



Time Line of the Ali Enterprises Case

I. First Facts

The Fire

11.09.2012

On 11 September 2012, the Ali Enterprises factory in Karachi erupted in flames. Data compiled by police investigators estimated that 1,293 workers were at the building at the time of the fire and over 250 died in the incident. The owners fled Karachi the same day.



The precise number of deaths from the accident remained uncertain. An initial inquiry

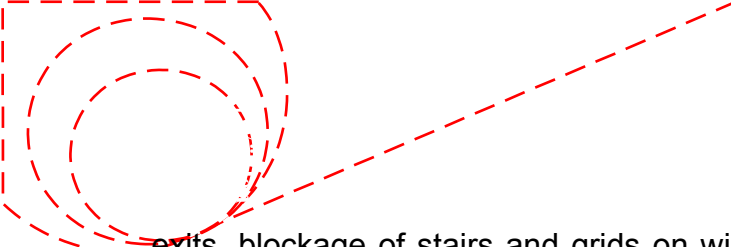
The burnt out building

report issued in September cited 259 deaths, while later reports quoted 262 deaths. This disparity can be explained by two issues. Bodies were burnt beyond recognition, and identification thus required DNA-testing. On top of that most workers in Pakistan do not have formal contracts. Of the thousands of employees who worked at the Ali Enterprises factory, only 268 were registered with the social security institution SESSI.¹

The high death toll from the fire was caused by the building construction. A federal report on the fire revealed that the ground floor and the mezzanine, which was illegally built, were entirely destroyed in the fire. The wooden mezzanine burned quickly, causing the stairways to be blocked which allowed the fire to spread quickly to the second floor.

The report revealed a large number of other irregularities. There were no fire alarms, meaning that workers could not be alerted on time to leave the factory. In addition, the two existing exits on the second floor were permanently locked. The absence of emergency

¹ Even less, only 190 employees, were registered with the Employees' Old-Age Benefits Institution (EOBI); <https://tribune.com.pk/story/438223/all-workers-from-baldia-factory-to-get-rs3600-in-pensions-says-eobi/>.



exits, blockage of stairs and grids on windows made it impossible for workers to escape the blazing building. As a result, many died trapped inside. Only a handful were lucky to be rescued by the breaking of a window.²

A range of New York Times articles exposed more information about the fire. An article published on 14 September disclosed that some workers were requested to save garments first and were prevented from escaping the building.³ Survivors also recalled that they were forced to lie about their working conditions to auditors under threat of dismissal.⁴ The Ali Enterprises fire brought to light a questionable social auditing scheme that is used by many garment companies. The failure of this model was subject of another article published later on by the journal.⁵

KiK confirmed as a buyer

17.09.2012

The New York Times article of 14 September published pictures with "Okay men" labels among the debris.⁶ Several days later, after confirming the information with workers and local activists, the "Okay men" label was identified as a label from German retailer KiK. Clean Clothes Campaign (CCC) demanded KiK to acknowledge responsibility and take immediate action to investigate the causes of the fire, ensure redress and conduct a full safety review of all their remaining suppliers.⁷



A comparison of the label found in the factory and in a German store

II. The failure of corporate social auditing

SA8000 Certification: the role of SAI, SAAS and RINA

20.08.2012

Only three weeks before becoming the site of the worst industrial fire in Pakistani history, Ali Enterprises had received the SA8000 certification, which, in theory, is accredited for upholding "a safe and healthy workplace environment" and taking "effective steps to

2 A recent computer simulation shows how workers were prevented from fleeing in time because of these irregularities: <https://www.forensic-architecture.org/case/outourcing-risk/>.

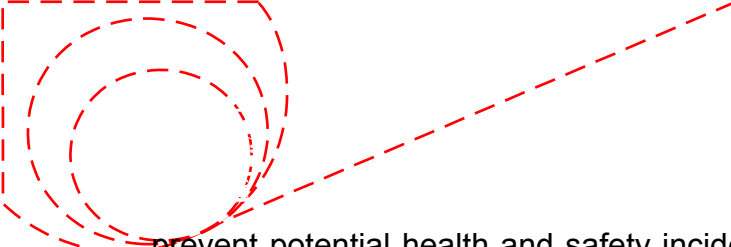
3 <http://www.nytimes.com/2012/09/14/world/asia/anger-and-grief-across-karachi-after-factory-fire.html>.

