

# -Bangladesh 2015-

New union visit,  
Project for establishing workers' and  
safety committees in  
Inditex's production chain



Workers queuing up to vote.

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Víctor Garrido  
Isidor Boix,

Secretariat for International Union Action CCOO Industry  
Coordination of IndustriALL Global Union for the Framework Agreement with Inditex

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## **1.- Objective and Programme of union visit to Bangladesh**

This visit is part of the project initiated in this country, after our first visit in April and in application of IndustriALL Global Union's (IGU) Global Framework Agreement (GFA) with Inditex. On this occasion, our visit had several objectives: firstly, as part of the work plan established for 2015 in the field of our responsibility at IGU of coordinating the GFA with a pilot project in five factories in Inditex's production chain; this involved renewing the workers' committees after they had finished their electoral mandate. We also wanted to assess the current situation of the "ACCORD," two and a half years after the "industrial homicide" of the Rana Plaza tragedy.

And secondly, in representation of CCOO Industry, attending the annual global conference of the building and ship-scraping sector in the Bangladeshi city of Chittagong, which will be included in a separate report.

On this occasion, the union delegation representing the IGU International Union Federation was made up of Víctor Garrido Sotomayor, from CCOO-Industry, coordinating the GFA, and Eusuf Mollaf, from IGU's office in Bangladesh. The business delegation was made up of different managers from Inditex's office in the country and Javier Díaz Pena, from Inditex's central CSR Department.

The programme of this visit, which took place from November 1 to 6, consisted in establishing the necessary conditions for renewing and setting up, by guaranteeing the workers' free choice, the committees in their companies as the first step towards establishing the respective Health and Safety Committees in each of them.

## **2.- Notes on the current situation in Bangladesh**

Since its birth in 1971, the country has been plagued by constant social and political instability, which has increased due to a series of internal problems between the two main political parties. This has resulted, after two struggles for independence (first from the British Empire and then from Pakistan), in the existence of a high degree of unrest and corruption that reaches almost all sectors and social layers.

This situation is now becoming much more worrying due to the appearance worldwide of the misnamed Islamic State (Daesh), which is also hitting Bangladesh (although it does not enjoy the same coverage as other cases in the media); its impact on the country is intensified by political and religious connotations, which means that it affects practically all parts of society.

In October, homemade bombs were launched against thousands of Shiite worshippers gathered at a sacred site (Huseni Dalan), in the capital of Bangladesh, resulting in one dead and more than a 100 injured. This attack, for which Daesh claimed responsibility, could have resulted in a massacre since around 25,000 people had gathered to celebrate the Day of Ashura (an Islamic religious holiday mainly observed by Shiites), which is held on the 10<sup>th</sup> of Muharram, the first month in the Islamic calendar. Daesh proclaimed that

“soldiers of the Caliphate in Bangladesh” had activated several explosive devices during the Shiite community’s “polytheist rituals.”

In the weeks prior to our visit, two writers and an editor were murdered in a wave of attacks against journalists and bloggers, including some belonging to the “Shuddhoswar Prokashoni” publication, strong critics of religious activism. We should also remember that, last February, radical Islamists murdered another editor, Avijit Roy, an American citizen of Bangladeshi origin that was critical of religious activism. Since then, four more bloggers have been stabbed to death, which has led the UN, by means of the United Nations High Commissioner for Human Rights, Zeid Ra'ad Al Hussein, to energetically condemn the continuous attacks against journalists in Bangladesh.

In addition to these incidents, a series of attacks have occurred in recent months in which two foreigners were also murdered. This is creating important problems for the country’s productive activity and also made our work more difficult, due to the continuous security measures and restricted travel during the day, and especially at night.

### **3.- Situation of the “ACCORD” for fire prevention and building safety. Its development two years after Rana Plaza. Its application in Inditex’s production chain.**

It is worth remembering that the “ACCORD” is a five-year agreement, with economic contributions for its application of up to 500,000 dollars per year on the part of each signatory company; it has been signed by more than 200 world brands, including five Spanish ones (Inditex, El Corte Inglés, Mango, Padma Textiles and Mayoral). The signatory brands include retailers and importers from more than 20 countries in Europe, North America, Asia and Australia; two global unions, IGU and UNI (industry and services), eight Bangladeshi unions and four NGOs.<sup>1</sup>

There is another group of brands that have set up the so-called “Alliance,” mainly from North America, centred on Walmart and GAP, which have established a unilateral commitment without any negotiation or union participation.

