Analysis on CSR Activities of Multinational Fashion Brands: Evidence from Rana Plaza Incident

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Abstract: With the way of globalization of business functions, the apparel manufacturer, like other manufacturing industries, moved from the developed to the developing countries. At the same time, the global brands have increased their bargaining power in the garments industry and often fail to uphold the rights of the labor of the developing countries. Using In-depth studies of the case Rana Plaza, this paper investigates the corporate social responsibility practices of the multinational foreign brands towards the garments industry.

Introduction

Bangladesh expanded its textile industry massively in past two decades and became the regular supplier for different popular multinational fashion brands. The 4 million strong communities of men and women working in the garment industry have enabled Bangladesh’s position as the world’s second-largest apparel exporter (United Nations Industrial Development Organization 2015). The Ready-Made Garments (RMG) industry is Bangladesh’s economic engine, representing more than 80% of the country’s exports and over 23% of Bangladesh’s GDP. With the growth in this sector, the issue of corporate social responsibility is attaining more importance than any time before.

The issue of advancing worker safety and industry sustainability are largely pronounced in recent time. It is impossible to consider the long-term viability of Bangladesh as a major garment production center without addressing the issue of workers’ rights for safety and other needs. Recent dreadful events occurred at Tazreen Fashion and Rana Plaza put the multinational fashion brands to the question about their corporate social responsibility (CSR) practices. This research paper aims to explore the extent to which these companies responded to the Raza Plaza incident using an in-depth case study.

Literature Review

CSR activities have become an indispensable part of the today’s business enterprises. The corporations are supposed to behave in a socially responsible ways. Literature on CSR in the textile sector is centered on sustainable supply chains (Pretious & Love 2006; Perry & Towers 2009) and labour rights. Most authors also agree that the pressure from NGOs, society, and media, and the deriving risk of a damaged reputation were stated as the major drivers towards the implementation of code of conducts on the side of companies (Lobel 2006).

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Most of the CSR studies conducted so far have been in the context of developed countries such as Western Europe, the USA, and Australia (Belal 2001). Very few studies are available on the CSR practices in the developing countries. All of these studies were carried out in the context of newly industrialized countries such as Malaysia, Singapore, South Africa, Nigeria, and Uganda. Henceforth, very few studies are available on the CSR practices in developing countries. Basically in the context of Bangladesh we can see the practice has not been found widely here (Belal & Owen 2007). But being one of the emerging economies with voluminous export transaction, CSR activities are supposed to be carried out here in Bangladesh, especially in Garments Industry that deals with many renowned multinational foreign brands.

Yardley (2012) notes that for global brands, which are chasing the cheapest labour costs from country to country, Bangladesh has been an attractive destination. Mirdha (2013) also notes that now, Bangladesh is not only a supplier of basic garments, but also a major sourcing destination for high-end apparel items and currently, more than 30% of the total garments export is high-end products. This industry in Bangladesh has gained negative media publicity and Western concern over the use of child labour, poor working conditions, health and safety issues, and human rights and other labour-related issues for years (Kamal & Deegan 2013).

The accidents or incidents are not uncommon phenomena in the garments industry of Bangladesh. In year 2006, at least 54 workers were killed and 100 seriously injured when a textile factory burned down in the port city of Chittagong (Skeers 2006). Many of those killed on badly injured were prevented from escaping because factory guards had locked the main entrance and other gets to prevent theft and monitor the 600 worker, mainly young women worker working in the night shift.

The accident of the Tazreen Fashion factory, in 2012, killed at least 117 people and more than 200 workers severely injured making it the deadliest factory fire in the nation's history (Apu 2013). Although several measures have been taken after the incident, but the active participation to compensate or rehabilitate the workers was bare from the buyers of garment products- all of those being multinational brands. Again the deadliest incident in the history of the humanity, on 24th April 2013, an eight-storied commercial building collapse, also took place in the Garments Industry of Bangladesh. At least 1,125 people died with unknown number of missing workers and leaving many people permanently handicapped.