4 <http://www.nytimes.com/2012/09/20/world/asia/pakistan-factory-passed-inspection-before-fire.html>.

5 <http://www.nytimes.com/2012/12/08/world/asia/pakistan-factory-fire-shows-flaws-in-monitoring.html>.

6 <http://www.nytimes.com/2012/09/14/world/asia/anger-and-grief-across-karachi-after-factory-fire.html>.

7 <https://cleanclothes.org/news/2012/09/25/pakistan-fire-victims-producing-for-german-low-cost-retailer-kik>.



prevent potential health and safety incidents and occupational injury or illness arising out of, associated with or occurring in the course of work”.⁸

SA8000 certification was created in 1997 by Social Accountability International (SAI). SAI, however, does not conduct the inspections themselves. Instead, these are generally carried out by third parties, co-called ‘certification bodies’. A related organization, Social Accountability Accreditation Services (SAAS), accredits these external certification bodies. This means that neither SAI, nor SAAS inspect the facilities directly. In the case of Ali Enterprises, Italian company RINA was hired to conduct the certification proceedings.

RINA, however, never actually visited the factory, because it subcontracted the inspection to another company named RI&CA, which performed the audits in Pakistan. RI&CA is not accredited by SAAS and has a controversial reputation because of its unusual high rate of approvals in Pakistan.

The audits conducted by RI&CA took place between June and July 2012 and the certificate was issued on 20 August.

16.09.2012

Five days after the fire, SAI declared that RINA “voluntarily suspended all SA8000 auditing activity in Pakistan” and that it was conducting “internal investigations”. SAI did not disclose any information about who was sourcing from the factory.⁹

21.09.2012

RINA issued a statement in which it blamed the government for not following up inspections. Likewise, SAI and SAAS tried to dissociate themselves from the events by claiming that RINA was “solely responsible for decisions at that facility”. In spite of expressing their “deepest sympathies”, compensation for those affected by the fire was not mentioned.

SAI/SAAS updated their response in December when they announced that the “board of directors disallowed subcontracting in Pakistan” and was “potentially considering widening such a restriction” to “other high risk countries”.¹⁰

Labour organizations call for auditors to take responsibility

01.10.2012

Labour rights organizations, including CCC, demanded in a joint letter that SAI, SAAS and RINA reveal all information on the buyers that sourced from Ali Enterprises and disclose the audit reports concerning the factory. SAI claimed that they were not able “to confirm

⁸ http://sa-intl.org/_data/n_0001/resources/live/SA8000ConsolidatedGuidance2013.pdf.

⁹ <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=1341>.

¹⁰ Read the Q&A at: http://www.sa-intl.org/_data/n_0001/resources/live/Q&A_AliEnterprises_8Dec2012.pdf.

any current or recent customers of Ali Enterprises other than the already publicly disclosed company KiK". The companies contended that "confidentiality" hurdles prevented them from sharing the requested information.

Meanwhile, RINA refused to cooperate by arguing that there was not enough evidence linking their actions to the tragedy. Although the official fire report made clear that Ali Enterprises did not have sufficient fire alarms and proper emergency exits, RINA stood by its positive audit report.

In a letter written on 5 March 2013, RINA also claimed that pictures demonstrated the presence of emergency exits and evacuations plans. The document was later removed from their website and can no longer be found

To date, neither SAI, SAAS nor RINA have provided financial assistance to the affected families and survivors.¹¹

III. The 2012 Emergency Relief Fund

KiK promises a relief fund

18.09.2012

One week after the fire, KiK acknowledged their involvement and publicly announced that a relief fund for the affected families was being set up. KiK suggested that this fund would also have contributions from other buyers, without revealing who the other brands sourcing from Ali Enterprises might be. KiK promised full transparency to the public about the investigations and their actions.¹²



Khadija lost her brother in the fire - photo: Amar Guriro

Negotiations for the emergency relief fund

14.10.2012

Worker representative PILER (Pakistan Institute of Labour Education and Research) and KiK met for the first time in Pakistan during which KiK made an initial proposal for

¹¹ A compilation of their responses can be found here: <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=1342#.WeSdU3Bx2zd>.

