

The Incubation of Environmental Disasters:
Case Study of the Rana Plaza collapse, Bangladesh

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Abstract

On April 24th, 2013 Rana Plaza, an eight story garment factory in Bangladesh collapsed killing one thousand one hundred and twenty nine workers and injuring many more. To date, the collapse of Rana Plaza is the worst industrial accident to take place in Bangladesh's ready-made garment sector. Factory collapses and factory fires are not an uncommon occurrence within the country's growing industry; the last decade alone has seen a number of fatalities and injuries to garment workers.

Man-made/technological disasters are the result of human error, negligence, or failure of a human-made system which causes damage to property and the environment as well as injuries and/or loss of life. Yet environmental disasters are caused by more than one factor. They are the result of many events and interactions over a period of time. Therefore, in order to fully understand what caused a disaster such as the collapse of Rana Plaza the broader context of the disaster requires examination.

In recognizing the importance of the broader context of a disaster, this major research paper aims to investigate the causes of the collapse of Rana Plaza. Using a sociological lens and primary and secondary documents this paper examines the political, economic, social, and corporate contexts which created the conditions for the collapse. This paper highlights weaknesses in the political, economic, corporate, and social structures involved and in doing so will provide recommendations for changes to remedy discrepancies that allow disasters to occur within Bangladesh's ready-made garment industry. Ideally learning from this disaster will help in preventing similar disasters from occurring; something garment industry workers in Bangladesh need and deserve.

Foreword

This major research paper is the final submission to the Master in Environmental Studies program at York University. It is the culmination of two years of studying man-made/technological and natural environmental disasters and the political, economic, and social contexts from which they emerge. My plan of study and my major research paper are closely related, both aim to examine the incubation periods of environmental disasters. In keeping with my plan of study my major research paper aims to examine the case study of the collapse of Rana Plaza. The social, political, and economic contexts in which the collapse took place are examined. My major research paper navigates the relationship between Bangladesh's economy and political and social climates and its growing ready-made garment industry. My major research paper also examines social vulnerability in the incubation period of Rana Plaza. Internationally, the collapse of Rana Plaza highlighted not only the debate over corporate social responsibility but also shed light on the conditions under which workers are manufacturing garments for Western and European corporations and consumers. Recommendations which conclude the research paper are made with the understanding that the current context is one in which drastic reforms would not be accepted. My major paper aims to examine the causes of collapse of Rana Plaza, looking within and outside Bangladesh's borders, linking together local and international actors and circumstances and in doing so fulfilling the objectives of my MES program.

Introduction

On April 24th, 2013 Rana Plaza, an eight story garment factory collapsed killing over one thousand workers and injuring many more. To date, the collapse of Rana Plaza is the worst accident to take place in Bangladesh's ready-made garment industry. Factory collapses and factory fires are not an uncommon occurrence within the country's garment industry; the last decade alone has seen a number of fatalities and injuries to garment workers. In April of 2005 the Spectrum garment factory collapsed after additional (illegally built) floors gave way. Sixty-four people were killed, eighty were injured.¹ On December 3rd, 2010, Eurotex experienced a boiler explosion which caused a fire and resulted in a stampede; two people were killed and sixty-two were injured.² At the time of the incident the factory was producing clothing for Tommy Hilfiger, Zara, Gap, and Groupe Dynamite Boutique Inc.³ Eleven days later, a fire broke out at That's It Sportswear factory. The factory supplied clothing for Abercrombie and Fitch, Target, Gap, and JC Penney. Twenty-nine people were killed.⁴ In November of 2012, one hundred and twelve workers died in a short-circuit fire at Tazreen Fashion Factory. The factory supplied clothing for Wal-Mart and Disney. Following the fire, Wal-Mart ended its relationship with the company.⁵ In January of 2013 seven people were killed in a fire at Smart Export; the supplier of the parent company of the Zara clothing chain. In May, a fire broke out at the Tung

¹ CBC News, "Timeline: Deadly factory accidents in Bangladesh," *CBC News*, October 9, 2013, <http://www.cbc.ca/news2/interactives/timeline-bangladesh/>.

² Ibid.

³ Labour Behind the Label, "Bangladesh: One year on from tragic fire more workers die," *Labour Behind the Label*, December 15, 2011, <http://www.labourbehindthelabel.org/news/itemlist/tag/that's%20It%20Sportswear>.

⁴ CBC News, "Timeline: Deadly factory accidents in Bangladesh," *CBC News*, October 9, 2013, <http://www.cbc.ca/news2/interactives/timeline-bangladesh/>.

⁵ Ibid.

Hai Sweater factory killing nine people.⁶ “Reports said that the building’s electrical [system] was under repairs before the fire broke out.”⁷ The factory was in fact closed at the time of the fire; those killed were factory executives holding a meeting. The factory supplied clothes to a range of European clothing brands.⁸ Most recently, in October of 2013, the Aswad garment factory had ten workers killed in a fire. The factory was linked to the Hudson’s Bay Company and Loblaw.⁹

Man-made disasters are not simply “isolated events or anomalous occurrences that happen in a vacuum.”¹⁰ “They are rather processual; in essence an emergent phenomena that arises from a complex interplay of a myriad biophysical and social factors or circumstances.”¹¹ Therefore, in order to fully understand the causes of a disaster such as a fire in or the collapse of a garment factory the broader context of the disaster requires examination. Furthermore, according to scholar Harris Ali, “the context of a disaster must be considered if one hopes to gain an understanding of how particular groups within a given society are especially vulnerable to a disaster and its effects.”¹² In recognizing the importance of the broader context of a disaster, this major research paper aims to investigate the causes of the largest garment factory disaster to date: the collapse of Rana Plaza. The paper will examine the political, economic, and social contexts which created the conditions for the collapse utilizing Barry Turner’s theory of *disaster incubation* as well as other disaster analysis methods. Specifically this major research paper will examine changes in regulation within the Ready-Made Garment (RMG) industry in Bangladesh, the political climate and motivations at play, the role of corporate social responsibility and non-

⁶ CBC News, “Timeline: Deadly factory accidents in Bangladesh,” *CBC News*, October 9, 2013, <http://www.cbc.ca/news2/interactives/timeline-bangladesh/>.

⁷ Ibid.

⁸ Ibid.

⁹ Ibid.

¹⁰ Harris Ali, “Analysing Environmental Disasters,” in *Understanding the Global Environment*, ed. Samir Das Gupta (New Delhi: Pearson Press, 2009), 260.

¹¹ Ibid.

¹² Ibid.

state government actors, as well as the role of consumers and Bangladesh's economy. Examining the political, economic, and social contexts from which the collapse of Rana Plaza emerged out of highlights the institutional weaknesses that allow for a disaster such as this to occur.

Presumably, drawing attention to such weaknesses will allow for small changes to occur to remedy political, economic, and social discrepancies that allow for disasters within the ready-made garment industry to take place. Ideally learning from such tragedies will help in preventing similar disasters from occurring in the future; something Bangladeshi garment industry workers desperately need.

Defining and analysing technological environmental disasters

The study of disasters has been and continues to be approached by scholars through a sociological lens. "Most social scientists refer to actual or possible disasters (hazards) in terms of physical impacts of or problems caused by unplanned and socially disruptive events. Their most visible features are that they do physical and social harm, that they strike suddenly (or at least are ultimately represented as acute), and that something can be done about them either before or after they happen...Studying disasters or trying to do something about them, involves examining social structures as both cause and effect of events that threaten human populations."¹³ A revision of scholar C.E. Fritz's earlier (1961) definition of a disaster, "points to the mutual relationship between disaster and social structure. Thus, disasters are events in which societies or their larger subunits (i.e. communities, regions) incur physical damages and losses and/or disruption of their routine functioning. Both the causes and effects of these events are related to the social structures and processes of societies."¹⁴

¹³ Gary Kreps, *Social Structure and Disaster* (Cranbury, New Jersey: Associated University Presses, Inc., 1989), 32.

¹⁴ Ibid.

Disasters are therefore events that “can be observed in time and space [and] have impacts on social units.”¹⁵ The social units enact responses that are related to physical damages and the disruption of the unit’s regular functioning.¹⁶

Defining a disaster through a sociological perspective means that in analysing a disaster it is important to understand that they are not caused by a single person or incident at one time. According to scholar Harris Ali, “A disaster is a collectivity of intersecting processes and events, social, environmental, cultural, political, economic, physical, technological, transpiring over varying lengths of time. Disasters are totalizing events.”¹⁷

One way to analyse a disaster is to examine the nature of the type of disaster the event is. This is done in terms of the type of cause, the extent of controllability, and the consequences. The type of causes refers to human versus natural or both. Controllability is the degree to which the disaster threat or its effects can be prevented and/or controlled. While the consequences include short term versus long term, physical versus psychological, damage to property and livelihood versus harm to health, direct versus indirect effects and so on.¹⁸

Another method of analysing a disaster involves using Barry Turner’s concept of ‘disaster incubation’. Disaster incubation is “the period before disaster onset when the causal factors that contribute to, or precipitate, a disaster accumulate and interact in an unnoticed manner.”¹⁹ In most cases, disasters bring to light issues that for many years were deemed a normal part of a system or process. With trends of globalization, reasons for disasters like the

¹⁵ Gary Kreps, *Social Structure and Disaster* (Cranbury, New Jersey: Associated University Presses, Inc., 1989), 32.

¹⁶ *Ibid.*, 33.

¹⁷ Harris Ali, “Analysing Environmental Disasters,” in *Understanding the Global Environment*, ed. Samir Das Gupta (New Delhi: Pearson Press, 2009), 246.