In all these cases, there was a burning concern that, can they be termed as accidents or not. If the factory owners or building owners took necessary safety and precautionary measures- such incidents would not result in such deadliest one. However, these happenings show that CSR is not well practiced in the Textile Industry of Bangladesh. The concern of this study is to explore the CSR practices in Garments Industry of Bangladesh, taking the case of post- Rana Plaza accident.

**Rana Plaza Incident (2013)**

In 2013, Bangladesh faced the most shocking and terrible accident in its history which took lives of more than 1100 people who worked inside—Rana Plaza, where five garments was situated (Manik & Yardley 2013). The collapse of the eight-story building raised question on the working condition of the garments of Bangladesh. This incident has drawn international attention on the
urgent need for better working conditions for workers, starting with safer, more secure buildings. But the fact is the country has long been under scrutiny because of recurrent industrial accidents that point to poor working conditions and poor safety standards in some of the country’s factories (Clean Clothes Campaign 2016). The spotlight is therefore on the multinational companies whose orders from local factory owners have led to the rapid recent growth of the garment industry in Bangladesh. Familiar brands now stand accused of exploiting poorly paid workers with a callous indifference to their safety. All these issues have created the importance of Corporate Social Responsibility of the multinational brands towards Bangladesh RMG sector.

Two competing schemes were unveiled following the Rana Plaza Disaster to deal with the disaster and prevent its recurrence- the Accord and the Action Plan (Juliane Reinecke 2015). The Accord on Fire and Building Safety in Bangladesh (the ‘Accord’) requires the purchaser signatories to contribute funding for related activities. In the case of the second Action Plan (the ‘Action Plan’), which is reportedly agreed by a number of U.S. and Canadian chains including Walmart, The Gap, Macy’s, Canadian Tire and the Hudson’s Bay Company, a fund will be established that will go towards drafting domestic standards and boosting worker awareness of safety issues in Bangladeshi garment factories.

CSR Activities of Popular Multinational Fashion Brands

Bangladesh garments industry has many multinational famous fashion brands as their regular customers. These popular brands take garments from Bangladesh in very cheap price and they can make huge profit from it. But for their self interest, they cannot ignore the workers in Bangladesh. Along with every accident in garments industry, name of several popular brands came into light as customers. In Rana Plaza incident, name of 29 foreign brands were associated (Clean Clothes Campaign 2016). Brands, due to their social responsibility or media and public pressure, are found to take some steps regarding the safety and other problem issues in Bangladesh garments industry. The steps taken by six popular fashion brands, which are sourcing garments from Bangladesh, after the Rana Plaza incident are described hereafter. Their steps has been evaluated from the perspective of immediate response, short term contribution, joining with the Accord or Alliance and long run perspective on similar issues.

Walmart

World’s largest US retailer brand, Walmart is one of the biggest customers of Bangladesh Ready Made Garments sector. But it is quite shocking that, the name of this brand came with Rana Plaza incident. Initially, Wal-Mart said its investigation after the Rana Plaza building collapse had confirmed that the retailer “had no authorized production in this facility” (Greenhouse 2013). Documents, which were from May 2012, recovered after the collapse showed that a Canadian supplier for Walmart had used Ether Tex, a factory on the fifth floor, to make jeans for Walmart a year before the collapse. “The production described in these documents was from a year ago, and based upon our policy on unauthorized subcontracting we are terminating this supplier,” Wal-Mart statement said. “This supplier, Fame Jeans, had told us there was no previous production at Rana Plaza, but our suppliers have a binding obligation to disclose all factories producing Wal-Mart merchandise. If we learn of any unauthorized production, we will take appropriate action based
upon our zero-tolerance policy on unauthorized subcontracting,” the statement said (Walmart 2015). Walmart terminated its contract with a Canadian-based blue jeans supplier Fame Jeans a few hours after documents surfaced showing the company had at one point ordered pants from a factory, Ether Tex, situated inside Rana Plaza.

After the incident, Walmart did not sign the Fire and Building Safety Accord. A spokesman for Walmart, which owns Asda, said the company had taken “a number of actions that meet or exceed other factory safety proposals”, such as strengthening factory standards, zero-tolerance of unauthorized subcontracting and in-depth safety audits (Corporate Walmart 2015). But Walmart has taken some other initiatives to fulfill their social responsibility.