Together, the “ACCORD” and Alliance control the 3,500 factories and workshops; of these, ACCORD directly controls 1,677, which manufacture for European and North American brands, while there are another 1,500 factories that manufacture for brands from other countries and that were assigned to an

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<sup>1</sup> 4 belonging to IGU (Bangladesh Textile and Garments Workers League, Bangladesh Independent Garments Workers Union Federation, Bangladesh Garments, Textile & Leather Workers Federation, Bangladesh Garment & Industrial Workers Federation), 4 belonging to UNI (IndustriALL Bangladesh Council, Bangladesh Revolutionary Garments Workers Federation, National Garments Workers Federation and United Federation of Garments Workers), and 4 NGOs (Worker Rights Consortium, International Labor Rights Forum, Clean Clothes Campaign, Maquila Solidarity Network).

initiative led by the Government and supervised by the International Labor Organization (ILO). Two and a half years after the industrial homicide of Rana Plaza, less than a dozen workshops have successfully completed all the required reforms, thirty-seven workshops or factories have had to close their doors and the great majority of the 3,500 export factories still have a long way to go.

About 67,000 defects have been detected in the huge amount of work undertaken to date, during visits to the 1,677 factories belonging to the ACCORD, 617 of which (37%) have not yet presented a feasibility plan a year and a half after the first inspection, i.e. they have a corrective action plan that is incomplete or has not yet been approved by the ACCORD, while more than a thousand (60%) are implementing their corrective action plan, but doing so very slowly. Only two ACCORD factories completely satisfy all safety requirements, in addition to six inspected by Alliance.

### **3.1.- Indicators of the ACCORD's progress as regards inspections and corrective plans.**

The Managing Committee of the ACCORD<sup>2</sup> is closely monitoring the progress made by the signatories and the affected factories. Since its establishment, it has been committed to transparency and public responsibility; it publishes three-monthly reports (Article 19c) on the progress of inspections and the remediation of the detected problems. The website [www.bangladeshaccord.org](http://www.bangladeshaccord.org) provides a general vision of this activity's main indicators. The data presented herein is based on this year's November report.

According to data included in the latest report published by the ACCORD (November 2015), there are 1,651 corrective action plans (CAPs). Out of a total of 67,628 actions required by such CAPs, a total of 6,520 corrective actions have been implemented and certified by the ACCORD. The situation of these actions is summarized in the following table's five categories: completed, advanced, delayed, uncompleted, not implemented (although these are not exclusive).



<sup>2</sup> Made up of 3 union and 3 business representatives. Inditex has participated in the business representation from the beginning, despite not having been involved in the catastrophe.

Although the ACCORD's Managing Committee and its signatory brands claim that they are working to accelerate the solution to the detected problems, particularly in the detected delays, their implementation is clearly inadequate. There is, on the other hand, an evident and direct responsibility on the part of the factories themselves, of their owners, mainly Chinese, Koreans and Bangladeshis, as well as the country's government. As long as these delays and deficiencies are not solved, these factories will continue to be unsafe and can suddenly become a new death trap for the people working in them.

### **3.2.- ACCORD activities in relation to the Pilot Project (OHS Project) to establish Health and Safety Committees (HSC).**

The ACCORD establishes the obligation to establish Health and Safety Committees in all factories and workshops, indicating that the workers' representatives should make up at least 50% of the total. On the part of the ACCORD, it is understood that priority for establishing such should be given to factories that already have workers' representatives in the "Participation Committee" or are unionised. The labour legislation reform ("National Labour Law" BLA 2013) included a new article establishing the obligation that companies with more than 50 workers set up a Health and Safety Committee, although it did not specify how it should be chosen.