¹⁸ *Ibid.*, 248.

¹⁹ Peter Mulvihill and Harris Ali, “Disaster incubation, cumulative impacts and the urban/ex-urban/rural dynamic /rural dynamic.” *Environmental Impact Assessment Review* 27, (2007): 344.

collapse of Rana Plaza span across the world and normalize issues such as political corruption or regulatory oversight that create conditions in which disasters occur.

Another element of defining and analysing a disaster is that of disaster vulnerability and environmental justice. Environmental justice brings attention to “the unequal distribution of risk within a society at both the local and international levels.”²⁰ According to Ali, the circumstances which put people and places at risk include- the physical dimension, the social dimension, and the economic dimension.²¹ The physical dimension includes infrastructure, buildings, and critical facilities. The social dimension includes livelihoods, vulnerable groups, local institutions, and poverty. Lastly, the economic dimension is related to indirect and direct financial losses.²² Ali argues that in “investigating the issue of disaster vulnerability, key questions revolve around the questions of how and why certain, almost always marginalized, groups within a community are more susceptible than other facets of society to natural and technological disasters.”²³

For the purpose of this major research paper, the collapse of Rana Plaza will be examined using a sociological lens. As will be established, reasons for the collapse span over time and over oceans; there are physical, social, and economic dimensions embedded within reasons why the building came down and killed and injured thousands of people.

The Rana Plaza disaster is characterized as a technological environmental disaster. A technological environmental disaster involves a predominantly human element, as contrasted to a natural environmental disaster which sees natural processes, such as weather systems, as the culprits of damage to property and/or loss of human life. According to Ali, “Technological

²⁰ Harris Ali, “Analysing Environmental Disasters,” in *Understanding the Global Environment*, ed. Samir Das Gupta (New Delhi: Pearson Press, 2009), 251.

²¹ Ibid.

²² Ibid.

²³ Ibid.

disasters are human caused disasters that by definition imply a loss of control over systems we have created ourselves. It is [therefore] argued that technological disasters are in principle at least preventable.”²⁴ As this paper aims to demonstrate, the collapse of a garment factory in an industrial region of Dhaka, Bangladesh had an impact on not only the immediate population of Bangladeshi garment workers, their families, and their employers but also on a global level with consumers and corporations being impacted. The collapse was, arguably, preventable as will be demonstrated by examining the role of Bangladesh’s politics and industrial regulations as well as the role of consumers and retailers.

According to Ali, and as will be shown through the immediate events following the collapse, “Researchers have found that shortly after the emergency response to a technological disaster, a flurry of activities occurs as individuals search for those who should be held responsible for the disaster and the compensation that is required thereof.”²⁵ Ali explains, “The type of social context in which these interactions occur has been referred to as a ‘corrosive community’. In a corrosive community there is a great deal of public anger and distrust expressed towards the precipitating human agents of the disaster- usually associated with corporate greed and/or government corruption (including ineptitude and bureaucratic bungling by officials).”²⁶ How long the corrosive community lasts however seems to vary. Nonetheless, it has the ability to impact future developments within the political, economic, and social dimensions that created the conditions for a disaster to occur in the first place.

²⁴ Harris Ali, “Analysing Environmental Disasters,” in *Understanding the Global Environment*, ed. Samir Das Gupta (New Delhi: Pearson Press, 2009), 249.

²⁵Ibid.

²⁶Ibid.

The Rana Plaza Collapse

On April 24th, 2013 Rana Plaza, an eight story garment factory located in Savar (just outside of Dhaka) collapsed killing one thousand one hundred and twenty-nine people and injuring over two thousand.²⁷ The collapse has been called the “world’s worst industrial accident in almost three decades.”²⁸

The building was owned by Md Sohel Rana, a significant figure in the governing Awami League.²⁹ Government documents released following the collapse reported that official permission had only been obtained for six of the eight floors of the structure. Rana had also not received a permit to use the building as a manufacturing complex.³⁰ The two floors were constructed regardless of authorized approval and were done so using substandard materials. The building was also situated, like most recent buildings in the Dhaka region, on a former watercourse.³¹ Overcrowding and machine vibrations alongside illegal construction and manufacturing created instability and ultimately circumstances for the collapse.

Clear evidence of trouble was reported on April 23rd, the day before the collapse. Large cracks appeared in the building and a local engineer was called in to inspect the cracks. The engineer declared the building vulnerable, and recommended that it be sealed off and examined by experts from Bangladesh’s leading technical university.³² “Employees of a branch of BRAC

²⁷Jim Yardley, “Grim Task of Identifying Factories’ Dead Overwhelms Bangladeshi Lab,” May 30, 2013, *The New York Times*, <http://www.nytimes.com/2013/05/31/world/asia/bangladeshi-lab-struggles-to-identify-rana-plazas-dead.html?pagewanted=all>.

²⁸Mark Mackinnon and Marina Strauss, “Spinning tragedy: The true cost of a T-shirt,” October 12, 2013, *The Globe and Mail*, <http://www.theglobeandmail.com/report-on-business/spinning-tragedy-the-true-cost-of-a-t-shirt/article14849193/?page=all>.

²⁹Jeremy Seabrook, “The price of ‘progress’? From Senghenydd to Savar,” *Race and Class* 55 no.2 (2013): 84.

³⁰Ibid.

³¹Ibid.

³²Jason Motlagh and Atish Saha, “The Ghosts of Rana Plaza: In Bangladesh, one year after the worst accident in the history of the garment industry, recovery remains a fragile process, justice seems elusive, and reform has a long way to go,” *Virginia Quarterly Review* 90, no. 2 (2014): 66.

bank located inside the building were told not to report for work the next day.”³³ Management of the garment factories however, not only reassured their workers that the building was secure, but in some cases threatened a stoppage of wages if they did not report to work the next morning.³⁴ Selim Reza, a worker who survived eight hours trapped under the rubble, [said] “They beat some of us and told us there is nothing to worry about. Nothing will happen. It is just a simple crack.”³⁵

At 8:45 am on the day of the collapse the power in the building abruptly cut off, a common occurrence in the region, known to happen up to fifty times a day.³⁶ According to journalist Jason Motlagh, “within seconds four diesel generators, stationed at the rear of the building near the main staircase, automatically started up, and the factory lights flickered back on. The generators weighed several metric tons each, and their relentless vibrations pulsed through the building filled with more than three thousand workers spread from end to end and across the weak points at its core.”³⁷ According to a worker, as the generators vibrated, “the floor and pillars began to shake and a deafening clap echoed across the floor that sent throngs of workers, most of them women, scrambling for the stairwells.”³⁸ The floor collapsed and sent workers plunging into “a mess of concrete and machinery, where everything went black.”³⁹ The collapse is thought to have originated with a column near the southwest corner of the seventh floor which triggered a chain reaction.⁴⁰

³³Jeremy Seabrook, “The price of ‘progress’? From Senghenydd to Savar,” *Race and Class* 55 no.2 (2013): 84.

³⁴ Ibid.

³⁵Shahnaz Parveen, “Rana Plaza factory collapse survivors struggle one year on,” April 23, 2014, *BBC News*, <http://www.bbc.com/news/world-asia-27107860>.

³⁶ Jason Motlagh and Atish Saha, “The Ghosts of Rana Plaza: In Bangladesh, one year after the worst accident in the history of the garment industry, recovery remains a fragile process, justice seems elusive, and reform has a long way to go,” *Virginia Quarterly Review* 90, no. 2 (2014): 66.

³⁷ Ibid.

³⁸ Ibid.

³⁹ Ibid.

⁴⁰ Ibid.

Initial rescue efforts were conducted by local people who emerged as first responders before army soldiers arrived on scene. Rescuers dug survivors out with their bare hands and cut the limbs of those trapped under slabs of concrete, doing so with hacksaws and no anesthetic.⁴¹ Victims were taken to the Enam Medical College and Hospital, less than a mile away from the collapse site,⁴² where doctors worked tirelessly to mend the hack jobs of volunteer rescuers.⁴³ The seven hundred and fifty bed facility was filled to capacity that day.⁴⁴

Prime Minister Sheikh Hasina declared the day after the collapse “a national day of mourning and ordered the arrest of Sohel Rana and the owners of the five garment factories who leased the building.”⁴⁵ Within two days two owners and two government engineers were taken into police custody, Rana had fled.⁴⁶

As rescue and recovery efforts were underway outrage over the collapse grew in the city and in surrounding areas. According to Motlagh, “A 1 500 strong mob in central Dhaka threw rocks at the headquarters of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the country’s powerful trade body, [while] another mob attacked a building where garment factories remained open despite the mourning day.”⁴⁷ “Elsewhere in Savar and the garment making industrial zones of Gazipur, Ashulia, and Narayanganj, at least two factories were torched while scores of workers smashed vehicles and clashed with police, demanding the death penalty for Rana.”⁴⁸

⁴¹ Jason Motlagh and Atish Saha, “The Ghosts of Rana Plaza: In Bangladesh, one year after the worst accident in the history of the garment industry, recovery remains a fragile process, justice seems elusive, and reform has a long way to go,” *Virginia Quarterly Review* 90, no. 2 (2014): 68.

⁴² Ibid.

⁴³ Ibid., 72.

⁴⁴ Ibid., 68.

⁴⁵ Ibid., 70.

⁴⁶ Ibid.

⁴⁷ Ibid.

⁴⁸ Ibid.