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<th>Immediate Response after the Incident</th>
<th>Denial of any sort of engagement with the production facilities at Rana Plaza (Basin 2013).</th>
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<td>Donation to Rana Plaza Trust Fund</td>
<td>Walmart said that it, along with the Walmart Foundation and Asda, a British supermarket subsidiary, had contributed $3 million to BRAC USA, one-third of which went to the Rana Plaza victims’ fund (Greenhouse 2014).</td>
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<td>The Accord and the Alliance for Bangladesh Worker Safety</td>
<td>Walmart declined to sign the safety Accord for Bangladesh (The Huffington Post 2013). However, In 2013, Walmart joined 20 other brands and retailers to form the Alliance for Bangladesh Worker Safety, a binding, five-year undertaking that will be transparent, results-oriented, measurable and verifiable.</td>
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| Increased Audit Requirements | In 2013, it implemented and/or strengthened certain factory requirements to address the most serious concerns in the Bangladeshi ready-made garment industry (Walmart 2015). As part of these new requirements, it will not permit production of merchandise for sale at Walmart in facilities that have one or more of the following structural fire safety characteristics:  
  • A residential building that has been converted into an industrial facility  
  • Facilities in a multistory building with a ground-floor marketplace or commercial shops on any floor  
  • Facilities in a multistory building shared with other enterprises under separate ownership  
  • Facilities with a rooftop that is partially obstructed (must be 100 percent clear)  
  • Facilities where a residence is located within the building |
| Standards for Suppliers | As part of their commitment to worker safety and well-being in the supply chain, Walmart, in 2013, made several important updates, including: |
Combating unauthorized subcontracting: Unauthorized subcontracting continues to be an issue across the global supply chain. Because of this, it implemented policies in 2013 to address unauthorized subcontracting by Walmart suppliers. This includes any undisclosed subcontracting, with or without the supplier’s knowledge.

Enhanced fire safety standards: In addition to the enhanced fire safety standards it implemented for Bangladesh, it released their enhanced global fire safety standards in December 2013. These reflect an increased focus on achievable actions that drive meaningful and continuous improvements in fire safety. They were developed by Walmart’s fire safety experts and include the input of more than 100 merchants and suppliers who submitted more than 500 comments during the drafting process.

Primark

After the Rana Plaza incident, British giant Primark played a very sensible role. It confessed that it was a customer of a garment situated in Rana Plaza and responded very quickly to stand beside the victims. On 26 April 2013, the company gave a statement mentioning its shock and deep sadness by this appalling incident at Savar, and expressed its condolences to all of those involved. Primark also confirmed that one of its suppliers, New Wave Bottoms, occupied the second floor of the eight storey building (Primark 2015).

Primark mentioned that it has been engaged for several years with NGOs and other retailers to review the Bangladeshi industry’s approach to factory standards and it would push for this review to include building integrity. Primark’s ethical trade team was at that moment working to collect information, assess which communities the workers come from, and to provide support where possible (Primark 2015).

Immediate Response after the Incident

Emergency food aid

Immediately after the collapse of the building Primark set up helpdesks near the factory site so that it could identify victims and assess the immediate needs of workers and their families. Primark gave emergency food parcels to over 1265 households for five weeks in partnership with a local NGO. Each package contained enough dry food for a family of four for one week, and included rice, dal, potatoes, biscuits, tea, oil, sugar, and salt (Primark 2015).

Medical support

It provided support for workers who remained in hospital or were receiving medical treatment, working with the United Federation of Garment Workers, a trade union body. The support provided medicines and medical check-ups for patients, and food and accommodation for patients and their relatives (Primark 2015).
### Financial Support

**Short-term financial assistance**

It provided short-term financial assistance equivalent to nine months' salary for 3639 workers and their families - not just the 580 that worked in the factory that supplied Primark. Primark called on other brands that were using the factories in Rana Plaza to come forward and make similar donations. To ensure that any funds Primark gave workers would be safe, each worker was able to open a bank account at one of several worker registration events that we held in Bangladesh. It also visited workers in hospital to open accounts for them there (Primark 2015).

