The New York Times

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Documents Indicate Walmart Blocked Safety Push in Bangladesh

By STEVEN GREENHOUSE

Documents found at the Tazreen apparel factory in Bangladesh, where 112 workers died in a fire nearly two weeks ago, indicate that three American garment companies were using the factory during the past year to supply goods to Walmart and its Sam's Club subsidiary.

The documents — photographed by a Bangladeshi labor organizer after the fire and made available to The New York Times — include an internal production report from mid-September showing that 5 of the factory's 14 production lines were devoted to making apparel for Walmart.

In a related matter, two officials who attended a meeting held in Bangladesh in 2011 to discuss factory safety in the garment industry said on Wednesday that the Walmart official there played the lead role in blocking an effort to have global retailers pay more for apparel to help Bangladesh factories improve their electrical and fire safety.

Ineke Zeldenrust, international coordinator for the Clean Clothes Campaign, an anti-sweatshop group based in Amsterdam, said Walmart was the company that "most strongly advocated this position."

The meeting was held in April 2011 in Dhaka, the country's capital, and brought together global retailers, Bangladeshi factory owners, government officials and nongovernment organizations after several apparel factory fires in Bangladesh had killed dozens of workers the previous winter.

According to the minutes of the meeting, which were made available to The Times, Sridevi Kalavakolanu, a Walmart director of ethical sourcing, along with an official from another major apparel retailer, noted that the proposed improvements in electrical and fire safety would involve as many as 4,500 factories and would be "in most cases" a "very extensive and costly modification."

"It is not financially feasible for the brands to make such investments," the minutes said.

Kevin Gardner, a Walmart spokesman, said the company official's remarks in Bangladesh were "out of context."

"Walmart has been advocating for improved fire safety with the Bangladeshi government, with industry groups and with suppliers," he said, adding that the company has helped develop and establish programs to increase fire prevention.

Ms. Zeldenrust said, "Everyone recognized that fire safety was a serious problem and it was a high time to act on it, and Walmart's position had a very negative impact." She added, "It gives manufacturers the excuse they're looking for to say, 'We're not to blame.' "

Scott Nova, the executive director of the Worker Rights Consortium, a factory monitoring group based in Washington, was also at the meeting. He said that upgrading the factories' safety would cost a small fraction of what Walmart and other retailers pay for the clothing they import from Bangladesh each year.

Bloomberg News first reported details of the Dhaka meeting on Wednesday.

Walmart has indirectly acknowledged that the factory, Tazreen Fashions, outside Dhaka, was producing some of its apparel, saying in a statement that a supplier had "subcontracted work to this factory without authorization and in direct violation of our policies." In that statement, issued two days after the Nov. 24 fire, Walmart said, "We have terminated the relationship with that supplier." Walmart has declined to name the supplier.

After Walmart was shown some of the documents from the factory on Wednesday, Mr. Gardner replied in an e-mail. "As we've said, the Tazreen factory was de-authorized months ago," he wrote. "We don't comment on specific supplier relationships."

The photographed documents from the factory indicate that three suppliers — the International Direct Group, Success Apparel and Topson Downs — used the factory to make shirts, shorts and pajamas for Walmart. One document, written in July, provides product descriptions from Success Apparel for Walmart's Faded Glory house-brand shorts. A photo taken inside the factory after the fire showed a pair of Faded Glory shorts.

The documents indicate that Success Apparel often worked through Simco, a Bangladeshi garment maker.

Mr. Nova of the Worker Rights Consortium said the documents raised questions about Walmart's statements after the fire.

"It was not a single rogue supplier as Walmart has claimed — there were several different U.S. suppliers working for Walmart in that factory," Mr. Nova said. "It stretches credulity to think that Walmart, famous for its tight control over its global supply chain, didn't know about this."

Mr. Nova works closely with the Bangladesh Center for Worker Solidarity and made the factory documents available.

Investigators also found apparel made for Sears and Disney inside the factory after the fire. Both companies said suppliers had given orders to the factory without their knowledge and authorization.

Mr. Gardner said accredited outside auditors had periodically inspected the factory on Walmart's behalf. A May 2011 audit gave the factory an "orange" rating, meaning that there were "higher-risk violations" and that it would be re-audited within six months. If a factory gets three orange ratings over two years, it loses Walmart's approval.

A follow-up audit in August 2011 for Walmart gave Tazreen an improved "yellow" rating, meaning "medium-risk violations."

The New York Times

December 6, 2012

Horrific Fire Revealed a Gap in Safety for Global Brands

By JIM YARDLEY

ASHULIA, Bangladesh — The fire alarm shattered the monotony of the Tazreen Fashions factory. Hundreds of seamstresses looked up from their machines, startled. On the third floor, Shima Akhter Pakhi had been stitching hoods onto fleece jackets. Now she ran to a staircase.

But two managers were blocking the way. Ignore the alarm, they ordered. It was just a test. Back to work. A few women laughed nervously. Ms. Pakhi and other workers returned to their sewing tables. She could stitch a hood to a jacket in about 90 seconds. She arranged the fabric under her machine. Ninety seconds. Again. Ninety more seconds. She sewed six pieces, maybe seven.

Then she looked up.

