

[00:00:00] **Tamsin:** Welcome to Beyond Boundaries from the University of Aberdeen. I'm Tamsin.

[00:00:09] **Swathi:** And I'm Swathi. In this episode, we are taking a deep dive into the murky world of fast fashion. In other words, clothing that's produced quickly and cheaply in response to changing trends.

[00:00:20] **Tamsin:** And we're specifically going to explore the impact of the fast fashion industry on people in Bangladesh, a country whose economy relies heavily on clothing exports.

[00:00:30] **Prof Aziz Islam:** My name is Muhammad Azizul Islam, a professor in sustainability accounting based in University of Aberdeen Business School.

[00:00:39] **Tamsin:** Muhammed's interest in the fast fashion industry goes back a long way.

[00:00:43] **Prof Aziz Islam:** I grew up in Dhaka, the capital of Bangladesh. In 1980s and 1990s, the neighborhood was surrounded by garment factories supplying overseas fashion retailers and I used to see hundreds of garment workers entering and leaving the factories every day.

[00:01:06] **Tamsin:** But when Muhammed started studying accounting in the 1990s, he found that what he was learning didn't really relate to what he was seeing firsthand around his neighbourhood.

[00:01:15] **Prof Aziz Islam:** I found my education in profit maximization contradicted my daily exposure to workers' livelihoods, which led me to realize that accounting avoids engaging with underprivileged workers despite their importance in financial gains for the company. I realized the problem in not only our accounting systems, but entire Business School curriculums when it came to human rights. This inspired me to pursue research that could challenge these mainstream education practices.

Being a researcher often involves challenging the existing knowledge base, which brings its own challenges. For example, corporate social responsibility, or CSR, is often profit driven. That is a business runs CSR activities or maintains human rights. in the workplace because it leads to more profit. This implies if you do not profit, you do not need to be socially responsible.

I find such thinking problematic because it suggests you do not need to be moral or human when you are not making profit. I dream of finding a responsible

profit mechanism for business and accounting bodies. This involves changing mainstream thought about the role of accounting and profit maximization.

I strongly believe that human rights must not be sacrificed for profitability. And, uh, I choose to do PhD, uh, in, uh, Corporate Social Responsibility in the Global Supply Chain. And that's how actually I became a researcher, uh, in this area.

[00:03:26] **Swathi:** Wow! So, Muhammad's experience growing up actually inspired his whole career path. So, what does his current research involve?

[00:03:35] **Prof Aziz Islam:** I have been doing research over the past 18 years. I've been investigating corporate social accountability in relation to the lives of those who work in garment factories for global fashion retailers. What I found is that despite all the social audits, social responsibility disclosures, and moral narratives that fashion retailers use in their website, in their annual reports, and also public discourse, workers' economic and human rights have not improved, while companies' revenues balloon and factory owners get rich.

Suppliers in Bangladesh, those who are supplying goods to big multinational retailers, they are getting rich over time, where workers livelihoods over a longer period of time have not improved.

[00:04:34] **Tamsin:** He's basically found that although he's studying money and the money that these companies make, these companies aren't then looking at how they're making the money in terms of the people and what the people are going through and what they have to put up with to then make that profit.

There was one event a few years ago that really symbolized all this and brought these issues to the attention of lots of people here in the UK and around the world, maybe for the first time. In April 2013, an eight storey building near Dhaka called Rana Plaza collapsed. The building housed several different factories that were producing clothes for the western markets.

1, 134 people were killed when the building collapsed and around 2, 500 were injured.

[00:05:18] **Swathi:** When the Rana plaza tragedy happened, Muhammed was living in Australia.

[00:05:22] **Prof Aziz Islam:** I just moved from Melbourne to Brisbane and it was shocking when I first saw the news and we were all shaken by the incident. I was crying actually when I saw the news, you know, so when this incident

occurred, we did not know actually which global retailers are sourcing goods from those factories that when it took almost more than one year to understand who are really really involved, you know in sourcing product from those factories

[00:05:55] **Swathi:** So that just goes to show how big these supply chains were like how unclear it was where the clothes being made at Rana Plaza were actually ending up.

So how did the disaster happen? If you had these huge global companies using suppliers who are based at Rana Plaza, how come they didn't realize how bad things were for the workers on the ground?

[00:06:15] **Prof Aziz Islam:** Even before Rana Plaza collapsed, there's another incident happened. 2012, I think. It's a Tazreen fire. There was a fire in a factory. And we found that, you know, Tazreen incidents killed many workers. And the global fashion retailers was accused, particularly Walmart, sourcing product from Walmart. Tazrin factories. And Walmart used to use one kind of auditor. They inspect factories before fashion retailers place an order. Even after placing order, during manufacturing time, uh, fashion retailers send their representative, their, you know, auditor to monitor whether, you know, everything are in line with their course of ethics.