**Long-term compensation**

Primark worked with international organizations and local experts to provide long-term financial compensation to the 625 workers and their families who were working in the factory that produced garments for Primark, equivalent to $11 million. It paid an additional $1 million to workers in its competitors’ supply chains, through the Rana Plaza Donors Trust Fund, chaired by the International Labor Organization (ILO). Its scheme was devised with assistance from external experts, and involved medical and vulnerability assessments (BBC News 2013). The assessments were carried out with the support of Dhaka University Department of Vulnerability Studies and Disaster management, Dhaka University medical faculty, independent doctors, along with support from trade union and our NGO implementation partners (Primark 2015).

### Signing Accord on Fire & Building Safety

Primark was the first UK retailer to sign the Accord on Fire & Building Safety in Bangladesh. Primark welcomed the strong role within the Accord for the International Labor Organization (ILO). The program will complement the work already being carried out by Primark’s Ethical Trade team in Bangladesh for a number of years (Primark 2015). A spokesman said: “Primark is very pleased to support this initiative. The company has consistently believed that the collaborative approach facilitated through this agreement was the most likely initiative to bring effective and sustainable change for the better to the Bangladeshi garment industry”.

### Structural Survey in Bangladesh

Primark conducted structural surveys in Bangladesh on buildings that contained factories producing Primark clothing. The surveys were conducted to the highest international standards by an expert team of structural and civil engineers. None of the buildings surveyed were found to present a risk to the lives of workers. Where surveys did show issues, these are now being addressed. All surveys were completed by the end of March 2014 (Primark 2015).

### Increased Audit Requirement

There is absence in increasing the audit requirements and setting the standard for suppliers. This may put the actions of Primark in question for long run sourcing. However, being the first movers after the Rana Plaza incident, Primark has received high praise for their commitment for the victims (Westervelt 2015).
**Loblaws Inc.**

The Canadian apparel brand Joe Fresh, owned by Loblaw Companies Limited, was being manufactured at the Rana Plaza factory (McClearn 2013). The company confessed it immediately and gave a statement.

> ―“We were deeply saddened by the collapse of the Rana Plaza complex in Savar, Bangladesh, on April 24, 2013, which claimed the lives of more than 1,100 people and injured many more. Our condolences go out to those affected by this tragedy” (Loblaw Inc. 2016).

Since Rana Plaza collapsed, Loblaw has worked with individuals, industry, government, NGOs and the International Labor Organization (ILO) to respond to the human tragedy of Rana Plaza and to improve the standards that will define and protect the safety of workers here forward (Sisler 2014). In April 2013, Joe Fresh, Creative Director of Joe Mimran and Galen Weston, Chairman of Loblaw committed to relief, compensation and improved standards in Bangladesh (Strauss & Marotte 2013). Since then, the company has undertaken the following actions:

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<tr>
<th>Immediate Response after the Incident</th>
<th>Acceptance of the acquisition that, they were sourcing their products from the manufacturing companies located at Rana Plaza. They made commitment to make an immediate compensation to the victim workers.</th>
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<td>“Should the other brands not step forward and join in this funding, we will join Primark and immediately contribute to the payment of three months’ wages for the approximately 3,600 individuals involved, regardless of the brand apparel that was being produced in their workplace”, said a Loblaw statement from Bob Chant, senior vice-president of corporate affairs (Sisler 2014).</td>
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<td>$285,000 in short-term compensation was provided approximately three months’ salary for Rana Plaza workers (paid in 2013).</td>
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<tr>
<td>Donation to Rana Plaza Trust Fund</td>
<td><strong>Long term compensation</strong> - $3,715,000 in compensation has been paid to the ILO-led trust fund for long-term compensation to injured workers and the families of deceased workers.</td>
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<td><strong>Loblaw REVIVE and THRIVE projects</strong> - $1 million in relief committed to Save the Children Bangladesh and the Centre for Rehabilitation of the Paralyzed for textile workers in Savar ($500,000 funded in 2013; $500,000 scheduled for 2014).</td>
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<tr>
<td>Signing Accord on Fire &amp; Building Safety</td>
<td>Loblaw has been a leading voice in the response, including worker relief and compensation, the formation of the Accord on Fire and Building Safety in Bangladesh, and the improved factory standards (Loblaw 2016). It became an early signatory, and the only Canadian company, committing to membership in The Accord for Fire and Building Safety in Bangladesh. This decision reflects the Company’s pledge to stay in Bangladesh and underscores its firm belief that active collaboration by retail and manufacturing industries, government and non-governmental organization, is critical to driving effective and lasting change in Bangladesh.</td>
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Increased Audit Requirements

