



A L L I A N C E
FOR BANGLADESH WORKER SAFETY

Testimony of the Honorable Ellen Tauscher
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**PROSPECTS FOR DEMOCRATIC RECONCILIATION
AND WORKERS' RIGHTS IN BANGLADESH**

U.S. Senate Committee on Foreign Relations

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Hon. Ellen Tauscher
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Introduction

Chairman Menendez, Ranking Member Corker and members of the committee, it is a real honor to be back at this table again today. This is a Committee I came to know well during my time as Under Secretary of State, as we collectively worked together on arms control and non-proliferation. And, Mr. Chairman, I appreciate your leadership on Bangladesh, and specifically on worker safety. I know how much you care about these issues, as you did during our time together in the House of Representatives.

Last summer, the leading North American apparel companies, retailers and brands launched the Alliance for Bangladesh Worker Safety. The core mission of the Alliance is to improve the safety of the women and men who make their living in Bangladesh's ready-made garment sector. The Alliance was developed under the guidance of former U.S. Senators George J. Mitchell and Olympia Snowe, with the help of the Bipartisan Policy Center. It represents a 5-year, \$50 million effort to improve the fire safety and structural integrity of factory buildings through a rigorous inspection and training regime, which is already well underway.

Currently, the Alliance is comprised of 26 companies, and I have the honor of chairing its Board of Directors. Our members have visited Bangladesh, toured local factories and met with government officials and labor leaders to learn about the magnitude of the country's safety challenges.

As we gain a deeper and more nuanced understanding of these challenges, we also see the great potential and promise for the workers of Bangladesh as we come together to find sustainable solutions. We are actively working with the Accord, the Government of Bangladesh, the Bangladesh University of Engineering and Technology, workers' groups, factory owners and other key stakeholders to prevent another factory tragedy and to build a long-term culture of safety. Too many Bangladeshis have died – we all have to do better.

Context

Despite its failures, the garment industry has played a key role in improving workers' lives in Bangladesh and advancing the country's economic development. More than four million people in Bangladesh, most of them women, depend on their jobs making clothes to support themselves and their families. The Alliance member companies source garments from close to 700 factories in Bangladesh, which employ approximately 1.28 million workers. Far too many people depend on these jobs for us to turn away.

The situation on the ground in Bangladesh is complex and challenging. The 700 factories that make products for the Alliance member companies are only a small fraction of the roughly 5,000 factories in Bangladesh's ready-made garment industry. As the committee's own report from last Fall notes, rapid industry growth and urbanization have led to factories sprouting up in apartments and other places that are ill-suited to large-scale garment production and make unauthorized sub-contracting even more dangerous than usual. There are too few government inspectors, labor laws have been too weak for too long, and recent political instability has taken attention away from focusing on worker and factory safety.

These circumstances only reinforce the need for a collaborative approach to creating a safe and inclusive environment for factory workers that contributes to economic growth and stability in Bangladesh. We recognize our shared responsibility to address the threats to workers' safety head-on and agree workers should never need to risk their lives to make a t-shirt or pair of jeans.

Our business interests are aligned with our moral compass. A strong garment industry that protects workers' rights and safety is not only good for the people who work in these factories, but makes for better business continuity and builds a sound foundation for long-term business partnerships.

Lastly, let me note that there has been considerable misinformation about the perceived differences between the Alliance and the Accord and too little said about what we have in common and where we can collaborate. The member companies and other stakeholders of both initiatives share a common purpose: to protect the safety and livelihoods of garment workers in Bangladesh. We have had excellent discussions with the Accord leadership in Europe, as well as in Dhaka. We need to work together, and we are today on a number of important areas such as standards, sharing of inspection results and even organizing collaborative events to educate the factory community on the standards and ways to improve workplace safety.

Now, I'd like to briefly address some of the progress we've made in our first few months.

