understanding of the issues faced (from both sides) and thus advance the cause of improving safety conditions in garment manufacturing factories. Managers responses can help in understanding why the new safety initiatives were introduced, what changes have taken place, the problems faced in effective implementation, and whether the new initiatives will be sustainable in the long-run. Whilst it is to be expected that managerial respondents may potentially create a bit of ‘positive spin’ on the situation, the findings of the study may ultimately be considered as even more relevant as managers nevertheless also indicate issues/concerns with implementation of workplace safety governance initiatives.

Apparel buying organisations were selected from signatories of the Accord and the Alliance. Garment manufacturing organisations were selected from member lists of the two main trade bodies in the country, the Bangladesh Garments Manufacturers and Exporters Association (BGMEA) and the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA). The study conducts interviews with fire and building safety/compliance managers of global
organisations sourcing clothing from Bangladesh, and with managing directors/factory managers of garment manufacturing organisations in Bangladesh.

4.3.1 Selecting research participants
A total of 8 interviews were conducted with workplace safety/compliance managers of global apparel organisations (or their representatives) sourcing clothing from Bangladesh. The names and contact information of relevant personnel contacted for interview were selected through an on-line search using LinkedIn and by looking up key words: ‘fire and building safety’, ‘compliance’, ‘RMG industry’, ‘Bangladesh’. The social media platform has benefits for both the researcher and for potential research participants. For the researcher it provides a database of prospective research participants (not readily available in a developing country like Bangladesh), while possible research participants can look at background and affiliations of the interviewer which presumably influences the decision of whether to participate in the research. Previous field research in Bangladesh has depended greatly upon personal contacts of native researchers of the country. Social media platforms like LinkedIn offer a way for interested researchers to find and communicate with potential research participants and conduct interview-based research in countries such as Bangladesh.

The list of the potential interview participants from the global apparel organisations located in Dhaka was compiled based on several criteria: role in organisation (senior position); work experience (long/continuous association with the garments industry); and background knowledge (specialisation in safety and compliance issues in the RMG industry). Prospective participants were contacted by telephone, email, and/or LinkedIn message and following response from potential research participants, interview details were confirmed at a date close to time of data collection. The designation of each research participant, their experience in the garments industry, and an outline of their organisations business/involvement with the Bangladesh RMG industry are shown in Appendix 3. At respondents’ request, participant and company names are not revealed. The research participants all have detailed knowledge (university graduates in sustainability or similar area; completion of the latest certification/training courses) and experience (in a managerial role, with an average of ten years in the RMG industry) regarding social compliance issues of the apparel business and thus have a broad understanding of workplace safety issues in the RMG industry.

Turning our attention to the other group of interviewees, a total of 14 interviews were conducted with factory owners/management of garment organisations located in Dhaka. The researcher
established contacts with organisations in the garments sector through use of LinkedIn and through reference of personal acquaintances connected with the industry. Initial contacts identified through LinkedIn (key word search: manager, Bangladesh RMG industry) were approached, and four contacts responded through message and agreed to be interviewed. A further six interviews were set up through personal contacts, with an additional four interviews arranged based on subsequent referrals of interviewed research participants. The researcher also contacted and received a letter of endorsement for the research from the Secretary General of the BGMEA, which was presented at the start of each interview and greatly facilitated the research. The designation of each research participant, their industry experience, and a history of their company is presented in Appendix 4 (as requested, interviewee and company names are not disclosed). All interviewees were highly aware of social governance initiatives of the apparel business (with an average of more than ten years’ experience in the RMG industry) and as owners/managers who oversee daily factory operations were in an ideal position to provide well-informed insights into current workplace safety conditions in the garment factories.

In total, 22 interviews were conducted between November 2014 and January 2015 in Dhaka, Bangladesh. Details of the ethical clearance for conducting the interviews, related documentation provided to the interviewees (Appendix 1), development of the interview guide (Appendix 2), and the research participants of the study (Appendix 3 and 4) were discussed earlier in Chapter 1 (section 1.4 - Research Methodology). All research participants are university educated, understand English, and except one, are of Bangladeshi origin. The interviews were conducted in English. Out of 22 interviews, 15 interviews allowed audio recording, and hand-written notes were taken for seven interviews. Interviews were subsequently transcribed, and the transcription cross-checked with the original interview recording/notes for validity assurance. The interviews were on average of one-hour duration. Two sample interview transcripts representative of the two stakeholder groups interviewed in the study i.e. global apparel buying organisations and Bangladeshi RMG manufacturing organisations are included in Appendix 7 and Appendix 8 respectively.

4.4 Findings and discussion

The findings and discussion of the data analysis are presented in the following two sections which examine (i) institutional factors that have influenced implementation of workplace safety governance initiatives post Rana Plaza, and (ii) consequent changes relating to workplace safety in the RMG industry. In reporting the findings, quotes which are representative of interviewees’
responses and that provide a sense of descriptive validity in the interpretation of the data by the researcher have been selected. Managers of apparel buying organisations are identified as B1, B2 etc and managers of garment supplier organisations are identified as S1, S2 etc., and are listed in no particular order (to maintain the anonymity of the interviewees) in Appendices 3 and 4.

Initially, each interview transcript was individually and manually coded around broad categories (Miles et al., 2014) related to the three institutional pillars and legitimacy aligned with the three pillars. These categories were not regarded as all-inclusive and additional categories were developed to capture other emergent and pertinent (different) themes which arose from the data analysis. Analytic reflections were also recorded during and after each interview by the researcher which assisted the researcher in focusing on potential explanations of how and why workplace safety governance initiatives had (or, had not) changed the behaviour and/or views of buyers and suppliers in the RMG industry (Tracy, 2012). The first section below presents findings around interlinking themes relating to the theory (organisational legitimacy, institutional pillars, and isomorphic pressures). The often overlapping nature of the findings across themes and the elements of institutional theory may, to a certain degree, reflect shifts in emphasis in the three institutional pillars as various pressures are brought to bear on, and by, institutional constituents. The second section below presents key emergent themes (upgrade in factory safety, change in management attitude and greater accountability) relating to changes in workplace safety.

4.4.1 Institutional change in the Bangladesh garment industry

In Chapter 2, the contextual background, and a range of institutional influences related to workplace safety in the apparel industry are identified including: national legislation, international standards and conventions that guide organisational behaviour, and private social governance initiatives and corporate codes of conduct voluntarily adopted by organisations. Both apparel buyers and suppliers indicate that existing limitations in institutional pillars for the RMG industry, brought to light following large-scale accidents in Bangladesh, contributed to the legitimacy threat for the global apparel business and led to the establishment of workplace safety governance initiatives for workplace safety. That is, because of the endemic nature of the safety problems throughout the RMG industry - which was brought into particular focus as a result of recent catastrophies - the apparent ‘crisis of legitimacy’ could realistically only be addressed if the health and safety practices of the apparel industry were examined and significantly – and apparently - changed. Coercive pressure for institutional change appeared to cascade from the wider international public to the buying organisations and then in turn to the Bangladeshi
government and RMG industry. The following managerial quotes represent the typical views of buyers and suppliers.

Basically after Rana Plaza there was really no alternative – so this (establishing new workplace safety standards) becomes a necessity. There are a lot of campaigners there in the parent country - if the brands don’t respond according to their requirements there will also be question of the continued association with their parent country, from the campaigners. So the buyers face pressure from their stakeholders, from the international workers organisations, from the consumers. B2

In the factories not a single thing would be improved without pressure from the brands2. Which is very bad as this reflects that the intention of the factory owner is not changing. Well, it is changing yes, but it is not changing in a dramatic way. If I am your factory compliance manager and I tell you that a passage needs to be broadened as it is not wide enough to allow goods through, the owner will ask – have the brands identified this issue, have the auditors said anything? If not - then it’s not necessary. So the mindset is changing but it is very slow and not enough. B3

If I were to list the reasons we follow these compliances the number one reason would be that it is a necessity - for survival of the business. The Alliance has imposed these new rules and we must follow them. Otherwise we will not get orders. This was something that we just had to do. S5

Factory owners are accepting these initiatives because they are required to by the buyers. This is the way our mentality has grown. Unless we are actually forced we do not really work to change anything. This could perhaps be a national trait. S11

As can be seen above, and this is reflective of the other supplier representatives interviewed, the major motivation for change was business survival, not safety. While coercive pressure and the need to (re) establish legitimacy appeared to be the primary motivation for institutional change, there was some evidence to suggest that, whilst the first generation of RMG owners were

---

2 Reference is made to ‘‘brands’’ in interviews with managers of global apparel buying organisations, as well as in interviews with NGO representatives, and within public reports of global apparel buying organisations and reports of Bangladeshi garment manufacturing organisations. “Brands” refer to the group of global apparel buying organisations.
focussed on business interests with limited regard of workers’ rights and safety, a new generation of factory owners (who often inherit family business and are mostly educated in western countries), had a less ‘traditional’ outlook and appeared somewhat more aware of social issues and were open to change:

... there are two issues here. One is fulfilling the prescribed requirements of the Alliance and the Accord – that I have done due to buyer pressure. However, the issue of worker safety is very important to me and that I have addressed in my factory regardless of what the buyers have said to me. S8

The next sub-section examines change in the institutional pillars that accompany workplace safety governance initiatives.

4.4.1.1 Institutional pillars

(i) Regulative pillar

Global apparel (buying) organisations point to the difficulties with implementation of local governance regulations for workplace safety as one of the main factors contributing to unsafe factory conditions. Existing national legislation and guidelines relating to workplace safety in the RMG industry were perceived to have been poorly enforced and, in part, attributed to the absence of clear policy and procedures around the management and administration of safety. The following quotes reflect buyers’ views:

Previously, with regards to building safety there were no guidelines in place. Building plans were approved by the local council Chairman without any testing or calculation of a technical engineer. The local council President was passing laws without recommendation of a lawyer. The BNBC (Bangladesh National Building Code) was formed in 2006 but was not really referred to... To improve safety what needs to happen is that positive change needs to take place. Change from the government is required; the various government bodies need to be more active. B1

Following the Rana Plaza disaster, the Bangladesh government, with participation of national trade and labour unions, and help from the ILO, established the NTPA - which constitutes an ‘addition’ to the regulative pillar for the RMG industry. From a buyer’s perspective, there was a demonstrated need for the Bangladesh government to increase its efforts to improve safety in the industry – and to be seen to be active. That is, the failure of government to act may bring a level
of illegitimacy to the industry which will have negative economic implications. It was necessary that the government looked as if it was taking action.

The above view from buyer B1, which was consistent with comments by other respondents, is also interesting in that it is counter to what is normally the case within developed countries wherein organisations and industry bodies typically lobby against the introduction of CSR-related legislation (Deegan and Shelly, 2014). Perhaps there is a minimum threshold of legislation and related enforcement which needs to be in place before a particular institutional pillar can assist in providing a legitimate business environment.

Global apparel organisations assert that manufacturers (more so than their organisations) have responsibility to apply local legislation for workplace safety in garment factories. In this we see an indication from buying organisations that it is the effective implementation of regulatory requirements by RMG manufacturers that is necessary to address issues of safety and there is perhaps a limit to what buyers can do to potentially address the social issues related to safety.

**Buyers have their own codes of conduct which incorporate the legal requirements of the country. The factories have responsibility to comply with the legal requirements – The Accord and Alliance is not rocket science. The brands are trying to address their social responsibility through upholding standards that are in line with the legal requirements of the country, like the BNBC (Bangladesh National Building Code) which already exists in the market. B2**

Bangladeshi manufacturers acknowledge that an obvious disregard of local laws for workplace safety have contributed to hazardous workplace conditions in the RMG industry. A lack of government enforcement and monitoring was deemed to be a causative factor in the Rana Plaza disaster and which necessitated the introduction of the latest international initiatives. The following quote from the manager of a local garments company is consistent with the views of other managers.

**If when this building was originally constructed - if at that time all documents were maintained properly, if the factory inspectors who were supposed to look at safety issues - if they had properly done their jobs, if the BNBC and those who monitor the BNBC in Bangladesh – if all things were properly done, then there would have been no Rana Plaza disaster, businesses in Bangladesh would not suffer, and outside agencies such as the Accord and the Alliance would not need to monitor. Our own negligence and weakness in**
It is interesting to note the degree of abrogation of responsibility for workplace safety (i.e., safety issues were the responsibility of regulatory authorities) by the manager of this factory, which is consistent with the views of other managers, which suggests a way of thinking or culture around safety and a particular view of ‘outsiders’ involvement in the Bangladesh RMG industry. The manufacturers’ normative position may also be sensed here - the expected role they perceive they have and the perceived role of the government for (intervention in) workplace safety. This suggests that workplace safety is an issue that crosses all institutional pillars and is not solely an issue related to regulation. The main point emphasised by managers is that the regulative pillar is not strong, and that regulations are bypassed. The implication being that unless the local compliance mentality changes, the workplace safety governance initiatives will also be bypassed, and nothing can be expected to change.

(ii) Cultural cognitive pillar
There appeared to be a lack of congruence between global buyers and Bangladeshi manufacturers on what Scott (2001) describes as the cultural rules that guide the understanding of the nature of reality and the frames through which that meaning is developed. There was a view from manufacturers that business practices of global apparel buying organisations are based upon international principles/guidelines (that reference Occupational Safety and Health) and reflect western standards/values that may not always be readily adaptable in the context of developing countries. Global apparel buyers however do not raise this issue pertaining to the adaptability of western standards and point to the need to incorporate international principles/standards with local regulations and that collaboration with local constituents (specifically influential owners and workers associations who fully understand the Bangladeshi context) may make new factory safety standards more effective in improving workplace safety.

The Alliance and the Accord were struggling to have a workplace safety standard for Bangladeshi factories. The ILO, the Accord and the Alliance, and BUET (Bangladesh University of Engineering and Technology) they worked together and found that the BNBC (Bangladesh National Building Code) will be the ideal format to follow.... In the initial stages when they were introducing the standard to the BGMEA, to the government, to the factories, there was huge chaos - they were arguing that, no, it's not possible to apply in
this context. But at some stage all the stakeholders agreed to follow because the government engaged with all the stakeholder groups. B6

From a buyer perspective, effective improvement in workplace safety appeared to be one involving a change in organisational culture that would result from delegating responsibility for workplace safety governance initiatives to an organisational (manufacturers) level.

Each of the brands and both the Accord and the Alliance are concerned that their achievements not go in vain. That is why these initiatives are being transferred more and more to the factory side. If the culture is transferred to the participants - factory management, factory workers – if they understand what are the challenges, what are the safety areas, they will develop a culture - whether these initiatives are in existence or not, these things can be continued. But if that culture is not transferred then the achievements may be in vain. B8

This buyer perspective seems somewhat at odds with the present way of thinking of manufacturers noted below (i.e., that government is responsible for monitoring and ensuring safety) and the existing culture of doing business (at an organisational and governmental level) in Bangladesh:

The main problem is that foreigners are coming to assess the factories. Experts who come from America or the UK, or Australia, their experience has been with foreign factories. A building in a foreign country is built with a far-sightedness that our country does not have. Now if Bangladesh wants to fix their garments industry they have to consider some important factors.... For business to grow in this country the system will have to change. The current system revolves around bribes... S8

They are holding things to the standard of their country. For a developing country like Bangladesh to introduce an American/western concept will be very difficult to apply in the context of our country. I can't implement a standard in a factory overnight. S7

Again, the particular view of the factory manager of the presence of “foreigners” in Bangladesh factories may be noted, which points to the perceived problems with the translation of standards across countries and the acceptance of a culture which has traditionally accepted non-compliance with laws and workplace safety regulations and an acceptance of systemic corruption and bribery.
(iii) Normative pillar

The lack of specificity regarding workplace safety was considered to have contributed to the difficulty in enforcing safety standards. By implementing *The Accord* and *The Alliance* standards, global buying organisations sought to overcome limitations of existing initiatives and to help ensure factory safety.

*What is the workplace safety standard? It has not been described in any of the brands’ code. Even if you go to the ILO core conventions or you see the SA 8000 standard or you look at WRAP or BSCI certification nowhere will you find it has been described in detail. But if you talk about Accord and Alliance, standards have been made specifically to ensure this safety – fire safety, evacuation, building safety – it’s very specialised.* B6

*Obviously limitations in previous compliances led to formation of the new standards - the Accord and the Alliance. Following Tazreen there are now specific standards for fire safety and following Rana Plaza there are specific standards for building safety. If such initiatives were formed earlier these incidents would not have occurred....The approach has become more institutionalised after Rana Plaza.* B1

There was also widespread acceptance among manufacturers that the existing social governance initiatives (corporate codes, and industry standards and certification systems) had failed to comprehensively address the issue of workplace safety and there was a need for more specific workplace safety standards. According to suppliers, the recent focus on fire and building safety compliance is

*...because of a series of disasters in the garments industry - the Tazreen fire and the Rana Plaza collapse were the two main incidents. There were checks before but they were never given the importance that they receive now. Before the checks were more on pen and paper - now they are looking at the issue in more depth.* S13

In summary, there is evidence to suggest that there were limitations in each of the institutional pillars of the apparel industry which contributed to unsafe working conditions in the garment manufacturing factories. Arguably, the introduction of workplace safety governance initiatives will not improve workplace safety in supplier factories unless the institutional limitations are addressed, particularly as they relate to the (need for a shift in) cultural values – norms, values, ways of doing business – and a commensurate shift in the ways in which regulations around social governance initiatives are embraced and implemented by manufacturers and regulated by
relevant authorities. If it is accepted that changes in cultural and normative values is a slow process, then it is very questionable whether significant change can occur within the short-term period of The Accord and The Alliance. As participants noted:

*They have said they will only work for five years but I think the term needs to be extended. When the Accord and the Alliance leave Bangladesh they should leave some organisation to oversee the factories, for monitoring purposes. Somebody independent of the government and the BGMEA so there is no conflict among them. Whenever there is scope there is tendency for negative or corruptive dealings in Bangladesh. So some third party needs to be involved - to give the factory owners the sense that some authority is observing their actions - that is very much necessary. S10*

*The Accord and the Alliance are for a five year term, and after this period the factories will suffer unless the government takes more initiative and there is more support from the BGMEA. The problem so far has been a limitation of the government law enforcement agencies. Many factories find loopholes and irregularities arise. Licenses aren’t updated, regulations are by-passed, and inspectors compromised. Thought processes tend to be short term, rather than long term. But law enforcement agencies are silent – there is lack of good governance. Following the five year term of the Accord and Alliance a long term business plan will be required. B4*

*All the owners have grievance - huge grievance. But this is not something they are expressing to the Accord or to the brands. When the owners give any speech to the owners’ association, then they say – who is the Accord - it’s an external thing, why are they asking us to implement all these changes? However, when they meet buyers they are like - yes we are following recommendations – we have done this, this, and this. B6*

The following sub-section now turns to examine the role of ‘legitimacy’ in the process of institutional change in the RMG industry in Bangladesh.

4.4.1.2 A question of legitimacy

Two major themes emerged from the analysis of interview data that suggest that the buying organisations and manufacturers were motivated to embrace workplace safety governance initiatives for quite pragmatic reasons of securing legitimacy. A prominent theme that emerged related to “maintaining organisational value” (MOV) and is particularly evident in the discourse of buyers. In this the apparent concern of buyers relates to the potential negative media attention
about the safety of workers in the supplier organisations and the potential consequential effect that may have on the brand reputation and profits of the organisation. The need to ensure that shareholders, customers and other constituents perceive the buying organisation as legitimately embracing new initiatives emerges as very much a motivation for action. That is to say, the primary motivation for the adoption of social governance initiatives by buying organisations appears not to be morally/ethically driven but pragmatic and strategic in nature. Buying organisations were seeking to establish legitimacy - to convey to constituents that workplace safety governance initiatives represent (or were symbolic of) meaningful organisational behaviour and demonstrated the seriousness of their actions (Ashforth and Gibbs, 1990b). What is also noted here is that buyers seemed to consider workplace safety governance initiatives as an industry-level concern – buying organisations derived their legitimacy from the (perception of the wider society of the) industry with whom they were involved. This may reflect, in part, the global nature of the industry, the very human nature of the issue (the basic need for safety) and one which is exposed to significant attention in global press and social media. The following quotes from leading global buying company managers typifies the theme of MOV and their motivation for moving towards the new initiatives:

*The main reason for initiating these two platforms* (The Accord and The Alliance)– the whole industry will be safer for the workers and of course it will also help out the brands because the brand image they have will be protected and they can present themselves in a more agreeable light to the shareholders and to the customers. Each and every day the leading newspapers and media, globally - from wherever brands are coming they raise concerns. You are doing business, you are selling products, but wherever you are sourcing from those are sweatshops. It impacts on the business. One big incident in the factory and it will impact the share price that may result in a loss of billions of dollars. B8

*If we don’t follow these (governance) compliances it might happen that there is some problem in the future, this will appear in the newspapers and the whole business will collapse – we need to avoid this type of problem - but also because this is the ethical business policy from our headquarters. B9*

The workplace safety governance initiatives were also deemed to bring business advantage to suppliers.

*It (workplace safety governance initiatives) is a big business tool now for the factories. The first question we now ask a factory when we take them on board - are you listed on*
Accord or Alliance? Because this is the new requirement - the new kind of safety bottom line. At least they have gone through some inspections which were done by international experts in fire, electrical and building safety. These reports give us international level bottom line – you have to have these minimum safety requirements. B5

The point here is that the orientation, or perhaps it might be suggested, the point of departure of buying managers’ discourse was not on the primary issue of workplace safety for RMG factories workers, but rather a rational economic point of MOV.

The second and related theme (to MOV) that emerged is what is labelled as ‘business survival’ (BS) and relates primarily to the manufacturing (supplier) organisations. BS reflects the motivation for manufacturers to be seen to be embracing workplace safety governance initiatives – the very survival of the business was seen to be at stake should the initiatives not be adopted. While the same theme might also be related for buyers, the discourse was very different; for instance the notion of protecting brand, maintaining shareholder value, and being seen favourably by shareholders was not part of the vocabulary of the supplier managers that were interviewed.

So this might identify potential points of differentiation of motivation that go to different sources of legitimacy. For buyers, as was evident in the quote above (B5), they seek to maintain (regain?) legitimacy on a societal level – meaning here a broader – global – society by referencing reports that flag a ‘new kind of safety bottom line’ in RMG organisations. Such reports are seen by buyers as a way of demonstrating/evidencing that they sought out information that indicates that manufacturers conform to new initiatives and regulatory reforms.

On the other hand, RMG manufacturers’ fundamental objective appeared to be to survive; to maintain legitimacy which might allow them to continue to receive orders from apparel buyers. RMG organisations were following new workplace safety standards not primarily out of concern for safety but as a requisite for continued business. The following quotes typify the focus of supplier managers’ conversations; where workplace safety is not raised as the critical issue but more so the need to meet buyer directives (buyer pressure) around meeting new workplace safety governance initiatives and regulatory initiatives for safety.

The manufacturers are following compliance because they need money - they give minimum priority to the employee, they are not caring about social welfare. The owners are thinking of ethical practices only to save the business.S14
If we want to continue our garments business into the future then these buyer requirements are something we need to fulfil. We must also address the legal requirements of the country. Otherwise no one will be able to continue garments business and buyers’ will not be willing to do further business with such industries. So in this current environment to continue our business we need to be aware of all the legal issues and be aware of the need to fulfil the buyer requirements. S12

What is seen here are signs of a (normative and cultural) shift in behaviour, in ways of thinking, of manufacturers driven by institutional regulatory (legal) reforms and by buyer requirements about institutional norms of operations within factories regarding workplace safety. However, in the background there appeared to be a degree of animosity from manufacturers towards buyer-driven changes which impacted on the manufacturers’ cost position.

Buyers will remain in Bangladesh as long as it is to their advantage to stay. But what the buyers says does not match their actions. There is discrepancy between their words and their actions. On the one hand they say they want improved factory safety, on the other they are not helping (financially) to achieve this. There has been increase in worker salary, an increase in manufacturing costs, and now additional costs of compliance for the factories. S4

In summary, for apparel suppliers, the adoption of workplace safety governance initiatives appeared to be primarily about ensuring the business continued by protecting resources in the form of buyer orders. For buyers, the workplace safety governance initiatives served as a means of maintaining organisational value. Social (ethical) responsibilities, while acknowledged, appeared to be a secondary concern for apparel industry organisations. Whilst the minimal ethical motivation demonstrated by Bangladeshi manufacturers is perhaps understandable given that the country is at a relatively early stage of developing their CSR strategy, it might be hoped that buyers from developed countries would be more concerned about fulfilling their social responsibilities.

4.4.2 Change in workplace safety conditions

This section considers changes relating to workplace safety issues of the RMG industry following the establishment of workplace safety governance initiatives, from the perspective of apparel buyers and garment suppliers. Notable changes identified in the industry include identifying and instigating safety upgrades necessary for factory buildings, change in the outlook
of factory management, and increased accountability with regard to safety conditions in manufacturing factories.

### 4.4.2.1 Tangible improvements in RMG industry factories

Implementation of workplace safety governance initiatives resulted in factory inspections which revealed numerous safety upgrades. Common changes required in the factories include installation of fire safety equipment such as fire extinguishers, smoke alarms, fire alarm systems, sprinklers, hose reels and water pumps; and layout and structural changes such as improving structural stability, repositioning heavy machinery (to ground floors), creating space for electrical installations (such as substations), installing fire doors and building additional stairwells and fire exits (Accord, 2016). The following quote reflects the common opinion among buyers’ regarding the current environment within the factories:

*In the last few years a lot of work has been undertaken and a lot of developments can be seen especially regarding fire and electrical upgrades - a lot of positive developments... The positive desire for safety seems to be shared by all stakeholders. Everyone is working for a safe environment so these types of accidents are not repeated in the future. If the positive outlook with regard to compliance continues, efficiency will continue to develop. If we can ensure garment workers are safe this can only have positive result. B7*

What is reflected in the above quote, and in the responses from other suppliers, was some hesitation that efforts to continually improve safety will be maintained (see the use of ‘if’). There appeared to be an absence of any firm belief that the initiatives would ultimately succeed. Nevertheless, since workplace safety governance initiatives have been implemented gradual progress is being made towards eliminating fire hazards and making building structures safe within garment factories (CPD, 2015). However, a major problem appears to be the delay in implementing required changes. As was made evident in Chapter 2 (Section 2.3.3 on Post Rana Plaza workplace safety governance initiatives) the apparent changes in RMG industry safety following the introduction of workplace safety governance initiatives have not been sustained. Whilst initially there was significant change/activity with regards to factory safety inspections and identification of safety issues, the follow up has fallen behind schedule (refer to Chapter 2, Table 2-9). Several major fire incidents have occurred in the Bangladesh garments industry since introduction of workplace safety governance initiatives, although fortunately these have not involved further loss of life (CCC, 2016a). Although it appears that tangible improvements for
safety within the garment manufacturing factories are (slowly) being made, there is further evidence that the motivation for change in the RMG industry is to ensure business survival.

4.4.2.2  Mindset change of RMG industry stakeholders

A major theme that emerged from the analysis was ‘attitude change’ by those who managed or owned the factories. This attitude change - which perhaps signals a change in cultural/cognitive influence - was referred to by both manufacturers and buyers. The following is a typical response from the buyers’ perspective:

*Rana Plaza and Tazreen, over 1,260 people died in those two incidents, but they have helped this industry - those lives did not go in vain. Because the overall improvement that this industry is getting right now, the changing mind-set of the workers and the factory owners, of everyone involved in this industry. It was a wakeup call and the industry grabbed the opportunity. B8*

However, there was some view that the ‘mindsets’ were not changing as quickly as might be hoped. For RMG manufacturing organisations, coercive buyer pressure continued to emerge as the major factor that was perceived to be influencing organisational change. Raising safety awareness in the factory through training programs became a priority of the new initiatives and also signalled a potential shift in the normative role of management and existing culture – ways of thinking about and doing work – within garment factories.

*Commonly, garment workers were recruited off the street and seated in front of a machine – if you asked the worker on the sixth floor how many stairways there were in the building they did not know. So now we have training for the new workers so they know the building layout and what to do in the event of fire. After Rana and Tazreen this is something much more seriously implemented in the factory - they need to survive foremost... If owners are committed... then the pressure of the buyers will no longer be necessary, although in our country usually work is not accomplished without the pressure. S6*

Again, the prevailing (or underlying) culture of not acting unless some form of pressure is present is noted by suppliers.

4.4.2.3  Greater transparency and accountability regarding supplier factories

Following the implementation of the NTPA, The Alliance, and The Accord there has been an increased focus on workplace safety leading to a common initiative to make information related to apparel suppliers transparent and publicly available. The websites of The Accord
(www.bangladeshaccord.org), The Alliance (www.bangladeshworkersafety.org), and the updated Bangladesh government website for the Department of Inspection for Factories and Establishments (DIFE) (www.dife.gov.bd) provides current information on progress of the initiatives including information on factory inspections, remediation and training, as well as supplying factory lists, inspection reports and corrective action plans. Previously, supplier factory details such as name, location, capacity, number of employees and other relevant information were not disclosed. Factory information is now publicly available on corporate websites (of leading apparel buyers such as Wal-Mart) or can be found on the Accord, Alliance or the DIFE websites. Buyers’ appeared to be accepting an increased accountability with regard to disclosing supplier details:

*If you go onto the Accord website, the Alliance website you can find the report – whatever the issues are. One of the perceptions about the whole industry was that previously audits were exclusively for the one buyer – they were not supposed to be shared with others. But now each of the brands – this is an accountability – that wherever they are working it should be visible to the customers, or whoever is interested to know the information. There should be a platform where that information is available. That’s why both Accord and Alliance are putting these reports publicly. B8*

For RMG manufacturing organisations, there was also a view that publicly disclosing information about compliance with workplace safety governance initiatives also likely generated business benefits. There did not seem to be great acceptance that there was an ethical responsibility to be publicly accountable for workplace health and safety.

*The Alliance has come from the North American buyers and the Accord from the European buyers. So the Alliance and the Accord are both working on behalf of the buyers. So if my factory works for an American or European buyer they will want to know if the factory has been checked – if it is safe. Everything is now clearly available on their websites. My factory reports can be seen by any potential buyer – there is nothing to hide. If the buyer is satisfied he will give me work and if not he will not give the order. S6*

Therefore, although the motivation for greater disclosure seemed to be related to the pressure to ensure continued orders from buyers, the outcome of the workplace safety governance initiatives was some noticeable and positive changes in terms of communicating information about safety in factories to stakeholders. However, it appears that if pressure is not sustained then disclosures
would fall. There appeared to be a lack of cultural or normative pressure for disclosures about/accountability for workplace health and safety.

As noted by suppliers:

*In Bangladesh if we are forced then we will change. We are naturally used to this. To do something on our own initiative is not something we usually do. After the latest disaster, the initiatives taken by the Accord and the Alliance that is not bad at all. I wholly support their presence in Bangladesh – but to give a prescription is quite an easy thing. They are holding things to the standard of their country, a developing country like Bangladesh to introduce an American concept will be very difficult and time consuming to apply in the context of our country. I can’t implement a standard in a factory overnight. Gradually and slowly we might possibly be able to work towards such a goal.* S7

4.5 Conclusion

This study – which represents the first of three separate, but related, studies in this thesis - examines from the perspectives of representatives of global apparel buying organisations and Bangladeshi RMG manufacturing organisations, the implementation of workplace safety governance initiatives for the Bangladesh garments industry. Workplace safety in the RMG industry is a topic of significance following unparalleled industrial disasters in Bangladesh and is relevant to a diverse group of stakeholders both within, and outside, Bangladesh. The Rana Plaza and Tazreen disasters (highlighted by the media) and the subsequent response of powerful constituents in the organisational field, such as international NGOs, led to the adoption of workplace safety governance initiatives in manufacturing factories and may be considered as a major catalyst for change in the Bangladesh RMG industry.

The three pillars of institutional order, and legitimacy aligned with the cultural, normative and regulatory influences of the pillars, are a valuable theoretical framework to explain and/or predict the effectiveness of change, in this case, around workplace safety governance initiatives. The study findings suggest, that when viewed as interconnected, rather than independent, the regulatory, normative and cultural/cognitive pillars (Scott, 1995) provide greater insights into whether, when and how, change might take effect. Prior to the workplace safety governance initiatives, the study reveals how a number of institutional influences (or lack thereof) contributed to inadequate workplace safety in the Bangladesh RMG industry, notably: the absence of government enforcement of, and intervention in, the operation of workplace safety
regulations; the normative view held by local management and owners that their role is not to be focussed upon being responsible for workplace activities and procedures; and, the prevailing cultural acceptance of corruption and bribery in undertaking business in Bangladesh.