Although government agencies and the police knew about the cracks on April 23rd and could have shut the building down, Rana was blamed for convincing factory managers the building was safe. Yet not only had government and police officials failed to shut down the facility the day before the collapse, the Bangladesh Fire Services and Civil Defense had signed off on Rana's building and safety compliance multiple times, having given it a good rating as recently as April 4th.⁴⁹

Officials continued to fail workers and their families as rescue and recovery efforts were conducted haphazardly seeing volunteer responders hurt and in some cases killed by unstable falling concrete or fires that broke out.⁵⁰ Western diplomats concluded "that Bangladeshi authorities were ill prepared for an urban-rescue operation of this magnitude."⁵¹ International offers of help also went unanswered by Bangladeshi authorities. Hours after the collapse, for example, "a senior UN official in Dhaka reminded the director general of the fire brigade that the government was part of a network of disaster prone countries eligible for international search and rescue assistance. The UK followed up with an offer to dispatch an urban rescue team equipped with potentially lifesaving micro cameras and scanners that could detect body heat under the rubble."⁵²

"Internal documents obtained by London's Daily Telegraph later revealed that Bangladesh rejected outside help, fearing damage to national pride. The document reportedly noted 'face saving' measures suggested by foreign diplomats to help avoid offending Bangladeshi officials."⁵³ "City officials later admitted that a lack of oversight and a gross underestimation of

⁴⁹ Jason Motlagh and Atish Saha, "The Ghosts of Rana Plaza: In Bangladesh, one year after the worst accident in the history of the garment industry, recovery remains a fragile process, justice seems elusive, and reform has a long way to go," *Virginia Quarterly Review* 90, no. 2 (2014): 70.

⁵⁰ *Ibid.*, 73.

⁵¹ *Ibid.*

⁵² *Ibid.*

⁵³ *Ibid.*

the scale of the disaster allowed people to make off with the wrong bodies in the days that followed.”⁵⁴ Some instances may have been unintentional as many of the victims’ features were damaged beyond recognition. Furthermore, in their haste to bury bodies in accordance with Islamic custom, families made rash decisions. The lure of cash also may have played a role, since authorities were dispersing 20 000 taka payments to help cover burial costs.⁵⁵ Rescue and recovery operations were called off on May 13th, seventeen days after the collapse.⁵⁶ Authorities stated that about 2 500 people were injured in the accident and 2 437 people were rescued; 1 129 people had been killed.⁵⁷

Rana Plaza contained garment factories (New Wave Bottoms Limited, Phantom Apparels Ltd., Phantom Tack Ltd., and Ethar Textile Ltd.), a bank, apartments, and several other shops that sold electronic goods, computers, perfumes, and garments.⁵⁸ The garment factories manufactured clothing for brands including “Benetton; Cato Corp; The Children's Place; *Joe Fresh* a label owned by Canadian company, Loblaw; the UK company Primark's *Denim Co* and *Cedarwood State* labels, *Papaya Denim* of UK's Matalan company, *Free Style Baby* sold at Spanish retail chain El Corte Ingles, and the Spanish work clothing label, *Velilla*.”⁵⁹ For Canadians, photographs of brightly coloured Joe Fresh clothing amid the wreckage of Rana

⁵⁴ Jason Motlagh and Atish Saha, “The Ghosts of Rana Plaza: In Bangladesh, one year after the worst accident in the history of the garment industry, recovery remains a fragile process, justice seems elusive, and reform has a long way to go,” *Virginia Quarterly Review* 90, no. 2 (2014): 71

⁵⁵ *Ibid.*

⁵⁶ *Ibid.*, 77.

⁵⁷ BBC News, “Bangladesh factory collapse toll passes 1,000,” *BBC News*, May 10, 2013, <http://www.bbc.com/news/world-asia-22476774>.

⁵⁸ BDNews24.com, “80 dead, 800 hurt in Savar high-rise collapse,” *BDNews24.com*. April 24, 2013, <http://bdnews24.com/bangladesh/2013/04/24/rana-plaza-collapse-32-dead>.

⁵⁹ Institute for Global Labour and Human Rights, “As Bangladesh Toll Hits 400, Calls Grow to Grant Workers the Same Protections as Labels They Make,” 2013, <http://www.globallabourrights.org/press/as-bangladesh-toll-hits-400-calls-grow-to-grant-workers-the-same-protections-as-labels-they-make>.

Plaza resonated the most.⁶⁰ Photographs signalled not only the corporations' involvement in the collapse but the consumers' as well.

Emerging from the disaster were stories of broken families and bleak futures. Many families lost loved ones who were the sole bread winners, children lost parents, husbands and wives lost spouses.⁶¹ Noman Bin Sanit Arnob aged sixteen, for example, lost his mother Shehna Akter Kajol who worked at Phantom Tac on the fourth floor of Rana Plaza. His father, Anamul Kabir, worked at New Wave Style on the seventh floor and was paralyzed from the waist down. In an interview with *Toronto Star* reporter, Raveena Aulakh, Noman said that he dreamed of becoming a textile engineer and attending the Bangladesh University of Engineering and Technology.⁶² "It was an achievable dream- his parents worked in the garment trade, knew the ins and outs and were earning enough to put him through college."⁶³ Following the collapse, the dream is no longer possible. "There is no money anymore,' he [said]. 'I had to take up whatever I could and it seems this is it.'"⁶⁴

Mossammat Rebecca Khatun lost a foot and a leg in the collapse. She also lost five family members, including her mother.⁶⁵ "I spent two days under the rubble craving water. I did not know when it was day or when it was night. It was all the same to me under the rubble. And they never found my mother's body."⁶⁶ Another worker, Srabon Ahmed Jahangir was rescued within a few hours of the collapse. While Srabon was not physically injured, he was not able to return to

⁶⁰ Mark Mackinnon and Marina Strauss, "Spinning tragedy: The true cost of a T-shirt," October 12, 2013, *The Globe and Mail*, <http://www.theglobeandmail.com/report-on-business/spinning-tragedy-the-true-cost-of-a-t-shirt/article14849193/?page=all>.

⁶¹ Farid Ahmed, "Dhaka building collapse: Shattered lives," *BBC News Asia*, April 28, 2013, <http://www.bbc.co.uk/news/world-asia-22332374>.

⁶² Raveena Aulakh, "Rana Plaza: His dreams died in the collapse," *The Toronto Star*, October 12, 2013, http://www.thestar.com/news/world/clothesonyourback/2013/10/12/rana_plaza_his_dreams_died_in_the_collapse.html.

⁶³ Ibid.

⁶⁴ Ibid.

⁶⁵ Shahnaz Parveen, "Rana Plaza factory collapse survivors struggle one year on," April 23, 2014, *BBC News*, <http://www.bbc.com/news/world-asia-27107860>.

⁶⁶ Ibid.

the garment industry.⁶⁷ With money donated by a non-governmental organization (NGO) he is trying to establish his own business, a street tea stall. His shop stands in front of his house but he does not have customers.⁶⁸ He told *BBC News* reporter Shahnaz Parveen, “I have no income so I live with my parents. I tried other jobs but I can't seem to concentrate on anything these days. My father has been carrying all my expenses and my son's too.”⁶⁹

For the weeks and months following the collapse, Western and European media focussed on who was responsible for allowing such unsafe working conditions. A *Globe and Mail* article highlighted the debate around how much “responsibility retailers should have for the supply chain that moves products onto their shelves.”⁷⁰ According to journalists Mark Mackinnon and Marina Strauss, “As garment factories have pushed into new markets in search of ever-cheaper labour, the apparel industry has become perhaps the ultimate symbol of two decades of globalization... The manufacturing of clothing now ties together Western consumers and distant Asian workers in a cycle driven by trends and budgets that change with the seasons.”⁷¹ Supply chains are increasingly fragmented, according to the *Globe and Mail*. “Production jumps from city to city with middlemen outsourcing to other middlemen. Governments make bold claims but few check on safety. The consumer knows little about the long journey of that piece of clothing to the store – only that it has become far more inexpensive than ever before.”⁷²

Companies such as Loblaw, for example, place their orders through middlemen, who in turn source work to a network of far-flung factories. The retailer in many cases does not know

⁶⁷ Shahnaz Parveen, “Rana Plaza factory collapse survivors struggle one year on,” April 23, 2014, *BBC News*, <http://www.bbc.com/news/world-asia-27107860>.

⁶⁸ Ibid.

⁶⁹ Ibid.

⁷⁰ Mark Mackinnon and Marina Strauss, “Spinning tragedy: The true cost of a T-shirt,” October 12, 2013, *The Globe and Mail*, <http://www.theglobeandmail.com/report-on-business/spinning-tragedy-the-true-cost-of-a-t-shirt/article14849193/?page=all>.

⁷¹ Ibid.

⁷² Ibid.

where in the world its products will be produced when an order is placed.⁷³ Inspecting buildings and working conditions has been beyond the retailer's scope.⁷⁴ Yet the responsibility for the collapse does not solely rest on supply chain awareness. As this major research paper will explore, supply chain awareness is but a drop in the ocean when it comes to determining who and what is responsible for the collapse that injured and killed thousands of garment industry workers.

Politics and the Economy

Bangladesh is a developing country in Southern Asia; it borders the Bay of Bengal, sitting between the countries of Burma and India. The country is 147 570 square kilometers and home to approximately 160 million people, with roughly seventy-five per cent of them living in rural areas.⁷⁵ “In the last few decades urbanization has been rapid. In 2010, [the country's] GDP was 5.8 per cent, slightly higher than the previous year. In 2008, 52.5 per cent of [Bangladesh's] GDP came from the service sector, as compared to 28.5 per cent from industry and 19.0 per cent from agriculture.”⁷⁶ The industrial sector has played an increasingly large role in the development of Bangladesh's economy. In most developing countries, the industrial sector rather than the agricultural sector has been the driver of economic growth as countries move from low- to middle-income status.⁷⁷ This is also the case in Bangladesh, where the average productivity of industry is higher than in agriculture.⁷⁸ The industrial sector and as a result the wealth of

⁷³ Mark Mackinnon and Marina Strauss, “Spinning tragedy: The true cost of a T-shirt,” October 12, 2013, *The Globe and Mail*, <http://www.theglobeandmail.com/report-on-business/spinning-tragedy-the-true-cost-of-a-t-shirt/article14849193/?page=all>.