Smoke was filtering up through the three staircases. Screams rose from below. The two managers had vanished. Power suddenly went out throughout the eight-story building. There was nowhere to escape. The staircases led down into the fire. Iron grilles blocked the windows. A man cowering in a fifth-floor bathroom called his mother to tell her he was about to die.

"We all panicked," Ms. Pakhi said. "It spread so quickly. And there was no electricity. It was totally dark."

Tazreen Fashions Ltd. operated at the beginning of the global supply chain that delivers clothes made in Bangladesh to stores in Europe and the United States. By any measure, the factory was not a safe place to work. Fire safety preparations were woefully inadequate. The building itself was under construction — even as sewing work continued inside — and mounds of flammable yarn and fabric were illegally stored on the ground floor near electrical generators.

Yet Tazreen was making clothing destined for some of the world's top retailers. On the third floor, where firefighters later recovered 69 bodies, Ms. Pakhi was stitching sweater jackets for C&A, a European chain. On the fifth floor, workers were making Faded Glory shorts for Walmart. Ten bodies were recovered there. On the sixth floor, a man named Hashinur Rahman put down his work making True Desire lingerie for Sears and eventually helped save scores of others. Inside one factory office, labor activists found order forms and drawings for a licensee of the United States Marine Corps that makes commercial apparel with the Marines' logo.

In all, 112 workers were killed in a blaze last month that has exposed a glaring disconnect among global clothing brands, the monitoring system used to protect workers and the factories actually filling the orders. After the fire, Walmart, Sears and other retailers made the same startling admission: They say they did not know that Tazreen Fashions was making their clothing.

But who, then, is ultimately responsible when things go so wrong?

The global apparel industry aspires to operate with accountability that extends from distant factories to retail stores. Big brands demand that factories be inspected by accredited auditing firms so that the brands can control quality and understand how, where and by whom their goods are made. If a factory does not pass muster, it is not supposed to get orders from Western customers.

Tazreen Fashions was one of many clothing factories that exist on the margins of this system. Factory bosses had been faulted for violations during inspections conducted on behalf of Walmart and at the behest of the Business Social Compliance Initiative, a European organization.

Yet Tazreen Fashions received orders anyway, slipping through the gaps in the system by delivering the low costs and quick turnarounds that buyers — and consumers — demand. C&A, the European retailer, has confirmed ordering 220,000 sweaters from the factory. But much of the factory's business came through opaque networks of subcontracts with suppliers or local buying houses. Labor activists, combing the site of the disaster, found labels, order forms, design drawings and articles of clothing from many global brands.

Walmart and Sears have since said they fired the suppliers that subcontracted work to Tazreen Fashions. Yet some critics have questioned how a company like Walmart, one of the two biggest buyers in Bangladesh and renowned for its sophisticated global supply system, could have been unaware of the connection.

The factory's owner, Delowar Hossain, said his managers arranged work through local middlemen. "We don't know the buyers," Mr. Hossain said in an interview. "The local man is important. The buyer — I don't care."

Bangladesh is now a garment manufacturing giant, the world's second-leading apparel exporter, behind China, which is no longer the cheapest place to make many basic goods. Bangladesh has the lowest garment wages in the world, and many of the Tazreen factory's victims were young rural women with little education, who earned as little as $45 a month in an industry that now accounts for $19 billion in exports.

In Bangladesh, public outrage about the fire has boiled over. An estimated 100,000 people attended the burial ceremony of 53 workers whose bodies could not be identified. Industry leaders have promised financial support for survivors and the families of the dead. The Bangladeshi government has started inspecting the country's 4,500 garment factories; it has already found fire code violations in almost a third of the hundreds it has examined.

"Now we have to do much more," said Mohammad Shafiul Islam Mohiuddin, president of the Bangladesh Garment Manufacturers and

Exporters Association, conceding past failures. “We have learned. We start from here.”

In the United States, Labor Secretary Hilda L. Solis compared the Tazreen blaze to the 1911 Triangle shirtwaist factory fire in New York, which led to sweeping reforms of American sweatshops. In Bangladesh, factory fires have been a persistent problem, with the International Labor Rights Forum saying more than 600 garment workers have died in such fires since 2005.

And even before the Tazreen blaze, outside pressure was building on Bangladesh’s garment sector to increase wages and ease restrictions on union organizing. Secretary of State Hillary Rodham Clinton, along with European diplomats, has urged the government to investigate the unsolved murder of a labor organizer, Aminul Islam.

In reconstructing the deadly blaze, The New York Times interviewed more than two dozen survivors; relatives of the victims; Bangladeshi fire officials; garment factory owners and managers; auditors; and others. In the end, analysts said, the conflagration was a tragic byproduct of an industry in which global brands and retailers, encouraged by hundreds of millions of consumers around the world, are still primarily motivated by the bottom line.

“We as consumers like to be able to buy ever-greater quantities of ever-cheaper goods, every year,” said Richard M. Locke, deputy dean of the M.I.T. Sloan School of Management. “Somebody is bearing the cost of it, and we don’t want to know about it. The people bearing the cost were in this fire.”

‘Precious’ Escape Time Is Lost

Several months ago, Shima Akhter Pakhi was summoned to the sixth floor of Tazreen Fashions. Ms. Pakhi, 24, had worked at the factory for three years, and every month she sent money back to her family in rural Bangladesh. Now she earned a monthly base salary of $51, maybe $20 more with overtime. Up on the sixth floor, managers were tapping her for fire safety duty.