¹² <http://www.kiktextilien.com/unternehmen/de/presse/pressemitteilungen/unternehmensmeldungen/unternehmensmeldung-single/date/2012/09/18/article/stellungnahme/>.

compensation. The offer was considered unsatisfactory by PILER, who rejected it.

Another proposal was presented three days later. The German brand offered to pay a total of one million USD, half of which as an immediate relief and the remaining half as long-term compensation. Considering international standards and good practice, the amount suggested did not even come close to conservative calculations of fair compensation. The sum KiK was willing to pay corresponded to less than 0,05% of their annual sales.¹³

A second meeting happened on 1 November 2012, but the final terms of the agreements were only agreed upon later in December.

The 2012 Memorandum of Understanding

21.12.2012

KiK and PILER agreed on a Memorandum of Understanding (MoU), which established the process for delivering initial relief payments to the affected families, amounting to one million USD and further required KiK to enter negotiations for long-term compensation with PILER, CCC and other representatives.



Nasra Bibi lost her son in the fire - photo: Amar Guriro

While a group of families of deceased and injured workers received some sort of government aid after the fire, the lack of identification of bodies prevented a significant number of families from receiving any sort of compensation. For this reason, it was decided that the initial payments would be first destined to those who had not yet received any sort of financial aid.

To facilitate the compensation process PILER requested the Pakistani Sindh High Court to create an independent commission to oversee the proceedings and determine all necessary details.

The agreement was presented at a press conference in Karachi on 5 January 2013, which included several trade unions, including the National Trade Union Federation (NTUF).

¹³ The inadequate offer was also featured in Der Spiegel: <http://www.spiegel.de/wirtschaft/unternehmen/brand-in-pakistanischer-fabrik-textildiscounter-kik-will-zahlen-a-862695.html>.

Fatal fashion report

12.03.2013

CCC and the Center for Research on Multinational Corporations (SOMO) published a report analyzing two major recent factory fires in the export-oriented garment industry in Bangladesh and Pakistan. A draft was sent to SAI on 20 February for comments. A version of the report was also sent to KiK, which did not contradict the information that 90% of Ali Enterprises production was intended for them.¹⁴

Disbursement of emergency funds

26.03.2013

KiK's immediate compensation payments arrived in Karachi. The payments went to a fund in which factory owners and local benefactors also contributed.¹⁵

11.04.2013

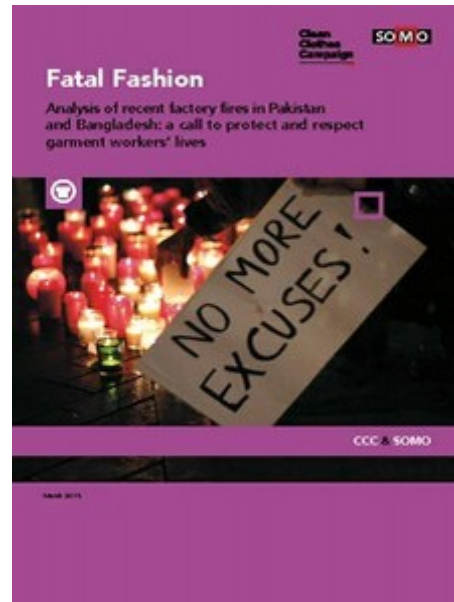
The Sindh High Court of Pakistan organised a Commission to be the responsible institution for coordinating the disbursement of the money. Although it was already formed in January, the Commission only formally began distributing the payments in April, after an agreement was reached on the number of deceased and injured workers. The total amount to be allocated to families and survivors consisted of 165.475 million rupees - KiK contributed with one million USD (approx. 97.975.000 rupees), whereas 61.8 million rupees were payed by the owners of Ali Enterprises, and 5.7 million rupees were donated by local philanthropists.

The distribution of the funds followed Sharia Law. According to an official report issued by the Commission on 28 August 2013, there were initially 255 filed claims of heirs of deceased, out of which two were dismissed. These heirs received an amount of 610,000 rupees each (approx. 5,500 USD).

Another part of the money was assigned to 55 individuals that were injured in the tragedy. It was distributed in the following manner: two workers who suffered from permanent disabilities received the same amount as the families of the deceased (610,000 rupees); eight workers who carried grievous injuries were granted 250,000 rupees (approx. 2,250 USD) and; finally, the remaining 45 individuals, who suffered simple injuries, received 125.000 rupees (approx. 1,125 USD) as immediate relief.