⁷⁴ Ibid.

⁷⁵ Mia Mahmudur Rahim, “Legal Regulation of Corporate Social Responsibility,” *Common Law World Review* 41 (2012): 99-100.

⁷⁶ Ibid.

⁷⁷ Mohammad Yunus and Tatsufumi Yamagata, “Chapter 6: The Garment Industry in Bangladesh.” In *Dynamics of the Garment Industry in Low-Income Countries: Experience of Asia and Africa (Interim Report)*, ed. Takahiro Fukunishi (Palgrave Macmillan, 2012), 1.

⁷⁸ Ibid.

Bangladesh relies on a large labour force. Author Jeremy Seabrook argues, “Workers [form] part of a vast machine for enriching others- lawmakers of political parties, bureaucrats, factory owners, exporters, middle-men, importers, retailers, and international brands in the West.”⁷⁹

Yet despite the economy of Bangladesh growing at “an average rate of 6% per annum it remains one of the poorest countries in the world with a per capita income of only \$440 a year.”⁸⁰ The majority of people in Bangladesh have yet to benefit from the country’s economic growth.⁸¹ “Poverty is so widespread that eighty percent of the rural people are poor, defined in terms of caloric intake (2 100 calories) and more than half of the population is below the subsistence level (less than 1 800 calories) who cannot meet the basic needs of life. . .”⁸² “In absolute terms the poverty problems in Bangladesh are reported to be worsening as evidenced by the increase in the number of people living below the poverty line from 50 million in 1972 to 70 million in 2005.”⁸³

Bangladesh also has both an age and gender skew in its poverty.⁸⁴ “Poverty levels in the country are high, even more so for women. Women generally receive less household resources for their food, education, health, and clothing than men do. The situation is also not helped by the ‘extremely patriarchal’ nature of Bangladeshi society. Opportunities for women to work are often restricted to ‘unpaid family labour or paid work that can be carried out in the home.’”⁸⁵

Therefore, of note is the “positive impact of employment opportunities for women in terms of

⁷⁹Jeremy Seabrook, “The price of ‘progress’? From Senghenydd to Savar,” *Race and Class* 55 no.2 (2013): 84.

⁸⁰ Ataur Rahman Belal and Stuart Cooper, “The absence of corporate social responsibility in Bangladesh,” *Critical Perspectives on Accounting* 22(2011): 657.

⁸¹ Ibid.

⁸² Ibid.

⁸³ Ibid.

⁸⁴ Ibid.

⁸⁵ Ibid.

family planning and population control in the country.”⁸⁶ “Independent working-women are [becoming] more conscious about the advantage of a small family, and are exposed to modern family planning methods. Working adolescent girls tend to avoid early marriage as they have their own source of income and are self-dependent. The mean age of marriage for girls working in [ready-made garment] factories tend to be higher than the national average.”⁸⁷

Various policies over the course of Bangladesh’s history have shaped the direction in which the economy has developed. According to authors Mohammad Yunus and Tatsufumi Yamagata, “During the post-independence period, industrial development of Bangladesh has been directed by several industrial policies: the Industrial Policy of 1973, the New Industrial Policy of 1982, the Revised Industrial Policy of 1986, and the Industrial Policy of 1999 followed by a number of other policies, with the latest being the Industrial Policy of 2010.”⁸⁸ These policies have aimed to revamp the sector with the view of creating a strong manufacturing base in the economy.⁸⁹ According to data from the Bangladesh Bureau of Statistics (BBS), “the contribution of the manufacturing sector to Bangladesh’s gross domestic product (GDP) was 17.86 percent in 2009/2010.”⁹⁰ The Industrial Policy of 2010, proposed an integrated strategy of economic growth through rapid industrialization.⁹¹ The policy envisioned “an increase in the industry sector’s share in GDP to forty percent by 2021, with the proportion of the workforce

⁸⁶ Debapriya Bhattacharya, Mustafizur Rahman, and Ananya Raihan, “Contribution of the RMG Sector to the Bangladesh Economy” *CPD Occasional Paper Series 50* (2002):15.

⁸⁷ Ibid.

⁸⁸ Mohammad Yunus and Tatsufumi Yamagata, “Chapter 6: The Garment Industry in Bangladesh.” In *Dynamics of the Garment Industry in Low-Income Countries: Experience of Asia and Africa (Interim Report)*, ed. Takahiro Fukunishi (Palgrave Macmillan, 2012), 2.

⁸⁹ Ibid.

⁹⁰ Ibid.

⁹¹ Ibid.

employed in the sector rising to twenty-five percent of the country's total labour force.”⁹² With this push in industrialization focus on the ready-made garment industry grew. As a result, Bangladesh has embraced garment assembly as a form of export-led growth, relying on their large population of low waged workers. The fact that wages have been rising in China has also contributed to Bangladesh's appeal within this sector on a global level.⁹³ Like other Asian countries, Bangladesh has specifically promoted garment manufacturing as “a model of economic development... as the first step on the ladder of economic development.”⁹⁴

According to scholar Ian Taplin, “Progressive trade liberalization, starting with NAFTA and culminating in the ending of the General Agreement on Tariffs and Trade (GATT) in 1994... brought to a close a period where global textile and apparel industries were heavily regulated.”⁹⁵ “The subsequent replacement of GATT by the World Trade Organization (WTO) gradually phased out Multi-Fibre Arrangement (MFA) quotas and lowered tariffs on such goods. This changing trade regime effectively made it possible for firms to manufacture textiles and apparel anywhere in the world where technological conditions, labour costs, infrastructure and market proximity were most optimal.”⁹⁶ Journalist Jason Motlagh argues that, “Under the terms of the World Trade Organizations Agreement on Textiles and Clothing (in effect from 1995-2005) more industrialized countries agreed to export fewer textiles while less industrialized countries

⁹² Mohammad Yunus and Tatsufumi Yamagata, “Chapter 6: The Garment Industry in Bangladesh.” In *Dynamics of the Garment Industry in Low-Income Countries: Experience of Asia and Africa (Interim Report)*, ed. Takahiro Fukunishi (Palgrave Macmillan, 2012), 2.

⁹³ Ian Taplin, “Who is to blame? A re-examination of fast fashion after the 2013 factory disaster in Bangladesh,” *Critical Perspectives on International Business* 10 no.1/2 (2014):73.

⁹⁴ Ibid..

⁹⁵ Ibid., 75.

⁹⁶ Ibid.

saw their export quotas increase. The new regime was a boom for Bangladeshi garment makers, who enjoyed quota-free access to Europe and higher exports to the US and Canada.”⁹⁷

Bangladesh earns approximately \$20 billion a year from garment exports. The country exports mainly to the United States and Europe, with \$1.1 billion of those clothing exports going to Canada.⁹⁸ The country has “more than 5 000 garment factories, handling orders for nearly all of the world’s top brands and retailers. It has become an export powerhouse largely by delivering lower costs, in part by having the lowest wages in the world for garment workers.”⁹⁹ “Over seventy percent of Bangladesh’s factories are located in and around Dhaka, the capital city. The industry has created a large labour force, mostly women, with lower wages and severe regimentation.”¹⁰⁰ “From the very beginning, unit labour cost in Bangladesh was the lowest compared to other RMG producing countries. During the 1990s, unit labour cost in Bangladesh was \$0.11 (\$/shirt), whereas the same was \$0.26 in India, \$0.43 in Pakistan and \$0.79 in Sri Lanka. According to the Brussels-based International Textile, Garment and Leather Worker Federation, in February 2005, ‘a garment worker in Bangladesh received only 6 cents as wage per hour, compared to 20 cents in India and Pakistan, 30 cents in China, 40 cents in Sri Lanka, and 78 cents in Thailand.’”¹⁰¹

Scholar Jeremy Seabrook argues that, “Garments are woven... into the fabric of the country and its powerful elites. While the industry involves only the shaping and stitching of the

⁹⁷ Jason Motlagh and Atish Saha, “The Ghosts of Rana Plaza: In Bangladesh, one year after the worst accident in the history of the garment industry, recovery remains a fragile process, justice seems elusive, and reform has a long way to go,” *Virginia Quarterly Review* 90, no. 2 (2014): 79.

⁹⁸ The Associated Press, “Bangladesh garment factory fire kills at least 10 people,” October 8, 2013, *The Associated Press*, <http://www.cbc.ca/news/world/bangladesh-garment-factory-fire-kills-at-least-10-people-1.1930120>.

⁹⁹ Jim Yardley, “Grim Task of Identifying Factories’ Dead Overwhelms Bangladeshi Lab,” May 30, 2013, *The New York Times*, <http://www.nytimes.com/2013/05/31/world/asia/bangladeshi-lab-struggles-to-identify-rana-plazas-dead.html?pagewanted=all>.

¹⁰⁰ Anu Muhammad, “Wealth and Deprivation: Ready-made Garments Industry in Bangladesh,” *Economic and Political Weekly* 46 no. 34 (2011): 23.