When Ms. Pakhi started at Tazreen, the factory had only three floors, but the owner was adding five upper floors in expectation that business would grow. The empty, unfinished sixth floor was nearly the size of a football field. Ms. Pakhi and a few other employees were handed fire extinguishers and taught to remove the pin, squeeze the handle and spray. They were also told that in the case of a fire on upper floors, employees should evacuate down the staircases in descending order from top to bottom.

"They did not tell us what we would do if the fire started on the ground floor," Ms. Pakhi recalled.

Fire investigators say the blaze erupted on the cavernous ground floor after stacks of yarn and fabric caught fire. Had the fabric been stored in an enclosed, fireproof room, as required by law, the fire could have been contained and the workers could have escaped.

Instead, the blaze spread quickly, pushing up the staircases, along with toxic fumes from burning acrylic. Investigators discovered that few fire extinguishers had been used. And, finally, managers made a catastrophic mistake by initially dismissing the fire alarm.

"They killed time," said Abu Nayeem Mohammad Shahidullah, the director general of Bangladesh's national fire service. "Time was so precious, so important. But they said it was a false alarm."

Mr. Hossain, the factory owner, said in a separate interview with Bangladeshi news media that he did not know why managers on the floor would have tried to stop employees from leaving the factory. He added that none of the gates in the staircases were locked.

Managers had been preparing the factory for inspections from buyers and staged a drill a few days before the fire, several employees said. Ms. Pakhi said managers had even displayed photographs of the fire training session on bulletin boards.

"I think they took the pictures and hung them on the board to show the buyers," she said. "They would see the pictures and think they have trained people to fight fires. But personally, I don't think I could fight fires with this training."

Tazreen Fashions is part of a larger garment conglomerate, the Tuba Group, which owns at least half a dozen apparel factories in Bangladesh. Mr. Hossain said a team from Walmart's local office conducted a compliance audit last year and faulted the factory for excessive overtime, while making no mention of fire safety or other issues. Moreover, he said, the local buying houses had also inspected and approved the factory, tantamount, he assumed, to approval from Walmart and the other global brands these middlemen represented.

Kevin Gardner, a Walmart spokesman, said the company stopped authorizing production at Tazreen "many months before the fire." But he did not say why. Accredited outside auditors inspected the factory on Walmart's behalf at least twice in 2011, he said. That May, auditors gave the factory an "orange" rating, meaning there were "higher-risk violations." Three months later, the factory's grade improved to "yellow," meaning there were "medium-risk violations."

Sears, in a statement, said its supplier "was not authorized" to produce goods at the Tazreen factory and that it had done so "in violation" of Sears's rules.

But David Hasanat, the chairman of the Viyellatex Group, one of the country's most highly regarded garment manufacturers, pointed out that global apparel retailers often depend on hundreds of factories to fill orders. Given the scale of work, retailers frequently place orders through suppliers and other middlemen who, in turn, steer work to factories that deliver low costs — a practice he said is hardly unknown to Western retailers and clothing brands. The order for Walmart's Faded Glory shorts, documents show, was subcontracted from Simco Bangladesh Ltd., a local garment maker. "It is an open secret to allow factories to do that," Mr. Hasanat said. "End of the day, for them it is the price that matters."

A Friend Shouts, 'Save Us!'

On the sixth floor, Hashinur Rahman heard the screams and rushed to a staircase. He and others had been making satiny lingerie, but they pushed past a manager and began descending into thicker and thicker smoke. Ignoring the manager would save their lives.

The factory did not have ceiling sprinklers or an outdoor fire escape. Fire officials later concluded that the two staircases on the eastern side of the building were quickly overwhelmed with fire and toxic smoke. But officials say the lone western staircase remained passable for many minutes and provided an escape route for many survivors. About 1,150 people were working that night, and all of the roughly 300 workers on the second floor managed to escape down the stairs, fire officials said.

Mr. Rahman, 32, had barely made it out of the building, along with many of his colleagues, when his cellphone rang. It was a friend who worked on the third floor. Hundreds of people were trapped.

“Save us!” the friend shouted. “Help us!”

Mr. Rahman said he ran to the narrow alley that separated the factory’s western wall from a building under construction. The gap was maybe five feet. Work crews had covered the western wall with rickety bamboo scaffolding so they could put plaster on the exterior of the still-unfinished Tazreen factory.

Mr. Rahman climbed the bamboo to a third-floor window covered with an iron grille. He leapt onto a concrete slab of the new building and found a brick. He began smashing the grille, trying to break it open. He looked inside and saw his co-workers’ desperate faces. They were in the room where samples were made and sent to buyers for final approval, and they stood on sewing tables, pulling frantically on the grille.

One seamstress, who goes by a single name, Rahima, had tried to escape the third floor by a stairwell but began choking on smoke. As the smoke thickened, Ms. Rahima said, she fell to the floor. Then people trampled her.

"When I fell down, and the people were stepping on me, I did not think I would survive," she recalled. "But then I thought of my daughter."