The introduction of workplace safety governance initiatives has resulted in the inspection of factories and the identification of safety concerns, although remedial action to improve workplace safety conditions shows slow progress. There also appears to be a gradual change in mindset of RMG industry management regarding safety issues as well as increased transparency with regards to safety of supplier factories. However, important insights provided from ‘insiders’ indicate that although some improvements in RMG industry safety have taken place, changes have come about mainly because of pressure from powerful institutional constituents – vocal western consumers, mainstream and social media and NGO’s. The apparel industry response appears to be strategic wherein global buyers seek to maintain organisational value (through continued supply of products), appease shareholders and the wider public and RMG manufacturers seek to ensure the survival of their business (through securing ongoing orders for production). This suggests that the extent of (on-going) changes in safety conditions in the RMG industry will potentially be influenced by the mutually dependent resource relationship between buyers and suppliers.

The findings suggest that to improve and sustain safety levels in the RMG industry in Bangladesh may require a cultural/cognitive shift that emanates from within the Bangladeshi RMG industry (perhaps with some help from ‘outside’) and is not a change perceived to be ‘imposed’ from a western perspective and driven by ‘foreigners’. In this way, and at an organisation or industry level, resistance to change may be reduced. Such a change in the way of thinking and culture may potentially influence the normative position of organisational management in the RMG industry to one in which their role in terms of ensuring employee safety is consonant with changed cultural values, i.e., new norms and rules tend to accord with cultural understandings of appropriate and effective action (Wezel and Saka-Helmhout, 2006). Such cultural and normative change may also to some extent moderate the current view of manufacturers that safety is considered to be the (sole) responsibility of the government and very much second to economic factors.

Change also appears necessary at broader government (and/or societal) level to alleviate the prevailing way of doing business that accepts corruption and bribery as normal. The findings and suggestions here are consistent with the view of Li et al. (2008) that effective change around
corruption, specifically, requires attention to the interaction among the three institutional pillars and with a more general view that effective institutional change may flow from greater consideration of, and attention to, the influence of the regulatory, cultural/cognitive and normative pillars. This is an even more pertinent consideration where the organisational field extends beyond the (physical) boundaries of a particular country, in this case the developing of Bangladesh, and ventures into a global arena (of developed countries) where different institutional pillars - common meaning systems - operate and potentially differ to a significant degree. At issue is that if the system of doing business is corrupt – will introduction of workplace safety governance initiatives change this? Arguably not.

Greater consideration of how new (western-orientated) workplace safety governance initiatives might be adapted to explicitly embrace the societal, governmental, organisational and individual ways of thinking, acting and doing business and conducting life in the developing country of Bangladesh seems necessary. It appears that the prevailing socio/cultural and regulatory environment of the Bangladeshi society is one that has, to date, accepted/allowed less than adequate safety conditions in garment factories (by western standards); conditions which contributed to successive large-scale disasters in the Bangladesh RMG industry. Substantial and effective change in workplace safety is a long-term initiative and one that requires commitment and investment of resources by constituents over time.

Directly following from the above points, it needs to be remembered that Bangladesh and the RMG organisations depend on low cost as a point of competitive advantage, but this advantage might be eroded by the increasing costs of complying with social governance requirements. At issue is whether local organisations would forgo competitive advantage when there is no guarantee that current buyers will continue to buy if the costs rise. This in itself indicates that a change in mindset is also arguably required from multinational buying organisations – a change that is consistent with ‘corporate social responsibility’. If such mindsets do not change then an adverse consequence might be that if compliance costs go up then to remain competitive people could be forced to work more hours for less pay else lose their jobs. Obviously, this would not be a good outcome.

The overall findings of the study provide valuable insights into how CSR strategy evolves in response to the changing environment in which apparel industry organisations operate. The study highlights the role of key institutional constituents, the government (in setting up the NTPA) and NGOs such as labour unions and human rights organisations (central in establishing the
Accord/the Alliance). The findings also provide valuable insights for those contemplating the development of workplace safety governance initiatives in other apparel supplier countries such as Cambodia and Vietnam and highlight the need for a holistic approach that considers regulative, cultural/cognitive, and normative influences. The core message is that a predominant focus on regulation, and associated coercion, will not provide lasting improvements to workers’ health and safety.

This chapter of the thesis presents the results of study 1 which focus on workplace safety issues in the Bangladesh garment industry from the perspective of apparel industry organisations. The following chapter presents the second phase of the research which reinforces/extends the findings of study 1 through further investigation of workplace safety conditions in the RMG industry from an NGO perspective.
5 Workplace safety governance initiatives for the Bangladesh garments industry: an NGO perspective

5.1 Introduction

This chapter is the second part of the research examining responsibility and accountability for workplace safety in the Bangladesh RMG industry. The first two studies (Study 1 and Study 2) look at workplace safety governance initiatives introduced for the Bangladesh garments industry post Rana Plaza, to consider whether organisations are fulfilling their social responsibility. The first study (Chapter 4) examines institutional factors influencing the implementation of social governance initiatives of the apparel industry from a managerial perspective. This subsequent study reinforces the findings of the first study through incorporating additional stakeholder insights from influential NGOs and civil society organisations. The motivation for the second study, like the motivation of the first study, is a desire to help improve existing workplace safety conditions within the RMG industry.

In line with the emancipatory goal of civil society, the role of counter-accounts produced by civil society organisations/NGOs is to facilitate democratic change in society (Apostol, 2015). Civil society organisations/NGOs have used counter accounting as part of campaigns to reform problematic regulatory systems and make visible corporate practices that exploit governance and accountability gaps in relation to human rights violations (Denedo et al., 2017, Lehman et al., 2016). The transformative potential of counter accounts have been used by civil society organisations/NGOs to confront, to counter-act and to co-operate with key institutional constituents and to work towards change in society (Thomson et al., 2015, Laine and Vinnari, 2017). The role of counter-accounts provided by international and Bangladeshi NGOs may be considered as crucial in influencing the effective implementation of workplace safety governance initiatives.

The study conducts interviews with representatives of international NGOs (to provide a global perspective) and Bangladeshi NGOs (to incorporate local insights) so as to further understand why apparel industry organisations have implemented workplace safety governance initiatives and whether initiatives will lead to improved safety in RMG manufacturing factories. The insights from international and local NGOs arising from this study can be considered together with the perspectives of managers of buyer and supplier organisations from Study 1, to gain a well-rounded understanding of current safety conditions in the Bangladesh RMG industry, and whether improvements in factory safety are foreseeable in the future.
Similar to the first study, this study explores how apparel industry organisations have been influenced by the institutional environment and considers whether new safety initiatives will lead to any lasting change in workplace safety conditions in Bangladesh’s garment industry, as well as reservations of constituents regarding the ‘success’ of the new initiatives. Whilst the previous study (Chapter 4) looks at the implementation of workplace safety governance initiatives from a managerial perspective, incorporating the views of apparel buyers and garment suppliers, this study considers the issue from the perspective of international NGOs and Bangladeshi trade and civil society organisations working to improve safety conditions in the RMG industry. By considering insights from the different stakeholder perspectives, the research focuses upon the various factors which might influence and impede effective implementation of workplace safety governance initiatives. Identification of these factors will help to highlight important issues that need to be addressed before change can realistically be expected to be realised in the RMG industry.

The research questions of the study, which are the same as for Study 1, are presented once more below.

**RQ1:** What institutional factors motivate global apparel buying organisations to implement workplace safety governance initiatives within the Bangladesh garments industry?

**RQ2:** Are Bangladeshi garment manufacturing organisations embracing the real need for ongoing improvements in workplace safety?

**RQ3:** Have there been real changes/improvements in workplace safety in the Bangladesh garments industry following the introduction of workplace safety governance initiatives?

**RQ4:** Are the prevailing institutional pillars (and related notions of legitimacy) within the Bangladesh garments industry likely to work with, or against, any quest to improve workplace safety?

**RQ5:** Is it naïve to believe that workplace safety governance initiatives - developed in large part by western participants – will provide long term solutions to problems endemic in the Bangladesh garments industry?

The chapter is structured as follows. The following section, section 5.2 briefly outlines the theoretical perspective of the study which is similar to the theoretical framework presented in
Study 2. Section 5.3 describes the research method used in the study, which is based on interviews with representatives of prominent international and Bangladeshi NGOs. Section 5.4 presents the study findings and discussion, and section 5.5 summarises the conclusions of the study.

5.2 Theoretical framework

This study uses the theoretical framework introduced in Study 1, based upon institutional theory (Scott, 2008a, DiMaggio and Powell, 1991), to explain factors that influence the implementation of governance structures of the RMG industry. An overview of the theoretical argument is presented in brief below.

Following the Rana Plaza disaster, the legitimacy of the global apparel industry (and of individual apparel industry organisations) was significantly threatened and brought into question the stability of the institutional pillars that operated within Bangladesh. Regulation for the RMG industry was perceived as ineffective (regulative pillar), local values did not seem to embrace the importance of worker safety (the cultural/cognitive pillar), and standard operating procedures and ‘accepted ways’ of doing things (the normative pillar) were generally all inconsistent with advancing workers’ rights. The introduction of workplace safety governance initiatives represented significant change to the regulative pillars of the apparel industry.

When organisations accept change (in pillars), and moderate their behaviour accordingly, they are granted legitimacy by the constituents who in themselves played a part in establishing the pillars. If individual organisations fail to comply with the regulative requirements/expectations/norms that make up the pillars then they will not be granted legitimacy and it would be anticipated that the constituents who helped ‘shape’ these pillars will directly/indirectly pressure the individual organisations to conform (isomorphic pressures (DiMaggio and Powell, 1983)).

In study 1 it was found that apparel industry organisations (global buyers and Bangladesh manufacturers) implemented workplace safety governance initiatives (changes in the regulative pillar) in response to coercive pressure from powerful constituents of the global apparel industry. The motivation for accepting workplace safety governance initiatives (i.e. complying with reinforced regulative pillars) was not primarily a concern with safety but a desire to re-establish legitimacy and, in the case of manufacturers, to ensure survival of the business and, in the case of the global buyers, to maintain profits and organisational value.
However, legitimacy will most probably be more short term (i.e. giving the appearance of doing something) rather than long term as establishing an apparently strong regulative pillar may not create lasting effects unless the pillar is consistent with the influences/support of the other two pillars (cultural/cognitive pillar and the normative pillar). Thus, introduction of new regulative pillars may not provide viable/long-term solution – as without addressing other (cultural/cognitive and normative) pillars everything may well fall apart (again) – and the industry will be left waiting for the next Rana Plaza to happen. The findings of study 1 suggest that sustained change in safety requires not only change in regulations but concurrent change in education, training and safety mindset of local industry stakeholders.

5.3 Research method

To further explore issues relating to workplace safety and to investigate the effectiveness of the workplace safety governance initiatives introduced for the RMG industry, interviews were conducted with prominent international and Bangladeshi non-government organisations working to improve safety conditions in RMG manufacturing factories. The role of these NGOs is to independently monitor health and safety and other labour rights issues in garment factories, and thus we consider that the views of NGOs provide an informed third-party perspective of the current state of workplace safety conditions in the RMG industry. NGO activism often leads to social change, and thus NGOs are considered as influential stakeholders who can provide important insights into safety issues in the RMG industry.

5.3.1 Selecting research participants

A total of 13 in-depth, face-to-face interviews were conducted in Dhaka, Bangladesh in 2014/15. Six interviews were conducted with representatives of international government organisations (IGOs) and non-government organisations (NGOs). The criteria for selection of potential interview participants included organisational representatives of senior status/rank, with long-standing work experience/association with the Bangladesh garments industry. Initially, ten different organisations were contacted for interview. The names and contact information of relevant organisational representatives were collected through an on-line Google search and potential interviewees were contacted through either LinkedIn message or e-mail. Following initial contact, prospective participants were forwarded a research participant sheet which outlined research objectives and details of participant involvement. Ultimately, representatives of six organisations (four contacts established through LinkedIn and two through e-mail) agreed
to participate in the research. Interview dates were scheduled in advance but due to the volatile political climate in Bangladesh, final interview dates/times were (re)scheduled closer to the day of the interview. The designation of each research participant and a brief outline of their organisations involvement with the Bangladesh RMG industry can be seen in Appendix 5. Selected research participants have (up to 20 years of) international work experience, are all involved with the implementation and/or monitoring of recent workplace safety governance initiatives for the RMG industry, and are ideally placed to offer knowledgeable insight into existing conditions in garment manufacturing factories.

Seven interviews were conducted with senior level management of various Bangladeshi trade and civil society organisations. Potential research participants were selected on the basis of their career history and involvement with the RMG industry. An on-line Google search was used at first to identify and contact prospective interviewees. After contacting (and sending through research participant sheets) to ten prospective interviewees, three participants agreed to take part in the research (two through LinkedIn contact and one by e-mail). An additional four interviews were set up through personal contacts of one of the researchers in Bangladesh. All interview dates and times were confirmed in the days immediately preceding the interviews. Appendix 6 gives the title of each research participant and explains the relevance/role of their organisation with respect to the RMG industry. The research participants all have broad professional experience (ranging between 10 to 20 years) and are either directly involved in, or have extensive dealings with, local and international stakeholders of the RMG industry, and were thus were able to provide valuable insights about current issues/the present state of RMG manufacturing factories.

All of the interviews were conducted in the offices of the interviewee. Details of the ethical clearance for conducting the interviews, related documentation provided to the interviewees (Appendix 1), development of the interview guide (Appendix 2), and the research participants of the study (Appendix 5 and 6) are discussed earlier in Chapter 1 (section 1.4 - Research Methodology). All research participants consented to the disclosure of their organisation’s name for the purpose of the research, and all the interviewees agreed to audio recording of the interview. All the interviews were conducted in English. The interview recordings were transcribed following the interview. Each interview was on average of 1-hour duration. Two sample transcripts representative of the two stakeholder groups interviewed in the study i.e. international government and non-government organisations and Bangladeshi trade and civil society organisations are included in Appendix 9 and Appendix 10 respectively.
5.4 Findings and discussion

The findings and discussion of the data analysis are organised around the research questions of the study. The first two sub-sections examine the motivations of apparel industry organisations in adopting workplace safety governance initiatives. The next sub-section discusses the perceived changes in workplace safety including improvements in factories and related changes in workplace accidents and casualties. The fourth sub-section presents the key institutional factors influencing implementation of workplace safety governance initiatives in Bangladesh. Two key themes emerge which flag the role of government enforcement of initiatives and cultural change in the implementation process. Finally, the last sub-section discusses the interviewees’ perceptions regarding long-term sustainability of workplace safety governance initiatives which centre on the role of international and local stakeholder groups. The findings of the study include quotes which represent typical interviewee responses and provide descriptive validity to data interpretation by the researcher. Representatives of local and international NGOs are identified as NGO1, NGO2 etc and are listed in no particular order (to maintain the anonymity of the interviewees) in Appendices 5 and 6.

5.4.1 Motivations of global apparel buying organisations

The actions of NGOs and civil society actors - including trade associations, labour unions, and consumer groups - greatly impact/shape the CSR strategies of apparel industry organisations and such groups can be considered as influential stakeholders of the apparel industry (Ahmed et al., 2014, Momin, 2013). The media and NGOs are known to work cooperatively to create change in sustainability practices of apparel industry organisations (Deegan and Islam, 2014). Following successive industrial disasters in Bangladesh, global reaction from international NGOs placed pressure upon apparel buying organisations to adopt workplace safety governance initiatives (The Accord/The Alliance) for the RMG industry. The findings of the first study, as reported in Chapter 4, indicate that apparel buyers have adopted the new safety initiatives in response to global pressures from powerful industry constituents. Failure of buyers to respond to constituent demands arguably would have led to serious repercussions including negative media coverage, NGO campaigns, possible consumer boycott of apparel brands, and consequent negative effects on business. Faced with potential loss of business, apparel buyers were effectively forced to act in accordance with the expectations of western culture/society. The following quotes are reflective of NGO’s perceptions:
Why have brands formed the Accord and the Alliance? Well, brand value is a company’s biggest asset and it is placed at risk when a supplier’s factory building collapses! The buyer cannot jeopardise his reputation otherwise his brand value, his stock trading, everything will decline. So, different types of pressure came into play. The buyers faced pressure from consumers in their respective countries; there was political pressure from NGOs; they faced industry pressure to uphold their business sustainability. All these pressures came together and forced them to think of how to take care of things in a more sustainable manner. NGO 4

When Rana Plaza happened it really galvanised the pressure on the brands. All the consumers, global unions, and global NGOs played a vital role, so the brands really felt the heat and were forced, so that is why the brands signed. No one was saying - yes well, I have profited enough, now let’s talk about human rights or workplace safety – it’s all about business! NGO2

NGO responses support the findings of the previous chapter that global apparel buyers implemented workplace safety governance initiatives to protect their business interests and to re-establish legitimacy, i.e. to maintain organisational value. The notion of ‘force’ is emphasised. As workplace safety governance initiatives appear to have been implemented by apparel buyers primarily to deal with potential threat to business profits, it may be assumed that buyers will continue to make efforts to improve RMG industry safety only to the extent that it is profitable for them to do so. Thus, the adoption of workplace safety governance initiatives may not be indicative of continuing effort on the part of buyers. As the initial shock and the immediate/reactive pressure from international NGOs settles, apparel buyers may simply continue with a (profit motivated) ‘business as usual’ policy and be less inclined to maintain continuous efforts to improve safety conditions in the RMG industry into the future. The five-year period of the (Accord and Alliance) initiatives may not be sufficient to establish lasting change in factory safety conditions. The standards were initially introduced for the short-term (i.e. five years), however serious intention/commitment to improve safety conditions in the RMG industry, will require long-term strategy for how the new workplace safety policies may be successfully managed. Continuous monitoring and pressure from powerful western constituents (international government organisations and NGOs) upon global buying organisations is critical to ensure safety initiatives are enforced into the future.
Motivations of RMG manufacturing organisations

Pressures placed by global apparel buying organisations have been shown to directly influence the social policies of the Bangladesh RMG industry (Islam and Deegan, 2008). The findings from Study 1 (Chapter 4) indicate that global apparel buyers have influenced manufacturing organisations to adopt workplace safety governance initiatives following the Rana Plaza accident. Coercive buyer pressure was the most significant factor which influenced manufacturer’s behaviour and RMG manufacturing organisations were essentially ‘forced’ to adopt Accord/Alliance standards to continue to receive orders from apparel buyers. The following quotes represent the typical view from NGOs:

*It’s what the brands are telling them [manufacturers] to do. It’s something they have to do to stay in business. They only listen to one group - that is the brands. There is business reason to accept it and so they are accepting it. NGO2*

*I don’t think they [manufacturers] had a choice. There was a lot of criticism about what happened and with the pressure they had to accept. They know that this will become the global standard and they can’t sell to any country unless they adopt the required safety standards. NGO 3*

Reinforcing the findings of the previous chapter, NGOs acknowledge that the main perceived motivation of garment suppliers in adopting workplace safety governance initiatives was based upon a business imperative. Failure to adopt workplace safety governance initiatives would have seriously threatened the business survival of manufacturing organisations. Manufacturers adopted new safety standards primarily to continue business with apparel buyers. Factory owners have not implemented changes in factory safety conditions by their own initiative, which underlines the necessity of external buyer pressure to improve workplace safety in the RMG industry. Apparel buying organisations may be recognised as having significant influence over garment manufacturers. Initial buyer pressures led to the adoption of new safety initiatives in garment manufacturing factories. From the NGOs viewpoint, it appears essential that continued international pressures be applied upon apparel buying organisations to focus on CSR practices. This will lead to sustained buyer pressure upon garment manufacturing organisations to focus on safety standards and help ensure success of initiatives and long-term improvement in factory safety conditions.
5.4.3 Perceived change in the RMG industry
The following section examines perceived changes in the RMG industry following implementation of workplace safety governance initiatives. From a NGO perspective, changes apparent in the RMG industry include fire and building safety upgrades within factories and a reduction in the number of RMG factory incidents and casualties. However, it appears that despite recent improvements, reforms are progressing at a slow pace. Reference may again be made to Chapter 2, Table 2-9, which highlights the changes in workplace safety conditions in RMG factories. Whilst safety reforms in the initial stages were quite dynamic, over time the remediation process has greatly slowed down and proved the difficulty of instigating long-term change (CCC, 2016).

5.4.3.1 Improvements in factory safety
Investigation of current safety conditions in the RMG industry indicate that the new safety initiatives have been effective in achieving some improvement in factory safety conditions, though targeted reforms appear to have a long way to go (Motlagh and Saha, 2014). NGOs allow that while some changes/improvements in factory safety have taken place, further progress is required. There is concern that the initial factory improvements may represent a superficial change in the RMG industry, and neither continued stakeholder engagement in the implementation process or long-term change in factory safety conditions is considered to be certain. The following typical NGO quotes emphasise that simply introducing the new safety initiatives (regulative pillar) is not sufficient to lead to change. Local attitude and understanding regarding safety issues (cultural/normative pillar) also needs to be developed. This is consistent with the views of managers and buyers as reported in the last chapter.

Some positive change has really taken place and it was sparked by the accident - I think it has improved though it has opportunity to improve much more.... So all these things have taken place because of the Rana Plaza accident and I would say it’s a little more than symbolic but there is a lot of work to do..... NGO7

Things are progressing, changes in management operation as well as physical and other side, lots of changes happened in the last two/three years. But it is early phase yet. The Accord and the Alliance can be considered as an interim measure, their term is up to 2018 – what will happen after this? - Quite a few challenges to be faced at that time. Whether local authorities have enough capacity to take over the following tasks, this is a big issue. We find lots of differences in terms of attitude, in terms of outlook, in terms of
factory level. Lots of big differences I would say. We will have to see how things will progress in the future. NGO 5

The latest NGO reports (CCC, 2016) find that despite some visible progress, overall the pace of reforms is slow. The implications here are that in line with introduction of new safety regulations, unless there is investment by stakeholders (buyers and other industry affiliates) to change local attitude/mind-set regarding safety issues (by investing further resources and through introducing additional safety training and education initiatives for RMG factory workers and management), long-term change in the industry will not take place. Whilst NGOs recognise that some improvements regarding safety in manufacturing factories have taken place in the immediate run and are encouraging, the main concern is the difference in local (compared to western) attitudes regarding safety, and how this may impact upon the continued improvement of factory safety conditions into the future. In this we see some initial signs of underlying social and cultural differences inherent in a developing country and a perceived lack of long-term commitment of key stakeholders.

5.4.3.2 Industrial accidents/casualties

The implementation of workplace safety governance initiatives corresponds with some positive outcomes in respect of accidents and fatalities related to the RMG industry. Since the Rana Plaza tragedy various (fire related) accidents have occurred, but there has been a reduction in industrial accidents and related casualties in RMG factories (CCC, 2016). However, according to NGOs, this may possibly be a short-term outcome and the result of the recent global scrutiny of the RMG industry i.e. because the apparel industry is currently being ‘watched’. With the introduction of new safety standards NGOs recognise an opportunity for long-term change in the RMG industry but suggest much further effort is required to prevent future accidents/fatalities in the industry. Whilst coercive pressures have resulted in introduction of workplace safety governance initiatives (regulative pillars) and led to what is acknowledged as short-term change, changes in the regulative pillar cannot in isolation lead to long-term change in safety conditions in the RMG industry. This is a point that is being emphasised throughout this thesis. For lasting change, the industry mind-set with regards to safety (i.e. the cultural/normative pillars which support the regulative pillars) also needs to change.

I would say a significant improvement has happened.... after that incident we haven’t seen that many casualties in the factories.... factories have caught fire, because it is an industry there will be industrial accident but workers should not be killed.... I would say
we have much more we need to do to leave the industry in a stable condition so we will not need to experience this sort of fire and collapse again. NGO2

The safety standards have definitely much improved, but there is a long way to go and I don’t think that that long way is being designed as yet in a strategic sense. Everybody, particularly our exporters, are still looking at it from a short-term perspective. We need greater awareness of the need to do something in terms of safety and security of workers – which the factory owners and exporters hardly recognise. They think that they have created an opportunity for the employment of the workers as if they are doing some big human service to the people of this country. They really have to own the responsibility in terms of workers’ rights. This whole mind-set change is needed. They are becoming more aware definitely. But to what extent they will be delivering, having interacted with them, I don’t know. NGO 7

NGO representatives express their apprehension that a great deal more needs to be done to ensure long-term improvement in safety conditions and reduction in accidents and casualties. The question of how the initiatives will continue to be enforced in the long-run (i.e. after the five-year period and in the case of the Accord, the two-year extension till 2020) is an important issue which has not been addressed. Again, we note the need for a social/cultural change in the way of thinking and acting around workplace safety (i.e. change in the cultural/normative pillars) and continued doubt over the success of the initiatives in the long-term.

This finding is consistent with those of the previous chapter, Chapter 4, when researching the views of Bangladeshi RMG manufacturers and global apparel buyers and concludes that coercive international pressures (which address the regulative pillar) are not sufficient for long term change and that parallel developments in local culture/norms (i.e. focus on the cultural and normative pillars of the RMG industry) appear necessary.

5.4.4 Institutional influences upon implementation of social governance initiatives

The next section looks at the institutional factors influencing the effective implementation of new safety standards. NGOs identify major challenges of improving workplace health and safety in Bangladesh as being poor enforcement and monitoring of regulations (relating to the regulative pillars) and differences/realities of the Bangladeshi socio-cultural environment (influence of cultural/cognitive and normative pillars) which have not been adequately considered when introducing the new initiatives.
5.4.4.1 Enforcement and monitoring of social governance initiatives

There appeared to be an uncertainty about whether the latest initiatives can bring about lasting change in workplace safety in the RMG industry. Of major concern is the routine lack of enforcement and monitoring of regulations/social governance initiatives by the government and other law enforcement agencies in Bangladesh. NGOs affirm that regulations in Bangladesh are often easily by-passed.

*First should be the local mechanism, the local mechanism has failed to work properly. The government has shown time and again that they have failed in every aspect of enforcement and monitoring and in what they are supposed to do. NGO2

In Bangladesh, if so desired it is easy to avoid the laws, there are many laws that are not being enforced. NGO4*

The perceived lax attitude of the Bangladesh government towards enforcement of legislation/regulation impacts on the business attitude of the RMG industry and influences business operations of RMG organisations. Similar to previous social governance initiatives in Bangladesh, workplace safety governance initiatives (new regulative pillars) may also prove ineffective in improving workplace safety conditions in the RMG industry. How much the Bangladesh government position may change is uncertain – traditionally, the government has focused more on making gains for themselves, and their associates, than on safety issues. This is perceived as also being reflected in the attitude of RMG factory owners. NGOs suggest that lasting and effective change in safety conditions in the RMG industry will only occur if there is a change in local cultural attitudes regarding safety.

*Definitely they (factory owners) are always resentful. They are very much traditionally minded so that is the major challenge. They don’t like to comply with the rules and regulations as it should be. NGO5

The BGMEA and the factory owners were not really serious about the issue. If you go through the Bangladesh Labour Law 2006 you will see the sections for the RMG industry, but these policies are only being developed now after this disaster. Following Rana Plaza it is revealed that the owners have completely bypassed these issues. NGO11

We keep saying that on 11 July 2018 both the initiatives shut down – then what happens? Who handles this? Law enforcement has to be by the government.... The government
needs to formulate a sustainable mechanism to take over or carry forward whatever has been achieved – that piece is missing. The remediation has happened and safety standards have improved.... perhaps we have to keep our fingers crossed to see whether real, tangible progress is made.... it’s too premature to narrate any success story. NGO1

A lack of certainty of the future success of the initiatives remains a constant theme and flags the perception of the underlying norms and cultural values within both the RMG manufacturing industry and the Bangladeshi government towards the issue of safety. The respondents appear sceptical about long-term success of new safety initiatives. This is in line with the apparent slow progress made in factory safety remediation shown in Chapter 2, Table 2-9.

5.4.4.2 The Bangladesh socio-cultural environment

There appear to be difficulties in applying western-based social governance initiatives in the context of a developing country. As we have already noted, Bangladeshi culture (in comparison to western culture), for example, has less concern for human rights and labour laws, and the RMG industry can be seen to give low importance to workplace safety. As has been highlighted in a number of the findings so far, the workplace safety governance initiatives (new regulative pillars) can be regarded as incompatible within the socio-cultural context (cultural/cognitive and normative pillars) of the Bangladesh garments industry and this will act to undermine current efforts to improve workplace safety.

With the Accord and Alliance you have to bear in mind that while we are thinking from the perspective of our country, they are thinking from an outside perspective. They don’t think from the cultural context of our country.... Among the owners, the workers, the general people, the safety sense is working now - you will hear the term safety from people’s mouths - before you wouldn’t. Now everyone is using the term ‘compliance’. Whether they understand it or not – that’s a different thing! NGO12

The actions of the brands led to pressure on the factory owners for quick resolution. So what has happened is that to solve one problem they have instead created ten other problems... In many cases factory management does not understand what exactly is required of them. Our job has been to give training to factory top management – workshops where our foreign experts are present. These concepts they didn’t have before, they still don’t have now and we are trying to introduce. This is the challenge. Everyone’s mentality is not the same... for the whole industry it is a slow, slow, slow process. NGO8
NGOs point to the main difficulty with introducing western-based regulations into a developing country as being the differing norms/values in the local environment. The concept of corporate social/ethical responsibility is not highly developed in the Bangladesh RMG industry. Local manufacturing organisations demonstrate limited awareness of or concern for safety issues, e.g. factory owners often evade safety regulations. Problems seem to arise for local stakeholders in accepting western ideas due to a lack of knowledge about, or an inclination towards, workplace safety. The implementation of workplace safety governance initiatives may be viewed more as a stop-gap measure to improve RMG industry safety and one which is aimed at improving the image of the local industry. Possibly, realities in the institutional environment including deficiencies in the factories/factory management systems, lack of education and training of workers/management, and limited resources, may result in local attempts to circumvent workplace safety governance initiatives which may lead to a reversion to the previous, unsafe institutional environment.

Another major drawback to the successful implementation of workplace safety governance initiatives is the institutionalised culture of corruption and bribery in the Bangladeshi business environment (Ahmed et al 2014). There are strong connections between the government and the RMG industry - the majority of the country’s politicians are involved with the industry (i.e. have investments in the industry) and use political power for personal gains by influencing implementation of laws and policies (TIB, 2016). According to NGOs, it is unrealistic to expect change in an institutional environment by introducing workplace safety governance initiatives that are inconsistent with prevailing norms/values of society.

Everybody, particularly exporters, still look at how to make profits for themselves rather than to improve workers safety and standards and so on. Those are the types of things that prevail because of the corrupt practices in the country – which is part of the reality which we shouldn’t accept but is something that exists. So it (new initiatives) has come a distance but there is a long way to go. NGO7

Many factories cannot be closed down no matter how risky they are because of the BGMEA - they have support of a very good organisation- so somehow they will manage it, there is no pressure from the government side, and there will be no consequences if nothing is done. The owners are primarily concerned with the business, so to save the business what they need to do they are doing, because they are being forced. But that’s not the real scenario. If buyers say today you don’t really need compliance, or whether
there is compliance or not I’ll take your order, then see where compliance goes, see how many factories follow compliance. That’s the reality - unfortunate for us, but that’s the reality. NGO 2

Whilst RMG organisations (initially) may outwardly give the impression they are following new standards, so as to secure orders from buyers, and theoretically - to gain legitimacy, in the long run organisations may possibly regress to their previous tendency to bypass new workplace safety standards (to the extent that to do so is not costly for them). It appears the various stakeholder groups developing the initiatives (deliberately or naively) have not taken into account how the cultural limitations of Bangladesh will impact on the success of the initiatives. Using the lens that institutional theory provides, it simply is not sensible to introduce workplace safety governance initiatives that must be followed (i.e. to focus on the regulative pillar) and expect a long-term improvement in RMG industry safety, without considering/adequately addressing the surrounding social context (cultural and normative values/systems).

5.4.5 Long-term sustainability of workplace safety governance initiatives

The final section considers perceived requirements for long-term sustainability of workplace safety governance initiatives in the RMG industry. NGOs assert that long-term sustainability of workplace safety governance initiatives will require concerted and ongoing efforts of international and local constituents.