Another, later modification of labour legislation establishes that the Health and Safety Committee's members should be appointed by the aforementioned Worker Participation Committee (WPC), by means of the company's recognised union organisations, if such exist. We therefore decided to centre our work on the establishment and training of these committees (which would also promote the unionisation of their workers at the same time), before dealing with the health and safety ones.

On the other hand, the ACCORD has hired a consultancy with extensive experience in safety, occupational health and labour relations, to prepare materials and provide guidance in the application processes of such regulations, including the channelling of workers' complaints in this regard. Talks with the workers have been organised regarding the functions of these committees, and a pilot project has been designed with around 50 factories of all ACCORD brands, requesting them to propose some of their providers to that end. This pilot project includes one of Inditex's suppliers in the first phase and 4 in the second, i.e. 5 out of a total of 50.

This activity's first phase is underway with 6 unionised factories, with initial meetings featuring the participation of production workers and, in two of them, employees too. Four Health and Safety Committees have thus been established. A new phase is planned for later on with another 9 factories with union presence, in order to extend the first experiences to the other 35 factories included in the pilot project. In all cases, the process started with a meeting with the company's union, followed by informative meetings with its workers.

A support method is also planned, with a view to the committees' efficient functioning, their relationship with the inspections, as well as the solution of possible conflicts regarding health and safety matters.

A procedure is also contemplated for training the Committees and implementing the established criteria, divided into five points:

- 1: Fundamentals of Safety and Occupational Health.
- 2: Procedure for complaints and claims.
- 3: Solution of problems.
- 4: Inspections and control of dangers in the workplace.
- 5: Establishment of safety and surveillance mechanisms at work.

### **3.3.- Inditex's activities in relation to the ACCORD's Pilot Project.**

Inditex, the same as the other signatory brands, promised to apply the ACCORD's Art. 17, which involves actively collaborating in establishing Health and Safety Committees in all the factories working for them in the country and that are specified in the information given to the ACCORD's Managing Committee.

In 2014, we had around 208 factories, with active brands and about 350,000 workers, making clothes for Inditex's brands; most of them also worked for other brands, while another 45 did not receive orders from Inditex that year. Out of these 208, 192 have been inspected and have a CAP underway to implement the corrective actions that were established after the structural inspections, regarding fire prevention and electrical installations.

Inditex is directly responsible for supervising (Lead Brand) 75 of the 208 factories; these were directly assigned to Inditex in order to lead the process of coordination with the factories' other active brands, in relation to the implementation of corrective action plans. This currently involves being monitored regarding the CAP's evolution, as well as follow-up and technical consultancy meetings.

Inditex planned its participation in the pilot project with the aforementioned 5 factories out of a total of 50. In addition, at the Coordination of the Framework Agreement, we have planned our own project in the same line as the general one, but including a larger number of factories from among the aforementioned ones and with application to all of them. We therefore plan to first of all promote the effective election of Participation Committees and, by means of these, or by means of the union structures resulting from this initiative, to appoint Health and Safety Committees in the factories.

#### **4.- Labour legislation regarding the election of representatives in Bangladesh**

This year, all of the country's labour legislation has been revised, not just matters related to workplace Health and Safety. In relation to Participation Committees, the main elements of the regulations are:

- In all companies with more than 50 workers, a Participation Committee will be formed within three months of the company's start date.
- The total number of members, between the two parts (workers and managers) shall not be less than six nor more than thirty. The Participation Committee's size will be determined by the employer within the limits set by the following table:

Number of ordinary workers			Maximum number of members in participation committee
1	to	100	6
101	to	400	10
401	to	800	12
801	to	1500	14
1501	to	3000	18
3001	to	5000	22
5001	to	7500	24
More than 7501			30

- Article 189 (point 2) in turn establishes that the employer decides the number of representatives within the commented parameters, as well as their distribution according to section, category or department.
- When there exists a recognised union in the factory, i.e. with membership of at least 10%, it will designate the name and collect the particulars of the union representative and the workers' representatives, and will inform the employer regarding the designation of the Participation Committee according to category, section and department.
- It is worth mentioning the inclusion of a clause favouring the presence of women; depending on the factory departments, in which there are several candidacies, the nomination of the female worker in the Participation Committee will be accorded preference. It is specified that the election of such women, in companies with more than 50 female workers or in which women make up more than 10% of the total, should be proportional to the number of female workers.
- The employer designates his or her representatives in the Participation Committee.