¹⁰¹ *Ibid.*, 24.

material that comes from outside the country, the factories themselves are more durably sewn into the structures of privilege.”¹⁰² With the nature of the industry, “Owners and foreign buyers blame each other for the pressure on the workers, but their interlocking relationship ensures that both make enormous profit at the workers’ expense. The garment lords of Dhaka lament that Western brands constantly demand increases in productivity, even though their own yield from the labour of the people has passed any possible description of justice- they are extravagantly rich.”¹⁰³ Seabrook describes a trip he took in the Business Class of Biman Bangladesh Airlines, stating that it was like being present at a cocktail party of the ruling elite.¹⁰⁴ “They all knew each other, sharing stories and exchanging gossip about visiting their kinsfolk in London, Rome, Washington, California; the places where their children were studying; and the specialists whom their relatives had consulted. Clearly, the education and health care provision of Dhaka were not good enough for them. It is a restricted, claustrophobic world, which has at its disposal resources equal to anything the global rich can boast.”¹⁰⁵

“With the divide being as large as it is between those who stitch together garments and those who own the buildings and govern the industry it is no surprise that despite the significant achievement in the national economy, labour unrest in this sector is not diminishing at all.”¹⁰⁶ According to scholars Mohammad Yunus and Tatsufumi Yamagata, “In order to survive in the quota-free competitive international market, addressing labour unrest has been a crying need.”¹⁰⁷ Labour unrest has been common in the ready-made garment industry. “Workers are being

¹⁰² Jeremy Seabrook, “The price of ‘progress’? From Senghenydd to Savar,” *Race and Class* 55 no.2 (2013): 85.

¹⁰³ Ibid.

¹⁰⁴ Ibid.

¹⁰⁵ Ibid.

¹⁰⁶ Mohammad Yunus and Tatsufumi Yamagata, “Chapter 6: The Garment Industry in Bangladesh.” In *Dynamics of the Garment Industry in Low-Income Countries: Experience of Asia and Africa (Interim Report)*, ed. Takahiro Fukunishi (Palgrave Macmillan, 2012), 8.

¹⁰⁷ Ibid.

embroiled in clashes frequently; they call strikes often to press their demand home. It causes enormous loss to the owners, cripples the economy, and tarnishes the image of the country abroad. It also makes foreign buyers reluctant to render future orders. In addition, the industry is losing competitive edge for this.”¹⁰⁸

The instability created by labour unrest is added to by disasters within the industry, yet “the collapse of Rana Plaza neither stopped the apparently relentless expansion of the Bangladeshi economy nor [did it] greatly [disrupt] the international clothing trade.”¹⁰⁹ “The country’s total exports - four-fifths of which are clothing - rose to \$2.7 billion in June (2013), up sixteen per cent from the same month [in 2012], in spite of Rana Plaza and a factory fire at Tazreen Fashions . . . in which one hundred and twelve workers died.”¹¹⁰ According to journalist Victor Mallet, “In the West, Bangladesh was once a byword for misery and hunger. Its reputation was sealed by the famine of 1974 less than three years after the war of independence that separated the country from the rest of Pakistan.”¹¹¹ “Almost unnoticed by the outside world, it has since joined the ranks of Asia’s fast-growing economies. On several measures of social wellbeing - such as child mortality - it has overtaken its richer neighbour India. The economy has been growing steadily at about six per cent a year, thanks partly to the expansion of the garment sector during the past two decades.”¹¹² “Factory owners say the business could double again in the next few years provided the country improves its infrastructure, prevents . . . factory fires or accidents that result in mass fatalities, and avoids disruptive political violence.”¹¹³

¹⁰⁸ Mohammad Yunus and Tatsufumi Yamagata, “Chapter 6: The Garment Industry in Bangladesh.” In *Dynamics of the Garment Industry in Low-Income Countries: Experience of Asia and Africa (Interim Report)*, ed. Takahiro Fukunishi (Palgrave Macmillan, 2012), 8.

¹⁰⁹ Victor Mallet, “Pinned back by politics: Bangladesh,” August 6, 2013, *Financial Times*, <http://search.proquest.com.ezproxy.library.yorku.ca/docview/1430321817?accountid=15182>.

¹¹⁰ Ibid.

¹¹¹ Ibid.

¹¹² Ibid.

¹¹³ Ibid.

“Political unrest, even factory disasters, might be seen as growing pains typical of emerging Asian economies. But the rising level of political violence and the sheer scale of the Rana Plaza tragedy have brutally exposed the weaknesses of Bangladesh to the outside world.”¹¹⁴ “The phrase commonly used to describe Bangladesh’s political disease is ‘winner takes all’: members of an incumbent government habitually persecute their opponents and engage in corruption and rent-seeking on a grand scale. Critics say this process is so pervasive in the current government that its popularity has collapsed and it now fears the outcome of a free election.”¹¹⁵ “Omar Hamid Chowdhury, managing director of Pyramid, a conglomerate that counts garment making among its businesses, says Rana Plaza collapsed ‘not because of a lack of adequate regulations but because of corruption and political failings.’ ‘All the systems are in place for preventing this kind of thing from happening- but they were not enforced,’ he says. ‘So I blame Rana Plaza on the corruption of the political parties.’”¹¹⁶

Political Circumstances surrounding Rana Plaza

Bangladesh’s political climate allows for corruption to occur within the garment industry; factory owners are often courted by local politicians who are looking for ways to increase their own tax base and promote employment.¹¹⁷ “In the case of Rana Plaza the local mayor, Refayet Ullah, expedited planning permission for the building’s construction and apparently agreed to certain construction short cuts to speed the whole process.”¹¹⁸ According to scholar Ian Taplin, Ullah was known for “signing permits for new factories in the area, claiming that the booming industry in that area did not allow him time to seek mandatory safety clearances from municipal

¹¹⁴ Victor Mallet, “Pinned back by politics: Bangladesh,” August 6, 2013, *Financial Times*, <http://search.proquest.com.ezproxy.library.yorku.ca/docview/1430321817?accountid=15182>.

¹¹⁵ Ibid.

¹¹⁶ Ibid.

¹¹⁷ Ian Taplin, “Who is to blame? A re-examination of fast fashion after the 2013 factory disaster in Bangladesh,” *Critical Perspectives on International Business* 10 no.1/2 (2014): 77.

¹¹⁸ Ibid.

bodies in Dhakar.”¹¹⁹ Taking short cuts is not atypical of other factories that were quickly constructed to take advantage of the export boom in garment assembly.¹²⁰

As many as fifty percent of parliamentarians have some financial interest in the garment industry.¹²¹ Furthermore, according to Taplin, “roughly ten percent of seats in Parliament are taken by factory owners [confirming] the deep political linkages in this industry between owners and politicians, who are often, it seems, the same persons.”¹²² “Politicians often prefer to turn a blind eye to potential problems for fear of losing what is currently an \$18 billion a year export industry; they are concerned that too much regulation and its enforcement will raise prices and drive production elsewhere in Asia.”¹²³ In order to “remain competitive, firms extended the work week and even with overtime pay (not always guaranteed) there remained an incessant downward pressure on costs from Western companies that often led to work intensification.”¹²⁴

Sohel Rana and Rana Plaza

Sohel Rana, the thirty-five year old owner of the eight-storey building has been described in local Bangladeshi media as “the archetypal Bangladeshi muscleman, known locally as a ‘mastan’, or neighbourhood heavy. His power, influence, and money came from providing muscle to local politicians. ‘He is known as a thug, a gangster in the area,’ Firoz Kabir, chairman of the Savar sub-district council, told the *BBC*.”¹²⁵

¹¹⁹ Ian Taplin, “Who is to blame? A re-examination of fast fashion after the 2013 factory disaster in Bangladesh,” *Critical Perspectives on International Business* 10 no.1/2 (2014): 77.

¹²⁰ Ibid.

¹²¹ Jason Motlagh and Atish Saha, “The Ghosts of Rana Plaza: In Bangladesh, one year after the worst accident in the history of the garment industry, recovery remains a fragile process, justice seems elusive, and reform has a long way to go,” *Virginia Quarterly Review* 90, no. 2 (2014): 85.

¹²² Ian Taplin, “Who is to blame? A re-examination of fast fashion after the 2013 factory disaster in Bangladesh,” *Critical Perspectives on International Business* 10 no.1/2 (2014): 77.

¹²³ Ibid.

¹²⁴ Ibid.

¹²⁵ Sabir Mustafa and Shyadul Islam, “Profile: Rana Plaza owner Mohammad Sohel Rana,” *BBC Bengali Service*, May 3, 2013, <http://www.bbc.com/news/world-asia-22366454/>.

“Rana grew up the second son of a land broker named Abdul Khalek, who, with profits from the sale of a parcel in Savar, opened a mustard-oil factory on the site where Rana Plaza was later built. Khalek cultivated ties with well-known film actors and politicians, a wheeler-dealer style that Rana would learn to emulate even more aggressively. He had a cold temperament well suited to the thuggery and intimidation tactics that are a mainstay of Bangladesh’s cutthroat local politics.”¹²⁶

“In 1996, the Awami League party, chief rivals of the BNP, came to power, and the president of the party’s student wing tapped Rana, just a year after [he had] dropped out of high school, to be his political aide. Two years later, Rana was promoted to secretary. Rana’s profile grew after he befriended Murad Jong, an aspiring politician who became the Awami League leader of Savar in 2001, due in large part to Rana’s muscle. When the Awami League took back the government seven years later, Jong returned the favor by unilaterally naming Rana to a leadership post of the Jubo League, the party’s youth front. In parliament, Jong used his clout to manipulate police and extort protection money from business owners, with Rana as his faithful enforcer.”¹²⁷

According to journalist Jason Motlagh, “The rise of the country’s ready-made garment industry caused land values around industrial suburbs like Savar to skyrocket. When a dispute between Rana’s father and his Hindu business partner erupted over the plaza site, the Rana family dispatched thugs to seize the property by force. The partner complained to local authorities, and says that Rana threatened him for doing so. The police, meanwhile, did nothing. Flexing his connections in the Savar mayor’s office, Rana secured a construction permit and

¹²⁶ Jason Motlagh and Atish Saha, “The Ghosts of Rana Plaza: In Bangladesh, one year after the worst accident in the history of the garment industry, recovery remains a fragile process, justice seems elusive, and reform has a long way to go,” *Virginia Quarterly Review* 90, no. 2 (2014): 76.