5.4.5.1 Role of international stakeholders

The authority of international bodies and civil society actors is significant in influencing social responsibility practices of the apparel industry (De Brito et al., 2008). The impact of international pressures and the role of global buyers in introducing new safety initiatives of the apparel industry has been discussed previously (section 5.4.1). However, NGOs acknowledge that the new safety initiatives may represent an ill-conceived approach in bringing about long-term change in workplace safety conditions in the RMG industry. To help change the underlying safety culture of the RMG industry, more investment/support is required from international NGOs, apparel industry bodies and global buying organisations. A major issue for the RMG industry is the cost position of local supplier organisations.

You deliver sometimes by your own volley but you also deliver because you are under pressure to deliver. In this case I see a combination of both. The extent to which this will be sustained and make more progress will depend primarily on the private sector itself. A lot
of initiatives have taken place but then no one has really thought of how to sustain this, how to really make it more coordinated bringing together all the stakeholders. NGO7

The main pressing point for the MNCs comes from their country, particularly from the consumers and rights activist groups working there. At the local level I’d say mostly they pass it on to the local suppliers. So local suppliers then attempt to get away with as much as they can, to disregard, to act selectively, to not act, that’s what they do – so this is where the gap is. The challenge will be that operational costs will increase because when you try to maintain compliance some fixed costs increase. From one side they will address the sustainability issue, from another they will also look at upgrading facilities – how to maintain this? Whether factories are ready to bear these additional costs or not that is an issue. NGO5

What becomes evident is the perceived need for local manufacturers to remain cost competitive. Arguably, international stakeholders have a responsibility to not just advocate for change in workplace safety through introducing new safety regulations, but to invest and commit to the long-term success of initiatives such as through establishing long-term relationships with suppliers and offering additional financial support and training (i.e. focus on developing industry mind-set with regards to safety) otherwise risk being associated with potential on-going risks within the supply-chain and prioritising the interests of shareholders (profits) above all else.

5.4.5.2 Role of local stakeholders

The role of the Bangladesh government appears critical to ensure workplace safety governance initiatives for the RMG industry is effective in the long-term. For the present, the Bangladesh government initiative (the NTPA) remains as an ongoing plan. NGOs point out that whilst the government response to international pressures underscores the importance of international influence (As-Saber and Cairns, 2015), change must originate from the local level, only then will implementation of new government regulations lead to long-term improvement in factory safety conditions.

It’s good enough to start off with but for sustainable lasting change what we need in every step starting from the government to the factories, to the individual level – good governance, transparency and accountability, and law enforcement. If these things are not established, then lasting change will never be achieved. We need to move beyond the level where we do something only because we are pushed to do so - we need to focus on the long-term good.... and perhaps at some future point a culture of safety will be established. NGO4
To protect the country’s primary export earning sector the Bangladesh government must work to establish a ‘culture of safety’. However, creating a culture of safety may also increase monitoring and compliance costs which will potentially have the effect of reducing the cost competitiveness of the Bangladesh RMG industry. There are survival pressures which may actually work against a safe environment (see chapter 4). Hence, it would seem crucial for the Bangladesh government to support the RMG industry to maintain the balance between low manufacturing costs (to attract foreign buyers) and to ensure acceptable factory safety standards (through effective implementation of workplace safety governance initiatives and by developing a culture of safety).

5.5 Conclusion

The Rana Plaza accident led to establishment of workplace safety governance initiatives for the Bangladesh RMG industry. This component of the thesis examines NGO perceptions of the institutional factors which have influenced the implementation of workplace safety governance initiatives. The study investigates similar issues as outlined in study 1, as reported within Chapter 4. Whilst the first study considers responses from managers of apparel buyer and garment supplier organisations, the second study reinforces the findings of the initial study through considering a third-party perspective. The study looks at constituent pressures to implement workplace safety governance initiatives faced by apparel industry organisations in the wake of large-scale industrial disasters. Further, the study investigates the perceived effectiveness of workplace safety governance initiatives in improving workplace safety conditions, specifically looking at apparent changes in the RMG industry, at impediments in implementing workplace safety governance initiatives in a developing country context, and requirements for long-term sustainability of workplace safety governance initiatives. Insights from prominent international and Bangladeshi NGOs working to improve safety conditions in the RMG industry inform the findings.

It is interesting to note that the findings of study 2 parallel the findings of study 1. Both studies (study 1 and study 2) point out the same underlying issues - NGOs and buyers/suppliers – despite the obvious differences in their backgrounds - all agree that there are uncertainties that need to addressed within the apparel industry. The similarity in findings of study 1 (managerial viewpoint) and study 2 (NGO viewpoint) are presented below.

Similar to study 1, the second study applies institutional theory to identify factors that will impact on effective implementation of the workplace safety governance initiatives. Through an
institutional theory lens, it can be seen that the way workplace safety governance initiatives have been introduced will likely not result in long-term change in workplace safety of the RMG industry. In line with the findings of study 1, the findings of study 2 confirm that workplace safety governance initiatives were perceived to have been introduced mainly due to coercive pressures upon global buying organisations to regain legitimacy in the short run. Institutional theory implies that lasting improvements in safety conditions in the RMG industry will require more than the introduction of workplace safety governance initiatives (i.e. a focus mainly upon the regulative pillar) but will also require parallel changes in industry mindset to create a ‘culture of safety’ (i.e. development of the normative/cultural pillars) within the apparel industry.

The study determined the state of workplace safety conditions in the RMG industry (established earlier from the perspective of apparel buyers and garment suppliers) from an alternative stakeholder (NGO) perspective. NGO views appear consistent with that of buyers/suppliers. NGOs affirm that apparel industry organisations faced international constituent pressures to introduce workplace safety governance initiatives. Apparel buying organisations were compelled to implement new safety initiatives to safeguard their business from unfavourable media campaigns, whilst garment manufacturing organisations were forced to adopt workplace safety governance initiatives or face loss of orders from buyers. Tangible improvements in fire and building safety within factories have taken place following implementation of new safety initiatives in the immediate run, but on the whole the pace of reform is perceived as being very slow and there is concern the initial impetus for change may gradually slow. Despite an overall reduction in industrial accidents/casualties, safety conditions in the industry still need much improvement. The main impediments to improving safety in supplier factories include failure of the local government/regulatory authority to enforce and monitor regulations, and realities of the local socio-cultural environment which include an inherent culture of corruption/bribery, little awareness, concern, or regard for safety issues (at industry, organisational, and individual level), and a general incompatibility with implementing western-based safety standards in a developing country context. The key findings of the research indicate that the existing normative and cultural environment within the Bangladesh RMG industry will impede the effectiveness of western-based regulations introduced to improve safety in garment factories. NGOs point out that the evident local (socio-cultural) limitations which represent impediments to success of new initiatives have not been adequately addressed by either buyers or suppliers.

NGOs viewpoints support the views of managerial stakeholders expressed in study 1. NGO representatives consider that increased pressures to implement new initiatives may not lead to
increased enforcement of regulations and in all probability, may not greatly impact upon existing levels of corruption and bribery and the drive for economic returns. Possibly, pressures to conform to regulations may compel factory owners to compensate for additional time and expenses involved by reducing worker wages, changing other work conditions, or by seeking other non-traditional markets where such regulatory compliance is not seen as a big issue. Further, there may be risk that the competitive advantage of Bangladesh as a low-cost supplier will be affected by implementation of workplace safety governance initiatives (due to increased costs of compliance) which may lead buyers to seek alternate/more profitable sourcing countries. There needs to be a shift in ‘culture’ of the apparel industry. Cost is important but only to the extent that a certain minimum level of safety can be demonstrated.

Both managerial and NGO stakeholders consider that successful long-term implementation of new initiatives will require continuous involvement of key local and international constituents. International actors including international government organisations, NGOs, and apparel buying organisations will need to maintain a continued presence in Bangladesh, invest further resources, and continue efforts to engage/train/educate local RMG industry stakeholders. However, once the initial term of the Accord/Alliance is finished (i.e. the ‘heat is off’) there is a perception that the buying organisations will not be so active in monitoring factory safety conditions, which may see a reversion to previous dangerous factory practices. NGOs confirm that it is naïve to believe change will be ongoing. Local authorities, mainly the government of Bangladesh and the garment industry’s main trade body the BGMEA, must be actively committed to implementing the NTPA and the new social governance initiatives. However, effective implementation of workplace safety governance initiatives and long-term improvement in RMG safety conditions may be hindered because of local cultural attitudes and behaviour around safety. As one participant noted:

After the latest disasters, there are recent developments that have happened... but there’s definite lack of pro-activeness, meaning it is difficult to transmit the message to the garments owners - that’s the challenge. These incidents and the resulting pressure from civil society and local stakeholders such as the government explain the degree to which they are complying. But the BGMEA is not wholly ready to deal with these sorts of concepts. If the pressure is not there, then whether or not the BGMEA will play its role is not a sure thing. I would say this is still in process, ethical sourcing, workplace safety and security, workers’ rights, these issues are all really in a transitional phase. NGO5
The research results emphasise that continuing improvement in factory safety conditions will require proper implementation and monitoring of the progress of the new initiatives. This may only be achieved through expanding the mind-set of local industry stakeholders including industry groups, factory owners and workers regarding safety issues. Such a culture shift, change in mindset/outlook of RMG industry stakeholders, can only take place gradually and requires sustained efforts of all constituents. NGOs can contribute towards a gradual change in societal awareness/outlook at the local level (i.e. change in the normative and cultural/cognitive pillars of the RMG industry) through a focus on implementing specific safety-related initiatives such as safety education and training programs for factory management and workers. To overcome disinclination on the buyers’ part to further invest in safety initiatives over time, NGOs will need to sustain their monitoring and work with the media to create ongoing pressure/change. But at the end of the day it appears that implementing various forms of governance (attending to the regulative pillar) without adequately considering the cultural and normative values/systems in place will not create much needed change, albeit it might assist – at least in the short run – global buying organisations efforts to appear ‘legitimate’.

Whilst the first two studies of this thesis (presented in Chapter 4 and Chapter 5) look at institutional factors influencing the implementation of social governance initiatives for workplace safety in the RMG industry (i.e. how organisations fulfil their social responsibility), the following chapter (Chapter 6) focuses on institutional influences upon workplace safety related disclosure practices of the apparel industry (i.e. how organisations fulfil their accountability to society).
6 Corporate social disclosure practices of the apparel industry

6.1 Introduction

The research undertaken within this thesis considers the CSR strategies implemented by apparel industry organisations following large-scale accidents in the Bangladesh RMG industry including the adoption of social governance initiatives for workplace safety and the publication of workplace safety related disclosures. The previous two studies (Chapter 4 and Chapter 5) consider how the apparel industry has addressed its social responsibility with regards to improving safety conditions in the RMG industry. This chapter represents the final research component of the thesis and explores how the apparel industry appears to have addressed its accountability (chapter 2, section 2.2.2 explains the meaning of accountability as applied in this thesis) with regards to workplace safety within Bangladeshi garment manufacturing organisations. The motivation of this final study mirrors the motivation of the previous studies and reflects a desire to help improve existing safety conditions in the RMG industry. The study investigates (through an analysis of corporate social disclosures) whether or not apparel industry organisations appear to demonstrate concern for workplace safety in the RMG industry. Safety conditions can only be expected to improve if apparel industry organisations are genuinely invested in improving industry safety.

As we have indicated in previous chapters, unsafe working conditions have caused recurrent loss of life in the Bangladesh RMG industry, and previous forms of governance appear ineffective in improving safety conditions in garment manufacturing factories. Workplace safety governance initiatives have been introduced post Rana Plaza to improve safety conditions in the RMG industry. The issue of workplace safety, which has great relevance to apparel buyers and garment manufacturers, is addressed by both parties through implementation/ adoption of social governance initiatives for workplace safety and publication of workplace safety-related social disclosures. For safety conditions to improve both apparel buyers and garment suppliers must prioritise workplace safety issues.

The issue of workplace safety in the apparel industry is a global concern and the public arguably has a right-to-know about the matter. Following the Rana Plaza accident, the apparel industry was publicly ‘caught out’ i.e. the industry failed to ensure safety in apparel manufacturing factories. The large scale and negative global reaction towards the industry suggests that apparel industry organisations would feel a need to respond to the massive loss of life both in terms of actions to monitor and improve the health and safety of workers within supply chains (by
introducing new social governance initiatives for workplace safety), and in terms of actions to provide information about its efforts to improve worker health and safety (by publishing information related to workplace safety policies and practices within their social disclosures).

This chapter considers the corporate social disclosure strategy implemented by apparel industry organisations following large-scale disasters in the Bangladesh RMG industry, specifically the publication of workplace safety-related information. This component of the research analyses social disclosures made by two key parties in the international apparel supply chain: global apparel buying organisations and retailers sourcing clothing from Bangladesh (apparel buyers), and Bangladeshi garment manufacturing organisations (garment suppliers). The study can help to inform vested stakeholder groups (such as NGOs and civil society organisations) about the actions/non-actions of apparel industry organisations and may motivate such groups to initiate/continue public efforts for change.

There are two components to the study. The first part of the study, which is normative in nature, seeks to establish whether apparel industry organisations have addressed their accountability with regards to safety within garment manufacturing factories. A workplace safety disclosure index is constructed to measure the quality of workplace safety disclosures. The index is used as a benchmark to establish whether organisations appear to fulfill their accountability.

The second part of the study explains the extent of disclosures/accountability being demonstrated by apparel industry organisations. The study applies institutional theory to consider how the institutional environment influences corporate social disclosures. The study contributes to the social and environmental accounting literature by providing an overview of workplace safety-related disclosure practices of the apparel industry and will help to establish whether (and why) apparel industry organisations may (or may not) be demonstrating accountability to society, with respect to the issue of workplace safety.

The research questions of the study are presented below.

**RQ1. To what extent do apparel industry organisations appear to demonstrate accountability for workplace safety-related issues in the Bangladesh garments industry?**

**RQ2. How and why do apparel industry organisations make workplace safety-related disclosures?**
**Mediums of corporate social disclosure**

Organisations communicate CSR information through multiple mediums of disclosure including public reports (such as annual reports, sustainability reports, and integrated reports) and corporate websites. Additionally, CSR information is often published in special purpose reports (such as Investor Relations, Media reports, Social Audit reports) and may also be included on product packaging, posters, brochures and various other forms of advertising.

The traditional media vehicle for disclosing non-financial information is the annual report. The annual report is regarded as an important source of CSR information and is commonly used to study corporate social disclosures due to the regularity, easy accessibility and high credibility of information contained in the reports (Loh et al., 2014). Including CSR data in annual financial reports is now a firmly established global trend. According to the KPMG Survey of Corporate Responsibility Reporting 2017, 44% of G250 companies (the world’s 250 largest companies) included CSR information in their annual reports in 2011, and by 2017 the rate had almost doubled to 78%. However, studies focusing exclusively on annual reports risk capturing an incomplete picture of the amount of CSR organisations are engaging in (Unerman, 2000).

A growing number of firms have become increasingly active in publishing separate sustainability reports. A study of the global Fortune 250 companies finds a significant increase in sustainability reporting over time (Kolk, 2010). Corporate responsibility reporting is now standard practice for large and mid-cap organisations around the world with around three quarters of the 4,900 companies – representing the 100 largest companies from 49 different countries (N100) - studied in the KPMG 2017 survey issuing separate reports (KPMG 2017). Another phenomenon is the emergence of integrated reports which combine the annual report and the sustainability report into one report (Kolk, 2008). However, the overall number of companies producing integrated reports is low: of the world’s largest companies, only 11% of N100 companies and 15% of G250 companies published integrated reports in 2015, which increased slightly to 14% of reporting companies in both G250 and N100 groups in 2017 (KPMG 2017). Organisations are also increasingly using corporate websites for CSR communication (Mann et al., 2013, Lodhia, 2012). Website disclosures are an important media of corporate communication as they provide updated disclosures and may include information not contained in the public report(s) for the period.
Having identified the main media of corporate social disclosures, this study examines social disclosures contained within annual reports, sustainability reports, integrated reports, and on corporate websites.

The chapter is organised as follows. Section 6.2 presents the normative and positivist theoretical perspectives applied in the paper. This section outlines construction of a benchmark index of workplace safety disclosures and presents propositions of the study. The next section, section 6.3 describes the research method used in the study which is based upon content analysis of corporate social disclosures. Section 6.4 provides findings of the analysis, and the conclusions of the study are presented in section 6.5.

6.2 Theoretical framework

The study evaluates and explains workplace safety related disclosure practices of the apparel industry from two distinct perspectives, the normative and the positive perspective. By considering normative (what organisations should disclose) and positive (what we expect organisations to disclose) perspectives we can establish how, and perhaps why, organisations are fulfilling, or not fulfilling, their accountability.

6.2.1 Normative perspective

The normative component of the study assesses accountability of the apparel industry with respect to workplace safety through examining social disclosures of the apparel industry. The study utilises a normative view to consider what social disclosures organisations should provide based upon an ethical responsibility/commitment to improve workplace safety. From a normative perspective, corporate social disclosures should reflect what managers are accountable for, and what the public has a right-to-know about the organisation (Deegan 2002). To establish what information organisations should (ideally) disclose we construct a workplace safety disclosure index, to measure quality of workplace safety disclosures published by apparel industry organisations. The index is used to assess the accountability (or lack thereof) demonstrated by the apparel industry. By examining workplace safety related information published by apparel industry organisations, the study determines to what extent corporate social disclosures of the apparel industry appear to match stakeholder expectations of disclosure.

The index is constructed based upon standards developed by leading international government and non-government organisations that guide apparel industry organisations in establishing their CSR strategy. The organisations were identified through an on-line search of the terms ‘NGO’,
‘ethical codes of the apparel industry’, and ‘labour and human rights standards’. The standards developed by these organisations are typically referred to by apparel industry organisations in formulating their workplace safety policies and procedures. The 15 different standards/documents used for constructing the disclosure index are listed in Appendix 1.1.

The index incorporates the various workplace safety related disclosures made by apparel industry organisations under five general themes (CSR strategy; Workplace safety governance; Ethical Code of Conduct; Occupational Safety and Health; Social compliance and monitoring) which includes 38 specific workplace safety indicators. Details of the index are shown in Appendix 1.2. The decision rule for including an item in the index is that the item must have been referred to by the majority (i.e. more than eight) of the 15 standards/documents reviewed. Each indicator is considered an important aspect of a good social governance system that addresses workplace safety. Whilst the standards/documents reviewed are not specifically about corporate social disclosure, they do identify what governance policies should be in place within an organisation that takes health and safety seriously. Therefore, and following this argument, if a stakeholder wanted to assess how seriously the organisation addressed health and safety issues then they would want to know whether the respective governance policies were/were not in place. Therefore, for an organisation to be deemed to have accepted a higher level of accountability for health and safety there would be an expectation that they provided relatively more information about the existence/nonexistence of the respective governance policy/practice.

The focus of the analysis is to determine the presence or absence of disclosures, see for example Kamal and Deegan (2013), Haque and Deegan (2010), relating to workplace safety practices and associated performance. Depending upon whether a company discloses particular workplace safety-related information, the company is assigned either a score of 1 (for presence) or 0 (for absence) of the information. The current index gives equal weight to each indicator (there are a total of 38 indicators) and each company is assigned a total score out of 38. The total index score assigned for each organisation helps determine the correspondence, or otherwise, between stakeholder expectations of disclosure (represented by the benchmark score) and actual disclosure practices of apparel industry organisations. Whilst the analysis may be considered a subjective assessment of workplace safety-related disclosures of selected apparel industry organisations, it helps achieve the aims of the study which are to examine the quality of workplace safety-related information disclosed and to explain the extent of disclosures/accountability being demonstrated by the apparel industry.
6.2.2 Positive perspective

The positivist view is applied in this component of the research to understand, or explain, why organisations make disclosures. The study uses institutional theory (Scott, 2001, DiMaggio and Powell, 1991) to consider how the institutional environment may influence workplace safety related disclosure practices of the apparel industry.

In the aftermath of accidents leading up to Rana Plaza, global community expectations have generally increased with regards to safety in apparel supplier factories. Apparel buyers (such as Nike, Gap, Walmart, etc) are subject to a ‘western value system’ which encourages implementation of social governance initiatives such as corporate codes of conduct which are aimed at ensuring the labour and human rights of workers in apparel manufacturing factories located in developing countries. Buyers may face coercive pressures from constituents if their actions do not meet public approval. For example, negative media campaigns carried out by NGOs may lead to potential backlash such as consumer boycott of business. The institutional environment (western culture) within which apparel buyers operate influences buyers to prioritise the issue of workplace safety, and it is expected that this will be reflected in apparel buyers’ workplace safety-related disclosures. Thus, apparel buyers may be likely to publish social disclosures (among other reasons) to fulfil expected accountability, to (re)establish legitimacy, and in response to pressure from institutional constituents (Islam and Deegan, 2008, Kamal and Deegan, 2013).

Garment suppliers in Bangladesh may publish social disclosures to fulfil the information needs of a smaller group of vested stakeholders. Local stakeholders include the Bangladesh government and local financing institutions and investors, whilst the most important international stakeholder group are international buyers (Sobhani et al., 2009). Western customers – a particularly powerful stakeholder within the industry - are typically not aware of who supplies the large multinational buying organisations and hence do not tend to directly exert pressure on local suppliers. The multinational buyers who would need to know about the governance policies of their suppliers would generally obtain relevant information about suppliers through factory-focussed social audits (Islam et al., 2018). Also, in an institutional environment where there is corruption, the reliability of supplier disclosure is questionable further reinforcing the demand for third party social audits.

Other international constituents (such as human rights groups, consumer organisations, trade unions) mostly regard garment suppliers as having less power/influence with regards to changing
workplace safety conditions, and thus have little expectation about garment suppliers (De Neve, 2009). There is an acceptance that garment suppliers within a developing country such as Bangladesh will typically only embrace improved health and safety practices if they are required to do so (coerced) by the international buyers, and where failure to do so will have implications for the profitability of their business (Islam and Deegan, 2008). Garment suppliers, which operate ‘legitimately’ within the institutional environment of the RMG industry, thus face less direct community expectations and feel less constituent pressure to publish social disclosures. The pressures to which they react are generally those emanating from the global buyers who, as has been noted, typically find out information about compliance with expected governance requirements through the avenue of factory-based social audits (Kamal and Deegan, 2013, Belal and Owen, 2007).

The institutional environment surrounding local (Bangladeshi) garment suppliers is vastly different from that within which apparel buyers operate. Overall, garment suppliers do not appear to place high importance on workplace safety issues but focus more on economic issues and survival; factory owners chase profits, and workers simply need money to subsist and will not prioritise issues of safety (Haque, 2010). Such an institutional environment does not encourage publication of workplace safety-related disclosures. Whilst global buyers may publish health and safety-related information to demonstrate accountability to western society, local Bangladeshi constituents face less societal expectations with regards to accountability for workplace safety (that is, factory owners don’t want it, workers don’t demand it, and lenders don’t require it), thus garment suppliers generally would be expected to publish minimal health and safety-related information. It is expected there will be change in focus of workplace safety-related disclosures post Rana Plaza, and whilst it may be expected that there will be change in disclosures of global apparel buyers, minimal change may be expected in the disclosures of local garment suppliers.

When there is global condemnation of the apparel industry it is generally aimed at the big brands rather than the local suppliers. Media articles rarely provide the names of local suppliers but they mention the leading buyers. So, whilst there is a general ‘size argument’ in the literature that would suggest that larger multinational organisations will provide more disclosures (Kansal et al., 2014), (Baumann-Pauly et al., 2016) (more in terms of the extent of disclosure rather than the topics of disclosure) than the local suppliers, institutional theory would argue that the local suppliers will not address many safety issues in detail.
In this study, the role of the different media of disclosure used by apparel industry organisations which include corporate public reports (annual reports, sustainability reports, integrated reports) and corporate web sites is also examined. The study examines the extent of information contained within different mediums of disclosure which are published to meet the needs of various user groups.

The study objectives are to examine workplace safety related social disclosure practices of apparel industry organisations and evaluate accountability demonstrated by the apparel industry, as well as to identify institutional factors which may/may not influence workplace safety related social disclosures of the apparel industry. Based upon the objectives the study presents four propositions. Whilst the first three propositions of the study focus on corporate public reports, the fourth proposition considers web-site disclosures. Based upon the above discussion, the first proposition of the study is stated below.

**Proposition 1:** Western buying organisations will address health and safety issues within their public reports, whilst public reports of local supplier organisations will not include detailed health and safety information.

The workplace safety governance initiatives established for workplace safety following the Rana Plaza accident, the Accord and the Alliance, represent two distinct groups: European and North American apparel buying organisations respectively. Differences between CSR activity and related disclosure of North American and European organisations have been identified within the literature (Maon et al., 2017, Golob et al., 2017, Jizi et al., 2014). North American organisations have been found to generally focus more on financial and society and community issues, while European firms are the most prevalent reporters of environmental issues (Einwiller et al., 2016, Camilleri, 2015). As the Accord and the Alliance signatories are representative of leading apparel buying organisations operating within comparable institutional environments (i.e. western culture/value systems) and both groups need to: meet similar global community expectations, re-establish legitimacy following threat to the apparel industry, and respond to international constituent pressures, it may be expected that there will be little difference in workplace safety-related disclosures between the respective groups. That is, because of the particular institutional pressures that have been placed upon the industry, a general divide between the disclosures made by US organisations and European organisations is not expected, as has been previously argued within the literature. Thus, the second proposition of the study is as follows.
**Proposition 2:** Public reports of western buying organisations signatory to the Accord will address similar health and safety issues as public reports published by Alliance signatory organisations.

Disclosures contained within public reports are an important facet of (re)establishing organisational legitimacy (Deegan, 2002). In response to a legitimacy gap (the distinction between how society believes an organisation should act and a perceived failure of performance) an organisation may inform the public about changes in activity through public disclosures (Lindblom, 1994). An organisation’s legitimization strategy (which may include the implementation of social governance initiatives and the publication of social disclosures) may be influenced by pressures to comply with institutional requirements (Oliver, 1991). As discussed above, international constituents (such as human rights groups, trade and consumer associations) may apply coercive pressure upon global apparel buyers to accept new social governance initiatives. Failure to comply with workplace safety governance initiatives could lead to loss of organisational legitimacy and presents risks to business profits through potential consumer boycott. It is anticipated that in the wake of the Rana Plaza accident, institutional factors including the need to re-establish organisational legitimacy following the legitimacy threat, and constituent pressure upon global apparel buying organisations to adopt governance initiatives, will influence/motivate buyers to increase emphasis on workplace safety-related disclosures within public reports. Bangladeshi manufacturing organisations may face coercive pressures from global apparel organisations (upon whom they are dependent for orders) to accept workplace safety governance initiatives or face threat to business i.e. loss of orders from buyers. However, suppliers are not expected to make significant change in workplace safety-related disclosures within public reports post Rana Plaza as these reports are targeted mainly towards local stakeholders whilst the multinational buyers can access information from the social audits or websites. Thus, it is proposed that:

**Proposition 3:** In the post Rana Plaza period, western buying organisations will publish increased workplace safety-related information within their public reports, whereas workplace safety-related public report disclosures of local supplier organisations will reflect minimal change.

Whilst the annual report was traditionally an established medium for publishing corporate social disclosures and was used predominantly by shareholders and investors (O’Donovan, 2002), other media such as sustainability/integrated reports and corporate websites are used by a broader
range of stakeholders including trade associations, consumer groups, intergovernmental agencies and NGOs (Tagesson et al., 2009, Jose and Lee, 2007). For apparel industry organisations, both buyers and suppliers, a greater number of stakeholder groups may be reached straight away through corporate web-site disclosures in contrast to other media i.e. public reports which are only published annually/periodically. In the wake of the Rana Plaza tragedy, it would be likely that apparel buyers would seek to maintain their organisational value through adopting various legitimising strategies (such as implementing new social governance initiatives) which could then be advertised on a timelier basis to a broader range of stakeholders (through web-site disclosures). Whilst suppliers are expected to publish limited workplace safety information in their public reports (Proposition 1), relatively more information is likely to be contained on their web-sites given the websites are more likely to have an audience beyond the institutional environment of Bangladesh. Post Rana Plaza, local supplier organisations would most likely try to safeguard/expand their business by retaining existing buyers/attracting new buyers, and therefore their web-site disclosures (targeted at buyers, and in particular, perhaps potentially at new buyers) would mainly be intended to inform buyers of compliance with workplace safety governance initiatives – an issue of great concern post Rana Plaza - on a timely basis. Thus, the fourth proposition of the study is presented below.

**Proposition 4:** In the post Rana Plaza period, web-site disclosures of apparel industry organisations (apparel buyers and garment suppliers), will contain additional workplace safety-related information compared to the information contained within corporate public reports.

6.3 Research method

6.3.1 Content analysis

Content analysis is the research method most commonly used to study social and environmental disclosure of an organisation (Parker, 2014). Content analysis is defined as a research method for making replicable and valid inferences from data to their context (Krippendorff, 2012). Content analysis involves codifying qualitative and quantitative information into predefined categories to derive patterns in presentation and reporting of information (Guthrie and Abeysekera, 2006). Qualitative content analysis demands meticulous reading of documents and understanding and interpreting text in its relevant context. Quantitative content analysis summarizes inferences and insights derived from the qualitative phase in the form of numerical examination of the interpreted text units and the related categorized codes (Holzmann and
Spiegler, 2011). This study conducts both qualitative and quantitative content analysis of selected corporate social disclosures of apparel industry organisations.

### 6.3.2 Company selection and disclosures selected for analysis

The study selects organisations from two groups: global apparel buying organisations and Bangladeshi garment manufacturing organisations.

*Global apparel buying organisations:* Global apparel buying organisations are selected for the study on the basis of organisation size as size has been found to be significant and positively associated with the extent of social disclosure (Haniffa and Cooke, 2005). Organisations are selected from the Financial Times 500, which lists the world’s largest organisations, ranked by market capitalisation. The study analyses disclosures of global apparel organisations signatory to both the Alliance and the Accord, as these organisations are of relevance to the study. The organisations selected for analysis are organisations representing clothing brands (e.g. Gap, Inditex), retailers that sell apparel as a significant part of their business (e.g. Wal-Mart, M&S), and general merchandise retailers that stock apparel (e.g. Costco, Tesco). Based on publicly available data the study includes fifteen signatories of the Alliance (North American organisations) and fifteen signatories of the Accord (European organisations). Corporate disclosures were collected through firstly conducting a search for the annual report and the sustainability report of each organisation. Some organisations publish both an annual report and a sustainability report, in these cases both sets of reports were collected and reviewed. One point is given for each item of the index disclosed in the reports (if the item is disclosed in both reports, only point is given i.e. no item is double counted). Some organisations publish only one report, either an annual report or an integrated report, and in these cases one report was collected for analysis. Corporate websites were also examined for each organisation. Details of each organisation (including name, size and listing) and the disclosures collected for analysis are included in Appendix 13 (Alliance members) and Appendix 14 (Accord members).

*Bangladeshi garment manufacturing organisations:* Publicly available information on Bangladeshi garments manufacturing organisations is limited. It is interesting to note that there is only a small amount of public disclosures of Bangladeshi organisations existing, which suggests – consistent with some of the arguments presented earlier within this paper - that Bangladeshi organisations place little importance on reporting on social issues, such as the issue of workplace safety. The garments manufacturing organisations included in this study represent
both public and private organisations. In total 11 garments manufacturing organisations have been included in the study – seven public organisations and four private organisations.

Public organisations were selected from the publicly-listed organisations on the Dhaka Stock Exchange. Although Bangladesh has over 4,200 garment factories (as listed by the BGMEA on June 2016) only 44 organisations are publicly listed under the category of ‘textile industry’ and of those only six are garments manufacturing organisations or vertically integrated organisation groups that manufacture RMG. One other garment manufacturing organisation is listed separately as part of a group of organisations. Disclosures for public organisations were collected from corporate websites and in two cases by contacting and visiting corporate headquarters in Dhaka. Annual reports (for the period under study) were obtained for all public organisations, as none of the organisations published sustainability reports. All public organisations have a corporate website.

Private organisations were identified from the BGMEA members list and through on-line search for ‘largest Bangladeshi garment organisations’. Following on-line search of over 50 organisations, social disclosures were found for a limited number of private manufacturing organisations. None of the private organisations published annual or sustainability reports though all had corporate websites. All of the organisations are listed as being Accord/Alliance supplier factories. Organisation details and the disclosures selected for the study are included in Appendix 15.