Loblaw raised its standards to include building integrity. It required all factories from which they source to respect local construction and building codes. In the summer of 2013, the company audited each of the dozens of factories in Bangladesh producing its goods in Bangladesh and removed from their approved list those that did not meet their new standards (Loblaw 2015).

Standards for Suppliers

Loblaws Inc. has vendor standards, which spell out the standard requirements of working with it to ensure that products are being manufactured in a socially responsible way, specifically prohibiting child harassment and abuse or forced labor, ensuring a safe and sustainable work environment, fair pay and benefits and compliance with applicable health and safety regulations. It engages international auditing firms to inspect against these standards. It will not work with vendors who do not meet its standards (Loblaw 2015).

The Children’s Place

The Children’s Place Retail Stores Inc. operates a chain of children’s clothing stores across much of the United States and in Canada. The Children’s Place, a retail chain based in Secaucus, N.J., that operates 1,100 stores, denied having production in any of the five factories inside Rana Plaza at the time of the collapse.

Immediate Response after the Incident

On the day of the collapse (Children’s place 2015), Jane Singer, a spokeswoman for the Children’s Place expressed the company’s "deepest sympathies go out to the victims of this terrible tragedy and their families," but said that "while one of the garment factories located in the building complex has produced apparel for The Children’s Place, none of our product was in production at the time of this accident." Following this statement, however, customs documents show that over the past eight months, the New Wave factory inside Rana Plaza had made more than 120,000 pounds of clothing that had been sent in 21 shipments to the Children’s Place. A two-ton shipment arrived in Savannah, Ga., on April 5. (Greenhouse 2013)

Donation to Rana Plaza Trust Fund

Labor groups pressured Children’s Place to contribute to the fund because they had been linked to production there. Almost after one year of Rana Plaza tragedy, The Children’s Place announced it has made a significant contribution to provide financial support for Bangladeshi workers impacted by the Rana Plaza tragedy. The Children’s Place donated $500,000 to the BRAC USA Bangladesh Humanitarian Fund that is to be used to support the victims of the Rana Plaza disaster and their families (Greenhouse 2014).
The Alliance for Bangladesh Worker Safety

The Children’s Place had joined forces with other leading North American apparel retailers, and former U.S. Senators George Mitchell and Olympia Snowe, to create the Alliance for Bangladesh Worker Safety. As a member of this Alliance, it has signed on to a binding, five-year agreement that will be transparent, results-oriented, measurable and verifiable. The agreement includes specific and measurable actions across areas essential to dramatically improving safety including common standards, inspections and remediation, training and increased cooperation with the Bangladeshi and U.S. governments as well as with the factory owners to ensure that there is accountability among all parties (Children’s place, 2015). As an Alliance founding member, The Children’s Place is committing significant time, corporate resources and funding to ensure these efforts result in real and sustainable safety improvements and benefits to Bangladeshi garment workers (Children’s Place 2015).

Signing Accord on Fire & Building Safety

Like many other US brands, The Children’s Place did not sign the Fire and Building safety accord. The company does not even have its own fire and building safety rules for its suppliers. It does not also have any specific social project for Bangladesh. It has told that it has proper factory standards and requirements, strong audit procedures and it is committed towards transparent supply chain procedure and ethical employment practices. But these have only been words. In Bangladesh, no practical implication of these rules has been seen. It raises questions towards the company’s legitimacy.