¹²⁷ *Ibid.*

began laying the ground work for the plaza, erecting the six-story building on hastily filled-in swampland, using cheap materials.”¹²⁸

“At its August 2009 opening ceremony, Jong was the guest of honor. On the wall behind Rana’s desk, in the basement office where he poured whiskey for local cops and political players alike, hung a framed photograph of Jong kissing Rana’s forehead... Their relationship was crucial to Rana’s ability to prosper in both open and underground markets. While presiding over a business portfolio that included brick kilns and the sale of garment overruns, officials say Rana and his associates kept a hand in the drug trade.”¹²⁹

Yet Rana made the most profit from “the garment factory rentals at Rana Plaza. By 2011, five floors were being leased out to garment manufacturers, contributing the bulk of the plaza’s 1.5 million euro annual rental income. Three years earlier, in March 2008, Mayor Refat Ullah granted Rana a permit to add additional stories to the building, without approval from the city development authority. By 2013, a ninth floor was in the works. When the cracks appeared, on April 23rd, Rana was dismissive... He was also unmoved when the local engineer who had been called in to inspect the site was shaken by the large cracks [he had] found in the building’s [foundation].”¹³⁰

“For days, Rana had been planning a counter protest against the BNP-ordered *hartal*, and his reputation in Savar hinged in large part on his ability to mobilize grassroots defiance. On the morning of April 24th, he was in his basement office with colleagues calling people by phone, haranguing them to report for work. When workers outside refused, he joined the factory owners

¹²⁸ Jason Motlagh and Atish Saha, “The Ghosts of Rana Plaza: In Bangladesh, one year after the worst accident in the history of the garment industry, recovery remains a fragile process, justice seems elusive, and reform has a long way to go,” *Virginia Quarterly Review* 90, no. 2 (2014): 76.

¹²⁹ Ibid.

¹³⁰ Ibid.

to bully them inside.”¹³¹ Rana’s basement office turned out to be one of the safest places in the building. Following the collapse, bodyguards called Rana’s cell phone, discovered he was trapped in his office, and dug him out. Three days later, he was arrested in the border town of Benapole, on his way into India. News of his arrest was announced during a news conference at the disaster site, where crowds cheered and chanted for his hanging.¹³²

Authors Andreas Wieland and Robert Handfield argue that had the collapse of Rana Plaza not occurred, the enterprise “would be considered a textbook case for highly efficient global supply chains. In today’s market, supply chains compete against supply chains, global brands concentrate on their core competency (marketing activities) and suppliers in Bangladesh offer high flexibility and cheap labour costs. This has allowed global brands to create extremely responsive supply chains and bring lower priced apparel to store shelves. Further, the time to design and deliver new garments to the market has been reduced from more than one year to just a few weeks.”¹³³ Sanjiv Pandita, executive director of the Asia Monitor Resource Center, has called it “the ugliest race to the bottom...the financial crisis in the United States and Europe means that people are scared of buying expensive things.”¹³⁴

Defining consumerism and its role

Following the collapse of Rana Plaza media discourse centered around laying blame on the retailers using the suppliers located in the factory and focussed on the conscience of Western consumers buying and wearing cheap garments from those retailers. Media specifically focused on the role of consumerism and ‘Fast Fashion’ within Western culture and society and deemed it

¹³¹ Jason Motlagh and Atish Saha, “The Ghosts of Rana Plaza: In Bangladesh, one year after the worst accident in the history of the garment industry, recovery remains a fragile process, justice seems elusive, and reform has a long way to go,” *Virginia Quarterly Review* 90, no. 2 (2014): 76.

¹³² Ibid.

¹³³ Andreas Wieland and Robert Handfield. “The Socially Responsible Supply Chain,” *Supply Change Management Review* (2013): 22.

¹³⁴ Ibid., 24.

the responsibility of both retailers and consumers to know the conditions in which clothing is being manufactured and the reasons behind the inexpensive prices of garments. Along the same vein, “fashion experts and editors were quick to advise consumers of the necessity for ethical purchases.”¹³⁵ “Features were published by and about fashionable people, upset, and grieved by this predictably unexpected event [and] new impulse was given to campaigns conducted by organizations dedicated to fairness and ‘clean clothes.’”¹³⁶ Analyses were also done of the consumer lifestyle and its impact on workers in developing countries. Scholar Ian Taplin in his article, “Who is to blame?” determined that for the most part, “Western consumers have become accustomed to cheap fashion and appear unwilling to pay more for items that are untainted by exploitative practices.”¹³⁷ His finding was supported (at least in the Canadian context) by an article published in the *Toronto Star* which stated that according to Statistics Canada, Canadians are spending less on clothing as a proportion of their income.¹³⁸ Money saved by consumers however translates into social and environmental costs as well as costs for those producing the products in developing countries. As a result, the Western consumer lifestyle has both global environmental and social implications.

At its most basic, ‘consumerism’ is the consumption of goods and services. In developed countries consumerism shapes social aspects of society- it influences what people wear, what they watch, how they look, where they live, and what they want. Consumerism is ingrained within society; it is a way of life for the majority of Western citizens. Economist Tim Jackson explains that, “Modern society is organised around a particular model of how to pursue human

¹³⁵ Jeremy Seabrook, “The price of ‘progress’? From Senghenydd to Savar,” *Race and Class* 55 no.2 (2013): 85.

¹³⁶ *Ibid.*, 86.

¹³⁷ Ian Taplin, “Who is to blame? A re-examination of fast fashion after the 2013 factory disaster in Bangladesh,” *Critical Perspectives on International Business* 10 no.1/2 (2014): 73.

¹³⁸ Francine Kopun, “Retail therapy: Hooked on Shopping,” September 19, 2013, *The Toronto Star*, http://www.thestar.com/news/world/clothesonyourback/2013/09/19/retail_therapy_hooked_on_shopping.html.

wellbeing... This model contends that increasing consumption of economic goods and services leads to improved wellbeing: a higher standard of living and a better quality of life across society. Economies are designed specifically to maintain or increase consumption growth; business models are predicated on maximising profits to shareholders; people are inclined to believe that the more disposable income they have – the more they consume – the better off they are.”¹³⁹ The problematic result is that consumption has become regarded as a way to a happier, fuller life. Evidence suggests however that consumption growth may actually detract from an individual’s wellbeing and contribute to social and environmental issues within the developing countries that produce and later accept the waste generated by used products.

There are a number of ways in which consumption growth detracts from an individual’s wellbeing. In order for consumption growth to occur, consumer behaviours must be sustained. For consumer behaviours to be sustained income growth needs to occur. Income growth requires an increase in work hours which in turn takes a toll on the average person. “We hear the same refrain all the time from people: I have no life. I get up in the morning, day care, elder care, a forty minute commute to work. I have to work late. I get home late. I get home at night, there’s laundry, bills to pay, jam something into the microwave oven, I’m exhausted, I go to sleep, I wake up and the routine begins all over again. This is what life has become in America ...”¹⁴⁰ Lives are dedicated to sustaining the consumer lifestyle. Sustaining such a lifestyle however does not only result in an exhausting day to day life; more broadly it results in both psychological strains and family life consequences.

¹³⁹ Tim Jackson, “Where is the ‘wellbeing dividend’? Nature, structure and consumption inequalities,” *Local Environment: The International Journal of Justice and Sustainability* 13, no 8 (2008): 704-705.

¹⁴⁰ John De Graaf, David Wann, and Thomas H. Naylor. *Affluenza: The All-Consuming Epidemic*. (San Francisco: Berrett-Koehler Publishers, Inc, 2005), 38.

Possession overload is an example of one of the psychological strains and may result in negative family life consequences. Possession overload is the problem of dealing with too much stuff. Dr. Richard Swenson explains: “Possession overload is the kind of problem where you have so many things you find your life is being taken up by maintaining and caring for things instead of people.”¹⁴¹ Swenson continues, “Everything I own owns me. People feel sad and what do they do? They go to the mall and they shop and it makes them feel better, but only for a short time. There [is] an addictive quality in consumerism. But it simply doesn’t work. They [have] gotten all these things and they still find this emptiness, this hollowness. All they have is stress and exhaustion and burnout, and their relationships are vaporizing. They [are] surrounded by all kinds of fun toys but the meaning is gone.”¹⁴² People feel bad about themselves so they attempt to fill the void by purchasing more goods, continuing the cycle.

Perpetuating the cycle further is the ease with which consumers are able to access and purchase goods, specifically garments. With the introduction of the ‘fast fashion’ or the lean manufacturing business model, it has become increasingly easier and more inexpensive for consumers to access products. Simultaneously, “the growth of ‘fast fashion’ can be attributed to high impulse buying, an increase in sourcing from low-cost countries and a change in consumer attitudes, with the removal of stigma attached to buying from value retailers.”¹⁴³ According to Taplin, “As part of changes in overall production and marketing strategies, Western firms such as H&M and Inditex (through their Zara line) embraced a quick response model of production which was designed to reduce inventory and dramatically reduce the time spent between initial

¹⁴¹ John De Graaf, David Wann, and Thomas H. Naylor. *Affluenza: The All-Consuming Epidemic*. (San Francisco: Berrett-Koehler Publishers, Inc, 2005), 39.