The total data collected for analysis incorporates 41 organisations – 30 global apparel buying organisations (15 Accord members and 15 Alliance members) and 11 Bangladeshi garment manufacturing organisations (all Accord/Alliance listed factories). To assess the accountability of apparel industry organisations, a cross-sectional analysis of corporate reports of 2016 is conducted. To identify institutional influences upon disclosures of the apparel industry, the study conducts a longitudinal analysis covering a period before and after significant workplace accidents in the RMG industry (2011 – 2016). Further, to compare different media of disclosure, the 2016 corporate web-sites of apparel industry organisations are also studied.

6.4 Findings and discussion

The findings of the study are divided into two sections. Section 6.4.1 presents the results pertaining to the normative aspect of this research. That is, this section provides the results of the assessment of the quality of workplace safety disclosures of the apparel industry and it does
this by assessing the disclosures in terms of an index of ‘best practice’ disclosure which is developed within this chapter. Section 6.4.2 then presents the results pertaining to the positive aspect of the research. That is, it provides evidence to explain why apparel industry organisations make the disclosures they do.

6.4.1 The quality of workplace safety disclosures of the apparel industry

This section examines the quality of workplace safety-related public report disclosures (incorporating annual, sustainability, and integrated reports) published by global apparel buying organisations and Bangladeshi RMG manufacturing organisations in 2016.

Global apparel buying organisations

The findings show that apparel buyers publish varied amounts of workplace safety-related disclosures in their public reports. Whilst some individual organisations disclose very high amounts of workplace safety-related disclosures, some organisations do not make any disclosures in their public reports. However, the majority of public buying organisations (in both Alliance and Accord groups) are found to disclose significant workplace safety-related information within their corporate reports.

![Figure 6-1: Workplace safety disclosures of Alliance signatory organisations in publicly released reports of 2016](image)

Figure 6-1 presents the number of workplace safety disclosures of Alliance signatory organisations in publicly released reports of 2016. Four organisations (L.L. Bean, Giant Tiger, M. Hidiary & Co. and Ariela & Associates) are private organisations which do not publish public reports across any of the years studied. Amongst the Alliance organisations which publish public reports, two organisations (Sears and Costco) do not include any workplace safety-related information within their public report disclosures. These two organisations are general
merchandise retailers and apparel is not a main part of their business. Possibly, no workplace safety-related information is included within their public disclosures as workplace safety of apparel suppliers are considered of less import to their business. The remaining nine public organisations all publish workplace safety-related information to varying degrees. Six of these organisations publish a substantial number (more than 20 out of 38) of workplace safety disclosures. Leading Alliance organisations, Wal-Mart, Gap, Target, and Kohl’s publish detailed workplace safety information (more than 30 out of 38) in their public reports. Three organisations (Carter’s, Nordstrom and VF Corp) publish a lesser number (10 or less) of workplace safety-related disclosures. These are much smaller organisations compared to the leading organisations, which could explain why they do not publish a greater number of workplace safety disclosures within their public reports.

Figure 6-2 presents the number of workplace safety disclosures of Accord signatory organisations in publicly released reports of 2016. The disclosures of Accord signatory organisations are similar to the disclosures made by Alliance signatory organisations. Three organisations (Lidl, Aldi and Chicco) are private organisations, which do not publish any public reports. Of the 12 organisations which publish reports, seven organisations publish a large number (more than 23 out of 38) of workplace safety disclosures. H&M, C&A, Inditex, and Mango are leading Accord organisations which publish detailed workplace safety information (more than 30 out of 38) in their public reports. Two organisations, Tesco and Carrefour, publish a smaller number of workplace safety-related disclosures (15 or less). These organisations are general merchandise retailers with apparel constituting a minor part of their business, which might explain why they do not publish detailed workplace safety information within their public reports. Two Accord signatory organisations publish zero/minimal workplace safety-related information in their public reports, these are amongst the smallest signatories - Matalan publishes only 1 item of disclosure and Benetton does not publish any related disclosures.
The study results show that with exception of the general merchandise retailers and the smaller of the organisations, most of the public apparel buyer organisations (from both the Accord and the Alliance groups) are disclosing a substantial number of workplace safety disclosures. It would be idealistic to expect any company to include every item on the workplace safety disclosure index within their public reports. The leading organisations amongst both groups (the top six Alliance signatory organisations, and the top seven Accord signatories) disclose more than half of the items on the disclosure index, i.e. these organisations publish a considerable amount of workplace safety-related information. These apparel buyer organisations may be regarded as demonstrating accountability for workplace safety issues. Disclosures of these global apparel buyer organisations likely reflects their response to western society which places importance on the issue of workplace safety. It is apparent from the results that Alliance and Accord signatories publish similar workplace safety-related information in their public reports. This is expected as both the Alliance and the Accord represent similar leading western apparel buyer groups.

**Bangladeshi garment manufacturing organisations**

The study findings show that garment suppliers publish very low amounts of workplace safety-related disclosures in their public reports. Figure 6-3 presents the number of workplace safety disclosures of Bangladeshi RMG organisations in publicly released reports of 2016. Out of the 11 organisations selected for analysis, 4 organisations do not publish any public report disclosures. Of the remaining 7 manufacturing organisations, the highest number of disclosures contained in public reports is 6 and the lowest number of disclosures is 1 (out of a possible 38). The study results reveal that all of the selected garment suppliers disclose low levels of
workplace safety-related information, and thus appear to demonstrate low accountability for workplace safety. The disclosures of garment suppliers possibly reflect a developing country context, where the main focus is on economic issues and where workplace safety issues are not prioritised.

![Bar Chart](image)

**Figure 6-3:** Workplace safety disclosures of Bangladeshi RMG organisations in publicly released reports of 2016

As well as addressing the issue of assessing the accountability of apparel industry organisations, the findings of this section help to verify the first two propositions of the study.

The study results are consistent with proposition 1, where it is predicted that global buying organisations will address health and safety issues within their public reports, whilst public reports of local supplier firms will not include detailed health and safety information.

Further, the results are consistent with proposition 2, where it is predicted that public reports of global buying organisations’ signatory to the Accord will address similar health and safety issues as public reports of Alliance signatory organisations.

**6.4.2 Why apparel industry organisations publish workplace safety related disclosures**

This section examines the motivations of apparel industry organisations in publishing workplace safety related information through a study of public report disclosures published before and after the Rana Plaza incident (Proposition 3). The section also considers the workplace safety related information presented in different media of disclosure - public reports and corporate websites (Proposition 4).
6.4.2.1 Public report disclosures preceding and following the Rana Plaza accident

Global apparel buying organisations

Workplace safety-related public report disclosures of apparel buyers show an overall increase following the Rana Plaza disaster. Alliance and Accord signatories publish (similar) increase in disclosures post Rana Plaza. Figure 6-4 and Figure 6-5 show the change in different categories of disclosure published by Alliance and Accord signatories before and after the Rana Plaza accident.

**Figure 6-4:** Workplace safety disclosures (by category) in the public reports of Alliance signatory organisations

Consistent with the study expectations, overall, workplace safety-related disclosures of apparel buyers (both Alliance and Accord organisations) show an increase after the Rana Plaza accident. Whilst there is increase in all categories of disclosure, the most notable increase in disclosure following the Rana Plaza accident is in the category of ‘Occupational safety and health’. The increased disclosures in this category include fire, building and electrical safety policies implemented for supplier factories; reference to specific fire and building safety standards for

135
supplier factories in Bangladesh; and hazards in Bangladeshi supplier factories such as fire related incidents/structural problems.

Another notable increase in disclosures following the Rana Plaza accident is in the category of ‘Social compliance and monitoring’ with additional disclosures relating to supplier factory audits, factory inspections, implementation of corrective actions; and publication of detailed supplier factory safety reports.

The increase in disclosures after the Rana Plaza accident in the categories of ‘CSR strategy’, ‘Workplace safety governance’, and ‘Ethical code of conduct’ do not show any marked increase/spike with respect to any particular item of disclosure and may simply reflect an increased trend in disclosures over time.

The increase in workplace safety-related disclosures published by global apparel buying organisations immediately following the Rana Plaza disaster can potentially be attributed to several factors: coercive pressures from international stakeholders to implement new safety standards for the RMG industry, the need for buyers to regain organisational legitimacy following legitimacy threat to the industry, and the overriding motive of maintaining corporate profits.

Global media coverage of the Rana Plaza disaster and the ensuing international stakeholder condemnation of workplace conditions in garment manufacturing factories led to the introduction of new safety initiatives for the RMG industry. Within the public reports (of 2013/2014) of apparel buying organisations, there is an increased emphasis on safety in Bangladeshi supplier factories. Buyers faced coercive international stakeholder pressures (from governments and NGOs) to implement new safety standards. To protect from possible negative media coverage and potential consumer boycott or government intervention, buyers have highlighted the implementation of new safety standards and emphasised commitment to stakeholder partnerships within their disclosures.

Considering that the Accord/Alliance are major initiatives, it may be expected that apparel buyers will attempt to (re)establish their legitimacy by drawing attention to involvement in the new initiatives. All the apparel buyers make reference to their involvement in the new safety initiatives within their corporate reports. The following are typical quotes (from leading organisations in the two buyer groups) that demonstrate how buyers have emphasised their recent stakeholder collaboration and engagement efforts.
Gap Sustainability Report 2013 – 2014 (Alliance member)

While we did not source any products from factories at Rana Plaza, we were deeply affected by this tragedy and, like others throughout the world, felt a sense of urgency in preventing such a devastating event from occurring again. As a founding member of the Alliance for Bangladesh Worker Safety, we have partnered with governments, NGOs, trade unions and other brands and retailers to forge industry-wide change.

The company explains how stakeholder collaborations provide innovative solutions to complex issues the company cannot tackle on their own, for example, local stakeholder collaborations which help to identify and address factory issues when they may have more direct access and influence.

Next Corporate Responsibility Report 2014 (Accord member)

The terrible tragedies within the Bangladesh textile sector during the last two years have led to global fashion brands joining forces through the Accord on Fire and Building Safety and making commitments to promote the correct conditions for all workers employed within the manufacture of their products. NEXT is part of this commitment and recognises the importance of collaborating closely with suppliers, governments, brands and retailers, unions and NGOs to help achieve lasting change. A link to the Accord web-site is provided.

Following the Rana Plaza accident, there has been an increase in workplace safety-related public report disclosures as apparel buying organisations have emphasised the importance of stakeholder collaboration for successful implementation of new safety standards. Thus, within their disclosures apparel buyers reinforce the social benefits that accrue from joining the Accord/the Alliance.

The introduction of new workplace safety standards was arguably aimed at re-establishing legitimacy of the apparel industry following legitimacy threat. The following quotes (which are typical of the Alliance and the Accord signatory organisations) demonstrate how buyers have implemented new safety standards to maintain organisational legitimacy (i.e. retain public approval) and manage brand reputation following the Rana Plaza accident.

Wal-mart 2014 Global Responsibility Report (Alliance member)

Our hearts go out to the families of those affected by recent tragedies in apparel factories in Bangladesh. The safety record of Bangladeshi factories is very troubling, and we are doing something about it. In addition to our own safety audits, the Alliance for
Bangladesh Worker Safety that we announced last July with other retailers and suppliers is providing a results-oriented, measurable and verifiable way to dramatically improve factory safety conditions. And because transparency is an effective way of driving accountability in Bangladesh, we have made the results of more than 200 Bangladesh factory safety assessments publicly available as of March 2014.

**H & M Conscious Actions Sustainability Report 2014** (Accord member)

The collapse of the Rana Plaza building in Bangladesh in 2013 that left more than 1,100 people dead was the worst industrial accident in the history of Bangladesh and probably the entire garment industry. We were the first company to sign and support the Bangladesh Accord on Fire and Building Safety in its updated version initiated by IndustriALL and UNI Global Union. The detailed results of all inspections along with the factory names are published here. Our focus is now on securing continued remediation and making sure that any newly added factories will undergo the same initial inspections and, where required, remediation procedures.

Web-site links provided: bangladeshaccord.org; bangladeshworkersafety.org; National Tripartite Plan of Action on Fire Safety.

The sustainability reports (of 2013/2014) of apparel buyers contain additional workplace safety-related disclosures mainly relating to actions taken to improve supplier factory safety and provide links to further detailed information available on web-sites/special-purpose reports. These disclosures have been made to publicise actions taken by the company following the Rana plaza disaster (most significantly joining the new initiatives), and to re-establish corporate legitimacy in response to the global outcry against the apparel industry in regard to unsafe factory conditions in the RMG industry.

It appears evident that increased workplace safety-related information has been published as a result of the Rana Plaza accident. The findings indicate that workplace safety-related information has been published by apparel buyers more to legitimise corporate behaviour than to demonstrate accountability. If apparel buyers were demonstrating genuine accountability to society (i.e. based on stakeholders’ right to know), then workplace safety-related disclosures would have been published on a regular basis over time, regardless of large-scale industrial accidents (representing threats to legitimacy). However, it was only following the Rana Plaza accident that more detailed factory safety information (relating to safety policies, safety standards, safety audits etc.) was
included within disclosures, which may be inferred as being a result of global stakeholder pressures following the tragedy.

Buyers motivation to justify their business activities, maintain organisational value, and continue trade with Bangladesh following the Rana Plaza accident may have influenced increased emphasis on factory safety within disclosures. Additional safety disclosures of apparel buyers appear to reflect specific corporate strategy aimed at mitigating the effects of the Rana Plaza tragedy and continuing profitable business. This can be seen from the following (typical) leading buyer quotes.

*Inditex Integrated Report 2014* (Accord member)

Although Inditex had no commercial relationship with any of the factories in Rana Plaza, the company took part from the outset in the initiatives which emerged from the tragedy to palliate the consequences of the collapse.

The company details its affiliation with various industry initiatives with a specific section: Evolution of the Accord on Fire and Building Safety in the Textile Industry in Bangladesh.

*Target Corporate Responsibility Report 2013* (Alliance member)

The April 2013 collapse of Rana Plaza, a building housing garment factories in Dhaka, Bangladesh, was one more tragic consequence of unsafe working conditions... We had no production history with the factories in Rana Plaza... Faced with the choice of pulling our business from the country or joining the effort to improve safety conditions there, we chose to remain in the country as a force for change.

Details of Alliance activities and commitments, and link to Alliance progress report are included.

The findings show that workplace safety-related disclosures of apparel buyers have increased following the Rana Plaza disaster. Apparel buyers attempt to create a distance from the tragedy by mentioning that they have no direct relationship with factories in the Rana Plaza building. Stakeholder pressure and buyers motivation to maintain legitimacy following the Rana Plaza accident and sustain corporate profits appear to have influenced adoption of new safety standards and increased emphasis on factory safety within public report disclosures.
**Bangladeshi garment manufacturing organisations**

Following the Rana Plaza accident there is some change in workplace safety-related public report disclosures published by garment suppliers. Figure 6-6 shows the change in different categories of disclosure published by garment suppliers before and after the Rana Plaza accident.

![Graph showing workplace safety disclosures by category](image)

**Figure 6-6: Workplace safety disclosures (by category) published in the public reports of Bangladeshi RMG organisations**

Consistent with the study expectations, overall, workplace safety-related disclosures of garment suppliers are low and do not increase markedly over time. For the period before and after the Rana Plaza accident disclosures in the category of ‘CSR strategy’ and ‘Workplace safety governance’ remain constant, ‘Ethical code of conduct’ disclosures are nil, and there is minimal increase in ‘Social compliance and monitoring’ disclosures. The category ‘Occupational safety and health’ is the only category showing an increase immediately following the accident. This increase in disclosure relates to mention of the Rana Plaza accident and the introduction of new fire and building safety standards in factories. The trend in workplace safety disclosures remains similar in 2016, except for a decrease in the category ‘Occupational safety and health’ with no further reference to factory fire/building collapse in the RMG industry.

The increase in workplace safety-related disclosures published by RMG manufacturing organisations immediately following the Rana Plaza accident could be attributed to coercive buyer pressure to adopt new safety standards, and the basic need for suppliers to ensure business survival. Manufacturers’ compliance with new safety standards for the RMG industry may well be attributed to coercive pressure applied by buyers. Supplier organisations, dependent upon orders from apparel buyers, have adopted new safety standards and consequently stressed their compliance with factory safety standards within disclosures. The following is a typical quote (the
only mention of the Rana Plaza incident in the report) that refers to the influence of buyer pressure in adopting new safety standards.

**Stylecraft 31st Annual Report 2014, Directors’ Report**

*Since the devastating incident of Rana Plaza, the RMG sector went through extreme pressure from different International Brands to comply the Compliance Standards. Therefore, we have taken huge cost related steps to upgrade our facility with required remediation to meet the Standards, to maintain our goodwill with the Brands and to keep our production level steady.*

Coercive buyer pressure to implement new workplace safety standards thus appears to influence an increased emphasis on efforts to improve factory safety within disclosures. The above quote also reveals suppliers economic focus for adopting new initiatives, i.e. to secure their business survival. Reference is made to the (huge) costs incurred and the positive effects this will have for goodwill and production – however, unfortunately, there is no mention of enhanced safety for workers!

Basically, RMG organisations appear to have implemented new workplace safety standards to ensure survival of their business. Additional workplace safety-related information published following the accident (i.e. disclosures of 2013 and 2014) emphasise the need to comply with new fire and building safety standards. There is no mention of the human tragedy or factory conditions/circumstances leading to the disaster. The following typical quotes (once again, the single mention of the Rana Plaza accident within the reports) exemplify how suppliers main objective appear to be to hold on to buyers, increase profits and thus ensure future business existence/survival.


*Recent high fatality factory fires and a building collapse have exposed the hazards workers face and also severely tarnished the industry’s image. Bangladesh must act now to articulate and enforce improved standards for building safety and worker health and security, so that garments industry can continue to grow.*

**Stylecraft 31st Annual Report 2014, Directors’ Report**

*The year 2013-2014 has been an antagonistic one for the Company. The unfortunate Rana Plaza incident has shaken the whole garments industry of the country. The worst impact of this incident was that, we almost lost our bargaining power with the buyers....*
profit for the year did not significantly increase. We hope investment in our newly built complied factory building should retain and attract buyers in the future.

Suppliers intention to protect their business interests (and apparent disregard for workers’ health and safety) may be seen as a reflection of the cultural/normative environment of Bangladesh where local values do not seem to embrace the importance of worker safety, and standard operating procedures and ‘accepted ways’ of doing things are generally all inconsistent with advancing workers’ rights (an issue explored in study 1 and 2). This further indicates that suppliers may need to be continually coerced to establish a safe environment. For garment suppliers, the end objective appears to be to maintain profits rather than to improve workplace safety - if suppliers implement new safety standards, buyers will continue to place orders and suppliers can continue profitable business. Buyer pressure and manufacturers’ motivation to ensure continued business with buyers has thus influenced adoption of new safety standards and led to the mention of safety standards within disclosures (i.e. in the Annual Reports of 2013/2014). However, the findings demonstrate that overall, there is minimal change in workplace safety-related disclosures of garment suppliers following the Rana Plaza disaster.

The comparison of public report disclosures before and after the Rana Plaza accident shows the change in workplace safety-related information published by the apparel industry. Following the Rana Plaza accident, leading apparel buyers (from both the Accord and the Alliance groups) can be seen to have published increased workplace safety-related disclosures, notably in the categories of ‘Occupational safety and health’ and ‘Social compliance and monitoring’ (details of disclosure included in Appendix 16, table 16.1 and 16.2). Comparatively, all garment suppliers publish limited workplace safety disclosures. Immediately following the accident, supplier organisations acknowledge that new safety standards were adopted for the factories, but from the following year onwards, there is no further mention of the Rana Plaza accident (details of disclosure included in Appendix 16, table 16.3).

Results are consistent with the third proposition of the study where it is predicted that in the post Rana Plaza period, apparel buyers will publish increased workplace safety-related information within their public reports, whilst workplace safety-related public report disclosures of garment suppliers will reflect minimal change. In the case of apparel buyers, most organisations (with exception in the case of several smaller organisations) publish increased workplace safety information. In the case of garment suppliers, the organisations do not publish any significant increase in workplace safety-related disclosures. The findings point to differences in the
institutional environment within which buyers and suppliers operate which influence their respective disclosures. In the case of garment buyers, the western environment which prioritises workplace safety leads to increased emphasis on workplace safety information within disclosures, whereas, garment suppliers which operate in a developing country place minimal importance on workplace safety issues, and tend to publish limited workplace safety related disclosures.

6.4.2.2 Media of disclosure

Global apparel buying organisations

All apparel buying organisations use the corporate web-site to publish workplace safety-related information. Overall, apparel buyers publish a greater number of disclosures on their corporate websites than within their public reports (details of disclosure included in Appendix 17, table 17.1 and 17.2). Alliance and Accord signatories disclose similar levels of workplace safety information on their corporate web-sites. For the 15 Alliance member organisations, the total number of workplace safety-related disclosures contained within 2016 websites are 300 out of a possible 570 (38*15) disclosures. This is greater than the total number of 2016 public report disclosures which is 201 (out of 570). For the 15 Accord organisations, the total number of workplace safety-related disclosures contained within 2016 websites are 337, out of a possible 570 - greater than the total number of 2016 public report disclosures which is 255 (out of 570).

The difference between workplace safety disclosures of apparel buyers (Alliance and Accord signatory organisations) within public reports and websites of 2016 can be seen from Figure 6-7 and Figure 6-8. Some interesting trends can be observed.

Figure 6-7: Workplace safety disclosures of Alliance signatory organisations in corporate reports and web-sites of 2016
The leading organisations (the top 5 Alliance members and 6 of the top Accord members) publish comparably high extent of workplace safety information both within their corporate reports and on corporate web-sites. The organisations all publish sustainability reports. These top organisations appear to place equal importance on workplace safety issues in both medium of disclosure, the corporate reports and the web.

The smaller organisations (Carters, Nordstrom, VF, Matalan, Benetton) all of which publish low levels of workplace safety information in their public reports, publish more extensive disclosures on their web-sites. For example, VF Corp (Alliance) annual report contains limited number (3) of workplace safety disclosures, whilst the corporate website contains substantial (35) disclosures. Benetton (Accord) provides no sustainability information in their annual report but publishes workplace safety-related information (24) on their corporate web-site. Similarly, the general merchandise retailers (Sears, Costco, Tesco, Carrefour) which publish zero/less disclosure in their reports, publish higher safety disclosures on their web-sites. For example, Sears (Alliance) includes no safety information in the annual report but discloses high (23) number of safety information on the web-site. The sustainability report of Carrefour (Accord) contains some workplace safety information (10), whilst the company website contains additional disclosures (16). It is interesting to note that most of these organisations publish annual reports only. An area for future research may be to investigate why the difference between corporate report and web-site disclosures are so large for some organisations.

Web-sites appear to be particularly useful for private organisations which do not publish any public reports. The private organisations (Alliance members - M. Hidiary & Co., Ariela & Associates and Accord members - Lidl, Aldi, Chicco) all use the corporate web-site to disclose...
varying extent of workplace safety-related information. By disclosing workplace safety-related information on their web-sites, these organisations make information available to a broad range of stakeholders.

The findings show that whilst some of the leading apparel buyer organisations disclose similar workplace safety information on web-sites and in reports, web-site disclosures of majority of the apparel buyers (including the smaller organisations, private organisations, and general merchandise retailers) contain more detailed workplace safety-related information than the information contained within corporate reports. Website disclosures can thus be seen to be an important media for publicising workplace safety information for the apparel industry.

**Bangladeshi garment manufacturing organisations**

All RMG manufacturing organisations use the corporate web-site to publish workplace safety-related information. For the garment organisations, the total amount of workplace safety-related information released on corporate websites is markedly higher than the workplace safety disclosures published within corporate annual reports (details of disclosure included in Appendix 17, table 17.3). The total number of disclosures contained within 2016 websites is 106 out of a possible 418 (38*11) disclosures. Whereas the total number of disclosures contained within the 2016 annual reports is 28 (out of 418). Garment suppliers appear to use the corporate web-site to publish more workplace safety-related information compared to information contained within the annual reports (see Figure 6-9).

![Figure 6-9: Workplace safety disclosures of Bangladeshi RMG organisations in corporate reports and web-sites of 2016](image)

Significantly, web-site disclosures of almost all of the Bangladeshi RMG manufacturing organisations contain more workplace safety-related information compared to information
contained within annual reports. There is great disparity in the extent of disclosures provided on web-sites and in the annual report. It is interesting to note that the four private company groups (Ha-Meem Group, Ananta Group, Mohammadi Group, and MJ Group) which do not publish corporate annual reports, all disclose workplace safety-related information to various extent (between 3 to 18 items of disclosure) on their corporate web-sites. These private organisations appear to use the corporate web-site to disclose information of relevance to potential buyers specifically including information regarding implementation of industry/buyer standards and factory safety policies.

Public organisations which publish some workplace safety information in the annual report, publish further disclosures which appear to be aimed at buyers, on their web-site. Square Textiles publishes only 5 items of disclosure in the annual report but makes 16 safety disclosures on the corporate web-site. Additional information disclosed on the web-site includes details of buyer codes of conduct implemented in the factory. Generation Next Fashion publishes 4 items of disclosure in the annual report but discloses additional information, 14 safety disclosures, on the corporate web-site. Further information disclosed on the web-site includes industry regulation, international standards, and buyer codes of conduct followed in the factory, and fire and building safety policies of the company. Additional disclosures contained on the web-sites of Apex and Stylecraft specifically refer to buyer requirements and include information relating to factory compliance with international standards of the ILO, and common factory certifications such as WRAP, BSCI, SEDEX, and buyer codes of conduct. Findings demonstrate that garment suppliers publish more workplace safety-related disclosures, which appear to be aimed at buyers, on their corporate web-sites than in their annual reports.

Overall, both apparel buyers and garment suppliers use corporate web-sites to publish more workplace safety-related information than is contained within corporate reports. All corporate websites have link to the annual/sustainability report. In addition, more updated information is contained on the web-site. A greater number of stakeholders may be reached through corporate web-site disclosures in contrast to more traditional media such as the annual report. Also, around the time of a major crisis website disclosures can be expected to be timelier. Private organisations that do not publish corporate public reports or public organisations that do not include any workplace safety-related information within their corporate reports may use the corporate web-site to disclose up-to-date workplace safety-related information. Organisations may publish information on web-sites as they are targeting a wider user group/audience – not just traditional users of public reports such as shareholders, investors, government authorities, and financing
bodies but more diverse stakeholder groups such as NGOs, consumer, advocacy, trade, and human rights groups.

The corporate web-site appears to be the most common media of disclosure used by organisations to convey workplace safety-related information. The implication of this finding is that a broader range of stakeholders may consider/rely upon the corporate web-site as the best channel to obtain relevant/up-to-date workplace safety-related information.

Thus, the results appear consistent with the final proposition of the study where it is predicted that in the post Rana Plaza period, web-site disclosures of apparel industry organisations (apparel buyers and garment suppliers) will contain additional workplace safety-related information compared to the information contained within corporate public reports.

6.5 Conclusion

Following the Rana Plaza accident, the issue of workplace safety in the Bangladesh RMG industry has received increased global attention. This study determines whether the apparel industry appears to have addressed its accountability with regards to safety within garment manufacturing factories. Information regarding the implementation of workplace safety-related practices and policies are contained within corporate social disclosures of the apparel industry. The study analyses corporate social disclosure practices of the apparel industry before and after latest large-scale tragedy in Bangladesh. Specifically, the study examines workplace safety-related disclosures published by apparel buyers and garment suppliers; looks at disclosures of Accord and Alliance signatories; considers institutional factors which influence workplace safety-related disclosures of the apparel industry; and compares different mediums of disclosure.

The study constructs a benchmark index to measure workplace safety practices and related performance of apparel industry organisations. Categories of workplace safety disclosure include: CSR strategy, workplace safety governance, ethical code of conduct, occupational safety and health, and social compliance and monitoring. Findings show the majority of leading global apparel buyers address substantial workplace safety-related issues within their social disclosures. Further, Accord and Alliance signatory organisations both address similar health and safety issues within their disclosures. The extent of workplace safety-related disclosures published by buying organisations may reflect buyers’ response to the expectations of western society which places growing importance on the issue of workplace safety. This is an indication that global buying organisations respond to societal pressures and highlights the important role of
organisations (such as NGOs, trade unions, and consumer associations) in instigating change in organisational behaviour. Overall, apparel buyers appear to give the impression of fulfilling their accountability in relation to implementing workplace safety-related policies/practices within garment manufacturing factories. Bangladeshi garment suppliers do not include detailed health and safety information within their disclosures. The limited extent of workplace safety-related disclosures published by supplier organisations likely reveals that suppliers do not face much expectation/pressure from local stakeholders who do not prioritise workplace safety issues. Thus, it appears that despite concerted global stakeholder efforts/involvement to improve safety conditions in the RMG industry following the Rana Plaza disaster, garment suppliers demonstrate poor accountability in relation to implementing workplace safety-related policies/practices. The study finds that whilst disclosures of apparel buyers indicate that they appear to be concentrating on improving workplace safety, garment suppliers do not seem to be focussed on workplace safety.

The study applies institutional theory to determine factors that may influence workplace safety-related disclosures of the apparel industry. The study finds that following the Rana Plaza accident, all apparel buyers publish increased workplace safety-related disclosures, whilst disclosures of local suppliers only show nominal change immediately following the accident - when the adoption of new workplace safety initiatives are mentioned. The study findings suggest that safety initiatives have been implemented by apparel industry organisations due to external institutional factors including legitimacy threats and stakeholder pressures, which are linked to the drive to continue profitable business.

Further, the study finds that of the various media used to publish workplace safety-related information including public corporate reports (annual, sustainability, and integrated reports) and corporate web-sites, the most popular media of disclosure is the corporate web-site. There is significant difference between workplace safety disclosures contained within public reports and on corporate web-sites. Whilst traditional disclosure medium such as the annual report focus on requirements of investors, financial institutions and regulatory bodies, web-site disclosures target a wider user group including NGOs representing consumer, advocacy, trade, and human rights associations. Web-site disclosures generally contain links to public corporate reports as well as containing more specific and up-dated/timely information.

Overall, this component of the broader thesis considers how apparel industry organisations account for workplace safety in the RMG industry and offers insights into organisational
motivations for publishing workplace safety-related disclosures. A workplace safety disclosure index is constructed to measure the quality of workplace safety disclosures produced by apparel industry organisations. The index is used as a benchmark to help determine accountability demonstrated by the apparel industry. The index constructed for this research may be further applied to assess workplace safety practices of other apparel industry organisations. Workplace safety in the global apparel industry is a socially significant topic, and research in this area is essential to highlight the issue, to motivate further investigation of the problem, and to encourage positive change in industry practices.

The findings of the previous studies (study 1 and 2) identify the legitimacy concerns faced by the apparel industry, which appeared to have arisen due to the international stakeholder pressures faced by global apparel buyers and the subsequent pressure of buyers upon garment suppliers. The previous studies find that buyers were concerned with maintaining brand reputation and avoiding potential consumer boycott, whilst the suppliers were concerned primarily with survival of their business. The apparel industry response to these pressures are examined further (in this study) through analysis of disclosures of the apparel industry before and after the Rana Plaza accident. The study findings show that workplace safety-related disclosures increase post Rana Plaza. The findings of this study imply that the accountability demonstrated by the apparel industry following the Rana Plaza accident does not reflect a genuine concern for workplace safety; rather accountability has been demonstrated by organisations mainly due to legitimacy concerns and institutional pressures. To improve safety in the RMG industry, continued pressure and involvement of global stakeholder groups (such as NGOs, trade unions, human rights and labour groups) are essential. As established in the findings of the previous studies (chapter 4 and chapter 5), only a shift in business culture - beyond focus on profit maximisation towards developing a ‘culture of safety’ in the apparel industry – can help build up awareness/concern for workplace safety issues, which may lead to actual improvement in safety conditions over time. Thus, introduction of new safety standards for the RMG industry (changes in the regulative pillar) must be supported by introducing safety education and training so as to influence social norms and values regarding safety for the long term (changes in the cultural/cognitive and normative pillars). Only change in organisational safety culture can lead to change in RMG industry safety conditions and to increased workplace safety-related disclosures, which would suggest a greater accountability of apparel industry organisations for workplace safety in the Bangladesh RMG industry.
7 Conclusions

7.1 Introduction

This research examines the CSR strategy of the apparel industry following large-scale industrial accidents in Bangladesh. The research considers the responsibility and accountability of apparel industry organisations for ensuring workplace safety in the Bangladesh RMG industry. The research looks at implementation of workplace safety governance initiatives from different stakeholder perspectives including those of global apparel organisations and Bangladeshi garment manufacturing organisations and international and Bangladeshi NGOs. The research also studies workplace safety-related corporate social disclosure practices of the apparel industry.