¹⁴ The report can be found at: <https://cleanclothes.org/resources/publications/fatal-fashion.pdf/view>.

¹⁵ <https://www.dawn.com/news/798140/factory-fire-piler-deposits-750000-in-account-of-shc-nazir>.



The amount awarded covered basic costs, such as the burial of the dead and medical expenses of those who were injured. It was, however, still far from what is considered sufficient to compensate workers.

IV. Struggle for Full and Fair Compensation

One year anniversary of Ali Enterprises fire

11.09.2013

A year after the tragedy, families were going through financial distress. SAAS, SAI and RINA did not pay any compensation whatsoever, and KiK's emergency contribution was mainly used by families to cover medical expenses and burials. The families were yet to receive adequate long-term compensation, which was agreed in the 2012 agreement.

Some families received lump-sum payments and pensions provided by the Pakistani government. These payments did not meet international standards set by the International Labour Organization (ILO) in Convention 121. The pensions amounted to approximately 50 USD per month, limited to a few years.¹⁶



Protest by NTUF on first Ali Enterprises anniversary

Pressure on KiK for initiating negotiations

29.10.2013

Almost a year after the fire, CCC and PILER urged KiK to uphold the 2012 agreement and initiate a dialogue on long-term compensation. In response, KiK requested more information about the disbursement of the emergency fund but avoided setting a date for a meeting.

During the course of the following months, several attempts to organise a meeting with the German brand were made. KiK managed to postpone discussions until May 2014 by repeatedly requesting more information.

¹⁶ <https://cleanclothes.org/news/2013/09/11/still-awaiting-compensation-in-pakistan-one-year-after-ali-enterprises-burnt-down>.

All details regarding the distribution of the funds carried out by the Commission were sent to KiK in December 2013, including a 700-page record of all payments, validated by the Sindh High Court. KiK however still requested assistance to understand the documentation. For this reason, PILER invited KiK to visit Pakistan, where they would be given the opportunity to meet the responsible commission and officials and clarify any doubts related to the payments and the fund.

KiK agrees to a meeting

13.05.2014

After seven months of extensive exchanging of e-mails KiK finally accepted to meet with stakeholders. A meeting is set for July.

16.07.2014

Just eight days before the encounter planned for 16 July, KiK refused to let CCC attend the negotiations. This was an abrupt decision that violated the 2012 agreement, which explicitly stated that the brand would enter into further dialogues with "PILER, CCC and other worker representative bodies". Knowing that further delay would prolong the workers' suffering, PILER agreed to meet, with strong reservations about CCC's arbitrary exclusion.

At the meeting, negotiations did not advance. KiK argued that the emergency relief payment constituted enough compensation from their side. Furthermore, KiK claimed that they were not legally bound by the Memorandum of Understanding concluded in 2012 and that they had already fulfilled their moral duty.

Two year anniversary


11.09.2014

Two years after the devastating fire, the affected families and survivors were still deprived of their right to receive full and fair compensation. To support their struggle, various actions were held across the globe.

In Pakistan, meetings with families and a memorial vigil were organized.



Vigil in front of KiK store in Germany



Vigils and solidarity actions were also held in Germany and the Netherlands.¹⁷

In addition, CCC, ECCHR and Medico International released a joint statement urging the German retailer to keep its promise to engage in negotiations.¹⁸

Second meeting

07.11.2014

After an intense back and forth, KiK consented to a second meeting. The parties decided that an independent procedure should be created to determine the calculations of a fair compensation in accordance with international standards, specifically those set by ILO Convention 121. This convention covers material damages, such as loss of income and medical costs, but it does not include immaterial damages, such as pain and suffering.

At the end of the meeting, the parties agreed to release a joint statement which would be signed and used to make the outcomes of the meeting public. During the weeks following the meeting, KiK however continued to disagree with the content of the statement, further delaying agreement.

Several weeks later, in December, KiK made another offer of paying 1,000 USD per family as an initial compensation. The offer was rejected by the affected families, who considered the amount too low. It became clear that negotiations would not advance any time soon.

European Centre for Constitutional and Human Rights (ECCHR) intended to assist a group of survivors and relatives of deceased workers in bringing judicial claims for pain and suffering before court. This was to complement the compensation being negotiated which followed ILO Convention 121 and therefore excluded immaterial damages.

