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Doubt over Walmart's safety vows

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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 labour 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," Duke told the audience. "If a factory is not going to operate with high standards, then we would not purchase from that factory."

But 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 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 Programme, 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 November 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 non-profit 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



The staircases of Tazreen Fashions after a deadly fire that killed at least 112 workers of the factory on November 24.

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 suppli-

ers," Kevin Gardner, a Walmart spokesman, said in an e-mail. "We firmly believe factory owners must meet our supplier standards, and we recognise 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 labour 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 Centre 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 labour 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?'"

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, 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, 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."

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Bangladesh on the move

TARIQ A AL-MAEENA, Saudi Gazette

THERE are millions of Bangladeshis working in GCC (Gulf Cooperation Council) countries as everywhere else. And although most of them fill the unskilled sector, there are among these expatriates a large number of semi-skilled and skilled workers.

Altogether they form a considerable work force filling the labour needs of the Gulf countries.

It is unfortunate that more often than not, some of these workers are in the news for the wrong reasons, creating suspicion and mistrust among their host countries. Falling collectively into the lowest paid group of imported help, many Bangladeshis have made their mark in the press.

This group of expatriates has often been unjustly maligned as a source of criminal activity, and this sort of generalisation is a gross injustice to the majority of the two million plus workers who left their South Asian country to earn a living here.

It is also regrettable that our media chooses to focus on the misdeeds of a few Bangladeshi nationals caught in a web of criminal activity, thereby collectively tarnishing a whole group of hard-working expatriates who are performing vital and much needed services across the Kingdom.

A Bangladeshi recently lashed out, "Those behind the concerted campaign accusing Bangladeshis of a variety of criminal activities can congratulate themselves: They have succeeded in spoiling the image of an entire people, among whom are doctors, engineers, teachers and professors, businessmen, consultants and executives as well as office assistants, cleaners, drivers, sweepers, guards, farmers, daily labourers and others -- just like any other expatriate group in the Kingdom."

And while it is common to perceive this group of guest workers as menial labourers, one must be reminded of the fallacy of such perception. Indeed, Bangladesh is one of the poorer countries with a population of about 150 million and as is the case with any underdeveloped country, its people have to seek opportunities outside their boundaries. But that does not in any way diminish the character and honour of these guest workers.

Today, Bangladesh is a country on the move. A visit to the country will dispel most of our misconceptions that this land of 150 million people is fully inhabited by the poor or destitute looking for a handout and going nowhere.

There are specific plans and goals that are expected to turn this country into a middle



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Bangladeshi workers fill much of the labour needs of the Gulf countries.

developed country (MDC) by 2021. Education and health care have been prioritized by those in charge, and precedence has been given to developing the cadre of rapidly growing youth into a formidable citizenry.

To achieve those goals does not appear to be an illusion. The country does indeed boast of several advantages. Having very fertile land, Bangladeshis grow what they need and are totally self-reliant in food, a distinction very rare in most countries. Another factor is that the Bangladeshi national is far from lazy. In towns and villages one will notice the initiatives these people take to make a living. Given that energy, it is hard to expect them to fail in achieving their goals.

There are also those Bangladeshis who have won accolades beyond their borders, some with universal recognition. Mohammed Yunus, a Bangladeshi economist, won the Nobel Prize in 2006 for pioneering microcredit lending schemes for the poor, especially women, in his country. His microcredit ideas are now in practice in more than 60 countries in the world, including the United States.

Fazlur Rahman Khan, a Bangladeshi structural engineer, designed Chicago's 100-story John Hancock Center and 110-story Sears Tower, the world's tallest building when it was built in 1973. In 1998, the city of Chicago named the intersection of Jackson and Franklin Streets (located at the foot of the Sears Tower) "Fazlur R Khan Way" in

honour of the designer of the tower.

Irene Khan, a Bangladeshi lawyer, graduated from Harvard and in 2001 became the first woman to head Amnesty International's human rights movement, a post she held for more than eight years. Incidentally, she was the first Asian to achieve such status.

Bibi Russell is a Bangladeshi designer who has been putting Bangladeshi fashion on the map. Bibi employs some 35,000 weavers in her home country, and her company has expanded its services to include a number of products for the home -- all of them handmade in Bangladesh and popular all over the world.

They are among many other Bangladeshis who through their skills and hard work have contributed domestically and universally. And within the country, the economy is improving. Today, textile factories churning out brand names for multinationals dot the landscape and for good reason. Lower wages and good workmanship have induced many multinationals to set up shop in Bangladesh. From Japan to the Americas, they have all come to Bangladesh.

There is also the draw of political stability. It is time we revise our views of Bangladesh. Having had a glimpse of this country, I can assure my readers that from what I have observed, there is dynamism among its people that will indeed make anything possible. Bangladesh is definitely on the move...and upwards.

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Senate leaders in US to make last-ditch fiscal cliff effort

REUTERS, Washington

PRESIDENT Barack Obama and US congressional leaders agreed on Friday to make a final effort to prevent the United States from going over the "fiscal cliff," setting off intense bargaining over Americans' tax rates as a New Year's Eve deadline looms.

With only days left to avoid steep tax hikes and spending cuts that could cause a recession, two Senate veterans will try to forge a deal that has eluded the White House and Congress for months.

Obama said he was "modestly optimistic" an agreement could be found. But neither side appeared to give much ground at a White House meeting of congressional leaders on Friday.

What they did agree on was to task Harry Reid, the Democratic Senate majority leader, and Mitch McConnell, who heads the chamber's Republican minority, with reaching a budget agreement by Sunday at the latest.

"The hour for immediate action is here. It is now. We're now at the point where in just four days, every American's tax rates are scheduled to go up by law. Every American's paycheck will get considerably smaller. And that would be the wrong thing to do," Obama told reporters.

A total of \$600 billion in tax hikes and automatic cuts to government spending will start kicking in on Tuesday - New Year's Day - if politicians cannot reach a deal. Economists fear the measures will push the US economy into a recession.

Pessimism about the fiscal cliff helped

push US stocks down on Friday for a fifth straight day. The Dow Jones industrial average dropped 158.20 points, or 1.21 percent. Retailers are blaming worries about the "fiscal cliff" for lacklustre Christmas season shopping.

Under the plan hashed out on Friday, any agreement between McConnell and Reid would be backed by the Senate and then approved in the Republican-controlled House of Representatives before the end of the year.

But the House could well be the graveyard of any accord.

A core of fiscal conservatives there strongly opposes Obama's efforts to raise taxes for the wealthiest as part of a plan to close America's budget deficit. House Republicans also want to see Obama commit to major spending cuts.

Talks between Obama and Republican House Speaker John Boehner collapsed last week when several dozen Republicans defied their leader and rejected a plan to raise rates for those earning \$1 million and above.

A Democratic aide said Boehner stuck mainly to "talking points" in Friday's White House meeting, with the message that the House had acted on the budget and it was now time for the Senate to move.

The two Senate leaders and their aides will plunge into talks on Saturday that will focus mainly on the threshold for raising income taxes on households with upper-level earnings, a Democratic aide said. Analysts say both sides could agree on raising taxes for households earning more than \$400,000 or \$500,000 a year.



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