Workplace safety in the Bangladesh RMG industry is an issue of significance for a diverse group of stakeholders - from workers in Bangladeshi RMG manufacturing factories to global consumers of apparel made in Bangladesh. The research findings are particularly relevant in the wake of latest unparalleled disasters in the Bangladesh garments industry, the Tazreen Fashions factory fire and the Rana Plaza building collapse.

The research consists of three distinct studies, which are presented in three separate chapters of the thesis - chapters 4, 5, and 6 respectively. The first two studies consider the social responsibility of apparel industry organisations for improving safety conditions of the RMG industry. The first study investigates the implementation of workplace safety governance initiatives in garment factories through a series of interviews conducted with managers of global apparel buying organisations (which source from Bangladesh) and with managers of Bangladeshi garment manufacturing organisations. The second study further validates/extends these findings through a succession of interviews with representatives of local and international NGOS working to improve safety conditions in the Bangladesh RMG industry. The third study considers the accountability of apparel industry organisations regarding the issue of workplace safety in the RMG industry through analysis of workplace safety related disclosure practices of the apparel industry.

The first study (chapter 4) examines implementation of workplace safety governance initiatives introduced following major industrial accidents in the Bangladesh RMG industry and investigates whether new safety standards have been perceived to have led to improved safety conditions in supplier factories. The study establishes that institutional factors including limitations of existing governance structure, legitimacy crisis facing the industry, and societal...
pressures upon apparel industry organisations led to the introduction of workplace safety governance initiatives. The findings indicate that in spite of apparent improvements in RMG factory safety, change in the industry requires more than simply introducing changes in regulation, but calls for a need to understand/address the underlying culture of business and society of Bangladesh.

The second study (chapter 5) further investigates the effects of implementing workplace safety governance initiatives for the Bangladesh RMG industry from an alternate stakeholder perspective. The study examines the constituent pressures faced by apparel industry organisations in the wake of industrial disasters, perceived change in the RMG industry following introduction of workplace safety governance initiatives, environmental/societal factors which impact upon the effective/successful implementation of workplace safety governance initiatives, and requirements for long-term sustainability of workplace safety governance initiatives. Reinforcing the findings of study 1, the results of study 2 confirm that despite constituent pressures to improve RMG factory safety conditions, the effectiveness of workplace safety governance initiatives is perceived to be hampered due to local cultural issues. The findings draw attention to the inadequate enforcement and monitoring of various forms of governance and realities of the Bangladeshi socio-cultural environment which may potentially impede long-term improvement in safety conditions in the RMG industry.

The third study (chapter 6) considers how apparel industry organisations account for the issue of workplace safety in the RMG industry and offers insight into organisational motivations for publishing workplace safety related disclosures. The study findings show that global apparel buyers appear to demonstrate reasonable accountability for workplace safety in the RMG industry, compared to poor accountability demonstrated by Bangladeshi garment manufacturers. The study finds that the legitimacy threat and global stakeholder pressures faced by the apparel industry following recent industrial disasters have led to increased emphasis on workplace safety in apparel industry disclosures. The results suggest that change in organisational workplace safety culture/norms which may lead to change in workplace safety conditions over time (as suggested in study 1 and 2) may be reflected in change in workplace safety related disclosures and a demonstrated accountability for workplace safety.

This concluding chapter of this thesis presents the research findings, contributions and implications, the limitations of the research, and future potential research directions.
7.2 Research findings, contributions and implications

In this section, the main findings and contributions of the research are outlined separately for each study.

**Study 1**: Study 1 examines how a major industrial crisis in the Bangladesh RMG industry led to the introduction of workplace safety governance initiatives and investigates (any) subsequent changes relating to workplace safety in the RMG industry. The study investigates how the changing institutional environment has influenced the CSR strategy of apparel industry organisations and whether and how change has occurred in organisational behaviour with regard to workplace safety. Study findings are from a managerial stakeholder perspective. The study findings and contributions are outlined below.

**Study 1 findings**

The main motivation of apparel buying organisations for promoting the workplace safety governance initiatives within the Bangladesh RMG industry appears to be because of the threats to the legitimacy of the industry and to their respective organisations. Whilst there did seem to be a level of concern for worker health and safety, low costs emerge as an all-important factor in purchasing decisions and it appears that if there had not been such a major international reaction to the recent disasters within Bangladesh then major change would not have been promoted.

The study finds that local suppliers are not really embracing the real need for ongoing improvements in workplace health and safety other than as necessary to ensure the survival of their business. What appeared obvious is that without ongoing pressure, attention to workers’ health and safety will wane.

With respect to any apparent changes in the industry, it seems that there have been real improvements in workplace health and safety in the RMG industry of Bangladesh following the establishment of workplace safety governance initiatives. Of note is that the improvements were greater in the earlier stages (when arguably threats to legitimacy were very high and some swift action needed to be demonstrated) but seemed to slow down with time. Without ongoing pressure and international attention, it would not be unreasonable to argue that it is likely that future improvements will be problematic.

The study raises the issue of whether the prevailing institutional pillars (and related notions of legitimacy) within the Bangladesh RMG industry are likely to work with, or against, any quest to improve workplace health and safety. The study findings offer the very real impression that
the cultural and normative influences within Bangladesh will work against ongoing efforts to improve workplace health and safety. What seems obvious from the study is that a preoccupation with rules and laws, particularly those developed within a different cultural/normative context, will not produce the desired results. Attention needs to be given to changing ‘ways of thinking’ in relation to health and safety. Coercive pressure alone is not sufficient, though it can provide short term change.

The study considers whether it is naïve to believe that the recently developed workplace health and safety policies - developed in large part by western participants – will provide long term solutions to problems endemic in the Bangladesh RMG industry. The findings suggest that it is indeed very naïve to have such a belief. Sustained change requires not only a change to laws/regulations/codes but also the concurrent use of education, training and the exposure of locals to different philosophies of social responsibilities. Changing various cultural and normative views/beliefs cannot occur ‘overnight’ or within limited timeframes – such as the five-year periods embraced within The Accord and The Alliance.

**Study 1 contribution**

*Theoretical contribution:* The study applies institutional theory to offer broad insight into CSR strategy of the apparel industry. To the best of the researchers’ knowledge this is the first study that examines institutional factors that have influenced adoption of workplace safety governance initiatives post Rana Plaza and looks at subsequent impact of new initiatives on safety conditions in Bangladeshi garment factories. The study shows that apparel industry organisations reacted to pressure from powerful stakeholders, apparel buyers responded to international NGOs who have power to cause bad publicity which may lead to business boycott/government intervention, and garment suppliers responded to subsequent pressure from apparel buyers upon whom they are dependent for orders. The study findings establish that apparel industry organisations adopted workplace safety governance initiatives to re-establish legitimacy in the wake of legitimacy threat to the industry and to individual organisations. However, the study implies that introduction of workplace safety governance initiatives (regulative pillar) will only serve to re-establish legitimacy in the immediate run, and local culture/norms (cultural/normative pillars) need to be addressed to introduce real/long-term change in the RMG industry.

**Study 2:** Study 2 reinforces the findings of study 1 by presenting an influential, third-party perspective evaluating workplace safety conditions in the RMG industry following introduction of workplace safety governance initiatives. The study findings are from an NGO perspective.
Study 2 examines the existing state of the RMG industry, specifically looking at constituent influence on apparel industry organisations, apparent changes in factory safety, institutional factors which influence effective implementation of social governance initiatives, and requirements for long-term sustainability of workplace safety governance initiatives. Study findings and contributions are presented below.

**Study 2 findings**

Corresponding with the responses of managerial stakeholders (study 1), NGO representatives confirm that from their perspective apparel buying organisations appear to have adopted new workplace safety initiatives post Rana Plaza as a result of the legitimacy crisis facing the industry and the individual buying firms. Low product costs appear as the primary attraction for sourcing clothing from Bangladesh, and whilst safety issues in garment manufacturing factories are being addressed, this has occurred mainly due to the pressure arising from global condemnation of the industry. RMG manufacturing organisations are evidently implementing new safety standards out of a need to comply with buyer requirements. Continued involvement/influence of powerful local and western industry stakeholders are considered essential to ensure lasting improvement in safety conditions in the RMG industry.

NGOs responses are also consistent with those of buyers/suppliers with regards to improvements in RMG industry safety following implementation of new safety initiatives. All interview respondents agree that following the initial factory inspection phase remedial measures are being implemented very slowly, and without further stakeholder pressure sustained improvement in industry safety is doubtful. Major challenges to the effective implementation of workplace safety governance initiatives are linked to irregularities within the local business culture. Introduction of western-based regulations is viewed as a temporary solution for improving industry safety. In addition to the introduction of regulations, other socio-cultural factors also need to be considered. NGOs emphasize that workplace safety governance initiatives cannot be effective within a developing country context without consideration of differences in local norms/values. To promote real change in the RMG industry, local attitudes and behaviours in relation to workplace safety need to be developed. In considering whether workplace safety governance initiatives will be sustainable in the long run, the study findings suggest that coercive pressures to implement new regulation will not be sufficient to improve RMG safety, a mind-set change is essential on the part of both buyers and suppliers, i.e. a ‘culture of safety’ will need to be nurtured in the apparel industry. This may be possible through broadening the scope of the new safety initiatives.
to encompass training and education for all supplier organisations in Bangladesh as well as for other local industry stakeholders, and by extending the time period of the initiatives so as to allow establishment of long-term organisational safety strategy.

Study 2 contribution

Theoretical contribution: There is limited empirical research examining effectiveness of governance structures of the apparel industry post Rana Plaza, and this study which is based on an NGO perspective contributes to the emerging literature in this area. Whilst recent studies (such as Sinkovics et al., 2016, Siddiqui and Uddin, 2016) have examined the introduction of workplace safety governance initiatives, this study offers unique contribution to the literature by applying institutional theory to explain constituent influence upon workplace safety governance initiatives of the RMG industry. The study findings, which support the findings of study 1, establish that apparel industry organisations have implemented new safety standards to maintain legitimacy (i.e. to gain societal approval) and in response to industry pressures. The results imply that recent changes which can be seen in the industry will only continue if continuous pressure is maintained. However, lasting changes/improvements to RMG industry safety requires more than simply introducing workplace safety governance initiatives (regulative pillars), the underlying safety culture and norms (cultural/cognitive and normative pillars) must also be developed to sustain long-term change. The research findings suggest that long-term strategies for safety require increased investment in safety initiatives (on the part of both buyers and suppliers) and should incorporate increased safety training and education for local industry stakeholders.

Study 3: The findings of study 1 and study 2 establish the motivations of apparel industry organisations in implementing and adopting workplace safety governance initiatives, which for global apparel buyers is to maintain organisational value, and for Bangladeshi garment manufacturers is to ensure business survival. Study 3 extends the scope of the research to examine how apparel industry organisations report on their workplace safety practices and policies and offers additional insights into organisational motivations for publishing workplace safety related disclosures. A workplace safety index, which is based upon apparel industry standards, is constructed to examine the workplace safety related disclosure practices of apparel industry organisations for a period surrounding major industrial accidents. Study findings and contributions are stated below.
Study 3 findings

The findings show that following the Rana Plaza accident, global apparel buyers publish considerable workplace safety disclosure, which suggests that buyers appear to be fulfilling their accountability in relation to introducing workplace safety-related policies within garment manufacturing factories. In contrast, Bangladeshi garment suppliers publish low levels of disclosure, and thus demonstrate poor accountability in relation to implementing workplace safety policies/practices. The study further establishes that both apparel buyers and garment suppliers publish increased workplace safety related disclosures following the Rana Plaza tragedy, which suggests that safety initiatives have been implemented due to external institutional factors including legitimacy threats and stakeholder pressures and are linked to the drive to continue profitable business. Thus, consistent with the study expectations, there is a spike in workplace safety-related disclosures of the apparel industry post Rana Plaza. The findings imply that the accountability demonstrated by the apparel industry following the Rana Plaza incident does not reflect a genuine concern for workplace safety; rather accountability has been accepted by organisations due to institutional pressures.

The research findings indicate that the introduction of workplace safety governance initiatives and the publication of workplace safety related disclosures may be attributed to external institutional pressures. It may thus be concluded that without a shift in business mind-set/organisational culture - beyond the profit maximisation objective towards establishing a ‘culture of safety’ there can be no real change in safety conditions in the RMG industry (as is suggested in study 1 and study 2). Only a change in industry mind-set may lead to actual change in RMG industry safety, which may be reflected in workplace safety-related disclosures of the apparel industry.

Study 3 contribution

Theoretical contribution: This study contributes to the social and environmental accounting literature by providing an overview of workplace safety related disclosure practices of apparel industry organisations and helps to establish whether apparel industry organisations appear to be embracing an accountability to society (with respect to the issue of workplace safety). The study applies institutional theory to determine factors that have influenced workplace safety related disclosures of the apparel industry. To the best of the researchers’ knowledge, no study has examined workplace safety related disclosure practices of the apparel industry, particularly in light of the latest industry tragedies.
A workplace safety disclosure index is constructed to measure the quality of workplace safety disclosures produced by apparel industry organisations. The index is used as a benchmark to establish whether organisations fulfill their accountability. The study findings determine the reasons why accountability may (or may not) be demonstrated by the apparel industry. The index constructed for this research may be further applied to assess workplace safety practices of other apparel industry organisations. Workplace safety in the global apparel industry is a socially significant topic, and research in this area is essential to highlight the issue, to motivate further investigation of the problem, and to encourage positive change in industry practices.

**Overall findings and contribution of the research**

The results of the three individual studies may be considered together. The overall findings of the thesis are summarised as follows.

The research examines the CSR strategy implemented by the global apparel industry following legitimacy crisis facing the industry and the individual apparel industry organisations. CSR strategy of the industry includes the implementation of social governance initiatives and the publication of social disclosures. Workplace safety governance initiatives were collectively introduced by international stakeholders of the apparel industry (including NGOs, trade unions, human rights groups) in the wake of the Rana Plaza disaster. Apparel industry organisations were pressured to accept workplace safety governance initiatives - global apparel buying organisations faced pressure from western stakeholder groups, whilst local garment manufacturing organisations subsequently faced pressure from buying organisations. The implementation of workplace safety governance initiatives served to re-establish legitimacy for the industry/individual organisations. However, despite apparent improvements in RMG industry safety, findings suggest that changes in safety and restoring the legitimacy of the industry will be short-term at best. The effective implementation of western-based standards introduced for the Bangladesh RMG industry is impeded due to the socio-cultural realities prevalent in a developing country context. The local culture and norms will impact on implementation of workplace safety governance initiatives. Regulation cannot be effective on its own, and further investment in the RMG industry (including resources, training, and education) is required to develop a ‘safety culture’ in the industry. However, increased investments will lead to increase costs which may discourage improvements in safety. Yet, to maintain the legitimacy of the industry, safety must be prioritised over profits. For successful implementation of workplace safety governance initiatives and to ensure long-term safety in the industry, stakeholder pressures must be maintained, whilst mind-set change of apparel buyers and garment suppliers is essential.
The analysis of corporate social disclosures of the apparel industry published post Rana Plaza shows that apparel buyers disclose considerable workplace safety related information (suggesting that buyers appear to demonstrate accountability) whilst garment suppliers disclose a low amount of information (demonstrating poor accountability). Both apparel buyers and garment suppliers publish increased disclosures following the Rana Plaza accident. The increase in disclosures is potentially attributable to the legitimacy threats and stakeholder pressures faced by apparel industry organisations. Thus, it appears that social disclosures of the apparel industry reflect primarily a profit-motivated corporate mentality rather than any real concern for workplace safety. As has been established by the research, improvement in safety conditions in the RMG industry requires change in organisational safety culture/norms. Only if workplace safety is prioritised and a safety culture established in the industry, will safety conditions really improve. If organisations accept their accountability to society, this will be reflected in change in disclosures. Workplace safety related information published by the apparel industry that are independent of societal influence/pressure will represent a genuine accountability for workplace safety in garment manufacturing factories.

The application of institutional theory in this thesis provides rationale for why organisations behave in socially responsible ways as well as broad insight into the feasibility of implementing western-based social governance initiatives in a developing country.

Research implications

Practical and policy contributions: The key implications of this research point towards actions which need to be taken by main apparel industry stakeholders (apparel buyers, garment suppliers, and NGOs) if safety conditions in the RMG industry are to improve in the long term. The objective of the research is to highlight unsafe working conditions in garment manufacturing factories and identify critical factors impeding efforts towards change. Improved apparel industry safety will lead to decrease in accidents and reduce casualties in garment manufacturing factories and address human rights abuses (i.e. unsafe working conditions) faced by garment factory workers. The research findings emphasise that active engagement of buyers, suppliers and NGOs is critical to ensure positive long-term change in factory safety conditions. The achievements of the latest safety initiatives can be considered to have placed the RMG industry at an intermediary stage, which may either progress towards a safer workplace or regress back to hazardous factory safety conditions. Apparel industry organisations, both apparel buyers and garment suppliers, have been involved in introducing and adopting workplace safety governance initiatives for the RMG industry (Ansary and Barua, 2015). To ensure positive, long-term progress in RMG
industry safety, constituents will need to focus in parallel on the effective implementation of new safety standards (regulative pillar) and on developing an industry mind-set which prioritises a culture of safety (normative/cultural pillars) in the industry. To reach a level where higher levels of workplace safety becomes an accepted RMG industry norm/standard, international constituents must continue their influence/presence in Bangladesh and may consider: extending the terms of the Accord/the Alliance further beyond the short-term to a longer-term period; providing financial support to supplier factories to help with safety upgrades; incorporating all RMG factories in Bangladesh (including the large number of ‘unofficial’ sub-contracting factories) under the initiatives; investing more to develop the safety culture in the RMG industry through introducing safety education and more intensive safety training programs; and engaging further with local stakeholders to raise awareness and encourage participation in factory safety processes/procedures.

7.3 Limitations of the research

This section addresses potential limitations of the research. Research limitations primarily relate to selection of the research method, the data collection process, and data analysis.

The data collection method used in study 1 and study 2 entailed conducting personal, in-depth interviews. The face-to-face interview method provides both advantages and disadvantages over other data collection methods (Alshenqeeti, 2014, Opdenakker, 2006). The benefits of conducting interviews include gaining a first-hand, spontaneous account of participants’ responses, and being able to capture verbal cues from body language and behaviour as well as emotions such as enthusiasm or discomfort. Disadvantages of interviews relate to time and budget constraints which restrict the sample size. There is also the possibility of the existence of sub-conscious bias on the part of the interviewer/interviewee. Additionally, even in cases where respondents wish to remain anonymous, it is often possible to identify (well-known) participants from the generic description included in the research.

The research involved interviews with four stakeholder groups. Study 1 interviewed managers of global apparel buying organisations and of RMG manufacturing organisations and study 2 interviewed representatives of local and international NGOs working on safety issues in the RMG industry. There are many other relevant stakeholder groups which could have been included in the research. Interviews with additional stakeholders such as Bangladeshi government representatives, social auditors, and media spokespeople would have provided a broader overview of the current state of workplace safety conditions in the RMG industry. The
number of interviews within each stakeholder group could also have been increased to reinforce research findings.

The majority of the interviews were audio-recorded and hand-written notes were taken during and immediately following all interviews. However, inaccuracies may occur in recording/translating/transcribing interviewee responses. Interviews were translated and transcribed by the researcher (thereby minimising risk related to data interpretation (Miles et al., 2014)) and were verified against interview recording/notes to lessen scope for human error. Interview data were coded manually, although the use of qualitative data analysis software such as NVivo may have resulted in a more efficient analysis. To reduce the likelihood that the researchers’ subjective judgement and interpretation may have led to potential bias (Saldana, 2009), and to ensure validity/reliability of results, the coding process was cross-checked by the senior research supervisors. Also, whilst general details of the research participants are included in the appendices, each interviewee is assigned a de-identifying number (e.g. B1, S1, NGO1 etc.) so interviewee responses cannot be traced to any particular participant.

The data collection method used in study 3 involved secondary data collection. Content analysis was used to examine corporate public disclosures of the apparel industry. The benefit of using content analysis is the large volume of (inexpensive and accessible) data on hand, while the main limitation relates to the results which can be highly interpretive and are dependent on reliability of the codes/coders (Hsieh and Shannon, 2005, Holsti, 1969). To maintain validity and reliability of the results, the senior research supervisors oversaw the coding and categorising of secondary data (which included corporate public reports and web-sites).

To further validate the findings of study 3, the scope of the research may be broadened by increasing the number of organisations included in the analysis and/or extending the time-frame of the analysis (i.e. increasing the number of years studied), thus analysing a greater number of disclosures to get a more extensive/conclusive picture. In addition to public reports and corporate web-sites, other types of disclosure may also be included in the analysis such as special purpose reports (for example, media reports, investor relations reports, NGO reports, social audit reports). Statistical analysis of results may also be conducted to strengthen study findings.
7.4 Future research directions

There are possibilities to further extend this research.

The findings from the first and second stages of the research (Study 1 and 2, presented in Chapters 4 and 5 respectively) suggest that apparent changes in RMG industry safety following the Rana Plaza accident are a result of coercive pressures faced by the apparel industry and may be short-term, whilst lasting change in the industry will require a mind-set change of key apparel industry stakeholders, specifically global apparel buyers and Bangladeshi garment manufacturers. The findings emphasise the need for continual involvement of local and international stakeholder groups. Research findings are based upon managerial and NGO perspectives. Follow-up research to ascertain the motivations, impediments, and enablers of change in workplace safety conditions in the RMG industry may be conducted with other stakeholder groups – such as garment workers, mid–level factory management and independent factory inspectors.

The research may be extended to evaluate effectiveness of/impediments to implementing regulative/social governance initiatives in other cheap-labour intensive industries such as toys, travel goods and footwear. The research findings potentially also provide valuable insights for those actors contemplating the development of workplace safety governance initiatives in other apparel supplier countries such as Cambodia, India and Vietnam. The research may be extended to re-visit safety conditions in the RMG industry after a period (such as five years) to assess the situation in the RMG industry/progress of workplace safety governance initiatives and to potentially see if there has been a regression back to former levels of safety. Further research into effectiveness of social/regulative governance structures of the apparel industry will be valuable addition to the literature.

Results from the third stage of the research (Study 3, presented in Chapter 6) establish that apparel buyers demonstrate accountability with respect to workplace safety issues, whilst garment suppliers lag far behind. Garment suppliers issue no public report disclosures relating to ‘codes of conduct’ implemented within factories, do not disclose details of industry standards followed, and disclose minimal information in relation to social compliance and monitoring of factories. Further research focusing on garment suppliers and examining reasons behind the limited public report workplace safety-related disclosures issued by RMG suppliers may serve to highlight the problems relating to workplace safety within the RMG industry and may lead to proposals to change/improve safety in the industry. The index of workplace safety practices and
related performance constructed in the study may also be adapted and applied in other studies to evaluate quality of workplace safety disclosures in other countries/industries.

The research applies an institutional theory perspective to investigate CSR strategy of the apparel industry. Application of alternative theories such as resource dependence theory (Pfeffer and Salancik, 2003), resource-based view (Wernerfelt, 1984), and transaction cost economics (Williamson, 1981) may be applied to inform study findings and provide different perspectives to explain problems/offer recommendations to improve workplace safety conditions in the RMG industry.

Workplace safety in apparel supplier factories is a significant issue which merits further investigation and more research is required to explore the feasibility of introducing specific social governance initiatives/safety policies and to consider how such initiatives may be monitored by stakeholders such as global buying organisations, government authorities, and NGOs. Other significant social and environmental issues which arise in the garment manufacturing industry and which call for more attention (i.e. research) include concerns relating to women’s health, fair wage, trade union activism, bribery/corruption, and environmental issues. Further, many industries in Bangladesh are associated with negative social and environmental impacts (e.g. the leather industry, the shrimp farming industry, the jute industry) and the responsibility and accountability of local and international organisations related to these industries may also be investigated.

The current legislation regarding modern slavery in supply chains is a timely issue and may be considered as a relevant future research topic (Slave Free Trade, 2017). Building awareness about modern slavery, employees and work conditions and trying to account for and improve social performance of business is important and more research in this area will highlight the issue and address challenges of the future (AAAJ, 2018).


Deegan, C. (2000), "Firms' disclosure reactions to major social incidents: Australian evidence".


Ernst and Ernst (1978), *Social responsibility disclosure: survey of 500 annual reports 1972-1978*, Ernst & Ernst, Cleveland, Ohio.


Ferdousi, M. (2013), "The ship-breaking industry of Bangladesh: an exploration of the accountability of shipping companies".


Habermas, J. (1975), Legitimation Crisis Pa Txt, Beacon Press.


Holsti, O. R. (1969), "Content analysis for the social sciences and humanities".


Loh, C. M., Deegan, C. and Inglis, R. (2014), "The changing trends of corporate social and environmental disclosure within the Australian gambling industry", *Accounting & Finance*.


Myers, D. and Stolton, S. (1999), "Organic cotton: from field to final product".


Rasche, A. (2009), "Toward a model to compare and analyze accountability standards--The case of the UN Global Compact", Corporate Social Responsibility and Environmental Management, Vol. 16 No. 4, pp. 192-205.


Shameem, K. A. (2012), "The role of the ship breaking industry in Bangladesh and its future with special emphasis on capacity building through education and training".


Talas, K. (2015), "Migrating ship waste management from India to Finland: analysis of opportunities and risks in an industrial symbiosis of sustainable ship recycling".


Van Der Wal, S. (2008), "Sustainability issues in the tea sector: A comparative analysis of six leading producing countries".


Web-site references


INVITATION TO PARTICIPATE IN A RESEARCH PROJECT

Project Title:
Responsibility and accountability for workplace safety in the Bangladesh garments industry

Investigators:
Chief investigator: Associate Professor Robert Inglis, Email: robert.inglis@rmit.edu.au, Phone: +61 3 9925 5715
Co-investigator: Professor Craig Deegan, Email: craig.deegan@rmit.edu.au, Phone: +61 3 9925 5750
Principal research student: Suraiyah Akbar, Email: suraiyah.akbar@rmit.edu.au, Phone: +61 3 9925 1662

Dear Participant,

You are invited to participate in a research project being conducted by RMIT University. Please read this sheet carefully and be confident that you understand its contents before deciding whether to participate. If you have any questions about the project, please ask one of the investigators.

Who is involved in this research project? Why is it being conducted?
The research is being conducted as part of the requirements for a PhD degree. The researchers involved in this project are with the School of Accounting, College of Business, RMIT University. The following researchers are involved: chief investigator - Associate Professor Robert Inglis, co-investigator - Professor Craig Deegan, and principal research student - Suraiyah Akbar. The project has been approved by the RMIT Human Research Ethics Committee.

Why have you been approached?
This research will select participants from three stakeholder groups.

Stakeholder group 1: Global apparel organisations sourcing from Bangladesh
You have been chosen to participate in this research through an on-line search of apparel buying organisations sourcing clothing from Bangladesh.

Stakeholder group 2: Garment manufacturing factories in Bangladesh
You have been chosen to participate in this research from a list of members selected from the BGMEA and the BKMEA website.
**Stakeholder group 3: Local and international NGOs operating in Bangladesh**

You have been chosen to participate in this research through an on-line search of NGOs working on agendas relating to factory and worker safety issues in the Bangladesh ready-made-garments (RMG) sector.

**What is the project about? What are the questions being addressed?**

This research examines the various social governance initiatives aimed at improving factory and worker safety in the Bangladesh RMG industry. The research focuses on three stakeholder groups, apparel buying organisations, garment manufacturing factories and NGOs, to ascertain from their varied perspectives whether different social governance initiatives have been effective in improving factory and worker safety. The research aims to investigate the gap between corporate policies aimed at improving safety and the practical realities faced by garment factories. The research will address the issue of whether social governance initiatives are mere marketing strategies employed for ‘good’ publicity or a genuine ethical commitment to factory and worker safety.

The research considers two primary research questions.

**RQ1.** What are the motivations of apparel industry organisations in implementing the latest social governance initiatives (the Accord and the Alliance)?

**RQ2.** Why have/have not the latest social governance initiatives (the Accord and the Alliance) been effective in ensuring factory and worker safety in the Bangladesh garment industry?

It is expected a total of 5 to 10 participants from each stakeholder group will take part in the research.

**If I agree to participate, what will I be required to do?**

Participation will involve a face-to-face interview to be conducted at your office premises at a convenient time, set after discussion with you. The interview, which will be audio-recorded, will take an estimated one hour and will incorporate your views regarding effectiveness of the various social governance mechanisms that address factory and worker safety in the Bangladesh garment sector.

**What are the possible risks or disadvantages?**

Your participation in this research involves no perceived risk outside normal day-to-day activities. If at any time during the interview proceedings, you feel uncomfortable with or are unduly concerned about your responses to any of the interview questions and wish to cease the interview, at your request, the researcher will end the interview and will not use your interview responses in the research.

**What are the benefits associated with participation?**

There are no direct benefits to you in participating in this research. However, your contribution to this research will help evaluate the effectiveness of social governance initiatives adopted to improve factory and worker safety in the Bangladesh garments sector and possibly contribute to enhanced safety conditions for the apparel industry. If interested in the results of the research,
you may contact any of the research investigators (name, email, and contact numbers provided at the top of this form) for a copy of the final research output.

**What will happen to the information I provide?**
The information you provide will be anonymous and neither you nor your company will be identified by name at any stage of the research. This is in line with the research objectives which are to investigate how and why social governance initiatives are effective. It is not relevant for the research to identify either the executive or the company from which the data is collected.

Research results will be published and disseminated in the principal research student’s thesis, which will be stored in the RMIT Repository, a publicly accessible online library of research papers. The research also aims to present research findings in conference proceedings and publish research results in peer-reviewed journal publications i.e. publications of Appropriate Durable Record (ADR).

Transcripts of audio recorded interviews will be prepared. The names of interview participants and their organisations will be de-identified. For example, interview participants from stakeholder group 1 - garment factories will be identified simply as ‘Manager X from Company XX’, ‘Manager Y from Company YY’ etc; interview participants from stakeholder group 2 - local and international NGOs will be identified only as ‘contact representative 1 of local NGO 1’, ‘contact representative 2 of international NGO 2’ etc.

The research data will be stored securely on the RMIT network for 5 years after publication before being destroyed. The final research paper will remain online.

We are not obtaining your written informed consent to participate in this research. We assume your agreement to grant an interview to be indicative of your willingness to participate in the research and will audio record your verbal consent to participate at the commencement of the interview.

**What are my rights as a participant?**
- The right to withdraw from participation at any time.
- The right to request that any recording cease.
- The right to have any unprocessed data withdrawn and destroyed, provided it can be reliably identified, and provided that so doing does not increase the risk for the participant.
- The right to have any questions answered at any time.

**Whom should I contact if I have any questions?**
If you have any questions regarding the research you may contact any of the investigators involved in the research (name, email, and contact numbers provided at the top of this form).
Yours sincerely,

Chief investigator, Associate Professor Robert Inglis

Co-investigator, Professor Craig Deegan

Principal research student, Suraiyah Akbar

If you have any concerns about your participation in this project, which you do not wish to discuss with the researchers, then you can contact the Ethics Officer, Research Integrity, Governance and Systems, RMIT University, GPO Box 2476V VIC 3001. Tel: (03) 9925 2251 or email human.ethics@rmit.edu.au
Appendix 2: Interview guide

**Opening:**
- Introductions of interviewer and interview participant
- Overview of purpose of the study
- Confidentiality assurance/permission to record

**Demographic Data:**
- Title/responsibilities of interview participant
- Organisational structure
- Background on organisation

**Prompts:**
- What social compliance initiatives/standards assess workplace safety in the RMG sector?
- What motivates buyers/suppliers to implement these initiatives?
- How have new governance initiatives changed safety measures in factories?
- What improvements have been made to factory & building safety practices?
- What are the limitations of the new initiatives?
- What of the future of safety in the RMG industry?