Ms. Rahima had been married to a husband who beat her. When their daughter was born five years ago, the husband fled. Ms. Rahima left her village to find work in the garment industry, which has provided an escape from grinding rural poverty for millions of women like her in Bangladesh and around the world. She moved into a rented room with her two sisters and got a job at Tazreen. In the village, Ms. Rahima's parents cared for her daughter while she sent back money. Two days before the fire, the little girl arrived for a rare visit.

"I got my strength, and I stood up," Ms. Rahima said. "I ran to the sample room."

Finally, the iron grille gave way.

A few men jumped to the concrete slab of the adjacent building. Leaning against the scaffolding, they reached across the gap to help co-workers make the leap. Women went first. Ms. Rahima made it across. So did Ms. Pakhi. On other floors, people smashed open windows or tore out exhaust fans and leapt into the darkness. Some landed on the metal roofs of nearby shanties. Some landed on the ground.

And some never made it out at all.

Son Phones 'Ma' Before Dying

As word spread, people raced to the factory: mothers, fathers, husbands, wives and gawkers. Soon a throng stood beneath the building, their faces glowing in the cruel brilliance of the flames. Golapi Begum left her own factory job and raced to Tazreen Fashions to find her son, Palash Mian. He was 18 and worked on the fifth floor. Ms. Begum stared up at the factory and shrieked.

Then her cellphone rang. It was her son.

“Ma, I have no way to save my life,” he told her. “I cannot find any way to get out. I am in the bathroom of the fifth floor. I am wearing a black T-shirt. And I have a shirt wrapped around my waist. You will find me in the bathroom.”

He hung up. He called his father, as well as several friends. Then his phone went dead.

“I became insane,” his mother said. “I spent the whole night in front of the main gate of the factory. I was screaming all the time.”

She found him the next day. Rescuers had lined up all the recovered bodies on the grounds of a nearby school. Family members unzipped bag after bag, searching. One husband looking in vain for his young wife said the charred human remains looked like chunks of coal.

But Ms. Begum unzipped a bag and found her son. She recognized his face. And he was wearing a black T-shirt.

She collected his body and returned it to their village, where he was buried.

Julfikar Ali Manik contributed reporting from Ashulia, and Steven Greenhouse from New York.

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As Walmart Makes Safety Vows, It's Seen as Obstacle to Change

By STEVEN GREENHOUSE and JIM YARDLEY

When Walmart's chief executive, Michael Duke, appeared at a Council on Foreign Relations meeting in New York this month, a raucous crowd of protesters awaited him. Walmart was confronting reports of bribery in Mexico, a wave of labor demonstrations in the United States and, perhaps most critically, questions about a grisly fire that had killed 112 workers at a Bangladeshi garment factory used by several Walmart suppliers.

"We will not buy from an unsafe factory," Mr. Duke told the audience. "If a factory is not going to operate with high standards, then we would not purchase from that factory."

But Mr. Duke's reassurances that Walmart enforces high standards in the global clothing industry appear to be contradicted by inspection reports it requested and some of Walmart's own internal communications:

¶ Just two weeks before Mr. Duke's vow, a top Walmart executive acknowledged in an e-mail to a group of retailers that the industry's safety monitoring system was seriously flawed. "Fire and electrical safety aspects are not currently adequately covered in ethical sourcing audits," Rajan Kamalanathan, the executive, wrote to other board members of the Global Social Compliance Program, a business-led group focused on improving the supply chain.

¶ Three inspection reports from 2011 and 2012 at the Tazreen Fashions factory where the fire occurred revealed serious repeated violations, including a lack of fire alarms in many areas, a shortage of fire extinguishers and obstacles blocking workers' escape routes. At the same time, those inspections did not even cover whether the factory had fire-safe emergency exits, leaving that responsibility to often lax government inspectors.

¶ Walmart led an effort to block a plan to have global retailers underwrite safety improvements at factories in Bangladesh, according to minutes of an April 2011 meeting as well as several participants.

Walmart has become the world's largest retailer by demanding the lowest costs from suppliers and delivering the lowest prices to consumers — while promising its customers that the billions of dollars of goods it buys from Bangladesh, China and other countries are produced in safe, nonsweatshop factories. Walmart buys more than $1 billion in garments from Bangladesh each year, attracted by the country's $37-a-month minimum wage, the lowest in the world.

But even as the deadly Nov. 24 fire at the Tazreen factory has stirred soul-searching inside and outside the apparel industry about the effectiveness of its global factory monitoring system, some nonprofit groups say Walmart has been an important obstacle to efforts to upgrade fire safety. That is partly because it has shown little interest in changing the existing practice of demanding that the factories, often operating at razor-thin margins, meet fire safety standards at their own cost.

"They are squeezing the manufacturers, and the manufacturers are happy to get away with the minimum compliance that they can," said Farooq Sobhan, a former Bangladeshi diplomat involved in past negotiations between Bangladesh and the United States on trade policy for apparel. "It is kind of a vicious cycle."

Walmart says it is doing everything it can to prevent factory fires. "Walmart has been advocating for improved fire safety with the Bangladeshi government, with industry groups and with suppliers," Kevin Gardner, a Walmart spokesman, said in an e-mail. "We firmly believe factory owners must meet our supplier standards, and we recognize the cost of meeting those standards will be part of the cost of the goods we buy. We know our customers expect this of us and our suppliers."