Deadlock in negotiations

08.02.2015

Negotiations between PILER and KiK reached an impasse. The parties could not agree on the terms of the joint statement concerning the November meeting. KiK refused to continue the negotiations until the statement was concluded and refused to make the advance payments unless all parties, including ECCHR, refrained from taking legal action against them.

¹⁷ <https://cleanclothes.org/news/2014/09/11/still-waiting>.

¹⁸ https://www.business-humanrights.org/sites/default/files/documents/PR_Pakistan_KiK_lawsuit_2019_09_10_eng.pdf.

The lawsuit

13.03.2015

With little hope that KiK would change their position, Medico international, ECCHR and the Pakistani National Trade Union Federation (NTUF) supported the initiation of a lawsuit against the brand in Germany.

The charges were not a collective litigation on behalf of all affected, but concerned four individuals: Muhammad Hanif, Muhammad Jabbar, Abdul Aziz Khan Yousuf Zai and Saeeda Khatoon.¹⁹

A year and a half later (30 August 2016) the first initial decision was reached. The court declared it had jurisdiction over the cases.

The judicial claims were used by KiK to once again defer negotiations. Although the claims were brought on behalf of only four individuals, KiK argued that they could not engage in extra judicial negotiations in order to respect the German judicial system.

IV. A Global Campaign

Ali Enterprises widow files petition against KiK

05.03.2015

A community petition on the activist website Avaaz was launched by Shahida Parveen, whose husband was killed in the fire. Mrs. Parveen explained that: "I'm sharing my story because after all that we have been through, none of us should continue to suffer. And, yet, by denying us long-term compensation, KiK is prolonging the suffering of all of the victims of the factory fire." The campaign was supported by CCC and received an award from the Avaaz community for further campaigning.



Shahida Parveen holding her petition

Third anniversary of Ali Enterprises and intense campaigning

11.09.2015

The three year anniversary of the fire in Karachi was approaching and families were still waiting for full and fair compensation.²⁰

¹⁹ More details can be found at https://www.ecchr.eu/en/our_work/business-and-human-rights/working-conditions-in-south-asia/pakistan-kik.html.

²⁰ The struggle of the affected families can be seen in the testimonies available at: <https://cleanclothes.org/safety/ali-enterprises/ali-enterprises-testimonies>.

Another statement, this time signed by CCC, IndustriALL and UNI, urged KiK to enter negotiations as promised in the 2012 Memorandum of Understanding. The German retailer reacted by claiming that they had already reimbursed the affected workers out “of human compassion”.²¹ KiK relied again on the excuse of being prevented from discussing the compensation issue before German Courts ruled on the ongoing lawsuit.

#MakeKikPay

28.10.2015

CCC and its German partner, INKOTA, launched the #MakeKikpay campaign. Bike taxis took over Berlin, displaying ads calling out KiK to pay compensation. Two days later, a day of action was held in the German governmental area.²²



Bike taxis targeting KiK traversed Berlin – photo: INKOTA

Speaker tour

23.11.2015

From 23 to 27 November, Shahida Parveen, who had previously filed the petition against KiK, together with PILER representative Fatima Farhat, embarked on an advocacy tour in Germany. They participated in meetings with the press, activists and politicians. Shahida also personally delivered the signatures of her #MakeKikPay petition to KiK representatives.

During this week, CCC, PILER and IndustriALL met with members of parliament and with the German Federal Ministry for Economic Cooperation and Development (BMZ), to push for the resumption of negotiations on compensation. This ultimately led to the involvement of German officials in the case, which helped to engage KiK in discussions again.

²¹ The full statement and respective reply can be read at: <https://cleanclothes.org/news/2015/09/21/global-unions-reject-kik2019s-attempts-to-dodge-compensation-for-pakistani-fire-victims>.

²² <https://cleanclothes.org/news/2015/10/28/factory-fire-compensation-campaign-against-german-retailer-kik-escalates>.

Action days in Pakistan and South East Asia

13.04.2016

On 13-14 April, actions took place across Pakistan to increase pressure on KiK. In Karachi, PILER held a press conference and another demonstration to hand over a memorandum to the general Council of Germany. NTUF, together with the Association of Affectees of the Baldia Factory, organized several rallies across Pakistan where they also delivered a letter to German representatives.



