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# Public Outrage Over Factory Conditions Spurs Labor Deal

By **LIZ ALDERMAN**

STOCKHOLM — For a global retailer, it was the worst kind of publicity.

Two weeks after [the Rana Plaza building in Bangladesh collapsed](#) in one of the worst industrial disasters in history, a brash human-rights ad went viral. It paired a smiling photo of the chief executive of H&M, the Swedish retailer that is the world's largest buyer of clothes from Bangladesh, with a picture of an anguished woman at the Rana Plaza rubble.

The headline read: “Enough Fashion Victims?”

It did not matter that no clothes produced by H&M had been found among the twisted metal and broken concrete as the death toll rose beyond 1,100. The refusal of a major Swedish newspaper to print the ad simply added to the notoriety online.

“They felt it was too tough,” Alex Wilks, the campaign director of Avaaz, the global advocacy group that created the ad, said of H&M. “But our feeling was this is a really tough topic. Lots of people lost their lives, so it's worth escalating the discussions.”

In interviews last week, executives of the H&M Group, which operates six chains owned by H&M Hennes & Mauritz, said that the Avaaz ad had no influence on its thinking that led to its signing an agreement that for the first time would legally bind Western retailers to invest in improving worker safety in Bangladesh and other low-cost countries.

The company, which sold \$22 billion in clothes and accessories last year, had already been making efforts to get other retailers to join it in improving the safety of factories used by its suppliers, the executives said.

But it was clear that after the April 24 Rana Plaza disaster, pressure was mounting on H&M — known as a purveyor of “cheap chic” and a leader in the so-called fast-fashion business, which relies on rapid turnarounds from order to delivery — to make good on past promises to help improve labor conditions in Bangladesh.

H&M's Facebook page, adorned with photos of Beyoncé in bikinis made in Bangladesh and other low-wage countries, was becoming littered with customer complaints. Avaaz had

circulated an online petition that gathered more than 900,000 signatures, calling for H&M to sign an agreement to help pay to meet fire safety standards and reduce workplace hazards in its Bangladesh factories.

Influential retail unions, which had long pushed H&M and other companies to step up their safety investments, also turned up the heat through phone calls and Skype video chats with H&M officials, including Helena Helmersson and Anna Gedda, who head up the company's programs to improve the labor conditions and minimize the environmental impact of clothing production.

At the same time, H&M was trying to persuade some of the other big clothing retailers, including its main rivals, to step forward in unison on the issue.

Finally, last Monday, H&M decided to make the leap on its own.

"We were devastated by the incident in Bangladesh," Ms. Gedda said last week in an interview in the company's sleek Stockholm headquarters, a half-block away from three mammoth H&M stores that dominate the downtown streetscape. "We really have a genuine interest in making sure this leads to improvements on the ground," she said.

[UNI Global Union](#), a federation of retail and service workers, was a driving force behind the agreement. "You can imagine the might in front of us, the sheer scale of business and sales volumes they represent," said Philip J. Jennings, general secretary of UNI Global. "But we did not relent."

H&M's decision broke the dam. Following its lead, other major European retailers, including Carrefour, Marks & Spencer and Inditex, parent of the huge Zara brand, said last week they would sign [the accord](#), setting the stage for an industrywide collaboration to improve factory safety. The Bangladeshi government also vowed to upgrade safety standards and revise labor laws to allow unions to form, after a multitude of earlier pledges went largely unfilled.

All the parties have 45 days to work out the details of the program, and no one has yet estimated the overall cost. There will be limits: for the biggest companies, like H&M, the annual contribution for the first five years will be capped at 500,000 euros (\$640,000). Smaller companies would pay less.

Despite the broad agreement, the American retail giants [Wal-Mart Stores](#) and [Gap](#) have declined to endorse the pact, citing legal concerns. Both say they will continue pursuing their own worker safety programs.

For many activists, the question is why H&M, with its outsize influence in the apparel industry,

did not take that step sooner — especially after a deadly fire in 2010 killed 21 people at the Garib & Garib sweater factory in Bangladesh, for which H&M was a major customer.

“This was exactly the right thing to do three years ago — but they didn’t do it,” said Ineke Zeldenrust, international coordinator for the [Clean Clothes Campaign](#), a group opposing sweatshops, based in Amsterdam. Moving sooner, she said, “could have helped avoid these deaths.”

Even after the Rana Plaza disaster, H&M required persuading, said Jyrki Raina, the general secretary for [IndustriALL Global Union](#), a federation of 50 million workers from 140 countries who also negotiated the binding accord with H&M and other retailers. “Unless they were really pushed,” he said, “we would not be where we are today.”

Ms. Gedda insists that H&M, which has taken great pains over the years to burnish its image as socially responsible, “had already been working toward this for a long time.”

“Consumers and other groups were not the tipping point,” she said. “The tipping point was that we reached an accord that we felt was really going to produce change.”