Collaboration and Common Standards

Last October, technical experts from the International Labor Organization, the Alliance, Accord and Bangladesh University of Engineering and Technology worked together to develop a common Fire Safety and Structural Integrity Standard that is being used for factory inspections. I was very proud of the work that many technical experts from Alliance member companies put in, sharing their expertise to achieve the goal of having one fire and structural safety standard. The Standard aligns with the Bangladesh National Building Code and National Tripartite Plan of Action.

We hope we can continue to work in the spirit of collaboration with the Accord and other stakeholders focused on worker safety in Bangladesh.

Local Participation

The Alliance recognizes the importance of building local capacity and empowering workers to develop an effective, lasting system for ensuring the safety and future growth of Bangladesh's garment industry. In just over six months since its formation, the Alliance has:

- Conducted a baseline survey and off-site interviews with more than 3,200 Bangladeshi workers in 28 representative factories to obtain their input and perspective on factory safety issues. The insights from this research will help us build better and more relevant solutions, and we will share these insights with the public.
- Provided fire safety training to workers and managers at 218 Alliance factories.
- Opened an office in Dhaka with 15 local staff, including technical experts.
- Engaged the Bangladeshi government, factory owners and industry associations, labor groups, NGOs including BRAC and the International Finance Corporation.
- Been in dialogue with the US Embassy in Bangladesh to clarify our intentions and our progress.

Empowering Workers

Garment workers play a key role in the Alliance's efforts to improve factory safety. They have unique insights from the factory floor into potential safety issues and their active participation facilitates remediation efforts and effective responses to threatening conditions.

We know that workers must have a voice in ensuring their working environment is safe. They must not only be able to recognize safety concerns, but must also have the means to effectively take those concerns to factory management without fear of being disciplined or fired.

We believe democratically elected groups operating within the factories – whether they be Trade Unions, Worker Participation Committees, Health and Safety Committees – will be an effective way to communicate safety concerns to management. We intend to work closely with these groups, sharing remediation plans and ensuring that they are immediately alerted to urgent safety issues.

The Alliance is also working to develop tools to protect workers' rights and give voice to their concerns. For example, an anonymous worker helpline that uses mobile technology will empower workers to call attention to safety issues before they become emergencies. This helpline will not only field calls with a live operator 24 hours a day, 7 days a week, it will also allow for two-way communication with workers and a platform for education.

For all of us, a critical element of worker empowerment calls for better understanding what workers need and how our collective efforts can drive sustainable impact. To gain better insight into their perspectives, we have talked to workers directly and conducted one of the largest worker surveys on safety and health in Bangladesh. The survey and off-site interviews point to the need for a comprehensive and consistent health and safety-training curriculum that can be implemented systematically across factories and correct for some of the issues that have come to life. For instance:

- Workers are legitimately concerned for their safety.
- 65% of workers in focus groups indicated they would prefer to work on a low floor for safety reasons.
- In 34% of surveyed factories, workers say they had witnessed fire incidents. This is in line with the focus group results, where participants in all but one of the 10 discussions reported experiencing fires.
- 47% of respondents feel they cannot leave their building quickly in case of emergency, and 30% think there is a high risk of fire in their building.
- 27% feel they are not given sufficient training on how to protect themselves.
- When asked off-site during focus groups, however, workers voice more concern about how training is executed.
- Female participants pointed out that their male counterparts are more readily offered training.
- While most participants have taken part in evacuation drills, most were conducted during daytime hours, leaving night shift workers neglected.
- Drills were often conducted inappropriately, such as with a failure to count participants; others were only partly conducted, for example, evacuating workers to lower levels rather than fully outside their buildings.
- Despite comprising 80% of the garment factory work force, female workers tend to have a lower level of knowledge than their male counterparts. They are also less active in health and safety committee activities, contacting worker representatives and voicing their concerns.

Our training programs will endeavor to directly address these findings, and we will continue to identify areas for special consideration as the Alliance's programs are rolled out.

Training

Worker training is an essential part of the Alliance's commitment to local capacity building. Ongoing training courses are designed to result in measurable improvements in the knowledge, skills, and awareness that are critical for ensuring worker safety and well-being. By July 2014, the Alliance intends to fulfill its commitment to train workers, supervisors, managers and security guards in 100 percent of our current factories on safety fundamentals. We will also develop additional training modules related to safety in Year 2.

