Holding corporations accountable for labour standards and human rights?

Lessons from Bangladesh post-Rana Plaza
Supply chain challenges

- Fragmentation and outsourcing
- Codes of conduct/IFAs since the 1990s
- Too much emphasis on audits
- Failure to address underlying root causes
- Lack of enforcement – companies have little leverage & separation of CSR and procurement functions
Bangladesh Accord on Fire and Building Safety

- Agreement between 180+ brands and unions
- Commitment to maintain purchasing for 5 years
- Collective approach to auditing
- Annual contribution of up to $500,000
- Legally enforceable in the home country of the signatory companies
- Worker involvement and elected Health & Safety committees

→ De-facto authority to withdraw production
A model for global governance?

- A sector-wide approach to address a systemic problem
- Labour-brand co-governance
- Pooling of resources: avoids costly replication
  - Consolidating codes, sharing audits
  - Highly specialized audits with follow-up on remediation
- Pooling of sanctioning capacity
Challenges ahead

• Imposition of governance on local employers
• Building capacity / not “quick fixes”
  – Eg. complaints mechanism
• Hostility towards elected worker participation
• Requires brands to rethink supply chain practices
• Hidden sub-contracting factories
• Beyond the 5-year horizon?
Can the model be replicated?

• Imposition of governance may be difficult in other contexts
  – Ex. Vietnam, Myanmar, Cambodia etc
• Need to focus on capacity building, not just collective auditing of the problem
  – Role of ILO?
• Co-existence of Accord & Alliance suggests that not everyone is ready to work together