**Floating prompts:**
- Can you give me an example of.....
- Tell me more about....
- Can you explain in more detail?
### Appendix 3: Research participants from global apparel organisations

<table>
<thead>
<tr>
<th>Designation</th>
<th>Participants’ background</th>
<th>Background of the organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager, fire and building safety monitoring remediation social and environmental responsibility</td>
<td>Six years experience in social auditing in garment factories, NGOs, and reputed multinational third party audit organisations; performed more than 900 audits in Bangladesh and 150 audits abroad on behalf of Sears Holdings, NIKE, Wal-Mart, George, Kohl’s, M&amp;S, Levi Strauss, JAG, GAP and SMETA; four years experience as Social Responsibility Specialist and Fire and Building Safety Manager in current job.</td>
<td>Alliance member. Has its own office located in Dhaka and has initiated a fire awareness program since the 2010 fire at Hameem.</td>
</tr>
<tr>
<td>Senior Compliance Manager</td>
<td>Working with social compliances of the RMG industry for eight years conducting factory audits and supplier training and remediation, informing and updating buyer Codes of Conduct, and managing a social compliance team; two years in current position.</td>
<td>Accord member. Has conducted business with Bangladesh since 2009.</td>
</tr>
<tr>
<td>Compliance Manager</td>
<td>More than eight years experience in social and environmental compliance with sustainable development at several leading textile and clothing brands from North America (PVH), Europe (KappAhl, H&amp;M) and Australia (Target); serving in present capacity for the last two years.</td>
<td>Alliance member. Has operated in Bangladesh through buying house (Li &amp; Fung) for five years prior to establishing a direct office in Dhaka following the Rana Plaza accident in 2013. Sources from 50 factories in Bangladesh. Annual buying volume from Bangladesh is $US 1.5 million.</td>
</tr>
<tr>
<td>Ethical Compliance Manager</td>
<td>Over 14 years working in the garment &amp; textile industry mainly in supply chain monitoring. Currently heading the Social Compliance team responsible for supplier on-boarding, social &amp; technical compliance, implementing and delivering strategic projects and supporting the sourcing team to achieve a sustainable and profitable supply base.</td>
<td>Accord member. Annual buying volume approximately $US 92 million; sources from 55 factories in Bangladesh; opened a direct office in Dhaka in 2013 and previously sourced apparel from Bangladesh through agents.</td>
</tr>
<tr>
<td>Compliance Manager, CSR</td>
<td>Over ten years experience with multinational organisations working with social compliance requirements and sustainability issues in the RMG industry; in current position for two years.</td>
<td>Accord member. Has a local CSR office in Dhaka which coordinates its compliance program. Bangladesh is one of the company’s main suppliers.</td>
</tr>
<tr>
<td>Compliance Manager</td>
<td>Over ten years experience in the garments industry and working for current company for last five years.</td>
<td>Accord member. Has been sourcing from Bangladesh from 2008, has its own office in the country, and sources from approximately 100 factories in Bangladesh.</td>
</tr>
<tr>
<td>Safety, Sustainability, CSR Professional Manager, Electrical, Building and Fire Safety</td>
<td>Worked since 2006 in different multinational and global organisations in the field of construction, renovation, workplace safety, process development, and compliance; in current job since 2013.</td>
<td>Alliance member. Has conducted business in Bangladesh through buying houses for more than fifteen years, before establishing two offices in Dhaka and Chittagong in 2005. Walmart sources from over 200 factories in Bangladesh.</td>
</tr>
<tr>
<td>Compliance Manager</td>
<td>Nine years work experience with MNCs and various buying houses; extensive knowledge and experience in OHS, social compliance, and fire safety; overseas audit experience; two years in current job managing third party service providers and planning, executing, and monitoring compliance activities.</td>
<td>Works for a group of organisations (established in 1999) representing reputed European and American brands. Annual buying volume of the company is around $US 120 million. The organisation sources from 60 factories in Bangladesh.</td>
</tr>
</tbody>
</table>
## Appendix 4: Research participants from the Bangladesh RMG Industry

<table>
<thead>
<tr>
<th>Designation</th>
<th>Participants’ background</th>
<th>Background of the industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager HR and Compliance</td>
<td>Has worked for the company since 2013.</td>
<td>Operates from a seven-storied factory building; supplies to major US buyer Wal-Mart and various European buyers, compliances include WRAP, BSCI, Sedex, buyers Code of Conduct, Accord and Alliance.</td>
</tr>
<tr>
<td>General Manager</td>
<td>Over 15 years experience in the apparel business.</td>
<td>Established in 1996; has one six storey factory building; employs 1100 workers; main buyers include Gap, Next, H&amp;M, Beneton; Accord certified factory.</td>
</tr>
<tr>
<td>HR Manager</td>
<td>Has worked in the garments industry since 2000 and in current role since 2012.</td>
<td>Established in 2003. The company employs 550 full-time garment workers, and owns a nine-storey industrial purpose garments factory building. Its main buyers include Wal-Mart, Ripcurl, World of Textiles and Unibrands. It is an Accord certified factory.</td>
</tr>
<tr>
<td>General Manager (Marketing and Merchandising)</td>
<td>12 years experience in the garments industry and in current position for last 9 years.</td>
<td>Established since 2000 and currently employing 900 full-time garment workers; has one six-storey factory building; main buyers include K-Mart, Aldi, Giant Tiger, Lidl; compliances followed: buyers Code of Conduct, BSCI, WRAP, and Accord certification.</td>
</tr>
<tr>
<td>(a) Factory Owner (b) Compliance Manager</td>
<td>(a) Established the business in 1984 (b) Has worked with the company since 2000.</td>
<td>Established 1984: 312 full-time employees; six-storey factory building and separate administrative office in adjacent building; supplies major US and European buyers; compliances include WRAP, BSCI, and Alliance certification.</td>
</tr>
<tr>
<td>General Manager Compliance</td>
<td>Has worked in the RMG industry for over 20 years.</td>
<td>Mainly supplying to American buyers; compliances include WRAP, BSCI; Alliance/Accord inspected.</td>
</tr>
<tr>
<td>Compliance Manager</td>
<td>Almost ten years experience in compliances of the RMG industry</td>
<td>One seven-storied factory building; Major US buyer - Wal-Mart; major European buyer - H&amp;M. Factory is certified by Accord and Alliance.</td>
</tr>
<tr>
<td>Deputy Managing Director</td>
<td>Joined the family business set up by his father in 1990.</td>
<td>Was established in 1990; it employs around 600 garment workers and has one ten-storey garments factory. Its main buyers include Wal-Mart and Next; it is certified by both the Accord and the Alliance.</td>
</tr>
<tr>
<td>Assistant HR and Compliance Manager</td>
<td>Has worked for the company since 2013.</td>
<td>Established in 2006. It moved to its current premises (the top two floors of a three storey building, with the ground floor wholly occupied by shops) in 2013. It has neither Accord nor Alliance certification.</td>
</tr>
<tr>
<td>General Manager (HR, Administration &amp; Compliance)</td>
<td>Over a decade of experience in the RMG industry</td>
<td>Has operated since 1989; the group has a total of 18 buildings and employs over 12,000 employees; supplies to major European and US buyers; all factories have been Accord and Alliance certified.</td>
</tr>
<tr>
<td>General Manager</td>
<td>Worked with the company since 2007; in the RMG industry since 2000.</td>
<td>Established in 2005; operates from one four storey building; 1200 employees; mainly European buyers including Inditex, Lidl, Karstadt; follows buyers Code of Conduct.</td>
</tr>
<tr>
<td>Manager</td>
<td>Has worked in the garments industry since 1983, and in current job since 2008</td>
<td>Established in 1995; owns one nine storey building and employs 600 full-time garment workers. Main buyer is Wal-Mart; certified by the Alliance.</td>
</tr>
<tr>
<td>Assistant General Manager</td>
<td>Lengthy experience with the RMG industry since 1999; with current organisation since 2010.</td>
<td>Established in 1996. Operates from a single storey tin shed factory and a four storey residential building used for administration and ‘cutting’; 350 full-time workers; supplies to mainly European buyers from Spain, Italy and Germany, non-compliant factory.</td>
</tr>
<tr>
<td>Manager QMS and CSR</td>
<td>International experience in the apparel business since 2000, in current role since 2012</td>
<td>Established in 1987; the group has four sister concerns housed in four separate buildings; employs a total of 10,000 workers; main clients include Tesco, M&amp;S, Next, H&amp;M, Target.</td>
</tr>
</tbody>
</table>
## Appendix 5: Research participants and their affiliations - international

International government and non-government organisations

<table>
<thead>
<tr>
<th>Research participant</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Consultant, Textiles and Garments</td>
<td>United Nations Industrial Development Organisation (UNIDO) (<a href="http://www.unido.org">www.unido.org</a>) UNIDO’s mission is to promote and accelerate inclusive and sustainable industrial development in developing countries and economies in transition. UNIDO supports the textile and garments sector in Bangladesh by providing assessment of facilities and by offering technical and financial assistance for education and training in the sector.</td>
</tr>
<tr>
<td>Monitoring Expert and Programme Officer</td>
<td>ActionAid (<a href="http://www.actionaid.org">www.actionaid.org</a>) ActionAid was founded in 1972 and is an international non-governmental organization with the primary mission of eradicating poverty and injustice worldwide. ActionAid Bangladesh has implemented programmes for the RMG industry that focus on raising workers wages, improving working conditions in manufacturing factories, and establishing a responsible and accountable garment sector.</td>
</tr>
<tr>
<td>Executive Director</td>
<td>Transparency International Bangladesh (TIB) (<a href="http://www.ti-bangladesh.org">www.ti-bangladesh.org</a>) TIB is the Bangladesh chapter of the Berlin-based Transparency International (TI). TIB’s mission is to catalyse and strengthen a participatory social movement to promote and develop institutions, laws and practices for combating corruption in Bangladesh and establish an efficient and transparent system of governance, politics and business. TIB publicise the numerous financial and policy incentives from the government which fail to ensure the rights of factory workers, and the unsafe working conditions and social compliance gaps that hinder progress of the RMG sector.</td>
</tr>
<tr>
<td>Coordinator, Audit and Projects</td>
<td>Fair Wear Foundation (FWF) (<a href="http://www.fairwear.org">www.fairwear.org</a>) FWF is an independent, non-profit organisation that works with organisations and factories to improve labour conditions for garment workers. Bangladesh is an FWF priority country (i.e. a major part of FWF member production comes from Bangladesh) and FWF monitors issues such as worker wages and fire and building safety in garment factories.</td>
</tr>
<tr>
<td>Programme Coordinator</td>
<td>Joint Ethical Trading Initiative (Joint ETI) (<a href="http://www.ethicaltrade.org">www.ethicaltrade.org</a>) The Ethical Trading Initiative (ETI) is a leading alliance of organisations, trade unions and NGOs that promotes workers' rights around the globe. The Joint ETI program (funded by the British, Danish and Norwegian governments) was implemented following the Tazreen and Rana Plaza accidents to raise awareness of health and safety and other labour rights issues in the RMG industry. Main efforts include overseeing and supporting freely elected workplace participation committees and joint training for trade union committees and managers on industrial relations and collective bargaining.</td>
</tr>
<tr>
<td>Managing Director</td>
<td>Alliance for Bangladesh Worker Safety (The Alliance) (<a href="http://www.bangladeshworkersafety.org">www.bangladeshworkersafety.org</a>) The Alliance opened a Dhaka office on December 9, 2013 to serve as the centre for organizational activities. The office staff represent decades of combined experience in the garments industry and include the managing director, managers for fire and structural safety, assessments, training, worker outreach and empowerment, and factory liaison and remediation.</td>
</tr>
</tbody>
</table>
## Appendix 6: Research participants and their affiliations - local
(Bangladeshi trade and civil society organisations)

<table>
<thead>
<tr>
<th>Research participant</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Vice President</td>
<td>Bangladesh Garment Manufacturers and Exporters Association (BGMEA) (<a href="http://www.bgmea.com.bd">www.bgmea.com.bd</a>)</td>
</tr>
<tr>
<td>(ii) Joint Secretary</td>
<td>The BGMEA, established in 1983, is the apex trade body representing the Bangladesh RMG industry. The BGMEA promotes and facilitates the RMG industry through policy advocacy to the government and services to members, with a focus on workers’ rights and social compliance at factories.</td>
</tr>
<tr>
<td>Executive Director</td>
<td>Bangladesh Centre for Worker Solidarity (BCWS)</td>
</tr>
<tr>
<td></td>
<td>The BCWS is affiliated with the Solidarity Centre (AFL-CIO) a global labour movement (<a href="http://www.solidaritycenter.org">www.solidaritycenter.org</a>). The BCWS was set up in 2001 and is one of Bangladesh’s most prominent labour rights organisations. BCWS campaigns for improved conditions in the garment industry, and educates and encourages women workers to form unions so they can bring about change inside factories.</td>
</tr>
<tr>
<td>Additional Director, Research</td>
<td>Centre for Policy Dialogue (CPD) (<a href="http://www.cpd.org.bd">www.cpd.org.bd</a>)</td>
</tr>
<tr>
<td></td>
<td>The CPD established in 1993, is Bangladesh’s premier think-tank and is supported by leading civil society institutions in Bangladesh. The CPD works for a more participatory and accountable development process. The CPD organises multi-stakeholder consultations, conducts research on issues of critical national and regional interests, and influences the policy making process in the country. The CPD’s independent studies on the Rana Plaza collapse have been internationally cited and published by the World Bank Group.</td>
</tr>
<tr>
<td>Advisor to the Executive Director at BRAC, Independent Director on the board of The Alliance</td>
<td>Bangladesh Rural Advancement Committee (BRAC) (<a href="http://www.brac.net">www.brac.net</a>)</td>
</tr>
<tr>
<td></td>
<td>BRAC is one of the largest non-governmental development organisations in the world. BRAC was initiated in 1972 with objectives including economic development, public health, promoting gender equality and empowering women and disaster relief. BRAC provides expertise and counsel to The Alliance board of directors and advisors to inform their efforts to provide direct support to factory workers and bring about safe working conditions for garment factory workers in Bangladesh.</td>
</tr>
<tr>
<td>(i) Professor, Industrial and Production Engineering</td>
<td>Bangladesh University of Engineering and Technology (BUET) (<a href="http://www.buet.ac.bd">www.buet.ac.bd</a>)</td>
</tr>
<tr>
<td>(ii) Associate Professor, Electrical and Electronic Engineering</td>
<td>BUET is the foremost public engineering university in Bangladesh. BUET has worked under the Bangladesh government’s National Tripartite Plan of Action (NTPA) which is supported by the International Labour Organisation (ILO) to undertake inspections of garment factories not inspected by The Accord or The Alliance. Academic experts from BUET have inspected factories for structural integrity and fire and electrical safety.</td>
</tr>
</tbody>
</table>
Appendix 7: Sample interview transcript (Study 1, group 1)

Interview with the workplace safety compliance/sustainability manager of a leading multinational apparel buying corporation sourcing from Bangladesh

Q: How long has your company conducted business in Bangladesh?
A: More than 10 years. Previously, it was working through some sourcing organisations, and for the last 10 years it has been in operation in Bangladesh under its own name.

Q: Do you have an established office in Bangladesh?
A: Yes we have two offices, one in Chittagong and one in Dhaka.

Q: Are these offices fairly new or have they been established for a while?
A: No, the offices are well-established and have been in operation for many years now.

Q: How many suppliers do you have in total in Bangladesh?
A: I don’t have that data exactly because the number varies. Some of the garment organisations don’t work through this office; some may work directly through the main office so the number of suppliers varies a lot. It depends based on the work and I don’t have the exact figure.

Q: How many factories do you source from?
A: We have more than 200 factories, and you can get exact figures—the information is all publicly available on our global web-site. Even the factory names are available. There is a rating for fire and building safety. This is a commitment to the community and to our shareholders that we will publicly share this information.

Q: Is this a recent initiative?
A: Post Rana Plaza because that was for the society, for the community, for the shareholders and for the customers. Whatever initiative was taken we had a commitment to share publicly so the initiative we have taken to remediate fire and building safety issues, that was publicly listed—summary of the findings, reports and assessments were presented in the global website which can be accessed by anyone.

Q: What factors are considered when the company selects a supplier?
A: To select a factory there are two types of guidelines. One is there are some sourcing guidelines because if they want to run the business there are some legal requirements. I don’t have access to that side but there are some criteria, if they can comply with those only then it comes to our side—that means to the safety side. Even on the safety side we also have compliance. Now the Alliance is working and being an Alliance member we must comply with all Alliance requirements. There are some other requirements also. I can’t give you the names but the Alliance represents 28 brands and all brands are not similar. Integrity and compliance issues are not similar for all. Some of them have joined just to have their names linked to the Alliance, whereas others are really working for compliance. The level of requirement in terms of compliance are different so there are some different scoring systems and based on that if the factories are passing only they are eligible to work for us.

Q: You are pretty strict with the compliance requirements?
A: Yes. Factories have to comply with the broad requirements on the sourcing side like the business license, working in Bangladesh how they will be paying the taxes, how they will be exporting-those types of things. Then we check on the safety side, whether they are complying with all ethical requirements and all.
Q: What compliances are required by your company from the supplier?
A: Previously we used to follow our own code of conduct but as the whole industry is going through intensive remediation work we need a centralised process and centralised standard. Previously what was one of the biggest challenges was that each brand and each retailer had their own standard, and a particular factory working with ten brands had to face ten audits, because there were ten different standards. So that was one of the needs that how this whole remediation process can be facilitated in an easier manner because otherwise in each and every month the factory have to face three or four audit, maybe all the same, maybe almost same, maybe 5 or 10% differences. To streamline that there are these central guidelines because what Accord and Alliance are following are basically the one standard. Two platforms – one is European one is North American with the one standard. That is one thing – previously we had different standard but now we are completely following Alliance’s standard in terms of building and fire safety. We are a North American brand so we have to follow some of the security protocols that are applicable solely for Canada and USA that is related to export and exclusive only for North America. Each and every brand coming from North America looks into this area.

Q: Are you aware of any conflict between the Alliance and the Accord standards?
A: Yes, well this is also public information. Some of the brands accept shared buildings – shared buildings mean buildings like Rana Plaza - there are market places on the ground floor, there are offices, and upstairs there are factories. But particularly from our side we don’t accept any marketplace, any marketable operation, any living facility anything - we just accept only industrial facility. So if there is any other mercantile or other business operation other than factory we don’t accept this type of facility. Alliance and Accord don’t have any such requirement that they will not accept this type of building, but they encourage new factories being constructed that it should be an industrial one. This is one thing, so particularly in this area we have some requirement and don’t accept shared facilities.
Also in some other areas, if you go through some of the reports - in a building where there is three or four storeys where there are three different or four different factories that are owned by three different or four different people. So for some brands this is ok but most of the big brands like us we don’t accept it because maybe we are working with one of the factories but the other factories are not under my control so I cannot influence. In a building a particular floor can make the whole building unsafe. That’s why wherever we do work, where the big brands work, we work in those factories under the control of one owner or one management may be a bunch of people but one management. So they have full control on the safety initiative and the safety processes. So if anything happens they can influence the remediation work. This is one big challenge.

Another reason why the whole industry is not pushing hard for those types of buildings is because of the large number of factories. Before Rana Plaza and Tazreen we had approximately 5,500 factories which were listed in BGMEA, not even in BKMEA only BGMEA. But after Rana Plaza and Tazreen, the small factory due to the lack of orders, and another issue is sub-contracting. Due to these issues the number of factories came down to 4,000 or 4,500 - out of those only 2,000 factories are working with Accord and Alliance. The other 2,000 or 2,500 factories are being taken care of by the NTC, the government. The ILO and BUET are working on that side.

Our main focus is whichever factories were exporting the products in Europe and North America and some were exporting in Australia only those are working with Accord and Alliance. The factories that are exporting to India, China, other markets - those are working with and being taken care of by the NTC and ILO is taking care of that side.
**Q: Do all factories fall under one of the three initiatives?**
A: All factories are covered by one of the three initiatives. What the government is doing all the information of Accord and Alliance and the ILO program that is being taken care of by BUET all the information from the inspection side, all the reports and other information all is available on the DIFE government website, you can also find all reports and findings on those websites.

**Q: Have these initiatives led to improved fire and building safety in the factories?**
A: Definitely, definitely. If you look into the figure after Rana Plaza and Tazreen the impact it had on the industry in terms of image to the outside world. The business volume of the country was supposed to have decreased by a significant volume. But it didn’t. That is one of the impression that after these two incidents they are paying attention to the industry - maybe the leadership came from the brands or other. Even then, whatever happened the work is going on and if you look into the figures after inspection of Accord and Alliance, the number of findings – those are very insignificant. Only 2% of the factories are unsafe. Unsafe doesn’t mean it will collapse immediately, that there will be fire immediately, it means where we have big concern – but even then it can be remediated. Those 2% of factories are not recommended to be evacuated, maybe some extra precautionary action some extensive work is required. If we have 4,500 factories only 90 factories about which we are concerned. That is a good impression, that figure is coming after the inspections and that is led by the European and North American brands. It’s not our inspection and we are saying 2% of the factories are unsafe. This is a joint finding. That is one good thing and if you look into the area where the most of the issues are coming from because all these findings are public. If you go onto the Accord website, the Alliance website you can find the report – whatever the issues are. One of the perceptions about the whole industry was that previously audits were exclusively for the one buyer - they were not supposed to be shared with others. Others don’t have any visibility on their side. But now each of the brands – this is an accountability – that wherever they are working it should be visible to the customers, or whoever is interested to know the information. There should be a platform where that information is available. They can decide whether they should buy the products or not based on their own judgement. That’s why both Accord and Alliance are putting these reports publicly. Today one of the factories working with Accord, if one of the Alliance members question can we work with that factory or not they don’t need to ask anyone. Same standard they are also following, so go to the Accord website and see the reports. Their own judgement they will decide whether they can proceed or not.

**Q: Are other stakeholders fulfilling their responsibility?**
A: There are some challenges. You know there is the owner group of the factories (the BGMEA), considering the culture of the country, I don’t want to answer for their side. But overall the initiative and the support that we are getting is very good. Otherwise if you say to a factory you need $200,000 or $300,000 to remediate these things and the factory has never had a major incident in the last twenty years or so you need to have some push from all sides. If the BGMEA as a whole don’t push or drive these changes, they can’t be achievable. We have some challenges but nevertheless the progress we have made in the last one year this is significant and beyond imagination. Not beyond imagination for us – we are leading this change.

**Q: You yourself have conducted factory inspections – what is the attitude of factory owners?**
A: There’s a few things here. Most of the factory managers who were responsible for taking care of these compliance issues were not technical – this is a big challenge. Most of the factories have engaged a compliance manager who is the HR manager. They take care of the salaries, minor compliance issues, labour laws, overtime, that kind of thing. All of a sudden after Rana Plaza and Tazreen this became a big thing. In the first instance the factory owners and management couldn’t guess how much engagement, how much capacity is required in terms of finding these
issues and remediating these issues. That was one big challenge. That was one of the reasons that they were very much resisting. If I don’t understand I won’t agree on that side. Only technical people can understand the issues, and the severity and what can be the consequences if those things are not in place. That was one challenge.

Both Accord and Alliance as part of their initiatives give training for the factories because first they should identify what are the hazards, other than that if today I say these are the problems, tomorrow factory layout may be changed. If the owners and those taking care of that are not aware of what are the hazards - they cannot identify them. All the efforts will be in vain.

Now many of the factories are engaging with technical people - either they have employed them in the factory, or they have taken their support as consultant. Both Accord and Alliance are giving them some support giving Corrective Action Plan (CAP) management post inspection, what are the issues those are explained. They have also visibility - what type of action they need to take, who are the people, which are the organisations locally capable to support them in terms of understanding and remediating those issues. Now things are moving a bit faster. Also the factories are getting visibility that if they do these things they will get long-term benefit.

Q: But for the smaller factories the costs involved are very high.
A: It is a big challenge for the smaller factories because the group of organisations that have five or six factories all the factories are not bad. Maybe some of the factories are good. If one or two factories are bad they can invest more money on those factories. They can compensate because the good factories have good business. They can balance it or they can manage it somehow. But the factory owners that have only one factory have lots of issues. When the brands and buyers are saying this is not a good factory maybe there is a chance that the business volume may shrink. That will actually impact on investing more money on their side. So – you don’t have money – you have to invest money – only you will get the business back if the factory is good. For those types of factory owners it’s actually a bit challenging. But some of the initiatives like Accord and Alliance have agreement with the participatory brands about financing option. There are some challenges as all of those are foreign money - locally we have some strict regulation in terms of foreign direct investment. As of today one of the Alliance members they are investing, they are working through IFC. In the coming days those things will be more and more available and that will definitely help out the factories.

Q: What would you consider as the motivating factor for the brands in setting up the Accord and the Alliance?
A: Basically there are two reasons. One is that each of the brands had their own initiative and that was not working. To change industry however big a brand is they cannot drive it. A collective effort is required. Because if I decide I’ll pull out from Bangladesh, there will be ten other brands who will take that chance. Otherwise factories will not have business - even if I reduce the price they will work. That will not actually work, pulling out. The main motive here was - we will do the business here but we will do it more ethically. To drive this change we need a collective effort. We need to forget that I am a US brand and that is a European brand and that we are competitors. We can continue competition even while working together. That was the perception.

Why there are two initiatives I’ll not comment on that - you know that one is European and one is North American – there are lots of politics behind that. The main reason for initiating these two platforms – the focus is one, all the competitors will work together to drive this change. Accord have 180 participants and Alliance have 28 so approximately 210 in all. If 210 main brands and retailers collectively say if you don’t follow this we’ll not do business with you – this industry will have no other alternative but to comply with that. If they comply the whole industry
will be more safer for the workers and of course it will also help out the brands because the brand image they have will be protected and they can present themselves in a more agreeable light to the shareholders and to the customers.

Each and every day the leading newspapers and media, globally - from wherever brands are coming they raise concerns. You are doing business, you are selling products, the clothes are very good, but wherever you are sourcing from those are sweatshops. So a little more investment will make a difference - we are not asking you to pay huge amount of money but at least so that lives are safe. Every day the media are asking these types of questions. It impacts on the business. One big incident in the factory - the brands are working for one million or two million dollars only - but one big incident and it will impact the share price that may result in a loss of billions of dollars.

Q: How about motivation from the garment manufacturers’ perspective?
A: First of all - it’s not a motivation! It’s all about investment. Everyone is – well I won’t say reluctant, very much resistant. They have to invest from their pocket. That was all profit. Nobody wants to take something out of profit. That was a big challenge. But later on when it was evident that it was mandatory – without following that business cannot be continued. So that was not any motivation but at the same time when the factory started this initiative and the things were implemented it started to get good compliment from the brands and retailers. There are more than – well I don’t know the figure but perhaps about 300/400 brands operating in the country – including the very small ones. Some of them don’t have any compliance team or any compliance program but when they come out of the factory and they ask - so you were working with Accord, what is your report? And they look at that and they find Accord report is good, Alliance report is good - ok then they directly start with the pricing negotiations, they don’t ask any more questions on the compliance side. So the factories are now getting the visibility that if they comply with those things there will be few questions because previously everyone was asking - what is the status of compliance? Now they don’t even bother with that, maybe they don’t even ask because before coming to the factory they already have the visibility on the Accord and the Alliance website. So any discussion they have will be based on pricing and sourcing side - no compliance. That is one benefit – they are getting visibility - so perhaps that is one motivating factor for them now.

Q: What can you foresee following the five year contract of the Accord and the Alliance?
A: Well I can’t comment on behalf of my organisation, but in general I have heard the information that the government will take care of that after this five year period is over. Each of the brands and both the Accord and the Alliance are concerned that if not then all their achievements will go in vain. That is why the ownership of these initiatives are being transferred more and more to the factory side. If the culture is transferred to the participants - factory management, the factory people, even more the factory workers – because the workers are the biggest group, if they understand what are the challenges, what are the safety areas, they should be concerned will they have a culture to report it - whether these initiatives are in existence or not, these things can be continued. On top of that there should be a centralised process to take care of it.

On their side, the government will take care of that as per the news I heard but that is one concern that after five years and we have already passed a year and a half, so after three and a half years what will be the situation, how government will handle this because this industry will grow more. One thing is – every accident has a good side after Rana Plaza and Tazreen, 1,150 and 112 over 1,260 people died in those two incidents but they have helped this industry. Those lives did not go in vain. Because the overall improvement that this industry is getting right now, the changing
mind-set of the workers and the factory owners, of everyone involved in this industry. It was a wakeup call and the industry grabbed the opportunity. That is really helping. In the expo that was held last month in 2012 on the 50th anniversary of the garments industry BGMEA has a target of $50 billion for the RMG sector which is now only $24 or $28 billion. It requires 17% growth each year. It's not impossible – maybe very challenging, but a good target. To achieve that whatever happens right now people have to accept it first, then implement it. If they just implement it as a brand requirement that will not help out.

*Thank you for sharing your knowledge and opinions on this topic!*
Appendix 8: Sample interview transcript (Study 1, group 2)
Interview with the general compliance manager of a Bangladeshi RMG manufacturing company, part of a group of industries

Q: My research concerns fire and building safety in the garments industry and the initiatives taken post Rana Plaza.
A: Regarding safety in the industry do you know what the main problem is in this country? No one follows the BNBC, the building code – no one. Safety is lacking in the buildings because no one complies with the building code. Buildings are constructed and a building designed to go up to 100 feet is built up to 120 feet, the cantilever is increased, no one obeys the building code, so this is one defect. The second defect is the incorrect proportion of cement, concrete and other building materials used – there is a lot of theft involved with these estimations, so this is another reason. Thirdly, the underground piling, the building foundation is not sufficient to support the building structure.

The load bearing capacity of each floor is not the same and this was a main problem in Rana Plaza. The rule is the ground floor or the basement should be used for generators and other heavy equipment. Under no circumstances should generators be on the premises, they should be placed outside. If they are placed inside the building it will affect the building. When generators are working there is a lot of jerking which is why they should be placed on the ground. In Rana Plaza the generators were on the eighth floor. This is one of the causes of the collapse. Not the only cause but one of the causes. So this is building safety.

In our country there is no formal or institutionalised learning as such. What we have learned we have learned through observing the buyers. From an international perspective, when considering safety in the garments industry Bangladesh is considered to be a country that uses child labour, that is workers below 18 years of age. Although there is provision that we can use child labour but their working hours will be no more than five hours per day, and remaining three hours the child must be allowed to have the opportunity to attend school. So this is the law regarding child labour and there is zero tolerance - no buyer will accept digression. The second issue here is abuse and harassment. In our country as a matter of course there is verbal and physical abuse of the workers, but buyers have zero tolerance policy in this regard. Discrimination is another issue where male workers wages are higher and female workers wages lower, this type of discrimination is also zero tolerance. Similarly, with forced labour, workers cannot be forced to work over-time.

Q: So are fire and building safety policies also zero tolerance?
A: Yes these policies are definitely zero tolerance policies. Even this electrical connection you see in front of you must be dust and vermin proof to safeguard against electric short-circuit. Preventive measures for fire safety in the factory must be continually checked to make sure they are workable. Latest equipment has been installed following the Rana Plaza and the Tazreen fashion incidents. Fire extinguishers and fire hose reels must be periodically checked to see they are working. We have installed fire sprinklers in the factory and whenever the temperature rises above 55 degrees centigrade the sprinkler glass will break and water will automatically spray. The fire hydrant means a water tank with 100,000 litre water capacity is necessary. Any building over 23 metres is considered a high rise building. These buildings are allowed but it is suggested that lifts are installed and everyone must be aware of evacuation measures. We are using fire doors to make each floor smoke proof and prevent smoke spreading to the stairways. There are smoke alarms and if there is smoke the smoke alarm will sound automatically. Most people in event of fire die from the smoke and from panic and stampede.
We are providing training in the factory to make the workers more aware, as the workers are laymen. Generally garment workers are recruited off the street and seated in front of a machine – in the whole world there is not an easier job, no experience is required. But if you ask the worker on the sixth floor how many stairways are there in the building they do not know. How will he get out in a time of hazard? So we have an orientation program for the new workers so they know the building layout and what to do in the event of fire. This was my personal initiative which I started about five or seven years back. However, after Rana and Tazreen this is something much more seriously implemented in the factory. They have to know the orientation, they need to survive foremost. There are lots of laws we need to follow. We have a policy in place for disabled workers and for pregnant women, two other employees are designated to take care of each such worker. A separate stairway is required for disabled workers but as this is very expensive what we try to do is make sure as much as possible they are given work on the ground floor so they can evacuate easily.