You know, I've been investigating, uh, fashion retailers codes of ethics, uh, in their, uh, annual reports, you know, and then corporate social responsibility report. And if you look at the report, you know, they have highlighted different kinds of initiative they have been taking over time and I find a disconnection between what they're saying in their annual report and what kind of audit they're doing and what is happening on the ground.

So the Rana Plaza incidents and Tazreen incidents, a classic case of failure of social auditor, factory auditors appointed by fashion retailers.

[00:07:48] **Tamsin:** So there were systems in place, even back in 2012 and 2013, that were meant to protect garment workers, but they clearly weren't working.

[00:07:56] **Swathi:** So have things improved since then?

[00:07:58] **Prof Aziz Islam:** Immediately after the tragedy, various global initiatives were launched to ensure the safety of garment workers in the country, such as accords on fire and building safety and the alliance for Bangladesh

worker safety. This focused on things like increasing building fire and safety audits and inspections with some success in factory safety for workers.

There have also been moves to curb exploitation and forced labour. Forced labour, which is often referred to as modern slavery, includes situations where workers are not in a position to give informed consent to their conditions and where they will be penalized if they refuse. Without getting into the fine detail of exactly what this applies, it arguably includes Rana Plaza tragedy.

So many developed countries in response to Rana Plaza collapse, including UK, France, Germany, uh, European Union, Australia. have enacted legislation to tackle forced labour. This requires companies, uh, within those countries to produce things like annual report, annual modern slavery statements, or due diligence reports to show they are managing their supply chain properly and ensuring workers are treated fairly.

[00:09:54] **Swathi:** Okay, that all sounds promising. How effective is it?

[00:09:58] **Tamsin:** Well, maybe not effective enough.

[00:10:01] **Prof Aziz Islam:** Much of this legislation is disappointing. For example, the UK Modern Slavery Act 2015 only applies to companies with upwards of £ 36 million annual turnover. Companies have to disclose what steps they are taking to deal with slavery risk in their supply chain, but don't have to specify which abuses have taken place.

There is also no penalty for failing to make the necessary disclosures.

[00:10:40] **Tamsin:** That's mind blowing that you only have to care about modern slavery, after you're turning over £36 million. . That's a crazy amount to have to turn over.

I agree. That's absurd.

And during COVID, things actually got worse. Muhammed and his colleagues did a couple of studies which found that the pandemic led to a lot of job losses among Bangladeshi garment workers. They also found that global fashion companies would do things like cancel orders or delay payments or refuse to pay for completed orders. All of that had an impact on the suppliers and therefore, of course, also on the workers.

[00:11:20] **Prof Aziz Islam:** Nearly one in five factories struggled to pay the Bangladeshi minimum wage. And minimum wage is set by Bangladesh government, it is £65 per month. So which is far below living wages.

[00:11:41] **Tamsin:** Those workers who didn't lose their jobs found that they had to put up with even worse conditions, longer hours, and verbal and physical abuse from managers.

[00:11:49] **Swathi:** So, listening to Muhammed, the picture that's emerging for me is one that hasn't really changed much over the years. It's a situation where the global companies that are buying the goods have a lot of power, and the suppliers in the middle have relatively little power, and the workers, they don't. People actually making the clothes that people here in the UK eventually buy. Those workers have virtually no power at all.

[00:12:13] **Tamsin:** That pretty much sums it up. And there was one thing Muhammed told me that really exemplifies that.

[00:12:19] **Prof Aziz Islam:** So Rana Plaza building collapsed on 24th of April 2013, 23rd of April. So the owners and everyone, workers noticed that there was a crack on the building, and workers were scared to enter factories in the morning on 24th of April.

It was managers. It was owners of those factories forced workers into the building because of meeting production targets. And they do not want to waste time, so the managers pushed all workers into the factories and building collapsed. So, who's responsible for this? Immediately, obviously, it was those who were managing the situation during that time.

They're solely responsible for this incidence. The owner of the building who took a forged environmental certificate and building certificate before they built the building, the owner of the building was responsible for that and nothing happened to him after that because he was so politically powerful during that time.

[00:13:37] **Swathi:** I'm just imagining how scared they must have been and having no power at all. It's really scary.

[00:13:42] **Tamsin:** I can't imagine being forced to go into the place you work when there's such a clear crack in the wall. Being forced to go in there knowing that something could happen to you.

[00:13:55] **Swathi:** But of course, at the top of the pyramid of responsibility are the fashion companies that are using these suppliers and, arguably, the consumers, the people buying the clothes. So what responsibility do we have as individual consumers and what power do we have?

[00:14:11] **Tamsin:** So would you say that people here who are buying this, this fast fashion, would you say they're the ones fueling these issues really?

