



# PennState

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## **Pennsylvania State University and University of Colorado Researchers Find Major Flaws in NYU Study of Bangladesh Garment Industry**

Contrary to Claims by NYU's Stern Center, New Report Shows Most Garment Workers Are Covered by Inspection Programs Launched After the Rana Plaza Building Collapse

*Authors Say Progress Is Being Made,  
But Pace of Factory Renovations and Repairs Needs to be Increased*

Researchers at Pennsylvania State University and the University of Colorado today released a new report on Bangladesh's garment industry, looking at the crucial question of how many workers are really being protected by the international safety inspection programs launched in the wake of the Rana Plaza building collapse. Their answer: most of them.

The Report is a critique of a high-profile study by New York University's Stern Center for Business and Human Rights – “Beyond the Tip of the Iceberg: Bangladesh's Forgotten Garment Workers” – which purports to show that there are thousands more factories, and a million more workers, in Bangladesh's apparel industry than previously recognized, and that the inspection programs are failing to reach most workers. On this basis, the Stern Center Report argues that the coverage of the large-scale factory inspection programs is too narrow, and that a greater focus need to be placed on the problem of the subcontracting of orders to small, informal factories that escape regulatory scrutiny.

The authors of the new report – Dr. Mark Anner, Associate Professor of Labor Studies and Political Science at Penn State and Director of the University's Center for Global Workers' Rights and Dr. Jennifer Bair, Associate Professor of Sociology at the University of Colorado at Boulder – uncovered numerous errors in the NYU/Stern Center study: the inclusion of large numbers of closed factories on Stern's list of *current* factories, data-entry mistakes, and inaccurate calculations, among others.

As an example of the flaws in the Stern Center's research, Professors Anner and Bair report that Stern listed as active garment producers the five factories that were destroyed on April 24, 2013, when the Rana Plaza building collapsed. Said Anner, "When we looked closely at the numbers, we found three reasons why the Stern study overestimated workers and factories in the Bangladesh apparel export industry. First, their list includes a large number of closed factories, including, we must emphasize, five factories destroyed in the Rana collapse. Second, their list includes duplicate factory entries. Third, it includes factories producing for the domestic market only. These errors result in an inflated list of export factories, which we estimate to have at least 2,000 inactive, duplicate or domestic factories on it."



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Anner and Bair also found more than 300 factories that are part of the international inspection initiatives (the Accord on Fire and Building Safety in Bangladesh and the Alliance for Bangladesh Worker Safety) that were inadvertently misclassified by Stern as being outside of these programs. This misclassification caused Stern's calculation of the number of covered workers to be off by nearly *half a million*.

Bair explained, "The Stern Report concluded that the Accord and Alliance safety programs were covering a minority of garment workers in Bangladesh, but that's because they overestimated total employment and undercounted the number of Accord and Alliance suppliers. We find that just over 71% of workers are covered by these two programs. When you add in the government's factory inspection plan, the percentage of covered workers reaches 89%."

A major claim in the Stern study is that there are huge numbers of workers toiling in "informal," unregulated garment factories. Anner and Bair conclude, using the Stern Center's own estimate of the size of these informal factories, that the workers they employ are actually a tiny sliver of the garment workforce. Said Anner, "On average, there are 55 workers in each informal factory. Formal factories have over ten times this number. We estimate that informal apparel export workers most likely make up *less than 1.5% of the workforce*."

Bair and Anner point out that Stern's arguments for shifting focus away from the international inspection programs are a product of Stern's flawed data – and that an accurate understanding of where workers are concentrated and of the scope of these programs yields the opposite conclusion. Bair explains, "The Accord and Alliance were created to address a specific problem: a crisis in worker safety at factories producing apparel for export. There are plenty of other problems to be addressed, but it is critical to remember why so many stakeholders agreed to focus resources and energy on these large-scale safety inspection programs. The thousands of factories supplying Accord and Alliance brands are where the bulk of the garment workforce is employed, and importantly, where U.S. and European brands have leverage to effect meaningful change."

Bair and Anner express concern in their Report about delays in factory renovations under the international inspection programs, but take issue with the Stern Center's decision to downplay the substantial progress that has been made. Citing public data from the Accord, Bair and Anner report that the Accord's independent inspectors have verified completion of nearly 20,000 safety renovations, from installation of fire doors to structural repairs. The authors note, however, that the "pace of safety renovations must be accelerated."

*The new report by Professors Anner and Bair – "The Bulk of the Iceberg: A Critique of the Stern Center's Report on Worker Safety in Bangladesh" – includes graphics highlighting the errors in the Stern report and begins with a two-page Executive Summary. **The Report can be viewed here:** <http://lser.la.psu.edu/gwr/documents/CGWRCritiqueofSternReport.pdf>. For questions, or to arrange an interview with one of the authors, contact Professor Jennifer Bair at [jennifer.bair@colorado.edu](mailto:jennifer.bair@colorado.edu) or tel: [203 508-3365](tel:2035083365), and Professor Mark Anner at [msa10@psu.edu](mailto:msa10@psu.edu).*