Walmart also insists that several of its apparel suppliers were using the Tazreen factory without its approval. Two days after the Tazreen fire, Walmart said it had "de-authorized" use of the factory, but without saying when or why; two weeks later it said it had taken the action "many months ago."

But critics say that the inspection reports discovered in the Tazreen factory— which were obtained by The New York Times from a labor advocacy group — underscore fundamental problems with Walmart's supply chain in Bangladesh, allowing it to avoid addressing safety problems it should have dealt with.

"The Walmart system of audits and inspections is not improving the factory safety conditions here in Bangladesh," said Kalpona Akter, executive director of the Bangladesh Center for Worker Solidarity. "They maintain this system to enable them to keep their hands clean and deny responsibility."

Two Walmart-sponsored inspections in 2011, along with a third monitoring report in April 2012, revealed recurring violations, with the first Walmart audit report, containing a warning from a Walmart official, giving the factory an "orange," or high risk, assessment. Under Walmart's rules, such factories are to be reinspected within six months, and are disqualified only after failing three audits within two years — raising the possibility that workers remain exposed a year or more to serious dangers before a factory is dropped.

"It is not enough to have a system that does a checklist of problems and keeps track of what happens to those problems every six months," said Dara O'Rourke, a labor specialist at the University of California at Berkeley. "They should say, 'We got Code Orange problems in this factory, which are putting workers' lives at risk.

What can we do immediately to solve these problems and eliminate these risks?' "

Flawed Monitoring

In February 2010, Douglas McMillon, chief executive of Walmart International, arrived in Dhaka, Bangladesh's capital, on an unannounced visit. Walmart was already a major buyer of garments in Bangladesh but now planned to purchase far more.

Under tight security, Mr. McMillon held court in a conference room of the Radisson hotel, summoning a small delegation of industry leaders. One participant recalled even being forbidden from taking his cellphone and fountain pen. During the meeting, according to the participant, Mr. McMillon spoke out about Walmart's commitment to corporate social responsibility and expressed sympathy when one Bangladeshi factory owner complained about the difficulty in meeting certain standards, given the low prices paid by buyers.

"They wanted to enhance their actions of corporate social responsibility," said the participant, agreeing to speak only on the condition of anonymity because of Walmart's influence in Bangladesh. "But it never happened."

Walmart has long held itself out as an industry leader in pushing for safety and ethical standards at the overseas factories that supply its stores, saying it further toughened its fire safety standards this year. It boasts that monitors did 9,737 inspections at 8,713 factories last year to verify that Walmart's suppliers were adhering to its standards. Moreover, Walmart executives have played a forceful role in industry discussions about what should be done to prevent future factory fires.

"We need to work with the industry and to find other ways to raise the bar on safety standards," Mr. Duke said at the Council on Foreign Relations.

April 24, 2013

Building Collapse in Bangladesh Leaves Scores Dead

By JULFIKAR ALI MANIK and JIM YARDLEY

DHAKA, Bangladesh — A building housing several factories making clothing for European and American consumers collapsed into a deadly heap on Wednesday, only five months after a horrific fire at a similar facility prompted leading multinational brands to pledge to work to improve safety in the country's booming but poorly regulated garment industry.

By early Thursday, the Bangladeshi news media reported that at least 142 people died in the rubble of Rana Plaza, a building in Savar, an industrial suburb of Dhaka, the capital. Police officials put the death toll at 134, with more than 1,000 of 2,500 workers injured, many of them still trapped. Soldiers, paramilitary police officers, firefighters and other citizens clawed through the wreckage, searching for survivors and bodies.

Brig. Gen. Ali Ahmed Khan, head of the National Fire Service, said that an initial investigation found that the Rana Plaza building violated codes, with the four upper floors having been constructed illegally without permits.

"There was a structural fault as well," General Khan added, noting that the building's foundation was substandard.

The collapse followed a fire in November that killed 112 workers making shorts and sweaters for export and that led importers, including Walmart, to vow to do more to ensure the safety of factories where goods they sell are manufactured. The building collapse on Wednesday quickly revived questions about the commitment of local factory owners, Bangladeshi officials and global brands to provide safe working conditions.

The Bangladeshi news media reported that inspection teams had discovered cracks in the structure of Rana Plaza on Tuesday. Shops and a bank branch on the lower floors immediately closed. But the owners of the garment factories on the upper floors ordered employees to work on Wednesday, despite the safety risks.

Labor activists combed the wreckage on Wednesday afternoon and discovered labels and production records suggesting that the factories were producing garments for major European and American brands. Labels were discovered for the Spanish brand Mango, and for the low-cost British chain Primark.

Activists said the factories also had produced clothing for Walmart, the Dutch retailer C & A, Benetton and Cato Fashions, according to customs records, factory Web sites and documents discovered in the collapsed building.

Survivors described a sensation akin to being in an earthquake: hearing a loud and terrifying cracking sound; feeling the concrete factory floor roll beneath their feet; and watching concrete beams and pillars collapse as the eight-story building suddenly seemed to implode.

"I heard screams," said Mahmudul Hasan, a quality inspector at Ether Tex, a garment factory, who was hit by a falling ceiling. "My heart started pounding. I lay down near a pillar and started thinking that perhaps I was going to die."