Benetton

The Italian retail giant Benetton, producing most of its clothing in Bangladesh, has admitted that it was supplied by one of the garment factories situated in the Rana Plaza. Benetton's first statement (Smithers 2013) following the collapse on April 24 claimed, "None of the companies involved are suppliers to Benetton Group or any of its brands."

Immediate Response after the Incident

New Wave Bottoms, one of the manufacturers based at Rana Plaza, lists Benetton as a client while labor rights activists digging through the debris said they found documents linking Benetton to the factory (Smithers, 2013). Quartz, a digital news outlet, also reported that shirts bearing Benetton labels were found in the building’s rubble (Quartz 2013), forcing Benetton to clarify its relationship with the manufacturers in Rana Plaza. The company said in a statement April 29 (Smithers, 2013) that a “one-time order” was completed and shipped out from one of the manufacturers in the building, but it was “several weeks prior” to the building’s collapse. Then, on April 30, Benetton said that one of its suppliers had “occasionally subcontracted” orders from one of the manufacturers in Rana Plaza. Throughout all of
this, the company has reiterated multiple times that none of the factories inside the building was a supplier to any of Benetton's brands at the time of its collapse. “Prior to the accident, that manufacturer had already been permanently removed from the list of potential direct or indirect suppliers,” Benetton said in the statement on the 30th (Smithers, 2013). “In fact, it had come to light that it no longer met the stringent standards that would have made it eligible to even potentially work for us”. Since, April 2013, Benetton has taken some steps for Bangladesh Garments Industry.

| **Donation to Rana Plaza Trust Fund** | Immediately after the tragedy of Rana Plaza, it formed a partnership with the Bangladesh-based NGO BRAC, the largest non-governmental organization in the world to provide tangible support to the victims of the tragic event and their families (Benetton Group 2016). The program involved 350 beneficiaries. The first step was to supply artificial limbs to a number of recipients; other support initiatives followed. In the longer term, the program intends to support survivors and the families of those who lost their only source of financial support by providing them with training courses and granting them funds to start up new income-generating activities, so ensuring social wellbeing and economic self-sufficiency to those affected by the disaster (Benetton group, 2015).

Very recently Benetton has agreed to contribute to Rana Plaza compensation fund before the two year anniversary of the accident due to pressure from international NGOs and media (Butler 2015). |
| **Signing Accord on Fire & Building Safety** | Benetton Group was among the first signatories of the Bangladesh Accord on Fire and Building Safety, launched in May 2013. With its signature, the company confirmed its engagement in contributing to a significant and lasting improvement in working conditions and safety in Bangladesh. Benetton Group chose to support the Accord in order to place itself at the forefront of efforts to realize significant, long-term improvements in the work and safety conditions of everybody employed in the textiles sector in Bangladesh, regardless of whether they work for the Group's suppliers or not (Benetton Group, 2015). It was the fifth company worldwide to make the formal commitment to sign the Accord. |
| **Increased Audit Requirements** | Benetton Group has also organized a plan of independent social audits to further reinforce existing program both in Bangladesh and in the main markets where the company operates. This supplementary program is carried out in partnership with leading certification companies in the sector, including Intertek, Bureau Veritas and others (Benetton Group, 2015). The Group has also launched its own program to ensure the structural integrity of all buildings in which its suppliers |
Benetton Group (2015) said in a statement, —“A program of random audits take place on an ongoing basis throughout our global supply chain, to ensure that all direct and indirect suppliers comply with our long-standing social, labor and environmental standards”. Benetton says that they are in the frontline in a proactive engagement with Bangladesh to find lasting solutions to the problems facing the garment industry in the country (Benetton Group, 2015). Through their efforts they would also like to contribute to the improvement of the local community. But Benetton’s initial denial and its social activism could make it a bigger target for criticism.

**JCPenney**

US popular brand JCPenney’s name was associated with two accidents in Bangladesh garments industry- Tazreen Garments and Rana Plaza. In both accidents, the company was reluctant to provide support to the victims and it also did not take any step to improve the working condition of Bangladeshi workers. A JCPenney official said that some of the Joe Fresh products being produced at Rana Plaza would have ended up in JCPenney stores, though the factories had never previously created private label JCPenney merchandise.