Protest action in Karachi

Solidarity actions were held in other South Asian countries, such as Bangladesh and India.

VI. Negotiations Resumed and the Final Arrangement

The ILO gets involved to assist in negotiations

18.05.2016

After mounting international pressure, negotiations finally began again. Meanwhile, the ILO accepted to act as a facilitator. The organisation helped to summon a first meeting between the German Federal Ministry for Economic Cooperation and Development (BMZ), KiK representatives, IndustriALL and CCC in Geneva.

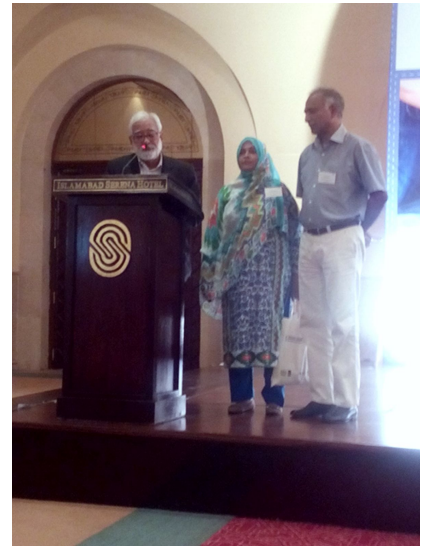
The parties decided that the ILO would be responsible for calculating the adequate compensation value under international levels (Convention 121) and that the organisation would conduct a fact finding mission in Pakistan in order to resolve unclarities regarding compensation. Again, it took a time before the parties could reach common ground on the terms of the draft agreement.

Pakistan Living Wage conference

25.05.2016

PILER, NTUF and the Affectees' Association together presented a resolution at a conference in Islamabad organized by the Dutch and German governments on Living Wages. They honoured the workers killed or injured at the Ali Enterprises fire and stressed the urgency of guaranteeing a fair compensation for those affected based on living wage as reference wage.

The following day, the ILO publicly announced its willingness to coordinate the compensation procedures.²³



Reading of the resolution at the Living Wage conference

Preliminary calculations

16.06.2016

Proceedings finally moved forward as the ILO finished preliminary calculations of adequate compensation pursuant to Convention 121. The following day ILO and PILER met for the first time.

ILO mission in Pakistan

25.07.2016

The mission set up by the ILO was designed to provide clarifications regarding Pakistani law on compensation and pensions and to collect data, such as actual wages of Ali Enterprises workers, future medical costs and rehabilitation, and the amount received by families thus far. This type of information was essential to determine the differences between domestic law and the international framework set in Convention 121 and to establish the gap to be covered.

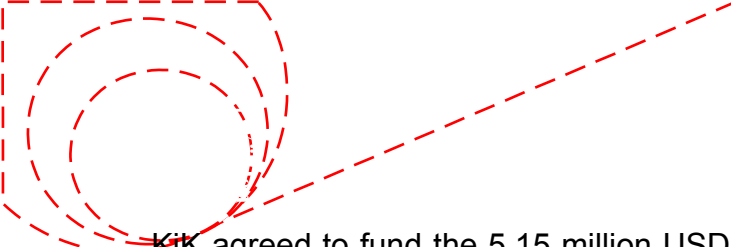
The long-term compensation agreement

09.09.2016

After months of negotiations and years of collaboration and campaigning between several groups, including NTUF, PILER, IndustriALL Global Union, CCC and other allies, an agreement on long-term compensation was finally reached.²⁴

²³ http://www.ilo.org/global/about-the-ilo/newsroom/statements-and-speeches/WCMS_484975/lang-en/index.htm.

²⁴ <https://cleanclothes.org/news/2016/09/10/press-release-on-ali-enterprises> and



KiK agreed to fund the 5.15 million USD gap between what workers would have received under Pakistani Law and what was estimated to be needed according to international standards. The amount to be funded by KiK included a 0.25 million margin for eventual fluctuation in costs, whereas 4.9 million USD would be distributed to affected families and survivors.

Including the immediate relief payment made years earlier, KiK contributed 5.9 million USD to compensate the families and survivors. In total, the final arrangement provided for 6.6 USD millions, whereby Pakistani institution SESSI funded an additional amount of 700,000 USD.