- If there is no union representation in the factory, the regulations establish the election of workers' representatives by means of a secret vote; this must be notified to the Work Directorate, so that it can supervise the electoral process and ensure that the company does not try to influence the election.
- Any adult worker that has been employed in the factory for at least six months can be a candidate in the elections, which must be held by secret voting if there are more candidates than available posts. Any worker (except temporary workers, transferred workers, apprentices and/or seasonal workers) that has worked in the factory for at least three months can vote in the Participation Committee elections to choose a workers' representative.
- Candidacies should be accompanied by a symbol to facilitate the vote of illiterate people.
- The employer, or a person designated by him or her, will chair the Participation Committee and facilitate the logistics so that the committee can carry out its activities. The workers' representatives can select the vice-president. The company's personnel manager or social worker will be the secretary and the person in charge of managing the organism, which will be convened with advance notice of 7 days, or of 24 hours in case of emergency.
- The mandate will be valid for two years.
- The Work Directorate can review, supervise and control the process of implementing the committee in the factory.

### **5.- Establishing workers' committees within Inditex's production chain.**

The main objective of this trip was promoting and being present in some elections of Participation Committee representatives, in factories belonging to Inditex's production chain. In a previous visit, we suggested the need for supervising the renewal of several of these Committees, whose previous electoral mandate was coming to an end. We did so for five factories with a view to undertaking a pilot experience, based on the new regulations, and establishing in practice a procedure with the best democratic guarantees.

To that end, we involved Inditex's CSR Department, as well as factory managers and the IGU International Union Federation, and its local managers.

On the part of the union (IGU), to look for male and female candidates in the best conditions, interviews and assemblies with workers belonging to a union, as well as supervising the process and guaranteeing a clean election. On the part of Inditex's CSR Department, to encourage companies to guarantee the necessary resources for the elections and their smooth implementation.

We first of all set the electoral process for the months of June and July this year, although it was not easy to coordinate this with the IGU's local representatives.

The following was the initial situation in the chosen companies:

- One factory in the Tongi area, with 13 members in the Participation Committee: 6 men and 7 women, chosen the last time using a ballot box, but by prior designation of the candidates by the supervisors.
- Two factories in the Gazipur area:
  - One with 15 members in the workers' committee, 6 women and 9 men that were selected by the company since they had the most seniority.
  - Another that had 23 people, 6 men and 17 women, previously chosen by show of hands.
- Two factories in the Mirpur area:
  - A first one with 7 men and 4 women, who had been chosen by show of hands.
  - Another in this area with 9 men and 11 women, selected by the supervisors.

We finally programmed these visits for the city of Dacca, in the areas of Gazipur, Tongi and Mirpur, in the 5 factories, 3 in a first phase and 2 in April 2016. Taking into account that the processes in the factories had to take place, since the committees had to be renewed, we decided to prioritise the electoral guarantees in order to break the inertia of the previous elections controlled de facto by the companies.



In relation to logistics, in each of the factories we planned to hold the election in each department and/or floor (it should be remembered that some factories have up to 8 floors), thereby guaranteeing the free presentation of the candidacies; these featured, in addition to each person's name, a symbol.