[00:14:20] **Prof Aziz Islam:** Yes, I mean, when you go to shop, when you buy garments, you're not 100 percent sure that the factories they're using, the factories they're sourcing from, are forced labour free. You're not 100 percent sure. Uh, there's no such mechanism that ensures you as a consumer that you're buying 100 percent ethical product.

There are two issues here. I find that the suppliers are the problems. Suppliers making huge amount of profit and they're rich. So workers are exploited by them. At the same time, workers are also exploited by fashion retailers. by engaging in unfair purchasing practices. When you push suppliers to lower down the price, when you push suppliers or delay payments.

So delaying payment is very problematic scenario. For example, if see all the garments in the shop, you would imagine that those garments are unpaid to suppliers. Once they sold those product, got money and then send it to Suppliers and their suppliers will pay workers salary, but workers need salary when they produce the garments.

So this is unfair purchasing practices because delaying payment means delaying salary, delaying wages, and it has devastating impact on workers.

[00:15:54] **Tamsin:** It's all pretty eye opening and depressing. But there are people trying to make things better, including people here at the University of Aberdeen.

[00:16:03] **Prof Aziz Islam:** We do not have any legal mechanism in the UK to hold retailers accountable for their unfair purchasing practices.

We have a research team here with Professor Pamela Abbott. She's from the School of Education, but she's the Centre Director of the Global Development Centre based in Aberdeen. Professor Pamela Abbott and I have been doing research on this issue, and our goal is to find a solution. Our primary partner is Transformed Trade, which is a civil society charity, who has been campaigning for fashion watchdog for a long period of time.

And our research finding reinforce, uh, their campaign activities to make a change. Instead of more transparency regulations, we need a watchdog to investigate unfair practices around the world and punish retailers. that are found guilty as well as investigating forced labor allegations. It would penalize retailers.

For doing cut price deals that prevent workers from receiving a living wage. It would also prevent retailers from delaying payments for long periods or refusing to pay for completed goods. For the longer term, to harmonize practices between different countries. It would also make sense. to establish an international fashion watchdog.

[00:17:46] **Tamsin:** Do you think that this watchdog system would completely solve the issue, or would it just dampen it down for a little while? Would people get sneaky around what they could do?

[00:17:56] **Prof Aziz Islam:** The fashion watchdog is an interesting initiative. It will substantially reduce unfair purchasing practices. We are not saying, you know, it will solve completely.

I mean, particularly when you think of, uh, forced labour. There is an indirect relation, uh, you know, the retailers, um, if they are not involved in unfair purchasing practices, which means, uh, suppliers will get fair price, which means workers will get fair price as well. It's a chain reaction. Uh, at least we can hold retailers accountable because the retailers are the parties who are getting substantial benefit out of this whole production process.

[00:18:50] **Swathi:** So how can students at Aberdeen get engaged with all of this? Can you actually study Sustainability Accounting here?

[00:18:58] **Prof Aziz Islam:** In the Business School, we are not offering a full face course, but we have integrated sustainability accounting in different accounting courses. Also, we have a number of PhD students doing research in different sustainability accounting topics.

Throughout my research career, I have thought carefully about who within an organisation contributes to slavery and exploitation. Accountants are typically tasked with minimizing costs, and maximizing profits without much consideration of human rights. I find these roles and the way topics such as accountancy are taught in schools and universities to be problematic as they don't incorporate the importance of human rights and morality into these transactions.

Sustainability accounting creates a new space for the existing accounting profession. My research helps my students understand alternative and critical narratives on profit maximization, and cost minimization. A career in this field is about facilitating positive change and making a difference. I love to share what I learned from my research especially lessons that challenge the status quo. So, sustainability accounting is still in its infancy. However, it is a subject with the power to change the mainstream ideology. I believe that demand for accountants with knowledge of social responsibility for people and the planet will increase markedly in the future.

This change is already happening. I see the brighter future to understand how to make a particular balance sheet climate friendly, how to make a particular balance sheet human rights friendly. But this is a challenge, uh, not many accounting researchers are coming forward and doing research. That's why we are unique, uh, particularly Scottish universities or maybe University of Aberdeen, you know, offering a different kind of narratives and understanding, which is, uh, something I'm proud about.

[00:21:51] **Tamsin:** Many thanks to Professor Mohamed Azizul Islam for telling us about his important work.

[00:21:57] **Swathi:** If you'd like to find out more about studying at Aberdeen University, come to one of our open days and see our historic campus. You can also download our digital prospectus at [www.abdn.ac.uk](http://www.abdn.ac.uk).

[00:22:10] **Tamsin:** And to hear more, check out the rest of the Beyond Boundaries podcast. Each episode discusses the groundbreaking research of one of Aberdeen's academics.