VII. Implementing the Agreement

Building the structure

22.03.2017

The first concepts for the implementation of the agreement were shared by the ILO after initial consultations with the social partners and Pakistani political institutions. SESSI would play a key role in the disbursement of the compensation benefits. It was proposed that a national Oversight Committee should be established made up of representatives of the ILO, government institutions, the Affectees Association and labour rights organizations.

Further discussion

17.05.2017

Concerned with some aspects of the distribution process, the Ali Enterprises Fire Affectees Association wrote a letter to the ILO. Affected families and survivors were worried about the distribution process, voiced preference for lump sum payments over the formerly agreed pensions and disagreed on the amount to be received by parents in comparison to other categories.

9.06.2017

Responding to the voiced concerns, the ILO assured that they extend their technical assistance to local institutions and collaborate closely. The ILO also stressed that the pension scheme was a vital way of protecting long-term interests of beneficiaries and a fundamental part of social security schemes. The letter clarified how the amount owed to parents was calculated, but also welcomed the Association to participate in the decision-making process of the distribution.

<https://cleanclothes.org/news/2016/09/12/statement-ali-enterprises> and http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_521510/lang-en/index.htm.



24.07.2017

The Affectees Association decided to welcome the pension structure, but continued to oppose the gap between what parents and widows of deceased workers would receive.

24.08.2017

During the first meeting of the Oversight Committee, the ILO presented a revised proposal for the distribution of available compensation: 75% of the reference wage to widows, 60% for children and 20% for parents of deceased workers. A day later, PILER, NTUF and the Ali Enterprises Factory Fire Affectees Association insisted on their concerns about the low percentage for parents, which in the national context in Pakistan are often depending financially on their children. They demanded 60% for both children and parents.

16.10.2017

Stakeholders convened to discuss a way forward out of the existing deadlock.

A solution in sight

18.12.2017

The ILO presented a third option to calculate the payments, resolving the previous disparity in pensions. The Affectees' Association agreed to the third option on 15 January 2018.

19.01.2018

After the agreement of the Affectees' Association with the third calculation, the Oversight Committee officially accepted this option. The Oversight Committee approved the first batch of dependent beneficiaries (229 cases). It was decided that the first payments would include each individual's entitlements to monthly pensions from January 2017 to August 2018. As of September 2018, subsequent payments would be disbursed as monthly pensions by SESSI. The remaining more complex cases, would be assessed by the ILO and brought before the Oversight Committee separately. These new decisions needed to be included in a new Memorandum of Understanding between the ILO and the Pakistani Government before the money could be transferred to the institution responsible for the distribution.

21.03.2018

The Sindh Chief Minister signed the Memorandum of Understanding with the ILO, however the document still needed to be endorsed by the Pakistan government. In the meantime the ILO set up temporary offices to start receiving beneficiaries.

19.05.2018

After agreement by the federal government and completion of financial transactions, individual payments to the beneficiaries approved in the January oversight committee meeting were disbursed in a ceremony, thereby finally granting the affected families full and fair compensation, more than six and a half years after the fire took away their loved ones or left them injured and traumatized.²⁵



Shahida lost her husband in the fire. She had to wait and fight more than six years for full and fair compensation. - photo: Amar Guriro

The Ali Enterprises pension scheme is a ground-breaking agreement. In a global precedent for the garment industry, the families receive life-long pensions matching ILO international standards. This victory was however only possible by relentless campaigning by the affected families and union and labour rights supporters, both domestically and internationally as well as extraordinary commitment by international and national institutions. The outcome of the Ali Enterprises case should set a precedent and be a step towards a working employment injury insurance system, not only in Pakistan, but in all garment producing countries. It also shows that ad hoc programmes that have to re-invent the wheel and are based on campaigning towards involved brands are not a sustainable solution. In times of great grief after a factory incident, workers should be certain that they will receive what they are owed, without waiting for more than six years in insecurity.²⁶

The fire also showed that the industry needs to move away from a system of social corporate auditing that failed to find and fix the flagrant safety issues in the Ali Enterprises factory and thus prevent a death toll that was entirely avoidable.

²⁵ <https://cleanclothes.org/news/families-affected-by-2012-ali-enterprises-fire-finally-receive-life-long-pensions>.

²⁶ <https://cleanclothes.org/resources/recommended-reading/workers-right-to-compensation/view>.

Improving working conditions in the global garment industry

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