Until last week, big apparel companies like H&M and Gap worked independently on factory safety in Bangladesh. In H&M’s case, the company educated suppliers about workplace safety, created safety videos for workers and demanded factory inspections.

The failure of the patchwork approach in an industry driven by relentless pressure to cut costs and turn out an ever-greater volume of affordable clothing became evident as more people died in factory disasters. Last November, at least 112 workers, some producing garments to be sold by Wal-Mart, [perished in a blaze](#) at the Tazreen Fashions factory outside Dhaka, the Bangladeshi capital. Many were unable to escape because of locked windows and doors.

Spurred by that and earlier disasters, two companies — [PVH](#), the American parent company of Calvin Klein and Tommy Hilfiger, and Tchibo, a modest-size German retailer — last year endorsed a plan for Western companies to finance fire safety efforts and structural upgrades to Bangladeshi factories. But that agreement, essentially similar to the one H&M signed last week, was not to take effect until enough others signed on.

In January, eight more Bangladeshi workers were killed when [a fire swept through](#) the Smart Garment Export factory in Dhaka, where a supplier was filling orders for Inditex, which is based in Spain and is a main rival to H&M.

Soon after, Mr. Raina, the labor leader, convened a meeting in Geneva with representatives of the world’s largest brands — including H&M, Inditex, Gap, Wal-Mart, Marks & Spencer and

Tesco — to push them toward a joint solution for factory safety in Bangladesh.

The response was not what he expected.

“I was astonished to see how complacent they were,” Mr. Raina said. “People were dying and they said, ‘We’re already working on this.’ But it was window-dressing to tell consumers they were doing something.”

Only Inditex was ready to take the plunge, he said.

Another meeting with the major retailers was scheduled for April 29 outside Frankfurt, to be led by the government-run Society for International Development, known as GIZ.

Five days before that date, the Rana Plaza complex collapsed.

“There is a point where the straw breaks the camel’s back, and you say, this can’t go on,” said Mr. Jennings, of UNI Global Union. “When you saw the horror of Rana Plaza, you knew that the rules of the game had to be changed, right now.”

Yet even at the April 29 meeting, as the Rana Plaza death toll was mounting, retailers were not willing to agree to financial commitments to ensure factory safety. “They still wanted to talk about principles,” Mr. Jennings said.

All the while, global outrage was growing. Unions circulated a letter calling on the brands to commit to a legally binding safety agreement by May 15. Knowing most companies might balk, they set their sights on H&M and its outsize influence in the retail sector. Get H&M on board, the thinking went, and others would follow.

So the negotiations went into top gear with H&M officials, including Ms. Gedda and her boss, Ms. Helmersson.

“They didn’t much like it, because they now saw a legally binding document,” said Mr. Raina, who said he had a heated argument on the telephone about the matter with Ms. Helmersson before H&M accepted the agreement.

An H&M spokesman said Ms. Helmersson was not available to comment for this article.

As the negotiations continued during the week of May 6, Web sites and radio reports picked up on the refusal by a big Swedish newspaper, Dagens Industri, to publish Avaaz’s ad with the smiling photo of H&M’s chief executive, Karl-Johan Persson.

Ms. Gedda said a confluence of factors, including the Bangladeshi government’s pledge for

reforms and the involvement of the International Labor Organization as a monitor, led H&M to sign the pact. She emphasized that H&M already had a long history of trying to improve factory safety. “What was really important was for us to have an accord that we believed would make a difference on the ground” and that others would endorse as well, she said.

Even as H&M sought the support of other retailers, Gap made an alternate proposal that would largely have eliminated potential legal liabilities. Inditex, which was getting ready to sign, suddenly veered toward Gap’s plan, Mr. Raina said.

But last Monday morning, when H&M made its announcement, Inditex followed suit just minutes later. Within days, three dozen other major retailers signed on.

Gap, Wal-Mart, [J. C. Penney](#), Target and many other big United States brands remain opposed, citing the risk of legal liability.

Labor groups say the Bangladesh safety accord may be undermined if the American retail giants keep holding out. But Ms. Gedda said H&M believed there was enough support for real change.

“We would have appreciated having as broad a coalition as possible,” she said. “But we think with the brands we now have on board, we have very good conditions for this to work.”

There is still a long way to go before the lives of Bangladeshi factory workers improve. And then there are all the other emerging market countries where conditions in fast-fashion factories remain a concern. On Wednesday, a factory in Cambodia making athletic shoes for [Asics collapsed, killing three workers](#). It was not far from a site where, in 2012, more than 200 workers at a factory making H&M clothes collapsed simultaneously from noxious fumes and heat.

Last week, at one of the giant H&M stores in Stockholm, labels on three racks of clothes read like a United Nations roll call of emerging nations: shorts made in Pakistan, a white blouse from Cambodia, cheap tank tops from Bangladesh, a skirt from Sri Lanka and so on.

“This is really just the end of the beginning,” Mr. Jennings of UNI Global said.

*Steven Greenhouse contributed reporting from New York.*