International attention was focused on labor conditions in Bangladesh five months ago, with the fatal fire at Tazreen Fashions, a garment factory near Dhaka. That fire brought pledges from government officials and many global companies to tighten safety standards.

But on Wednesday, many labor rights advocates said the collapse of Rana Plaza showed a continued failure to take meaningful action.

"The front-line responsibility is the government's, but the real power lies with Western brands and retailers, beginning with the biggest players: Walmart, H & M, Inditex, Gap and others," said Scott Nova, executive director of Worker Rights Consortium, a labor rights organization. "The price pressure these buyers put on factories undermines any prospect that factories will undertake the costly repairs and renovations that are necessary to make these buildings safe."

Bangladesh is the world's second-leading garment exporter, trailing only China, but the industry has been plagued by concerns over safety and angry protests over rock-bottom wages. The industry has grown rapidly in the past decade, particularly as rising wages in China have pushed many global clothing companies to look for lower costs elsewhere. Bangladesh has the lowest labor costs in the world, with the minimum wage for garment workers set at roughly $37 a month.

Such low labor costs have attracted not just Walmart but almost every major global clothing company, including Sears, Gap, Tommy Hilfiger and many others. Bangladesh now has more than 5,000 garment factories, employing more than 3.2 million workers, many of them women, and advocates credit the industry for lifting people out of poverty, even with such low wages. Exports also provide a critical source of foreign exchange that helps the government offset the high costs of imported oil.

But critics have argued that the outsize importance of the industry has made the government reluctant to take steps that could increase costs or alienate foreign brands. Labor unions are almost nonexistent, and a labor organizer, Aminul Islam, was tortured and murdered last year. The case remains unsolved. Meanwhile, some factory owners say they cannot raise wages or invest in upgrading facilities because of the low prices paid by Western brands.

Poorly constructed buildings have long been a problem in Bangladesh. In 2005, at least 64 workers at Spectrum Garments were killed in a building collapse. Alonzo Suson, who runs an A.F.L.-C.I.O. training center in Dhaka known as the Solidarity Center, said Wednesday's accident illustrated the repeated failure of government inspectors to ensure that safety standards and building codes are met.

"It is substandard construction, shortcut construction," Mr. Suson said. "There was already a crack in the building."

On Wednesday, a spokesman for Walmart expressed sympathy for the victims and said the global retail giant was committed to promoting stronger safety measures. "We are investigating across our global supply chain to see if a factory in this building was currently producing for Walmart," said Kevin Gardner, the company spokesman.

One problem exposed in the Tazreen Fashions fire was the opacity of the global supply chain for clothing. The Tazreen factory was making apparel for Walmart and Sears, but after the fire both retailers said they had not known that and accused their suppliers of secretly subcontracting the jobs.

Inside Rana Plaza, labor activists discovered a document detailing cutting specifications for an order from Benetton. Yet Luca Biondolillo, a spokesman for the Benetton Group, denied any connection to the factories in the building. "None of the companies involved are currently suppliers of Benetton Group or any of its brands," Mr. Biondolillo said.

The Bangladeshi prime minister, Sheikh Hasina, announced that Thursday would be a national day of mourning. Ms. Hasina, leader of the governing Awami League, could face political fallout from the accident. Rana Plaza is owned by a political figure affiliated with the Awami League.

Mr. Hasan, the quality inspector who survived the collapse, recalled a chaotic scene in which the dust was so thick that he struggled to breathe.

"I found some other colleagues around me when they were using the light of their mobile phones," he said. "We were all trapped. So we had to crawl to look for space to escape.

"We were screaming, shouting, saying, 'Save me! I am here!' "

Julfikar Ali Manik reported from Dhaka, and Jim Yardley from New Delhi. Steven Greenhouse contributed from New York.

This article has been revised to reflect the following correction:

Correction: April 24, 2013

An earlier version of this article misspelled the name of the country director for the American Center for International Labor Solidarity. He is Alonzo Suson, not Alonzo Susan.

April 25, 2013

Western Firms Feel Pressure as Toll Rises in Bangladesh

By JULFIKAR ALI MANIK, STEVEN GREENHOUSE and JIM YARDLEY

DHAKA, Bangladesh — As rescuers struggled on Thursday to reach survivors in one of the worst manufacturing disasters in history, pointed questions were being raised about why a Bangladesh factory building was not padlocked after terrified workers notified the police, government officials and a powerful garment industry group about cracks in the walls.

As the death toll neared 300, the owner of the collapsed building, the eight-story Rana Plaza, was in hiding, and the police and industry leaders were blaming him for offering false assurances to factory bosses that the structure was sound, leading to the decision to allow 3,000 workers return to work.

Pressure continued to build on Western companies that had promised after a deadly fire in November to take steps to ensure the safety of Bangladeshi factories that make the goods the companies sell. Activists combing through the rubble here have already discovered labels and documents linking the factories to major European and American brands, like the Children's Place, Benetton, Cato Fashions, Mango and others.

PVH, the parent company of Calvin Klein and Tommy Hilfiger, and Tchibo, a German retailer, have endorsed a plan in which Western retailers would finance fire safety efforts and structural upgrades in Bangladeshi factories — although they first want other companies to sign on.