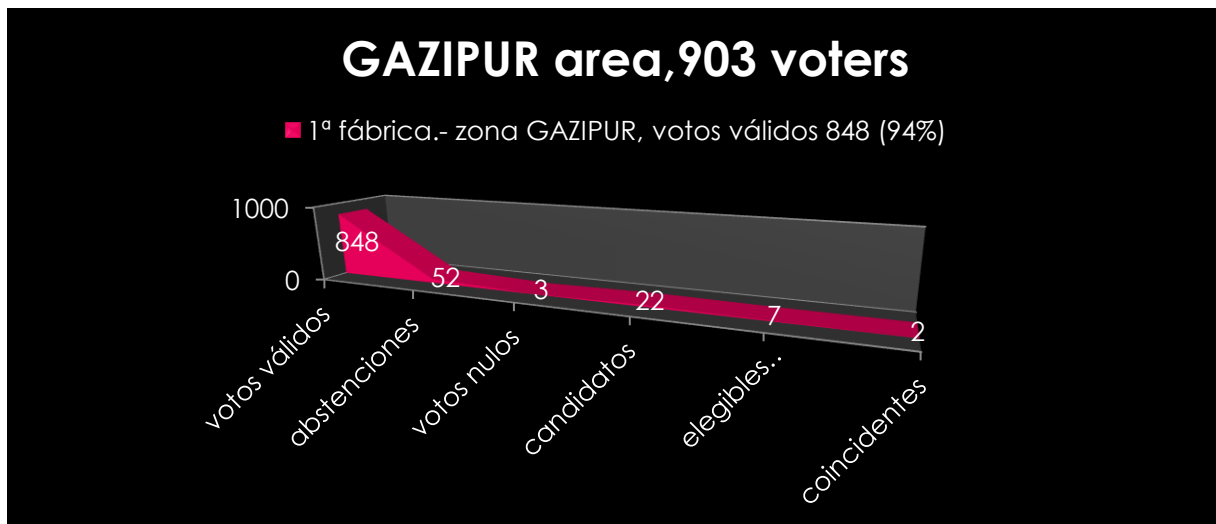
Voting took place in each department and floor, setting aside an area on each floor to guarantee confidentiality.

The objective, in short, was to facilitate union initiative wherever any union existed, and to establish a practice of free action on the part of the workers as a whole, in order to facilitate their unionisation wherever no union existed.

The following results were obtained in the firsts elections held under these conditions:

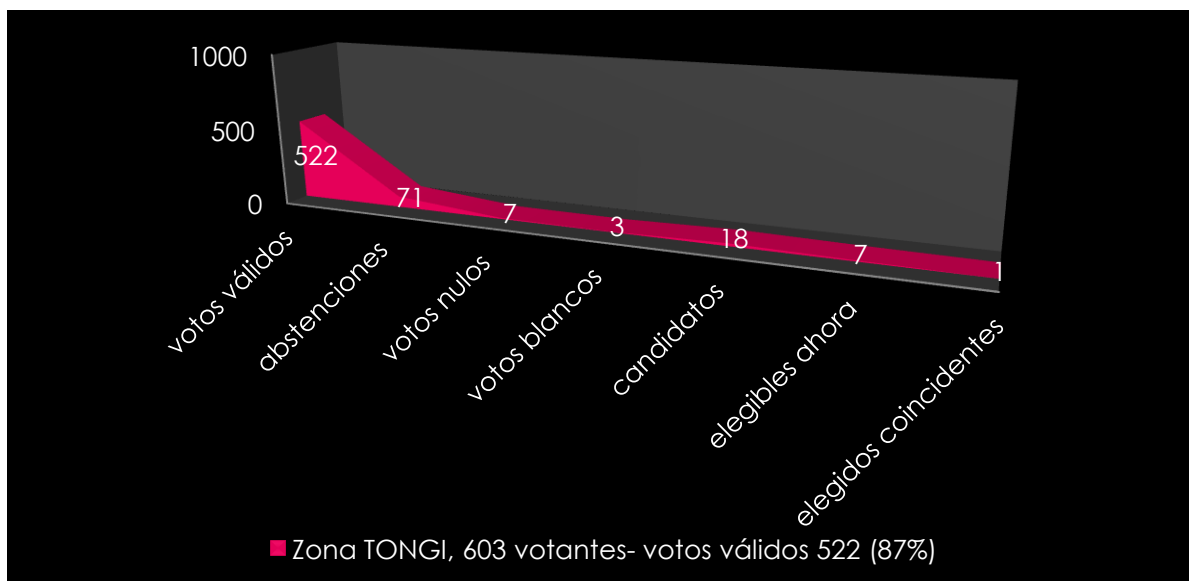
**First factory in the Gazipur area:** 7 sections (4 of them belonging to the department of sewing, finishing, cutting and quality). There were 3 candidates in each of them, except in the finishing section, which had 5, and in the cutting section with two. Twenty-two candidates (two had participated in the previous process) from which to choose 7 persons to represent the workers; the rest are chosen by the company, 5 supervisors in this case.