Q: Who are your main buyers and what compliances do they require from you?
A: Our maximum buyers are American buyers. We follow the local laws, the legal requirements of the country plus the buyers’ also have their Codes of Conduct (CoC) or Terms of Engagement (ToE). We have to obey these terms. We also have certifications from third party auditors. Our factory is a WRAP certified factory.

The Accord/Alliance has inspected our factory and we have been inspected by BUET also. We often have training and we regularly attend various seminars and symposiums. In my opinion there is a lot of creativity in the industry, I enjoy it. The factories may often think that awareness programs are a waste of time but the long term benefit is something the production people often do not want to understand.

For example, the time scale to enhance salary is every two to three years. But I have had management asking me to sidestep this issue. I have said you must either let me go or listen to what I have to say, if you want me to work for you, you must follow the laws. Otherwise, afterwards when the factory is blacklisted then management will turn around and say – why didn’t you tell us earlier? So I don’t give them that scope. Now in our factories, there is less scope to get away with doing illegal things. On every floor there is CCTV. If workers are harassed these actions will be recorded.

Q: How are the audits carried out in your factory?
A: There are three types of audits. Unannounced, announced, and semi-announced where through a schedule they let you know a range of possible dates when the auditors will visit the factory. Audits are generally conducted by third parties. It depends upon the buyer. The European buyers require BSCI audit. Then there are the WRAP audits which are undertaken for both European and American buyers.

Q: What do the buyers consider before placing an order at your factory?
A: There are two types of orders for our factory. Our merchandiser may communicate with the buyers by obtaining their contact details through the corporate website. If the buyers have any requisition the factory sends a sample. Compliance is a primary requirement of the buyers. Compliances are of two sorts – one is ethical or social compliance, following this the main focus is now on building, electricity and fire safety. The factory must fulfil safety requirements. Then the FCCA (factory capacity and compliance assessment), the technical compliance must also be met. Technical compliance also covers the machinery - whether it’s up-to-date or not. The buyers are placing great emphasis on these compliances. The buyer requires all these compliances before
they will place the order. Following this, negotiations regarding cost and quality will be undertaken.

**Q: Recently who has inspected your factory?**
A: The Accord has inspected the factory. They have made some findings and given some time to make the rectifications. This is through the corrective action plan (CAP). They did not find any major remediation that needed to be done at our factory.

**Q: What sort of remediation work have you had to undertake?**
A: For example, in the immediate run the locking devices that were on all the doors in the factory had to be removed. This is because the security guards have tendency to lock the doors immediately in the event of any incident, that’s when workers die. If there are no locking devices the doors can’t be locked. Once we had such doors – now they have all been removed.

Fire doors are another new requirement for us. We haven’t installed the fire doors yet. The LC has been approved and they have been ordered. The sprinklers as I have mentioned have been installed on several floors and are also in the process of being installed on other floors. Many new electric circuit boards and other electrical fittings have also been changed.

**Q: You consider these requirements are improving safety in the factory?**
A: But of course! Even though in the short term these renovations are very expensive for us in the long term this will make sure the factories are much safer, are in a much better position. Perhaps the smaller factories, those that cannot afford these renovations will not be able to survive. I mean how long can they survive doing sub-contracting?

**Q: Why are the factories following Accord and Alliance requirements?**
A: If the factories don’t follow requirements of the buyers they will not have any orders. They will have to give up their business. The factories that are not following these standards do not get any direct orders from the buyers. They are perhaps getting sub-contracted orders through various sources.

**Q: Can you tell me a little about sub-contracted orders?**
A: Sub-contracted orders are generally illegal as the sub-contracting factory is considered as a business partner. The business partner must have the same qualities as I have. This is business ethics. But in Bangladesh this does not happen. The primary supplier has to make on-time shipment and the sub-contracted supplier provides the solution. Even though these suppliers are not on par with the primary supplier. Even those suppliers from whom the factory buys the raw materials – are they paying their workers properly? The transport I use to send my finished goods to the port – is the driver working reasonable hours? These things within the whole supply chain also need to be checked. The system should bring all parties into its scope but it doesn’t – this is a limitation. We are starting to look at some of these factors – salary, physical harassment some of the issues we are trying to address.

**Q: All these initiatives are post Rana Plaza?**
A: A lot of these initiatives have been started earlier. These issues fall under the scope of human rights. General issues such as harassment were already addressed earlier. We have looked at these issues because they are the workers’ basic human rights. There was a time when garment workers were body checked when leaving the factory to make sure they weren’t stealing anything. This is against their human rights – it can’t be done – you have to have a machine they can walk through if you want to check for that. But then again the metal detector machines in Bangladesh, which are the only type we have, cannot check for stolen garments wrapped around
the body. Such things cannot really be policed. Raising worker awareness is the only way to combat these types of problems.

Q: From the buyers perspective, why do you think they have implemented these new standards?  
A: The Alliance has come from the North American buyers and the Accord from the European buyers. So if my factory works for an American or European buyer they will want to know if the factory has been checked – if it is safe. Everything is now clearly available on their websites. My factory reports can be seen by any potential buyer – there is nothing to hide. If the buyer is satisfied he will give me work and if not he will not give the order.

There are still certain limitations in our country. The motives of the Accord and Alliance, those who have come from outside the country – there is nothing wrong with their motives. However, the engineers and inspectors from within our country have their own motives. For example, I got a call the other day from a company saying they would undertake remediation works in my factory. My details were supplied to them through the local inspectors who came to my factory. This is not good practice – it is in fact detrimental, this is a conflict of interest – they can’t do that. If the Accord come to my factory and declare it unsound then so be it – I still won’t get my factory works done by such a company.

Q: But what would you consider the buyer motivation for adopting new standards?  
A: The buyers are definitely acting out of business concerns. My garments for example, are going to America. The buyers in America face huge pressure. They have very strong human rights groups over there that work from their angle. They say clothes from Bangladesh - you can hear the cry of children on them, they have the smell of blood on them – we do not accept these garments. However, although the buyers work for business they also work out of ethics also. Primarily for business but even if only a secondary concern they do consider the ethics also. Personally, if I go to do business I will not do business with a concern that does not even consider human rights – I will feel very bad about it. In respect of world compliance however, Bangladesh is still at a starting level.

Q: Are you receiving any support from the buyers?  
A: Lead buyers of the Accord and the Alliance are sharing costs of remediation with the factories. They are providing financial support now and will later adjust by cutting the amount from future orders.

Q: What about the responsibility of other local stakeholders?  
A: Well, you can sort of say that the BGMEA is a political organisation and they align with whichever government is in power at the time.

Q: And the future of the garments industry?  
A: If we can continue as we have been doing the future is good, the garments industry will not be leaving the country. You will not find workers like Bangladeshi workers anywhere else in the world. If the compliances can be properly implemented, if factory owners are dedicated to making their factories compliant – after all what does compliant mean? Compliant means to agree with the desire of others. If owners are committed this will not be an issue – it can be achieved. This is not the issue of one day only. This is an everyday concern. If owners become used to the idea, then the pressure of the buyers will no longer be necessary. Although in our country usually work is not accomplished without the pressure.

Thank you for giving me so much of your valuable time.
Appendix 9: Sample interview transcript (Study 2, group 1)

Interview with the representative of an international NGO working to improve safety conditions in the Bangladesh RMG industry

Q: My research focuses on fire and building safety in the Bangladesh garments sector post Rana Plaza. I am conducting a case study of the Accord and the Alliance which includes interviews with various stakeholder groups including garment factories, garment buyers, and NGOs. I appreciate you granting me this interview – it’s very important to my research.

A: My name is Mesbah Rabin and I am the Managing Director of the Alliance for Bangladesh Worker Safety. Two international initiatives were formed following Rana Plaza. The Accord was formed in May 2013. The Alliance was formed in July 2013 for those brands, retailers, and wholesalers who doesn’t like to join the Accord so another parallel initiative was launched with the name Alliance for Bangladesh Worker Safety. The goal is the same; the purpose is the same for both the initiatives, to make the workplace safer.

We have 28 brands with us and they are sourcing apparels from about 600 factories worth about $4 billion only in the USA. One of the single largest country apparels are imported from Bangladesh is by our brands. Some of the reputed brands like Walmart, Gap, VF, Target, Macys, JC Penney etc. We have one Australian brand - Just Group.

So in year 1 there was an exercise for harmonisation of the standard. There are 200 known brands that operate in the country – European, Canadian, Australian, American etc. So first time they came together under these two initiatives with the name of Accord and Alliance. For inspecting the industry – structural, electrical, and fire safety these are the 3 damages. So this is more an engineering issue, a technical issue. Technical standard was developed by a company from USA who were flown in. They have studied the Bangladesh National Building Code (BNBC) 2006. That is basically the basis of the standard. So we have taken 95% of what is there in the BNBC and we copied it. By doing the survey we found that about 74% of the factory was already in operation and BNBC was produced 34 years later so none of those factories were fully compliant. Because of the rapid expansion of the industry, it grew like mushrooms, so any building - breaking the walls then putting the machines, and you can start up a factory.

So we started the harmonisation. We completed the harmonisation - there are three stakeholders. The Accord, the Alliance, and those are not falling under the Accord and the Alliance are under the National Action Plan. Now, the Bangladesh government after the incident of Tazreen declared a National Tri-partite Plan of Action (NTPA). In that - objective two, para two they stated should the brands/buyers/suppliers/donor countries wish to support the implementation of the plan of action of the government they may do so. The Accord have a platform of about 160/170 brands with them from Europe - smaller ones, so we decided to inspect our factories. We source from 600, they source from about 1100 so 1700 is taken care of but unfortunately there are about 1800 factories that are outside the purview of the Accord and the Alliance. Those are taken care of by the government with technical support from the ILO and funded by the donor countries like UK, Netherlands, and Canada.

Q: Are they inspected by BUET?

A: Initially they were but there were certain difficulties, so after 1 and a half years they only completed 620 factories. So another 1100 factories remain to be inspected so now ILO has perhaps engaged two other private, local firms MK and I don’t know the name of the other firm they have yet to make it public – so these two firms will conduct the inspections. In our case we have conducted the inspections through 7 qualified firms – we call it QAF, qualified associate firms. These qualified firms have completed inspections by July 2014 – it was 587. This number
of factories, it keeps fluctuating – because of the dynamic and fluidity of the business, today it is there, tomorrow it is not there etc. etc.

So in year 1 we completed the harmonisation of the standard, completed the inspections, we conducted basic fire safety awareness training, which was developed through a ‘train the trainer’ model. We had about 50 master trainers from different civil firms. We trained in-house each of the trainers of 7 or 9 different firms and we called about 2,000 ambassadors from different factories. They were also trained, and they went back and adopted the ‘train the trainer’ model and we have trained about 1.2 million factory workers and mid-level management.

So harmonisation, inspection, training, now for workers empowerment we established a hot-line. The issue was in Rana that they knew there was a crack but they couldn’t share with anybody – so we want to hear their voice. Protocol has been set up should there be a concern from the workers side they will share with factory management, there is a given point of contact. If it is not addressed they can make an anonymous call through the hotline to us.

So this is all we have done in year 1. We have rolled out a hotline to about 250 factories and we are receiving about 3,000 calls a month mostly test calls, some of them are social compliance related. However, we try to focus mainly on safety related issue relating to structure, to electrical, to fire. Should there be any life and limb issue that also we don’t ignore we involve the brands to intervene into.

And in Year 2 we are trying to go for the remediation based on the technical findings that we had in our initial inspection. On an average most of the factories have definite shortfall compared to the standard because now the structure was being graded in relation to the BNBC so we found on an average about 85 shortfalls in most of the factories. None of the garment industry had a fire door they don’t even know what is fire door, sprinkler, centralised fire detector, fire alarm system is not there – so to facilitate all these things we conducted an expo of fire safety (one in February, the second one in December) to showcase the world-class fire safety equipment for the factory owners so they can choose the right product for the right remediation.

After having done so we are also trying to support the remediation. Unlike the Accord, our brands are not under any obligation to do the financing for the remediation. But as a shared responsibility we try and support them to look for a low cost funding so they can get access to capital for the remediation through the banks. In doing so the first pilot and pioneer in this field was one of our members, VF Corporation, they have given 100% guarantee to the loan through IFC to BRAC Bank and they have rolled out $1.2 million to support the remediation and many more million dollars are in the pipeline to commit to support the remediation but it will be in the form of low cost funding to the factory owners.

There is no free money as such. We feel that it is their house, as an employer it is their obligation to make their employees and the workplace safer. That’s the basic philosophy. If you are in my office it’s my responsibility to make you safer, you don’t come and make my office safe. I have to make you safe, this is the bottom line.

That is all in here too... we are concentrating more on the remediation and to follow the remediation that is happening we have hired about 23 engineers, structural, electrical, fire, they are on-line and through cell phone continuously monitoring progress of the remediation, getting feedback, looking for the evidence and upgrading the system. As we find we are close to about 60 to 80% of the remediation done, then these engineers they go and do the spot check, physical verification of those factories where remediation has been done. Once they are close to 99% or we feel they are almost done, then we will send the same QAF who did the initial inspection to
do the final inspection and they will declare they have achieved a reasonable degree of safety standard and the workplace is safer.

After basic fire safety awareness training to the workers now we have rolled out training for the security guard. This was one of the challenges where the security guard has the tendency to lock the door. It happened in Tazreen, it happened in Ha-Mee & Ha-Mee, it happened in Garib & Garib, it happened in many other incidents but the challenge of changing the human mindset is the biggest challenge. So we felt that just changing the mindset is not enough, people get changed, fresh people will come and they will do the same thing. BNBC Part 4 says the garment industry is not supposed to have any shutters - no collapsible gate or shutter is allowed. But this is existing in the industry. So we encourage them that as per the BNBC you are supposed to have a fire door to the route of egress – so fix up the fire door in the route of egress and replace the shutter or collapsible gate. So there is no option and scope to lock the door. Should there be emergency they should be able to safely extricate through the aisles to a pre-designated assembly area – that’s it.

So with this I put a stop for you to ask questions.

**Q:** You mentioned the tolerance limit. You said 99% perfect. Do you have any margin? If a factory is 90% ok will you say that is acceptable?

**A:** No, there is no tolerance limit. There is a standard given which is known to them – we have given them enough awareness about the standard, there is a protocol which spells out the timeline, we will go with that. For the timeline there could be some flexibility, understanding the challenges they have with limitation of time we will understand and we will be a little flexible, we will not be that rigid – why you have not completed all works within this time? So the commitment of the brands in this initiative is 5 years - so we expect that within 5 years the remediation has to happen and there is no way out. If it doesn’t happen there is no business.

**Q:** Following this 5 year period do you think a corporate culture focusing on improved factory and building safety will have been established?

**A:** Changing the culture is a long drawn process. People have been running this industry for over 30 years so five years is too less time to change the culture. The culture has to be nurtured, monitored, taken care; law enforcement has to be by the government, so we would like to also do the capacity building. In doing so, what we decided, instead of bringing the foreign engineers, we took the local engineers having an oversight by the foreign engineers in the QC (quality control) process to see that the local engineers inspection is not oversighted, so the foreign engineers they did the QC process sitting in the USA, reports were uploaded on the site, they have monitored the report, corrected the report, and then it has been published because it is technical and it is science. There is very little scope for mistake. This was one of the initiatives that we took for capacity building in the private sector, there are firms who understand, who know how to do the industrial survey, who know how to do the Detailed Engineering Assessment (DEA) where there are shortfalls in some of the structures, how to do the retro-fitting, how to install the fire safety equipment, how to train the people – this is all build up with a view to do the capacity building.

We are also working hard in partnership with the National Fire Protection Association (NFPA) which we are trying to convince the government to open up a discipline in the BUET named fire protection engineering which the country doesn’t have. So anybody serving in the fire brigade none of them are fire protection engineers. So we need to have this. And then we are also supporting the government how to do the Corrective Action Plan (CAP) management, how to do the evaluation, and how to do the follow up audit. This kind of sharing the experiences with the
government is part of our capacity building effort and now we are waiting for the government to do the amendment in the law to bring out the formation of the Workers Participatory Committee (WPC) and the Occupational Safety and Health (OSH) Committee. These two pieces of industrial relations is missing in the law. It is in the draft form as we understand but yet to be ratified by the parliament and has not come out in black and white. Once it comes out we will also take up the training of the OSH committee and the WPC.

Q: So you are happy with the progress so far?
A: I mean one can only be happy when the remediation has happened and safety standards have improved. Since it is a long way to go perhaps we have to keep our fingers crossed for another couple of years to see that real, tangible progress has been made, then only we can feel that way. Yes partly we are happy, but not fully.

Q: For the time being, what you have asked for, the factories are doing everything?
A: They have to – this is business, this is business.

Q: I’m sure you’ve been facing some challenges on the ground. Could you mention a few?
A: The first challenge is changing the mind-set. When the initiative was launched, they felt – I mean in our country the common conception is conspiracy theory. Anything new brought in people feel that it is a tendency to disrupt our ongoing growth of the industry and divert the brands to neighbouring countries to benefit. This is one of the challenges we have to negotiate somehow. Still openly the politicians and the government keep saying that there is politics at play etc. So this is one challenge.

The second challenge is that now the fire safety equipments are not manufactured in the country - everything has to be imported from overseas. Now the challenge of overseas import is anybody who imports he has two options, one is $700 fire door one is $950 fire door. The $700 fire door comes without certification from China. The $950 fire door comes with certification, label etc. That is another challenge – how to convince people not to go for the cheaper option that will not help you to achieve the desired safety standard. So this is the second challenge.

The third challenge is capacity building because the foresightness of the governance system in the country is always lacking they don’t see beyond certain time they always look for their political gains etc etc. So we keep saying that on 11 July 2018 both the initiatives shut down – then what happens? Who handles this? The government needs to think about and formulate a mechanism to take over the initiative and give a sustainable mechanism to take over or carry forward whatever has been achieved – that piece is missing.

So these are a few of the challenges that I mentioned. I’m not very sure that the last challenge remains that virtually 48% of factories that we are dealing with by the Alliance and the Accord. The rest 52% of factories remains beyond the purview of the Accord and the Alliance. So another major challenge is ‘left out’ - this is one. The other piece in this is there are about 700 to 900 small tailoring houses – call them subcontracting factories. There is no subcontracting box – they are not brought under same umbrella – many of them are not member of BGMEA/BKMEA so their compliance level is pretty low. They are smaller, in Old Dhaka, in one room they have printing facilities, they have laundry and embroidery facilities, they remain beyond this purview. So if anything goes wrong there sitting in Australia or Canada, or in USA or in Europe people will not understand that these are not Accord factories or Alliance factories or that these are blah blah blah they will feel again the accident happened in the garment industry so enough has not been done. So these are the challenges.
**Q:** Don’t you think it’s the responsibility of the Alliance to support subcontractors or other tiers of suppliers?

A: There is no industry in the world which does not have subcontracting system. Right from the heavy industry, the biggest industry which is the aviation industry whether it is Boeing or Airbus - one industry does not produce everything. The airplane frame is in one place, the engine is in another place, the aviation system is in some other place and then in one place all are assembled. That is the system of production. Subcontracting – theoretically there is nothing wrong. What is wrong is absence of a concrete policy by the government to monitor, to oversee that should you run a subcontracting factory that does not have direct exporting facility, how they are supporting the bigger industry, how they should be looked into, how they should be handled.

This is the platform of our brand, created for five years. They came forward as a shared responsibility, because they felt that very frequent disasters are happening in this country, in this industry. Since they are the major stakeholders that source apparel from this industry they have a role to play but they cannot be made accountable for anything and everything. They are definitely coming forward as a moral obligation that we source from a factory and that is having a definite shortfall – we need to do something and we are doing it. Inspection is very expensive, training is very expensive, rolling out hotlines is very expensive, and follow-up audits are very expensive. They are spending millions of millions of dollars as a shared responsibility. The government also has to come forward to support this industry because that gives a huge chunk of foreign revenue to the country.

**Q:** What are some of the problems being faced by the factories?

A: So the shared buildings there are two types. One shared building which has multi-tenancy and multi-occupancy, on the ground floor you will find a restaurant or shops, on the other floor you will find a bank or other financial institution, and on other floors there will be factories. So this is one type of occupancy. This is often seen. The other one - shared building which in one building there are two or three factories of different owners and probably the structure belongs to somebody else – it’s a rented building. These are the factories that are facing big question, these factories need relocation. Government has taken a noble step. There is a project called Baushia in Munshigonj so that project can accommodate perhaps about 250 factories but another 400 factories need to be relocated – how, when, where we don’t know.

**Q:** I’ve also heard of problems of lack of infrastructure following relocation.

A: That is a problem of the government. Weak infrastructure cannot be helped and overnight nothing can be achieved. The government has plans, like having a nuclear plant to cope with the power requirement; gas reserve is going down; road infrastructure is constrained. We have the knowhow but due to lack of governance local firms cannot be entrusted with the expansion of highways so we always look towards China, towards Japan, towards Korea to come and build our infrastructure. It doesn’t work out every time.

**Q:** Do you think the brands and retailers involved in the Alliance are acting out of an ethical duty or responsibility towards garment workers?

A: No it’s a business interest. They have to secure their supply chain. This is a business of both buyer and supplier. Both their reputations are at stake when the industry is having difficulties. So brands reputation is also equally at stake, same is with the supplier. So the brands want to secure their supply chain, so their actions became obligatory.
Q: Previous to Rana Plaza there were other accidents in the garments sector but it wasn’t until a major accident occurred that the brands reacted.
A: It actually started from Tazreen that led to the loss of about 110 lives. That was the major shake-up – the final call was Rana, with 1137 dead. In the history of the world such a huge industrial disaster has never happened in the history of mankind anywhere.

Q: So two successive incidents led to the current initiatives. Have the factory owners embraced these initiatives?
A: They have to. As I said - it’s a business – anybody not doing it is out of business.

Q: Do you think the Alliance initiative will be successful in ensuring safe factories in the garments industry - similar to introduction of the Harkin Bill and subsequent elimination of child labour?
A: It’s too premature to narrate any success story but things have started moving in the right direction and I am optimistic that by the end of 2018 we should be able to declare to the international community that tangible gain has been achieved out of the initiatives.

Q: Do you think the Bangladesh model will be applicable to other counties?
A: Yes, I have already been to Pakistan. There, Ali Enterprise had similar incident like Tazreen, so the brands are already thinking the same model can be applied to other countries as well where there are similar difficulties in the industry; but not necessarily to very many countries because - for example - if you look at India there are not many buildings that are more than two stories or beyond. This is one of the vital challenges during fire incident that the occupants fail to extricate themselves safely from the facility this is the biggest challenge, because of the high-rise – in Bangladesh first and then perhaps Pakistan, then Cambodia, Vietnam and other places.

Q: Your concluding remarks on the future viability of the Bangladesh garments industry?
A: It’s very bright. You know the old saying is ‘challenges and opportunities come side by side’. If someone can squarely face the challenge, the window of opportunity is open. So it is time to give a compliant image to the international community that the Bangladesh garment industry is a compliant industry. The moment that compliant image is created the volume of orders will shoot up. At the apparel summit the BGMEA said they feel they will be able to achieve by 2021 about $50 billion. I think it is quite an ambitious target but quite a realistic target that Bangladesh will be able to reach to and compete with China. We are otherwise second to China, and the future is bright.

You’ve answered all of my questions very patiently – thank you for your time.
Appendix 10: Sample interview transcript (Study 2, group 2)

Interview with the representative of a local NGO working with the Bangladesh RMG industry

Q: I’d like to start by asking you about the stakeholder groups including the various NGOs in Bangladesh and how aware you think they are about the Accord and the Alliance, the two international agreements formed after the Rana Plaza incident.

A: I think the major stakeholders are aware. To what extent NGOs are aware, not all are connected with the garment or textile industry or in general with people’s welfare aspects such as human rights, or health or whatever, as far as NGOs are concerned if they are not connected in some way their knowledge will be more generalistic in nature. In the sense that there has been a lot written about the Alliance and the Accord, for good reasons and bad reasons, I’m not going to be judgemental about it, but a lot has been talked and discussed about it - in the newspapers, in seminars, in forums and things like that. And that’s why I’m saying - it’s generalistic. Not to demean or belittle the kind of knowledge they have but I’m saying it’s more generalised in nature rather than being specific or going deep into the subject. But if an NGO is working in that sector they would know a little more.

Q: There has been a lot of international focus on the issue from various sectors including the general public.

A: Absolutely correct. My interest in this is that BRAC was requested to join and I more specifically in the Alliance for Bangladesh Worker Safety, which was set up by the American and Canadian buyers and they requested me to join the board as an independent director, so I am on the board. So my knowledge about it is a little more.

Q: The MNCs in adopting the Alliance and Accord, in your opinion what were the motivating factors?

A: I can give the answer more from the Alliance’s point of view. From that extent it will be biased viewpoint from Alliance’s perspective. I don’t know a lot about the Accord. Accord has been set up quite differently from the way Alliance has been set up. So constitutionally it’s different. And of course in major things like this there is a political angle always whether you like it or not. So the geo-political realities sometimes intervene. There are issues over there also. As far as Alliance is concerned, the question is what is their perspective and why did they come? I think it was basically the consumers - consumer’s pressure. Basically, the global media which again for right or wrong reasons highlighted the Rana Plaza disaster a lot, so then there have been several opinions about it. There are some people who say they have overblown it and it hasn’t helped Bangladesh’s cause because there have been disasters like this in every country yet Bangladesh was sort of picked up – whatever I’m telling you is not my opinion I’m telling you in general. It’s not my opinion that they did the right thing and wrong thing again I’m being particular about that. And other groups said that no I think it’s right that something like this should be highlighted. Because my personal opinion I think if you ask it - it was right to highlight it – to what extent it should have been highlighted is a separate issue but it definitely needed to be highlighted because the women and the workers – the women are the majority of the workers – the workers were not working in a safe environment, and that is much more important it is much more fundamental than even your salary or the money you get. You may be getting less than living wage and that can happen in many countries of the world but are they making you work in an unsafe position where your life is threatened - that shouldn’t be the case. And if you are being forced to do that – I think that should be stopped. No amount of pressure is enough, you should do whatever is necessary to stop this practice.
Q: Do you think the actions of the Alliance and the Accord are a show for the public?
A: The pressure from the consumers after they read about all this – they really started to put on pressure. And there are NGO groups all over the world who picked it up and started talking about it. Why they did - your guess is as good as mine. But there was a lot of talk about it. In Europe there was a worker angle to it also because the global workers unions also took this as a cause because they do know Bangladeshi workers in the EPZ and also the garments industry are not allowed to create unions. So they had a particular interest over there also – that was also an area of interest. So I think there were different reasons that pressure came onto the buyers, but buyers were starting to feel pressure, and you know in these days in this world there is a heightened awareness about these things – internet, social media, all these things put pressure on the buyers and they sort of responded to it. And without trying to find - being cynical about it – I say that they saw they can get some good out of it. You see it is not necessary that you should be cynical about everything – that make them out to be – well they don’t believe in all of this.

Q: So you think there is an element of ethical duty or responsibility on the part of the buyers?
A: I think so because they all sat up. I do not think it is out of the goodness of their hearts but seriously they need to survive – if they want to build sustainability into their model these things are becoming important. One thing has changed the world – the world is getting more educated. And when I say educated I don’t mean college degrees. What is being educated? It is being in touch with your environment. Knowing what your environment is – that is education. What we do in schools and colleges is perhaps a bit more specialization - but the most important education is being connected to your environment, to know how to live with your environment. I think sustainability depends particularly on that - your ability to live with your environment. As it’s changing these global organisations are happy to think they are not just run on their own – I’ve worked in global multinationals myself. I worked at ANZ Bank, Standard Chartered Group, through them I worked with big organisations, so I have seen them operate. So that’s basically the reason they have got together.

Q: Initially, both the Accord and Alliance started off with a small number of signatories and gradually membership grew. How would you explain that?
A: The organisations saw some good is coming out of it. Absolutely. And I can tell you what the Alliance is doing and I find it extremely heart provoking in the sense that this is the first time... If you consider that you go back a little and if you are a student of economics you’ll understand what I mean by neo-liberal economics. Neo-liberalism started with Reagan or Thatcher they sort of proposed to the world that free-market economics is the answer to all your worries. As we change the world everybody will become much better off. But what really happened - the bad thing about neo-liberal economics - the culmination you saw in the downturn of 2007-8 and if today you look at what has happened in the US market there was a huge collapse, people lost their jobs, the banks had to be shored up and the US which is considered the mother-lode of neo-liberal economics they had to save the banks and step in and do things that they shouldn’t be doing.

After that happened a lot of people started saying that - the other thing that happened is the inequality of income has gone up tremendously in the world. That is a sure recipe for disaster, because that divides the society. There will be income inequality there is no doubt about that but when it becomes extreme that is when you have problems. Like it’s said that if Bill Gates were to spend $1 million/day it would take him the next 214 years to spend his money. There’s another report from Oxfam which says that the 85 richest people in the world have as much wealth as the poorest 50% of the world. The poorest 50% of the world – you’re talking about three and a half billion people, if you add their wealth it’s equal to 85 people’s wealth. It’s mind-boggling if you just sit down and think. What does it mean – it really tells you how divided the world has
become. Since people have started questioning the basis of this I think CSR has become one of the outcomes of this thinking. We need to go beyond and do something. I don’t personally believe in CSR I think it’s a fig leaf if you ask me. You have to go to the fundamentals to change things, CSR should not be a separate thing you do – CSR should be in the DNA of the organisation. It’s like the old zamindars (landowners and tax collectors) we had in Bangladesh and India, they would build schools and colleges, but they would take all the money away and torture their servants and they would say that’s their CSR – that’s CSR for you! In fact I don’t believe in CSR.

Q: So buyers are similarly also putting on a public show?
A: I wouldn’t go so far as that, to that extreme of cynicism. They may also feel good about it. And if you think they used to do this and they have bad intentions and I would say maybe not. Maybe they thought that this is the world order. You feel guilty about something when you don’t accept it, when it isn’t the norm. I’ve moved away from the norm. But they consider it - the way you know the British monarch’s son thinks he’s been made the king by God - there’s nothing wrong in it is there? That’s the perception that is allowed. The kings were allowed to think that is God’s given right. Even with CSR, I don’t think it’s a good thing or a bad thing - they do it because they feel they are doing the right thing. So I am not that cynical that I would say they are doing it all for publicity, there must be concern for workers welfare.

But what I would like to do is to make people understand that CSR is not the answer – you start with CSR but you should go to the fundamental. This should come from being a good human being, a good corporate citizen. If you are a good corporate citizen then you pay your taxes, you treat your employees well, you look around you and see who is your neighbour, and environment is your neighbour also, so I think it is that. That is what should be motivating CSR. So all your systems and processes have this built in. When we create a new product we see how it impacts people.

Q: But they did need a push right? Similar incidents happened throughout the history of the industry and it wasn’t until backlash from a major incident that organisations reacted.
A: Absolutely. For example we had child labour which disappeared after pressure was introduced – I mean there was pressure – so I think this is always the case. In the case of the garments industry external pressure works more because it is the buyers’ requirements - so they are having to fulfil it. In the business model that has led them to adopt this, because they are saying not only for Bangladesh but if this works we are going to apply it to other countries as well so they are looking at Cambodia, they are looking at Laos, but the difference is that in Bangladesh the garment industry is unique – we call it organic growth. It has grown organically. For example, in a building you will have a garment industry, you will have a bazaar, you will have a house also in the same building. The government did not say we will have a garment industry over here and they gave a piece of land and called all the garment industries to come over here – it didn’t happen like that. So that is why we call it organic growth and whenever something grows organically it is not so nicely and neatly arranged. That is why it has its gaps. Now we are re-organising and trying to put it right.

Q: So the next angle is from the garment manufacturer’s perspective. In your view, why do you think they have adopted the Accord and the Alliance?
A: I don’t think they had a choice. First of all there was a lot of criticism internally about what happened. Also they are trying to create sustainability in their business model. And they know that this will become the global standard. They can’t sell to any country unless they adopt the required safety standards. It’s a part of sustainability really. Initially there was growth and with the pressure they are changing. This is what tends to happen and this is what happens globally
anyway. If you look back in history the growth of industries unless it was part of a policy direction it has always grown like this. It has grown in the wrong places in the wrong way and then slowly – you know correction is evolution rather than intervention.