Walmart has refused to join that effort. But, in January, it announced that it would demand that factories quickly correct any safety violations and would dismiss any contractor that uses unapproved or unsafe factories. Two weeks ago, Walmart pledged $1.8 million to establish a health and safety institute in Bangladesh to train 2,000 factory managers about fire safety.

On Thursday, the Bangladeshi authorities opened an investigation into the collapse, while the police brought negligence charges against the building's owner, Sohel Rana, his father and the owners of four factories in the building. Bangladesh's High Court also issued a summons for Mr. Rana, who is involved in local politics for the country's ruling party, the Awami League. He has been ordered to appear in court next Tuesday.

The immediate question was why the garment factories on the upper floors of the Rana Plaza building in Savar, outside Dhaka, the capital, were operating when the structure collapsed Wednesday morning. Industry leaders continued to point to Mr. Rana and what they said were his false assertions that the structure was safe. "Based on that, they ran the factories yesterday," said Mohammad Atiqul Islam, the president of the Bangladesh Garment Manufacturers and Exporters Association, in a telephone interview. He said his staff had told factory owners on

Tuesday to stay closed until the building was inspected. "We had very clearly told the owners not to open."

But analysts said that, based on past experience, there was likely to be plenty of blame to go around, with harried factory owners scrambling to fill orders under tight deadlines imposed by their Western customers.

"Even in a situation of grave threat, when they saw cracks in the walls, factory managers thought it was too risky not to work because of the pressure on them from U.S. and European retailers to deliver their goods on time," said Dara O'Rourke, an expert on workplace monitoring at the University of California, Berkeley. He added that the prices Western companies pay "are so low that they are at the root of why these factories are cutting corners on fire safety and building safety."

Numerous Western apparel companies issued statements acknowledging that they had used factories in the building and voicing their condolences.

Primark, a British retailer, confirmed it was using a factory on the building's second floor and said it was "shocked and deeply saddened by this appalling incident." Primark said it has been engaged for several years with nongovernmental organizations and "other retailers to review the Bangladeshi industry's approach to factory standards."

Loblaw, a Canadian retailer that markets the apparel brand Joe Fresh, said one factory produced "a small number" of Joe Fresh garments. "We are extremely saddened" by the building collapse, Loblaw said in a statement, adding that, "we will be working with our vendor to understand how we may be able to assist them during this time."

But a few Western companies, including Benetton, denied having garments made there, even though documents were found linking those companies to factories in Rana Plaza. Worker advocates said it was possible that subcontractors were using the factories without the companies' knowledge.

What is increasingly clear is that the collapse should not have been a surprise. Factory fires have killed hundreds of garment workers in the past decade. At the same time, many factory buildings are substandard and unsafe. Bangladeshi fire officials say the upper floors of Rana Plaza were illegally constructed.

On Tuesday, the day before the collapse, news began spreading about cracks in the building. A local television journalist, Nazmul Huda, said he rushed to the scene but that local men employed by the building's owner had prevented him from entering the building and filming the damage.

Mr. Huda said that local police officers had also arrived at the building, but that they did not appear concerned and instead warned him not to run a story. (He said his station, ETV, did so anyway.) He said a local police supervisor later reassured him that an engineer had inspected the cracks and had found no problems.

“Local police and the local administration did not give importance to this problem,” Mr. Huda said. “They could have locked the building.”

Abdus Salam, the director general of the Industrial Police, a special law enforcement agency that oversees garment factories, said his district commander had also received a complaint about the building on Tuesday and had rushed to the scene.

“People were rushing out,” Officer Salam said in a telephone interview. “They saw the cracks in the walls.”

He said his district commander asked the factory owner to close the building until an inspection had been conducted. But when two of his officers returned Wednesday morning, Officer Salam said, the factories were operating. He said the two officers entered the building to investigate and are still missing after the accident.

At the scene, thousands of people gathered around the collapsed building, as family members of missing workers volunteered in the search. Blood collections were under way across Dhaka. Rescue teams comprising soldiers, paramilitary officers and firefighters were expected to keep searching on Friday, though officials refrained from using heavy machinery to clear debris.

“If we use heavy equipment, the building might collapse again,” said Brig. Gen. Ali Ahmed Khan, head of the National Fire Service. “The rest of the surviving workers might die if the building collapses further.”

Bangladesh’s government declared Thursday a national day of mourning, but anger and outrage spilled onto the streets. Hundreds surrounded an industrial building in the heart of Dhaka, upset that garment factories continued to operate inside, and tossed bricks at the windows, demanding that work be stopped. Thousands of garment workers also staged protests in industrial districts ringing the capital.

Bangladesh is the world’s second-leading exporter of apparel, and the domestic garment industry depends on a low wage formula in which the minimum wage is about $37 a month. Garment exports are a critical driver of the Bangladeshi economy, which creates pressure to keep wages low and workers in line. Labor unions are almost nonexistent in the industry; one labor organizer, Aminul Islam, was brutally killed last year in a case that is still unsolved.

Julfikar Ali Manik reported from Dhaka, Steven Greenhouse from New York and Jim Yardley from New Delhi.

December 23, 2013

$40 Million in Aid Set for Bangladesh Garment Workers

By STEVEN GREENHOUSE

Eight months after the Rana Plaza factory building collapsed in Bangladesh, killing more than 1,100 workers and leaving hundreds of families bereft and financially adrift, several prominent retailers and labor groups have joined with the Bangladesh government to create an estimated $40 million compensation fund to aid the victims' families.