¹⁴² *Ibid.*, 39.

¹⁴³ Louise R Morgan and Grete Birtwistle, “An investigation of young fashion consumers’ disposal habits,” *International Journal of Consumer Studies* 33 (2009):190.

design of garments and their eventual arrival in retail outlets.”¹⁴⁴ “Fast fashion companies turn around new styles from design to shop floor within two weeks. This successful recipe has allowed retailers to generate large profits selling vast quantities of low-price clothing to shoppers seeking something new to wear every week.”¹⁴⁵ The model, however, puts pressure on suppliers to meet deadlines and cost mandates, resulting in work intensification in factories and safety short cuts such as those taken in Rana Plaza.¹⁴⁶

Furthermore, in contracting manufacturing to countries such as Bangladesh, Western retailers demanded low prices and stringent delivery schedules. In order to fulfill such demands workers’ wages are suppressed.¹⁴⁷ Taplin explains that, “With access to a large pool of generally compliant, female workers, and with state support for measures that [do] little to safeguard or even ensure worker rights, sub-contractors [are] able to meet sourcing demands by labour intensification.”¹⁴⁸ A 2001 report by the National Labour Committee in Bangladesh indicated that of 1.6 million apparel workers, eighty-five percent are young women between the ages of sixteen and twenty-five. These young women work twelve to fourteen hour days a week often times working mandatory twenty hour shifts.¹⁴⁹ “Sewers were paid 13 to 18 cents an hour (below the country’s minimum wage). Even today [in 2014], monthly entry level wages of \$40 are a quarter of that in China hence the continued attractiveness of the country for Western

¹⁴⁴ Ian Taplin, “Who is to blame? A re-examination of fast fashion after the 2013 factory disaster in Bangladesh,” *Critical Perspectives on International Business* 10 no.1/2 (2014): 73.

¹⁴⁵ Louise R. Morgan and Grete Birtwistle, “An investigation of young fashion consumers’ disposal habits,” *International Journal of Consumer Studies* 33 (2009):190.

¹⁴⁶ Ian Taplin, “Who is to blame? A re-examination of fast fashion after the 2013 factory disaster in Bangladesh,” *Critical Perspectives on International Business* 10 no.1/2 (2014): 73.

¹⁴⁷ Ibid. 76.

¹⁴⁸ Ibid.

¹⁴⁹ Ibid.

retailers.”¹⁵⁰ Compliance issues such as lack of fire exits, adequate toilet facilities, and adequate ventilation are routinely ignored by factory owners.¹⁵¹

As emerging economies embraced labour intensive textile and apparel manufacturing, history seemingly began repeating itself. Many of the exploitative practices within Western manufacturers that were documented during the era of industrialization began occurring in Asian industries.¹⁵² The collapse of Rana Plaza was for example, compared to the frequent accidents in the early mills and textile plants of Lancashire and Yorkshire in Britain.¹⁵³ Women and children had their hair or clothing caught in machinery, so that their whole bodies were sucked into a mess of pulleys and chains, and were often severely injured or killed. Incidents such as these however were dispersed and not nearly as severe in fatalities as the collapse in Bangladesh.¹⁵⁴ According to Jeremy Seabrook, “In Britain, industrial calamities were reserved for more dangerous occupations, especially coal mining, which was to Britain in the late nineteenth and early twentieth century what garments are to contemporary Bangladesh: it was the largest single employer of labour.”¹⁵⁵ Coincidentally, in 1913, exactly a century prior to the collapse in Savar, “the greatest industrial catastrophe ever known in Britain took place at the Senghenydd pit in South Wales.”¹⁵⁶ An underground gas explosion killed four hundred and thirty-nine miners. The rock fall from the explosion prevented rescuers from reaching victims and caused recovery efforts to last well over a month.¹⁵⁷ Parallels between the Rana Plaza collapse and the Senghenydd mining accident demonstrate the danger of what can and does happen when

¹⁵⁰ Ian Taplin, “Who is to blame? A re-examination of fast fashion after the 2013 factory disaster in Bangladesh,” *Critical Perspectives on International Business* 10 no.1/2 (2014): 76.

¹⁵¹ Ibid.

¹⁵² Ibid.

¹⁵³ Jeremy Seabrook, “The price of ‘progress’? From Senghenydd to Savar,” *Race and Class* 55 no.2 (2013): 87.

¹⁵⁴ Ibid.

¹⁵⁵ Ibid.

¹⁵⁶ Ibid.

¹⁵⁷ Ibid.

production and manufacturing is moved to parts of the world where health and safety regulations do not yet exist or are not strictly enforced. It is important to highlight here that consumer wants for 'fast fashion' and the business model of 'fast fashion' itself impact and are tied to countries that are able to sustain consumer demands both through poor and unsafe working conditions; which in turn are perpetuated by consumer and retailer demand.

Yet not only does 'fast fashion' perpetuate poor working conditions in Bangladeshi garment factories, clothing that is produced under the 'fast fashion' model is intended only to be worn less than ten times.¹⁵⁸ 'Disposable fashion', the product of 'fast fashion', is having a negative environmental impact. "During an interview for the *BBC*, fashion journalist Hilary Alexander argued that H&M (one of the largest fast fashion retailers) had launched disposable fashion. Alexander stated that some of H&M's clothing is so cheap that a consumer could only get two or three wears out of it before disposing it."¹⁵⁹ 'Fast fashion' therefore not only means poor supply chain factory conditions for workers but also an increase in waste being sent to landfills.

One of the ways in which operations have been justified within Bangladesh is the opportunities the industry and Western business has created for Bangladeshi women. As discussed, "Bangladesh has both an age and gender skew in its poverty. Poverty levels in Bangladesh are high, but this is even more so for women who generally receive less household resources for their food, education, health, and clothing than men."¹⁶⁰ Women's status is also heavily influenced by the 'extreme patriarchal' nature of Bangladeshi society. Outside of the garment industry, opportunities for women are restricted.¹⁶¹ In 2005/2006 women accounted for

¹⁵⁸ Louise R Morgan and Grete Birtwistle, "An investigation of young fashion consumers' disposal habits," *International Journal of Consumer Studies* 33 (2009):191.

¹⁵⁹ Ibid.

¹⁶⁰ Ataur Rahman Belal and Stuart Cooper, "The absence of corporate social responsibility in Bangladesh," *Critical Perspectives on Accounting* 22(2011): 657.

¹⁶¹ Ibid.

only twenty-four percent of the total labour force in the country. With the export oriented garment industry increasing in size, the amount of women in the workforce has begun to increase. Working in the garment industry has provided female workers with agency. It has offered status, autonomy, and enhanced self-respect where women often remain second class citizens, regardless of the Bangladeshi Constitution which states equality for both men and women.¹⁶² According to Taplin, “factory work [is] for many [female] workers multi-dimensional in its benefits despite the often arduous work conditions, low pay, and long hours. This is especially the case in rural Bangladesh where alternative employment opportunities are minimal and the poor work conditions are seen as a trade-off for otherwise second class citizen constraints.”¹⁶³ Yet the motivation for employing women has been argued to be the “exploitation of labour: the extraction of the maximum possible labour at the minimum possible costs.”¹⁶⁴ Regardless of the opportunity provided to women, discrimination against women in the workplace is rampant, especially within garment companies.¹⁶⁵

In order to satiate consumer demand and business profits manufacturing is moved not only to countries where regulations are not enforced and worker safety is not a priority, but also to where working in the factories provides opportunity as well as abuse for marginalized people. Ultimately consumer demand and the realities of ‘fast fashion’ are all interconnected and create the circumstances for a disaster like the collapse of Rana Plaza. Socially and economically, consumerism not only harms the personal and family lives of consumers but it also harms the people involved in the manufacturing of these goods. Labourers experience a poor quality of life

¹⁶² Ian Taplin, “Who is to blame? A re-examination of fast fashion after the 2013 factory disaster in Bangladesh,” *Critical Perspectives on International Business* 10 no.1/2 (2014): 76-77.

¹⁶³ Ibid.

¹⁶⁴ Ataur Rahman Belal and Stuart Cooper, “The absence of corporate social responsibility in Bangladesh,” *Critical Perspectives on Accounting* 22(2011): 657.

¹⁶⁵ Ibid.

working in conditions that are neither physically nor psychologically safe. Globalization has meant that corporations can enter a country and not only dictate how people earn a living but under what conditions they do so. Currently corporations dictate conditions through how much they are willing to spend on paying for production. Cost dictates standards and vice versa. The lower the standards for workers, the lower the cost of production. Unfortunately the consequences of these circumstances have become more frequent in news headlines.

In an interview with journalist Jason Motlagh BGMEA's (Bangladesh Garment Manufacturers and Exporters Association) co-vice president argued, "No one wants to pay more... If you really care about the workers, you must have proper pricing ... if buyers paid a little bit more, they could make sure more money was going to wages and safety improvements, they could check the books and talk to workers.... It [is] consumers who [need] to assume greater responsibility. When Rana Plaza collapsed, we saw lots of propaganda on the streets of London and New York. But when you're selling three pound jeans, everybody loves it. So you have to come out of that mentality as a consumer. You have to stop and think: where are these clothes coming from and at what cost?"¹⁶⁶ As author Johannes Brinkmann argues however, "Rather than criticizing consumers (as businesses sometimes do) or laying blame on business (as politicians and consumer activists tend to do) it seems more productive to consider social and environmental risks a shared responsibility."¹⁶⁷

¹⁶⁶ Jason Motlagh and Atish Saha, "The Ghosts of Rana Plaza: In Bangladesh, one year after the worst accident in the history of the garment industry, recovery remains a fragile process, justice seems elusive, and reform has a long way to go," *Virginia Quarterly Review* 90, no. 2 (2014): 82.