Q: Will you be cynical and say they responded only because they were pushed?
A: I think it’s a bit of both – there has to be. From the buyers side a bit of both and on the suppliers side a bit of both. There must be some garment industry owners who don’t want to give anything to the workers and there are others I know – like one guy Hasnat who is running a huge group and they’ve been given several global awards for their buildings and safety and all that. So there’s a whole spectrum – I don’t think its right to tar everyone with the same brush. You can’t generalise.

Q: The other related stakeholders - the Bangladesh government, the BGMEA, NGOs such as your own – how important is their role in improving safety in the garments sector?
A: Everybody is important. What keeps a building together? There are a lot of factors – you can’t take out one. Say the buyers - every actor has a part which makes it one. Everybody has to respond in their own way to make it work. And everyone up till now is. How long this will go on – of course it’s in everyone’s interests to do this. A lot of forces are working and as I said without that it will be incomplete. For example, we are training our workers through Alliance to sort of appreciate what can pose a threat, a safety threat; they are trained to recognise a safety threat. And then we have established a help-line and this help-line is 24 hours, and this was done by Alliance. Employees can directly talk about their issues and then Alliance takes it up. We have also warned factories do this right or we will be forced to kick you out of the Alliance. So Alliance is not just a place you come for the good times.

Q: Do you think the supplier factories influence each other in any way?
A: There is a lot of interaction I would say which definitely creates influence doesn’t it? I mean if I talk to you every day I must influence you in one way or another. To join of course word-of-mouth is very important. Even within the Alliance, factories they meet every month. We don’t – the Board doesn’t but members meet every month – they have a coordinated meeting. They have made the rules themselves it wasn’t imposed upon them, it was voluntary – the Alliance is not a regulatory body – it’s an association and they’ve paid to be members.

Q: You said everyone plays a part but how important is the role of the NGOs?
A: Everybody plays a part - every citizen of their country and of our country also. The NGOs do play a part. BRAC itself has a more direct participation in the sense that we are often asked to make sure that the money is disbursed to the workers when they are out of work and the factory is closed. In the case of the Alliance we pay 50% of the four months’ salary, they have to be paid. Accord doesn’t – we are one step up in that. We are trying to push Accord to do it too. We make this disbursement through an independent person to make sure the owner you know – for governance, so in this case BRAC is used to pay the money directly to the workers.

Q: Do you provide any training to the factories?
A: Awareness training and other training also. We don’t stop at health and safety training. We also train the women on what are their rights, if there is any harassment - things like that – they can use the helpline too. It’s not just for safety. That is a part of safety.
**Q: The next question — after adoption of the Alliance and Accord, do you believe there has been real improvement in factory safety?**

A: I would say it’s an ongoing story. I think it’s like a journey – not a destination. Safety standards change, the environment changes, and therefore I would say that this sustainability for the garments industry, so that the garments industry is safe for the people there would be a minimum level you must assure, but I think it’s about achieving more than just the minimum I think it’s more about giving a good environment for the workers that means it shouldn’t stop at just giving them minimum wage. The whole world is benefitting. Workers are definitely benefitting. The owners are benefitting. It’s not a zero-sum game.

**Q: Previous to Accord and Alliance there were other apparel industry standards.**

A: They were not talking about factory and building safety. I don’t think they were looking at it very carefully. Plus there was this whole story of sub-contracting that goes on. Sub-contracting on its own is not a bad thing – it just has to be managed properly. What I’ve been saying is don’t call sub-contracting a four-letter word. There is nothing wrong with it – every country of the world has sub-contracting. Elsewhere sub-contracting goes by the name of outsourcing – everybody loves it!

**Q: But one of the limitations that have been pointed out about the Accord and the Alliance is that they do not address the sub-contracting issue.**

A: They want to do one at a time. They feel a bit overwhelmed. Step-by-step. It’s known – it’s acknowledged – but if you ask a guy who has been importing clothes from Bangladesh in bulk, and he knows that it’s sub-contracted, but to suddenly stop it and to say that from tomorrow you can’t have it – you have to create – how do you manage sub-contracting? First you recognise there is sub-contracting. So publicly say ok you can do sub-contracting, instead of just looking the other way and this guy is doing sub-contracting – because you can easily find out by looking at the capacity of the factory. So after that, once you’ve done that – you can say – you can sub-contract but these are the terms. Factories have to have XYZ and that’s all. Then you say if you cannot give it to such factories immediately – ok I am giving you time but get your factories up to speed. Because what will happen with sub-contracting being put on the scanner, some sub-contractors will drop off but that doesn’t mean they will go out of work. They will start producing for the local market. There’s a huge Bangladeshi market. There’s a huge market that is not to Europe or to America. We also export to other countries such as East European countries, Russia, Nepal. So there is also a local market here. We’re 60 million people in Bangladesh – they are not exactly going without clothes – they will produce for them. The rest will upgrade and continue their business. It should be done over time it shouldn’t vanish – that is what I am saying.

**Q: What of the huge costs involved with remediation?**

A: Alliance is helping with that by arranging loans. Some of that is given bi-laterally directly by the buyers in which Alliance is perhaps not involved. But Alliance has set aside $2 million and we are talking to IFC because we have found that typically a factory needs between $100,000 to $200,000 roughly they need for remediation, the smaller ones the rest can find their money – the banks will support them - because their future returns depend upon whether they can do the remediation so banks too for their own survival will give the loans. It is the small ones that the banks don’t really care about they are the ones that need help. There are a lot of SME garment factory owners there we have calculated it’s between $100 - $200,000 as I said roughly they need for remediation and that we are trying to help through arranging loans from the IFC through a local bank to share the risk so that the owner is not left stranded. The buyer also takes some risk in the sense that they can say ok we are giving you assurance that in the next two years we are going to continue to buy from you. The bank says we will take X amount of risk – it’s a risk-sharing arrangement already we have started. Quite a few factories are getting money from
BRAC bank and another bank through an IFC arrangement. We are now trying to expand it and I am personally working with this.

**Q: Are you aware of any factories that have had to close down?**

A: I don’t think so. I don’t think any factories will close down. Some of the factories may have closed down for a period, for a few months – they may have had to close down to do remedial work – you can’t do remedial work when the workers are still there. The ones that do not undertake remedial action - I think they will supply the local market. To supply to Habib and co. at your local Sadarghat he doesn’t care less where the clothes are coming from! He certainly won’t be conducting inspections on them. Even these guys didn’t have inspections 2 years back or 5 years back. This is the first time in the history of the world, I don’t think in any industry buyers have actually come together like this to help change the industrial infrastructure and I call this infrastructure – it’s all the fundamentals of setting up, you never saw anything like this because it goes against the fundamentals of neo-liberal economics, it is interfering in the price-creation mechanism, because you are actually interfering in the supply and demand and no neo-liberal economist will say that this is a good thing. They will say stay away from that – let the market forces determine supply and demand. This is the first time these capitalists have agreed – no this needs intervention - so they have moved away from their fundamental position.

I think it’s a fantastic thing. It’s a very, very powerful signal also. And what we should do is welcome this and see how it can be used to strengthen what we are trying to do. To create sustainability in the industries, help workers get what should be their right to get, and create a safe environment for them to work. And also at the same time the people who are good entrepreneurs they are encouraged, they are also helped because it is helping them also. It is not as if they are being told – go and fix the factories – forget about it. There’s all-rounded help coming to them also – from the owners side, from the government, from international bodies like the ILO, everybody has come together so this sends a very powerful message for the future. I am very happy about it. I think I feel encouraged. That things like this can happen. And I think this can be a role model for other countries in the world. The African countries or the less developed countries, if we are trying to get them out of poverty this could be one way of trying to help them.

**Q: The initiatives cover a 5 year period, at the end of that period do you think everyone’s just going to forget about it?**

A: I don’t know what they’ll do but I think the way it is evolving it may take a different form. It may not stay in the shape of Alliance and Accord. Because in the Alliance and the Accord there have been tensions, frictions, things like that. So I think they may morph into something else. But I think the role they play may become something different.

**Q: Do you think a lessening of pressure will cause the buyers’ to slack off?**

A: I think it will change into something else – there will be some other need it can address. It can be a forum for just improving the quality of the product; it can be a forum to address environmental issues. So I think it may morph into something else but I don’t think it’s going to go away. It will be a bad thing if it went away because I think it is a force for good. So it can do good things in the future as well.

*That was a really useful discussion for me. Thanks so much for your time.*
### Appendix 11: Standards used by apparel industry organisations to develop social policy

#### Principle-based standards

| Principles of the UN Global Compact (UNGC) | The UNGC encourages organisations to embrace universal principles and promotes information about sustainable supply chain initiatives, programmes, codes, standards and networks (www.unglobalcompact.org). |
| International Labour Organization (ILO) conventions | International labour standards are drawn up by ILO constituents (governments, employers and workers) and set out basic principles and rights at work (www.ilo.org). |
| Guidelines of the Organization for Economic Co-operation and Development (OECD) | The OECD Guidelines for multinational enterprises (MNEs) are a set of recommendations on responsible business conduct in a global context (www.oecd.org). |

#### Certification standards

| Worldwide Responsible Accredited Production (WRAP) certification program | WRAP is a NGO dedicated to promoting ethical, humane, and lawful conditions and practices in manufacturing facilities around the world. The organization has developed a series of codes and practices governing manufacturing conditions worldwide and licenses independent auditing firms to conduct audits based on those codes and practices (www.wrapcompliance.org). |
| Social Accountability International (SAI) SA 8000 Social standard | SAI owns the SA 8000 standard which measures social compliance based on conventions of the UN, ILO and national law. It adopts policies that protect the basic human rights of workers (www.saintl.org). |
| Business Social Compliance Initiative (BSCI) | The BSCI was launched as an initiative of the Foreign Trade Association (FTA) - a leading European association for trade policy and global supply chains. The BSCI monitoring system provides standard management tools for member organisations committed to improving working conditions in their supply chain and uses accredited auditors to provide audit reports (www.bsci-intl.org). |
| Supplier Ethical Data Exchange (SEDEX) | Sedex is a not for profit membership organisation dedicated to driving improvements in ethical and responsible business practices in global supply. Sedex provides guidelines for operating ethical business which have specific standards for Health and Safety (www.sedexglobal.com). |

#### Industry standards

| Ethical Trading Initiative (ETI) | The ETI was launched in the UK. The ETI does not issue certificates/labels to organisations, accredit auditing organisations/individuals as 'ethical trade' auditors or trainers, or carry out audits. ETI members provide an annual report on progress in addressing working conditions in their supply chains and the ETI provides information on overall trends in performance across corporate membership. (www.ethicaltrade.org). |
| Fair Wear Foundation (FWF) | FWF is an independent, non-profit organisation based in seven European countries (www.fairwear.org). FWF works with stakeholders to verify and improve workplace conditions in manufacturing factories. FWF verifies management systems at factory and company level and publishes reports on members (www.fairwear.org). |
| Worker Rights Consortium (WRC) | The WRC was founded by US university administrators, students, and international labour rights experts to protect the rights of workers producing apparel bearing university names and logos. The WRC conducts independent investigations; issues public reports on factories producing for major brands; and aids workers at these factories in their efforts to end labour abuses and defend their workplace rights (www.workersrights.org). |
| Fair Labour Association (FLA) | The FLA is a US based non-profit organisation dedicated to protecting workers’ rights around the world. The FLA holds organisations accountable for monitoring their own supply chains and conducts independent random assessments of organisations' supplier factories. The FLA provides training |
and resources to help organisations/factories meet standards, ensure compliance, & improve working conditions (www.fairlabor.org).

### Process standards

<table>
<thead>
<tr>
<th>Process standard</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Organisation for Standardisation: ISO 26000 Guidance Standard on Social Responsibility</td>
<td>ISO 26000 provides guidance on how organisations can operate in a socially responsible way, helps clarify what social responsibility is, translates principles into effective actions, and shares best practices relating to social responsibility globally (<a href="http://www.iso.org">www.iso.org</a>).</td>
</tr>
<tr>
<td>AccountAbility: AA1000 Assurance Standard (AS) 2008</td>
<td>AA1000AS was developed in consultation with professional organisations, the investment community, NGOs, labour, and business, to assure the credibility and quality of sustainability performance and reporting (<a href="http://www.accountability.org">www.accountability.org</a>).</td>
</tr>
</tbody>
</table>

### Reporting standard

<table>
<thead>
<tr>
<th>Reporting standard</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Reporting Initiative (GRI) Sustainability Reporting Guidelines</td>
<td>The GRI is a worldwide effort to develop common standards for publicly reporting corporate environmental performance, involving the UN Environment Programme, the International Chamber of Commerce, numerous environmental activist groups, and extensive public input. The GRI comprehensive sustainability reporting framework offers credibility, consistency and comparability and the GRI sustainability reporting guidelines have become the de facto standard in sustainability reporting (<a href="http://www.globalreporting.org">www.globalreporting.org</a>).</td>
</tr>
</tbody>
</table>
### Appendix 12: Disclosure Index – Workplace safety practices and related performance

<table>
<thead>
<tr>
<th>Category</th>
<th>Sub-categories</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. CSR strategy</strong></td>
<td></td>
</tr>
<tr>
<td>(i) Managerial commitment</td>
<td>Managerial commitment to CSR is expressed by a top-level executive such as the Managing Director, the President, or the CEO.</td>
</tr>
<tr>
<td>(ii) Social committee</td>
<td>The organisation has an established social responsibility committee/board, such as a social audit committee, a sustainability advisory board, or a social compliance team.</td>
</tr>
<tr>
<td>(iii) Stakeholder involvement</td>
<td>The organisation acknowledges the importance of stakeholder involvement/collaboration in CSR activities.</td>
</tr>
<tr>
<td><strong>2. Workplace safety governance</strong></td>
<td></td>
</tr>
<tr>
<td>(i) International standards</td>
<td>Organisational social policies follow the principle-based standards of the International Labour Organisation (ILO), the United Nations (UN), or the Organisation for Economic Cooperation and Development (OECD).</td>
</tr>
<tr>
<td>(ii) Industry regulation</td>
<td>The organisation adopts independent industry initiatives(s) such as Ethical Trading Initiative (ETI), Fair Wear Foundation (FWF), Worker Rights Consortium (WRC), or Fair Labour Association (FLA). Other industry initiatives may include the Better Work Program of the ILO/IFC, Global Social Compliance Program (GSCP), Sustainable Apparel Coalition (SAC), and the Business for Social Responsibility (BSR).</td>
</tr>
<tr>
<td>(iii) External certification</td>
<td>Supplier factories are certified by certification programs such as SA8000 social standard, Worldwide Responsible Accredited Production (WRAP), Business Social Compliance Initiative (BSCI), or Supplier Ethical Data Exchange (SEDEX).</td>
</tr>
<tr>
<td>(iv) Regulative governance</td>
<td>Supplier factories operate in compliance with all applicable local laws of the countries in which they are located.</td>
</tr>
<tr>
<td>(v) Process standard</td>
<td>Organisational management, performance, and/or reporting is evaluated in accordance with ISO26000 Guidance Standard on Social Responsibility, AA1000AS Assurance Standard, or ISAE3000 Assurance Standard, by an independent consultancy organisation specialising in sustainability assurance, or against socially responsible investment indices such as the Dow Jones Sustainability Indices (DJSI).</td>
</tr>
<tr>
<td>(vi) Reporting standard</td>
<td>Sustainability reporting is based upon Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.</td>
</tr>
<tr>
<td>Category</td>
<td>Sub-categories</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>(ii) Employment is freely chosen Organisational policy stipulates against forced, bonded or involuntary labour.</td>
</tr>
<tr>
<td></td>
<td>(iii) Discrimination Organisational policy stipulates against workplace discrimination based upon race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.</td>
</tr>
<tr>
<td></td>
<td>(iv) Child labour Organisational policy stipulates against the exploitation of child labour.</td>
</tr>
<tr>
<td></td>
<td>(v) Freedom of association and the right to collective bargaining Organisational policy stipulates workers have the right to join or form trade unions of their own choosing and to bargain collectively.</td>
</tr>
<tr>
<td></td>
<td>(vi) Fair wage Organisational policy stipulates workers are paid a fair/correct wage. Minimum wages should meet national legal or industry benchmark standards and should be enough to meet basic needs and to provide some discretionary income.</td>
</tr>
<tr>
<td></td>
<td>(vii) Working hours Organisational policy stipulates against excessive working hours. Overtime should be voluntary, should not be demanded on a regular basis and should be compensated at a premium rate.</td>
</tr>
<tr>
<td></td>
<td>(viii) Working conditions Organisational policy stipulates a safe and hygienic working environment is provided and adequate steps taken to prevent accidents and injury to health.</td>
</tr>
<tr>
<td></td>
<td>(ix) Regular employment Organisational policy stipulates work performed must be on the basis of a legally-binding employment relationship established through national law and practice.</td>
</tr>
<tr>
<td></td>
<td>(x) Harassment Organisational policy stipulates against the harsh or inhumane treatment of workers. Physical abuse or discipline, sexual or other harassment, threats or verbal abuse, or other forms of intimidation are prohibited.</td>
</tr>
<tr>
<td></td>
<td>(xi) Bribery/corruption Organisational policy prohibits the offering, paying, soliciting or accepting of bribes or facilitation payments.</td>
</tr>
<tr>
<td>Category</td>
<td>Sub-categories</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>4. Occupational Safety and Health (OSH)</td>
<td>(i) Training The organisation has policies and procedures in place to provide health and safety awareness training and education programs for garment factory workers.</td>
</tr>
<tr>
<td></td>
<td>(ii) Hazardous products/materials The organisation has policies and procedures in place to ensure workers are protected from hazardous products/materials and any other significant risks through the use of sufficient protection equipment.</td>
</tr>
<tr>
<td></td>
<td>(iii) Accident prevention The organisation has policies and procedures in place to provide accident prevention training programs to garment factory workers.</td>
</tr>
<tr>
<td></td>
<td>(iv) Worker health The organisation has policies and procedures in place to establish facilities for factory worker health and well-being such as in-house doctors, childcare rooms, free lunch, prayer rooms, and (or) establishment of a workers’ welfare committee.</td>
</tr>
<tr>
<td></td>
<td>(v) Worker security The organisation has policies and procedures in place to establish a workers security program to minimise risks to worker safety.</td>
</tr>
<tr>
<td></td>
<td>(vi) Fire safety The organisation has existing fire safety policies and procedures for garment factories that specify requisite fire fighting equipment, evacuation plans, and training.</td>
</tr>
<tr>
<td></td>
<td>(vii) Building safety The organisation has existing building safety policies and procedures for garment factories that specify adherence to structural codes/regulations.</td>
</tr>
<tr>
<td></td>
<td>(viii) Electrical safety The organisation has existing electrical safety policies and procedures for garment factories that specify electrical installations and maintenance required to avoid fire hazards.</td>
</tr>
<tr>
<td></td>
<td>(ix) Fire and building safety standards The organisation makes specific reference to fire and building safety standards for supplier factories in Bangladesh.</td>
</tr>
<tr>
<td></td>
<td>(x) Specific hazards The organisation makes specific reference to hazards in Bangladeshi supplier factories such as fire related incidents/structural problems.</td>
</tr>
<tr>
<td></td>
<td>(xi) CSR programs The organisation has implemented CSR programs for the Bangladesh RMG industry/wider Bangladeshi community such as scholarship/charity programs.</td>
</tr>
<tr>
<td>Category</td>
<td>Sub-categories</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>5. Social compliance and monitoring</td>
<td>(i) Audit The organisation adopts a social compliance policy in which an internal/third party conducts announced/unannounced social/safety audits in supplier factories.</td>
</tr>
<tr>
<td></td>
<td>(ii) Inspection The organisation has factory safety monitoring mechanisms which include on-site inspection of factory premises, records, correspondence and other appropriate documentation, and/or private interviews with factory workers.</td>
</tr>
<tr>
<td></td>
<td>(iii) Compliance data The organisation discloses supplier factory audit results.</td>
</tr>
<tr>
<td></td>
<td>(iv) Historical trends Disclosure of supplier factory audit results includes description/figures/graphs showing development/change in factory safety comparative to previous periods.</td>
</tr>
<tr>
<td></td>
<td>(v) Progress Disclosure of supplier factory audit results includes information on progress towards goals, challenges and updates, and (or) future strategic plans.</td>
</tr>
<tr>
<td></td>
<td>(vi) Corrective action Disclosure of supplier factory audit results includes explanation of variance and details for corrective action plan management such as sharing good practices, capacity building, social dialogue, worker involvement, follow up audits and/or probation.</td>
</tr>
<tr>
<td></td>
<td>(vii) Special purpose reports The organisation provides relevant links to a corporate webpage/sie and (or) to other special purpose reports relating to supplier factory safety.</td>
</tr>
</tbody>
</table>
### Appendix 13: Social disclosures of North American apparel buying organisations
(Alliance members)

<table>
<thead>
<tr>
<th>Company</th>
<th>Size*</th>
<th>Listing</th>
<th>Year 2011</th>
<th>Year 2012</th>
<th>Year 2013</th>
<th>Year 2014</th>
<th>Year 2015</th>
<th>Year 2016</th>
<th>Year 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wal-Mart</td>
<td>334.3</td>
<td>Public</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>Website</td>
</tr>
<tr>
<td>wwww.walmart.com</td>
<td></td>
<td></td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>Website</td>
</tr>
<tr>
<td>Costco</td>
<td>74.74</td>
<td>Public</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>Website</td>
</tr>
<tr>
<td>wwww.costco.com</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target</td>
<td>71.28</td>
<td>Public</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>Website</td>
</tr>
<tr>
<td>wwww.target.com</td>
<td></td>
<td></td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>Website</td>
</tr>
<tr>
<td>Macy’s</td>
<td>27.87</td>
<td>Public</td>
<td>AR</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>Website</td>
</tr>
<tr>
<td>wwww.macy.com</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kohl’s</td>
<td>19.03</td>
<td>Public</td>
<td>-</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>Website</td>
</tr>
<tr>
<td>wwww.kohls.com</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sears</td>
<td>12.95</td>
<td>Public</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>Website</td>
</tr>
<tr>
<td>wwww.sears.com</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gap</td>
<td>12.87</td>
<td>Public</td>
<td>SR &amp; AR</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>SR &amp;</td>
<td>Website</td>
</tr>
<tr>
<td>wwww.gap.com</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VF Corp</td>
<td>11.4</td>
<td>Public</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>Website</td>
</tr>
<tr>
<td>wwww.vfcorp.com</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nordstrom</td>
<td>9.33</td>
<td>Public</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>Website</td>
</tr>
<tr>
<td><a href="http://shop.nordstrom.com">http://shop.nordstrom.com</a></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carter’s</td>
<td>2.6</td>
<td>Public</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>Website</td>
</tr>
<tr>
<td>wwww.carters.com</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Children’s Place</td>
<td>1.8</td>
<td>Public</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>Website</td>
</tr>
<tr>
<td>wwww.childrensplace.com</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>L.L.Bean</td>
<td>1.56</td>
<td>Private</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Website</td>
</tr>
<tr>
<td>wwww.llbean.com</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Giant Tiger</td>
<td>1.25</td>
<td>Private</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Website</td>
</tr>
<tr>
<td>wwww.gianttiger.com</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M. Hidary &amp; Co.</td>
<td>unavailable</td>
<td>Private</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Website</td>
</tr>
<tr>
<td>wwww.mhidary.com</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ariela &amp; Associates</td>
<td>unavailable</td>
<td>Private</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Website</td>
</tr>
<tr>
<td>wwww.aai-llc.com</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* (2013 Revenue in $US billion)

SR – Sustainability report
AR – Annual report
### Appendix 14: Social disclosures of European Union apparel buying organisations  
( Accord members )

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Tesco</td>
<td>86.5</td>
<td>Public</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>SR &amp; AR</td>
<td>SR &amp; AR</td>
<td>SR &amp; AR</td>
<td>Website</td>
</tr>
<tr>
<td><a href="http://www.tesco.com">www.tesco.com</a></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Carrefour</td>
<td>84.3</td>
<td>Public</td>
<td>SR &amp; AR</td>
<td>SR &amp; AR</td>
<td>SR &amp; AR</td>
<td>SR &amp; AR</td>
<td>SR &amp; AR</td>
<td>SR &amp; AR</td>
<td>Website</td>
</tr>
<tr>
<td><a href="http://www.carrefour.com">www.carrefour.com</a></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Lidl, Schwartz Group</td>
<td>63.35</td>
<td>Private</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><a href="http://www.lidl.uk">www.lidl.uk</a></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Aldi</td>
<td>39.06</td>
<td>Private</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><a href="http://www.aldi.com">www.aldi.com</a></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Inditex</td>
<td>16.7</td>
<td>Public</td>
<td>IR</td>
<td>IR</td>
<td>IR</td>
<td>IR</td>
<td>IR</td>
<td>IR</td>
<td>Website</td>
</tr>
<tr>
<td><a href="http://www.inditex.com">www.inditex.com</a></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Primark, ABF Group</td>
<td>15.89</td>
<td>Public</td>
<td>AR</td>
<td>AR</td>
<td>S &amp; AR</td>
<td>S &amp; AR</td>
<td>S &amp; AR</td>
<td>S &amp; AR</td>
<td>Website</td>
</tr>
<tr>
<td><a href="http://www.abf.co.uk">www.abf.co.uk</a></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><a href="http://www.marksandspencer.com">www.marksandspencer.com</a></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><a href="http://www.next.co.uk">www.next.co.uk</a></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><a href="http://www.c-and-a.com">www.c-and-a.com</a></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><a href="http://www.hm.com">www.hm.com</a></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Debenhams</td>
<td>2.75</td>
<td>Public</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>Website</td>
</tr>
<tr>
<td><a href="http://www.debenhamsplc.com">www.debenhamsplc.com</a></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><a href="http://www.mango.com">www.mango.com</a></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Benetton, Edizione Group</td>
<td>1.64</td>
<td>Private</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>Website</td>
</tr>
<tr>
<td><a href="http://www.benettongroup.com">www.benettongroup.com</a></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Matalan</td>
<td>1.34</td>
<td>Private</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>Website</td>
</tr>
<tr>
<td><a href="http://www.matalan.co.uk">www.matalan.co.uk</a></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Chicco, Artsana Group</td>
<td>1.21</td>
<td>Private</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Website</td>
</tr>
<tr>
<td><a href="http://www.chicco.com">www.chicco.com</a></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*(2013 Revenue in $EU billion)

SR – Sustainability report
AR – Annual report
IR – Integrated report
### Appendix 15: Social disclosures of Bangladeshi RMG manufacturing organisations

<table>
<thead>
<tr>
<th>Company</th>
<th>Listing</th>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2016</th>
<th>Medium of disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beximco Textiles</td>
<td>Public</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>Website</td>
</tr>
<tr>
<td>Square Textiles</td>
<td>Public</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>Website</td>
</tr>
<tr>
<td>Apex SKM</td>
<td>Public</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>Website</td>
</tr>
<tr>
<td>Desh Garments</td>
<td>Public</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>Website</td>
</tr>
<tr>
<td>Generation Next Fashion</td>
<td>Public</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>Website</td>
</tr>
<tr>
<td>Familytex BD</td>
<td>Public</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>Website</td>
</tr>
<tr>
<td>Stylecraft</td>
<td>Public</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>AR</td>
<td>Website</td>
</tr>
<tr>
<td>Ha-Meem Group</td>
<td>Private</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Website</td>
</tr>
<tr>
<td>Ananta Group</td>
<td>Private</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Website</td>
</tr>
<tr>
<td>Mohammadi Group</td>
<td>Private</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Website</td>
</tr>
<tr>
<td>MJ Group</td>
<td>Private</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Website</td>
</tr>
</tbody>
</table>

AR – Annual report
Appendix 16: Workplace safety disclosures of apparel industry organisations (by category)

Table 16.1: Number of workplace safety disclosures of Alliance signatory organisations in publicly released reports (by category)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR strategy</td>
<td>15</td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Workplace safety governance</td>
<td>15</td>
<td>22</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Code of conduct</td>
<td>36</td>
<td>67</td>
<td>67</td>
<td>68</td>
<td>68</td>
<td>75</td>
</tr>
<tr>
<td>Occupational safety &amp; health</td>
<td>27</td>
<td>34</td>
<td>47</td>
<td>52</td>
<td>53</td>
<td>53</td>
</tr>
<tr>
<td>Compliance &amp; monitoring</td>
<td>17</td>
<td>21</td>
<td>25</td>
<td>29</td>
<td>30</td>
<td>33</td>
</tr>
<tr>
<td>Total (out of 570)</td>
<td>110</td>
<td>162</td>
<td>178</td>
<td>189</td>
<td>191</td>
<td>201</td>
</tr>
</tbody>
</table>

Table 16.2: Number of workplace safety disclosures of Accord signatory organisations in publicly released reports (by category)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR strategy</td>
<td>27</td>
<td>28</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Workplace safety governance</td>
<td>31</td>
<td>32</td>
<td>33</td>
<td>37</td>
<td>37</td>
<td>37</td>
</tr>
<tr>
<td>Code of conduct</td>
<td>62</td>
<td>65</td>
<td>79</td>
<td>79</td>
<td>83</td>
<td>87</td>
</tr>
<tr>
<td>Occupational safety &amp; health</td>
<td>27</td>
<td>34</td>
<td>59</td>
<td>63</td>
<td>62</td>
<td>64</td>
</tr>
<tr>
<td>Compliance &amp; monitoring</td>
<td>24</td>
<td>24</td>
<td>32</td>
<td>34</td>
<td>36</td>
<td>37</td>
</tr>
<tr>
<td>Total (out of 570)</td>
<td>171</td>
<td>183</td>
<td>233</td>
<td>243</td>
<td>248</td>
<td>255</td>
</tr>
</tbody>
</table>

Table 16.3: Number of workplace safety disclosures of Bangladesh RMG organisations in publicly released reports (by category)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR strategy</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Workplace safety governance</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Code of conduct</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Occupational safety &amp; health</td>
<td>1</td>
<td>4</td>
<td>8</td>
<td>14</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Compliance &amp; monitoring</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total (out of 418)</td>
<td>18</td>
<td>21</td>
<td>26</td>
<td>32</td>
<td>29</td>
<td>28</td>
</tr>
</tbody>
</table>
Appendix 17: Workplace safety disclosures of apparel industry organisations

Table 17.1: Number of workplace safety disclosures of Alliance signatory organisations (out of 38)

<table>
<thead>
<tr>
<th></th>
<th>Corporate public reports</th>
<th>Corporate web-site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wal-Mart</td>
<td>19</td>
<td>32</td>
</tr>
<tr>
<td>Gap</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>Target</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Kohl's</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Macy's</td>
<td>1</td>
<td>19</td>
</tr>
<tr>
<td>TCP</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Carter’s</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Nordstrom</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>VF Corp</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Sears</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Costco</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>L.L. Bean*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Giant Tiger*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>M. Hidiary &amp; Co.*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ariela &amp; Associates*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total (out of 570)</td>
<td>110</td>
<td>162</td>
</tr>
</tbody>
</table>

*These organisations do not release public reports

Table 17.2: Number of workplace safety disclosures of Accord signatory organisations (out of 38)

<table>
<thead>
<tr>
<th></th>
<th>Corporate public reports</th>
<th>Corporate web-site</th>
</tr>
</thead>
<tbody>
<tr>
<td>H &amp; M</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>C &amp; A</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Inditex</td>
<td>26</td>
<td>29</td>
</tr>
<tr>
<td>Mango</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Primark</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>Next</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>M &amp; S</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Debenhams</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>Tesco</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Carrefour</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Matalan</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Benetton</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lidl*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Aldi*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Chicco*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total (out of 570)</td>
<td>171</td>
<td>183</td>
</tr>
</tbody>
</table>

*These organisations do not release public reports

Table 17.3: Number of workplace safety disclosures of Bangladesh RMG organisations (out of 38)

<table>
<thead>
<tr>
<th></th>
<th>Corporate public reports</th>
<th>Corporate web-site</th>
</tr>
</thead>
<tbody>
<tr>
<td>BexTex</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Apex</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Stylecraft</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Square</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>GNF Ltd</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>FamilyTex</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Desh</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Ha-Meem*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ananta*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mohammad*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>MJ Group*</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total (out of 418)</td>
<td>18</td>
<td>21</td>
</tr>
</tbody>
</table>

*These organisations do not release public reports