So far, four retailers — Bonmarché, El Corte Inglés, Loblaw and Primark — have pledged to contribute to the fund, which is intended to compensate the families of those who died last April 24 in what was the deadliest disaster in garment industry history. The new fund is considered a landmark in compensating families of garment industry victims, in terms of both the amount to be paid and the sophistication of the arrangements. No United States-based retailers have signed on.

Several officials involved in negotiations to establish the fund said in interviews that the families of the dead would receive, on average, more than $25,000 each, while hundreds of workers who were injured or maimed would also receive compensation. Per capita income in Bangladesh is about $1,900 a year.

The fund's members said they hoped to begin making payments in February, although they have yet to decide how much each firm will contribute, which depends in part on whether governments donate. The money is to be paid in installments to ensure that the families have a steady source of income for years to come. "We think the agreement is a really good result," said Ineke Zeldenrust, international coordinator of the Clean Clothes Campaign, a European antisweatshop group that has pressed retailers to do far more to help the families of the disaster's victims. "The agreement will deliver to all the victims and the families of the Rana Plaza disaster full and fair compensation in a credible manner. What we need now is for other companies to agree to pay into the fund."

Families of the victims have already received several months of short-term emergency aid from the Bangladesh government as well as from Primark, an Anglo-Irish retailer. But these families have been pressing for long-term compensation.

In some families, with the mother dead, children have quit school and gone to work. In other cases, workers who were seriously injured and cannot work are desperate for income.

Talks to establish the fund, coordinated by the International Labor Organization, began in September but stalled over such issues as how to collect information on claims, how to determine which claims were legitimate and who should administer the fund. The amount to be paid will be based on the anticipated wage loss of each worker killed, tied to the number of children, or, if the beneficiary is a parent, to the life expectancy of an adult.

With 1,800 workers having died in garment industry disasters in Bangladesh over the last decade, Dan Rees, program director for the Better Work organization, an affiliate of the International Labor Organization, said: "If you look at the history of compensation efforts in the Bangladesh garment industry, it's not a good one. But this is a potential breakthrough."

Among the groups that signed the agreement to create the compensation were the Bangladesh Garment Manufacturers and Exporters Association, IndustriAll Global Union, the Bangladesh Employers Federation and the main Bangladesh coalition of labor unions.

Some retailers and labor rights groups have expressed dismay that no United States retailers have agreed to join the compensation effort.

"Following the collapse, we came very quickly to the conclusion that compensation was not only a necessity for the survivors and their families, but a responsibility for the many retailers sourcing from Rana Plaza," said Robert Chant, senior vice president for corporate affairs at Loblaw, a Canadian company. "We are still hopeful that other retailers will join us in meeting the obligation, but we've already made public our disappointment in the failure of others to step forward."

Loblaw owns the Joe Fresh apparel chain, with apparel from one of Rana Plaza's factories.

Amid warnings that its columns were crumbling, the poorly constructed building collapsed, crushing hundreds of workers in tons of concrete and steel.

Labor rights groups say they found documents and remnants of apparel tying 25 European and American retailers and brands to the five garment factories spread across Rana Plaza's eight floors. Several of the firms have since denied their apparel came from any of the factories. Mango, a Spanish apparel brand, said, for instance, that it only had a test order in a factory there.

Walmart has been urged to help the Rana Plaza families because production documents found in the rubble indicated that a Canadian contractor was producing jeans for Walmart in 2012 at the Ether Tex factory inside the building. Walmart said an unauthorized contractor was producing garments there without its knowledge. It says it is focused on assuring that there are no such disasters in the future.

The Children's Place, which had obtained apparel from one of the factories inside Rana Plaza, said the factory was not supplying it at the time of the collapse.

A Walmart official said the company had no comment about requests for it to contribute to the fund. The Children's Place did not respond to inquiries.

"These brands produced at Rana Plaza, yet did nothing to protect the workers who made their clothes, despite a history of deadly building collapses in Bangladesh," said Scott Nova, executive director of the Worker Rights Consortium, a monitoring group based in Washington that is financed by American colleges and universities. "Incredibly, some companies do not seem to feel the slightest responsibility to the families whose lives were destroyed as a result of this negligence."

Officials involved in the compensation fund say they have not yet worked out how much money each participant should contribute. That will depend, in part, on how many retailers ultimately agree to participate and whether various governments agree to give money.

Some industry experts say the American companies are afraid to participate for fear of being exposed to legal liability or appearing hypocritical after denying that they knowingly did business at Rana Plaza at the time of the collapse.

Mr. Rees, the I.L.O. official, said contributions would not lead to liability. "At the moment, this effort needs support," he said. "It needs the backing of companies that were in Rana Plaza when it collapsed, that were there in the recent past before it collapsed and that weren't in there at all and want to show solidarity with the industry."

This article has been revised to reflect the following correction:

Correction: December 27, 2013

An article on Tuesday about a compensation fund for victims of a garment factory collapse in Bangladesh rendered incorrectly the name of one of the retailers that pledged to contribute to the fund. It is Bonmarché, not Bon Marché.