—“While JCPenney has no direct insight into the development and sourcing of Joe Fresh apparel, we will continue to be a part of a broader coalition that aims to improve the safe working conditions in Bangladesh,” the spokeswoman said. (Zaman 2013).

The company said it had members of its social responsibility team on the ground in Bangladesh gathering information from local authorities. In the Sustainable Report 2013, JCPenney said,

—“JCPenney is deeply saddened by the tragic loss of more than 1,000 lives in the April 2013 collapse of the Rana Plaza garment factory in Dhaka, Bangladesh, and other serious safety incidents in the Bangladesh garment industry. Like many other reputable brands, we are seeking to raise standards in the Bangladesh garment industry, providing better conditions and protection for workers. A large-scale withdrawal of business from the region would be highly damaging to the economy and its workers.” (JCPenney 2013).

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<td>It seems JCPenney is unwilling to commit to a program under which they actually have to keep the promises they make to workers and accept financial responsibility for ensuring that their factories are made safe (Clean Clothes Campaign, 2015). Brands and retailers sourcing from the factories involved in the Tazreen and Rana Plaza disasters joined high-level compensation meetings, facilitated by the ILO as a neutral chair, on 11-12 September 2013 in Geneva. Like other US brands, JCPenny failed to join the meeting. Till today, JCPenney did not pay any single amount to Rana Plaza Trust Fund.</td>
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The Alliance for Bangladesh Worker Safety

JCPenney is a founding member of the Alliance for Bangladesh Worker Safety and along with other leading North American brands and retailers, supported the launch of its substantive action plan, the Bangladesh Worker Safety Initiative (JCPenney, 2013). The Bangladesh Worker Safety Initiative is a results-oriented action plan built upon principles of commitment, collaboration and accountability.

Recently implemented a new Shared Building Policy, which prohibits the use of factories located within multi-use buildings (JCPenney, 2013). Although safety risks are not confined to multi-use buildings, it believes, from their experience in the region, that this is a particularly high risk category.

Signing Accord on Fire & Building Safety

The company did not sign the Fire & Building Safety Accord.

Increased Audit Requirements

JCPenny claims for reviewing and extending its audit procedures. The methodology used for their standard social compliance audits will include new checkpoints for structural and electrical safety (JCPenney, 2015). Building safety issues will also be weighed more highly in their overall audit score.

Conclusion

From the analysis of several brands, it is quite clear that they have made a lot of promises but actual improvement has rarely been made for Bangladesh Garments Industry. Every company has mentioned how many factories have been examined for their standard compliance but they have rarely mentioned any factory that has not complied with their standards and corrective plans have been taken for that garment. The actions mentioned as the CSR activities of the fashion brands come as a result of reaction to the disasters, rather than being a proactive or precautionary one. So, the real price of a $5 shirt goes far beyond its tag price. It is also seen that the companies are reluctant to take any action that will require huge amount of money to be spent. They try to take those actions that will require for presenting them as a legitimate one.

The ultimate consumer of Bangladeshi RMG products are Western customers. They get their products through the multinational fashion brands. So the consumers are accustomed to the brands. It is quite impossible for them to find out which of the 5600 garments have prepared their clothes. When incidents like Rana plaza and Tazreen happen, consumers raise questions to the responsibility of the brands. The consumers of today are very conscious about CSR. If they find lack of transparency in the CSR performances in the brands, the sustainability of the brands will be vulnerable, even if they are not directly involved in the accidents. The multinational fashion brands face threat to long term sustainability when they cannot keep pace with expectations from all global communities. For instances, when media provides negative coverage regarding their
suppliers working environment, NGOs campaign about low wages in the local supplying factories or customers raise voices about the CSR activities of the brands fashion brands can pressurize Bangladesh Garments Manufacturers and Exporters Association (BGMEA), the association of Garments Exporters of Bangladesh, and the local garments manufacturers to rectify their actions and compel them to abide by proper rules and regulations so that the brands further face no threats.

References


