Policy Brief

Just transition in Bangladesh's readymade garment industry: Lessons from the Bangladesh Accord

'JUST TRANSITION' IN BANGLADESH'S GARMENT INDUSTRY

For Bangladesh to protect the long-term sustainability of its readymade garment (RMG) sector, it must adapt to the climate crisis. A just transition to a low-carbon, climate-resilient economy requires managing environmental, social, and technological challenges – including automation – while safeguarding workers' rights to decent work and a meaningful voice in their workplace.

OBSTACLES TO THE GARMENT INDUSTRY'S 'JUST TRANSITION'

The obstacles to a just transition include the persistent global demand for fast fashion, low wages and profit margins, lack of enforcement of labour laws, limited worker bargaining power, and an absence of green infrastructure. Industry stakeholders may be unfamiliar with the concept of 'just transition' and the critical role they can play.

Overcoming these challenges requires stronger labour protections, investment in green technologies, social dialogue, and international support for fair pricing and labour practices. Cooperation from businesses, trade unions, governments, and civil society is essential.

Summary

- A **just transition** for Bangladesh's garment industry means adopting environmentally sustainable practices while ensuring workers' rights to decent work.

- Achieving this **just transition** requires the coordinated commitment of industry stakeholders and policymakers – nationally and internationally.

- As a multi-stakeholder international initiative that transformed industry safety, the **Bangladesh Accord** offers valuable lessons for advancing a just transition.

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LEARNING FROM THE ACCORD

The Accord on Fire and Building Safety in Bangladesh was a five-year, legally binding agreement between trade unions and global fashion brands to inspect and remediate factory safety in the wake of the Rana Plaza collapse in 2013. In its approximately 1,500 factories, the Accord also established safety committees and an independent grievance mechanism for workers. The Accord's responsibilities transferred from international control to Bangladesh's RMG Sustainability Council (RSC), a tripartite safety monitoring organisation, in 2020.

Key features of the Accord

As an enforceable agreement developed with trade unions, the Accord committed global brands to maintain their sourcing levels in Bangladesh, and to only work with participating suppliers. This created a critical mass of compliant factories, each with a single set of safety upgrades, avoiding conflicting standards from different brands. Worker representatives were at the centre of safety processes, building knowledge and capacity to exercise rights. The Accord's model of corporate liability later inspired new European laws on due diligence in supply chains.

The Accord improved industry safety, the reputation of global brands, and confidence in the 'Made in Bangladesh' label, but it also faced criticism. Manufacturers and the Bangladesh government were excluded from the steering committee and key decisions, undermining the Accord's national support and long-term sustainability. Funding obligations were ill-defined, leading to disagreements between brands and manufacturers over who should bear costs. Safety was defined in technical terms, not with a gender-inclusive, holistic view of worker wellbeing. Brands' cost-driven sourcing strategies continued to effect prices, wages, and labour conditions negatively.

Legacy of the Bangladesh Accord

A global initiative, later institutionalised locally, the Accord was created in a moment of crisis. Future interventions to tackle the climate crisis and ensure a just transition for the global garment industry have much to learn from the Accord's ambition and achievements, as well as its shortcomings.

Takeaway lessons for a 'just transition'

- **Include workers in decision-making and implementation** – the Accord demonstrated the effective role that workers and trade unions can play in industry reforms

- **Build capacity of local and national institutions** – just transition depends upon tripartite capacities and social dialogue, including manufacturers, trade unions, and government

- **Brands commit to maintaining sourcing levels in Bangladesh** – trust is built among industry stakeholders by sourcing commitments, not capital flight

- **Consolidate demands on factories, and share costs** – manufacturers respond best when multiple buyers align their priorities, and share associated costs

- **Address gender implications of policy** – factory reforms affect men and women differently, whether it is safe workplaces or the impact of automation on employment

- **Grievance mechanisms can keep stakeholders accountable** – the Accord's structured approach to encouraging, reviewing, and addressing complaints gave workers a voice and protected whistleblowers

- **Identify how legal mechanisms can support just transition** – new legislation on labour and environmental standards, both in Bangladesh and internationally (for example, EU import regulations) may present opportunities to accelerate a just transition

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