As part of training for management, we believe it is critical to help them understand the importance of engaging workers, both individually and through any democratically elected workers' groups operating within the factory. We also believe it is important that management respect workers' right to collectively voice concerns without fear of retaliation and to allow for regular and open dialogue about safety. We intend to incorporate these messages into management safety training, and we will share this training curriculum publicly for use by other safety initiatives.

Factory Inspections

Factory inspections are an essential component of evaluating and improving the existing building and electrical infrastructure in Bangladesh's garment industry. To date, fire safety, structural and electrical inspections have been completed in 222 factories (31%) that make products for Alliance member companies. A number of brands have already completed initial assessments of all their approved factories in Bangladesh, and many factories have already begun to implement substantial remediation. Alliance member companies have committed to inspecting 100 percent of all member-approved factories by July 2014.

Technical Expertise

Considering the rapid, often haphazard growth and unique structural characteristics of Bangladesh's garment factories, it is especially important that inspectors have the right technical training and expertise. The Alliance established an independent Committee of Experts to help develop and implement consistent factory safety standards across all approved Alliance factories and to certify inspectors. The Committee is made up of independent fire, structural and facility safety experts from Bangladesh and North America who are certified, credentialed and recognized authorities in safety. Training on implementation of the safety standards will be mandatory for all approved inspectors.

Resources for Remediation

The work we are all undertaking requires money as well as time and effort. The Alliance's approach emphasizes the importance of shared responsibility through mechanisms such as access to low-cost capital.

By recognizing the difficulty to gain access to affordable financing in Bangladesh, some Alliance members have pledged a combined total of \$100 million in low-cost capital to assist vendors in financing safety remediation efforts. These resources can be used to implement critical safety measures, such as installing fire doors, sprinkler systems, handrails in stairways and other structural integrity improvements.

We anticipate that pricing adjustments will likely be made over time by factory owners to cover these important investments in safety. We are currently working with partners such as the IFC and banks to explore innovative financing solutions, and expect the Government of Bangladesh and other stakeholders to play an important role in supporting these efforts.

In addition, we are collaborating with other groups, including the IFC, Accord and BGMEA, on the International Trade Expo on Building and Fire Safety in Bangladesh that will be held later this month. The Expo is focused on providing Bangladesh factory workers with access to quality safety equipment. In addition to offering exposure to credible resources, this Expo will also provide education by experts as well as an announcement about low-cost capital available for factory remediation made available by three external funding sources.

Alliance members have also committed \$5 million to assist workers by replacing any lost wages if factories need to be temporarily idled for repairs.

Transparency

Let me now shift to another important priority for the Alliance – transparency. The Alliance releases a monthly report that publicly discloses the names of all approved suppliers in Bangladesh. The list also identifies factories that are currently manufacturing goods for members of the Accord. These shared suppliers make up approximately 50 percent of the Alliance factory list, underscoring the importance for collaboration between the two initiatives. Supplier information for the approved Alliance factories is listed on the Alliance website. The Alliance also recently released a six-month progress report detailing the strong foundation that has already been laid for our work. Copies of the report have been provided to the Committee.

Moving Forward

While the situation is complex, one thing is clear – improving the safety of Bangladesh's garment industry cannot be done unilaterally. Collaboration among all who share in the responsibility for garment factory safety is the only effective way forward. We know the work will not be quick or easy, and solutions will take time to

adopt and sustain. We must all stay committed to the common goal of making a safer workplace in Bangladesh not the exception, but the rule.

Conclusion

We appreciate the initiative that the committee and U.S. government have taken to address the important safety issues in Bangladesh's ready-made garment industry, and we are grateful for the opportunity to share our perspective on the Alliance's approach and progress. We look forward to working together to improve the safety and well-being of Bangladesh's garment workers and advance the sustainable, inclusive growth of the country's garment industry. Thank you for allowing us to testify today.