

Trade Group Slams Safety Pact For Bangladesh

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NEW YORK (AP) — The largest U.S. retail-industry group on Wednesday criticized an international pact aimed at improving factory conditions in Bangladesh's garment industry, saying it was a "one-size-fits-all" approach promoted by special interests.

The National Retail Federation's statement came as more global retailers signed on to the pact backed by about 30 brands including Swedish retailer H&M and French retailer Carrefour. The five-year, legally binding contract requires them to help pay for fire safety and building improvements in Bangladesh.

Based on the number of companies participating, the plan will now cover more than 1,000 of the 5,000 garment factories in Bangladesh., according to IndustriALL Global Union, a Geneva based-labor union that was involved in the negotiations

IndustriALL had set a deadline of 6 p.m. EDT (2200 GMT) Wednesday for companies to sign the pact.

"The companies who signed up are to be applauded," said Jyrki Raina, the group's general secretary said. "We will not close the door on brands who want to join the accord after the deadline, but we will be forging ahead with the implementation plan."

As of late Wednesday, only two U.S. companies have signed: PVH Corp., the New York-based parent company of Tommy Hilfiger, and Abercrombie & Fitch of New Albany, Ohio.

The retail federation said in a statement that it didn't support the agreement because it leaves retailers open to legal action and seeks major funding by private businesses without providing accountability for how the money is spent.

"The accord veers away from commonsense solutions and seeks to advance a narrow agenda driven by special interests," said National Retail Federation President and CEO Matthew Shay in a statement.

The trade group, along with a coalition of North American industry associations including the Retail Industry Leaders Association and the American Apparel & Footwear Association, jointly came out with a proposal Wednesday to improve conditions at apparel factories in Bangladesh. But few details were offered.

Scott Nova, executive director of the Worker Rights Consortium, a labor rights group that has been pushing the legally binding pact, called the U.S. retailers' proposal a "series of empty platitudes."

The moves come as the world's largest retailers face pressure to increase their

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oversight of factory conditions in Bangladesh following a building [collapse](#) [1] on April 24 that killed more than 1,110 workers there. The tragedy, the deadliest incident in the history of the garment industry, came just months after a fire in another garment factory in Bangladesh in November killed 112 workers.

But now U.S. retailers, under increased scrutiny, are scrambling to bolster their own plans, or are weighing either the legally binding pact or the plan from the North American trade groups.

Wal-Mart Stores Inc., the world's largest retailer, said Tuesday that it didn't plan to sign on to the legally binding pact and announced its own steps that it believes meet or exceed the contract. The Bentonville, Arkansas, company said it will conduct in-depth inspections at all of the 279 factories it uses in Bangladesh and will make the inspection information public, starting on June 1. It will be using an inspection company to provide fire safety training to factory workers. It also is contracting with a hotline call center run by an organization called Labor Voices so that factory workers in Bangladesh can report safety concerns.

Dara O'Rourke, professor of environmental and labor policy at the University of California, Berkeley, applauded Wal-Mart's move to be more public with the results of its factory inspections. But he said that Wal-Mart needs to commit to a contract.

"They should be using their market power and coordinating with other retailers, to move the entire apparel industry upwards in Bangladesh," he said.

Gap Inc. reiterated Wednesday that it couldn't join the pact unless a provision was made that it felt would free it from any legal liability.

Labor groups have pushed retailers to sign the legally binding plan, a lengthier version of an agreement that was proposed about two years ago. In fact, many workers' rights groups have threatened protests and other increased pressure on clothing brands that do not sign the agreement by Wednesday.

In addition to requiring that retailers pay for safety upgrades, the plan calls for the companies to pay up to \$500,000 annually to run the program, to stop doing business with any factory that refuses to make safety upgrades and to allow workers and their unions to have a voice in factory safety.

Those that sign on to the pact will have 45 days to form a governing board and develop an implementation plan. The board includes three labor representatives, three retailer representatives and a chairman chosen by the International Labor Organization. The board will oversee dispute resolutions that would be enforceable in the courts of the country where the company is based.

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