Out of a total census of 903, 851 voters participated (94.2 % participation):



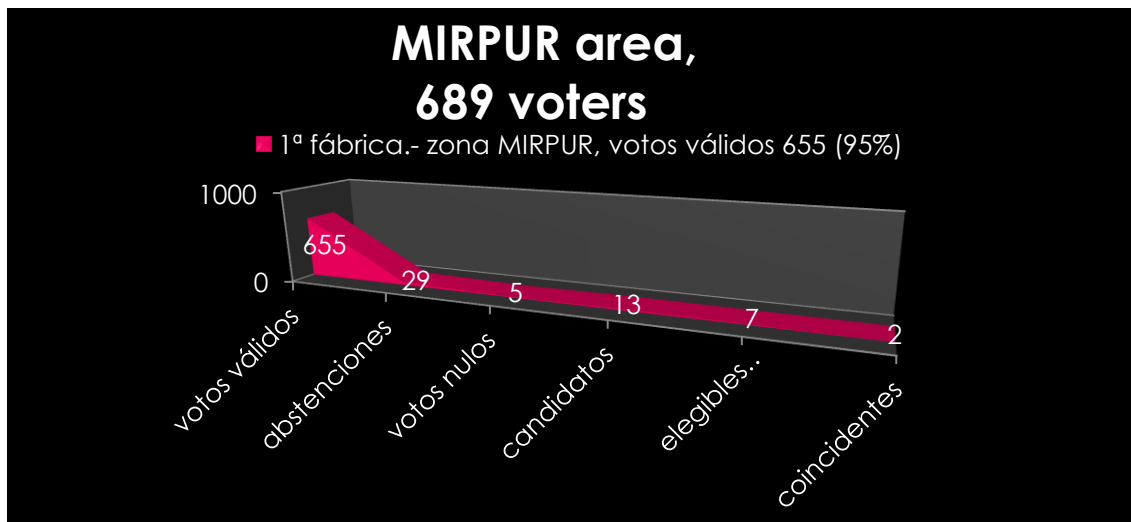
**First factory in the Tongi area:** 7 sections (4 sewing, finishing, cutting and quality). There were 3 candidates in each of the sewing sections and 2 in the others; a total of 18 candidates from which to choose 7 persons to represent the workers in the factory, and 5 supervisors representing the company.

Therefore, out of a total census of 603, 532 people participated (88% participation):



**First factory in the Mirpur area:** 5 sections (2 sewing, finishing, cutting and quality). There were 3 candidates in each of the sewing sections and in the cutting section, with two in the others. A total of 13 candidates from which to choose 7 persons to represent the factory's workers, and 5 supervisors representing the company management.

Therefore, out of a total census of 689, 660 participated (96% participation):



There was therefore a high participation, of approximately 90%, with a very high percentage of valid votes in the contest between all the candidates.

The abstention rate ranged from 4 to 11 per cent; this was due more to not being present in the factories than not wanting to participate in these processes. In the case of the great majority, this election was an important event, like a holiday, for which they put on their best clothes. The people were very participative, wanting to enjoy the electoral process. In several factories, a party and celebration were held after the election, with the participation of all the workers.



### **6.- Union assessment and future application, some conclusions.**

This new union visit to Bangladesh has enabled us to deal with different problems and will undoubtedly help us to continue building on the union work carried out to date.

Starting from our more direct responsibility in Inditex's supply chain in Bangladesh, this has been a new experience and a contribution towards the establishing and renewal of Participation Committees, so that these can form Health and Safety Committees. And with the monitoring of their activity and based on the ACCORD and the Global Framework Agreement with Inditex, promoting in the short term (2016) the renewals that are still pending, union training in the factories that were renewed and special training in health and safety for these workers, with specific proposals regarding seminars that follow the guidelines of the first pilot experience implemented in Inditex's supply chain in Turkey. And this with regard to those that will be elected in the next stage and those that already have a union presence.