¹⁶⁷ Johannes Brinkmann, "Looking at Consumer Behavior in a Moral Perspective," *Journal of Business Ethics* 51, no.2 (2004): 129.

Corporate Social Responsibility

Corporate Social Responsibility and Bangladesh

According to an article in the *Economist*, with Bangladeshi governments of all levels “making rudimentary attempts to enforce the national building code, especially against politically well-connected landlords ... the spotlight is on the multinational companies whose orders from local factory owners have led to the rapid recent growth of the garment industry in Bangladesh.”¹⁶⁸ With a menial workforce that has been “susceptible to exploitation and with the garment industry’s sweatshops acting as defacto laboratories for a variety of abuses and endangerment for nearly a century”¹⁶⁹ corporations whose operations are sourced in Bangladesh need to take extra care in the way they do business within the country.

Corporate social responsibility governs the way in which corporations conduct operations in communities and focusses on the relationship between business and society.¹⁷⁰ Under the concept of corporate social responsibility, companies are responsible for “the social and environmental impact of their activities and for the well-being of their workers, including workers in the supply chain and other companies.”¹⁷¹ “Rising public concern about the social and environmental impacts of economic growth and increased legislation in areas of social welfare and environmental protection led many corporations to adopt [corporate social responsibility

¹⁶⁸ The Economist, “Disaster at Rana Plaza,” *The Economist*, May 4, 2013, <http://www.economist.com/news/leaders/21577067-gruesome-accident-should-make-all-bosses-think-harder-about-what-behaving-responsibly>.

¹⁶⁹ Jason Motlagh and Atish Saha, “The Ghosts of Rana Plaza: In Bangladesh, one year after the worst accident in the history of the garment industry, recovery remains a fragile process, justice seems elusive, and reform has a long way to go,” *Virginia Quarterly Review* 90, no. 2 (2014): 76-77 .

¹⁷⁰ Subhabrata Bobby Banerjee, “Corporate Social Responsibility: The Good, the Bad and the Ugly,” *Critical Sociology* 34 no. 1 (2008):52.

¹⁷¹ Beryl Ter Haar, and Maarten Keune, “One Step forward or More Window-Dressing? A Legal Analysis of Recent CSR Initiatives in the Garment Industry in Bangladesh,” *The International Journal of Comparative Labour Law and Industrial Relations* 30 no.1 (2014):7.

practices] to assess the social and environmental impacts of their business activity.”¹⁷² “The World Business Council defines corporate social responsibility (CSR) as ‘the commitment of business to contribute to sustainable economic development working with employees, their families, the local community, and society at large to improve their quality of life.’”¹⁷³

“The general corporate environment of Bangladesh is characterized by a concentrated ownership structure, a poor regulatory framework, dependence on bank financing and a lack of effective monitoring and its abundant labour force.”¹⁷⁴ The ready-made garment industry is also “internationally prominent. In April 2011, its RMG sector exports totaled US\$14 170 million.”¹⁷⁵ The availability of cheap labour has led to the success of this industry.¹⁷⁶ Yet at the same time the availability of cheap labour has created circumstances that create a labour force vulnerable to victimization. Author Mia Mahmudur Rahim argues that, “corporate liabilities in the recent turmoil in the [ready-made garment] industry explains that the governance of this industry does not consider the development of their workers’ livelihood as their social responsibility. Rather, they consider the workers as their assets and [therefore] their strategies related to their workers are solely based on cost-benefit analysis for quick return.”¹⁷⁷

In a study conducted by Ataur Rahman Belal and Stuart Cooper, it is argued that there is a low level of corporate social responsibility reporting in Bangladesh.¹⁷⁸ Interviews with participants suggest that the main reasons for non-disclosure include lack of resources, a profit imperative, lack of legal requirements, lack of knowledge/awareness, poor performance, and the

¹⁷² Subhabrata Bobby Banerjee, “Corporate Social Responsibility: The Good, the Bad and the Ugly,” *Critical Sociology* 34 no. 1 (2008):52.

¹⁷³ *Ibid.*, 60.

¹⁷⁴ Mia Mahmudur Rahim, “Legal Regulation of Corporate Social Responsibility,” *Common Law World Review* 41 (2012): 100.

¹⁷⁵ *Ibid.*

¹⁷⁶ *Ibid.*

¹⁷⁷ *Ibid.*, 102.

¹⁷⁸ Ataur Rahman Belal and Stuart Cooper, “The absence of corporate social responsibility in Bangladesh,” *Critical Perspectives on Accounting* 22(2011): 655.

fear of bad publicity.”¹⁷⁹ Rahman Belal and Cooper argue that “current CSR reporting practice has failed to enhance corporate transparency and accountability.”¹⁸⁰ Furthermore, “empirical research has ... shown that CSR and its reporting has traditionally focused on issues of interest to powerful economic stakeholders while neglecting ‘eco-justice’ issues that are of relevance to less powerful social stakeholders.”¹⁸¹

Eco-justice is “concerned with intragenerational and intergenerational equity.”¹⁸² This is the way in which resources are distributed within the current generation and between the current generation and future generations so that their needs are met. It is concerned with the distribution of wealth and decisions that affect this.¹⁸³ Eco-justice includes issues of “equality, child labour, and poverty alleviation.”¹⁸⁴ Rahman Belal and Cooper argue that, “the corporate reporting of such eco-justice issues could expose inequalities and hence enhance democracy, transparency, and accountability of organisational decision making which affects wealth distribution.”¹⁸⁵ As a result, corporate social responsibility practices have the potential to address wider issues within a country.

Yet problems exist in the way CSR reporting is carried out in Bangladesh. For example, interviewees in the study conducted by Rahman Belal and Cooper argued that, “their companies, based and operating within a developing country, [could not] afford the resources for CSR reporting.”¹⁸⁶ Interviewees suggested “that CSR reporting would require companies in

¹⁷⁹ Ataur Rahman Belal and Stuart Cooper, “The absence of corporate social responsibility in Bangladesh,” *Critical Perspectives on Accounting* 22(2011): 654.

¹⁸⁰ *Ibid.*, 655.

¹⁸¹ *Ibid.*

¹⁸² *Ibid.*

¹⁸³ *Ibid.*

¹⁸⁴ *Ibid.*

¹⁸⁵ *Ibid.*

¹⁸⁶ *Ibid.*, 663.

developing countries to commit additional scarce resources in terms of both time and money.”¹⁸⁷

Rahman Belal and Cooper argue that these sentiments indicate that eco-justice issues are not prioritized by corporate elites and politicians in contrast to concerns for profit.¹⁸⁸

Weak regulation is also partly to blame in the way CSR reporting is conducted. “In Bangladesh neither formal nor informal regulation presently requires companies to disclose. Formal regulation could legally require companies operating within Bangladesh to publish CSR reports generally and more specifically to disclose on relevant eco-justice issues such as child labour, poverty alleviation, and equal opportunities.”¹⁸⁹ Interestingly, “a number of interviewees indicated a concern that CSR and its reporting would be considered to be a departure from shareholders’ wealth maximization objective. In line with the extreme ‘business case’ for CSR it was argued that a company’s main objective should be to make profits with little scope for diverting resources to non-essential activities. ‘If I disclose on welfare activities even the small shareholders might ask me why you are spending our money on welfare activities. That’s why we don’t disclose these things through the annual report.’”¹⁹⁰ Furthermore, “some interviewees argued that there are inherent problems in disclosing certain things, such as donations and contributions to other charitable work, because it leaves one open to more and more people lining up demanding donations from the company for their charity/community projects.”¹⁹¹ Alongside the lack of regulations is the lack of legal requirements to disclose. “Like many other countries of the world CSR reporting is not a mandatory requirement in Bangladesh.”¹⁹² “A number of interviewees expressed the view that the main reason for not disclosing these

¹⁸⁷ Ataur Rahman Belal and Stuart Cooper, “The absence of corporate social responsibility in Bangladesh,” *Critical Perspectives on Accounting* 22(2011): 661.

¹⁸⁸ Ibid., 663.

¹⁸⁹ Ibid.

¹⁹⁰ Ibid., 661.

¹⁹¹ Ibid.

¹⁹² Ibid., 662.

significant issues is the absence of legal requirements. The prevailing managerial attitude is: ‘we will only comply if we are legally bound to do so.’¹⁹³

Corporate Social Responsibility Initiatives and Rana Plaza

Following the collapse of Rana Plaza two private corporate social responsibility (CSR) initiatives emerged in response to calls on Western and European corporations for action; they include the Accord on Fire and Building Safety in Bangladesh and the Bangladesh Worker Safety Initiative of the Alliance for Bangladesh Worker Safety.¹⁹⁴

The Accord on Fire and Building Safety in Bangladesh was adopted on May 13th, 2013, following the collapse the previous month. Authors Beryl Ter haar and Maarten Keune explain that the agreement only took three weeks to materialize because, “the Accord is a ‘renaming’ of an agreement signed on September 20th, 2012 by two [multinational corporations] (the German chain Tchibo and Pvh/Tommy Hilffiger) with the GUF IndustriAll Global Union and four NGOs - Clean Clothes Campaign (CCC), International Labour Rights Forum (ILRF), Worker Rights Consortium (WRC), and Maquila Solidarity Network (MSN), together with several Bangladeshi trade unions and labour rights groups.”¹⁹⁵

The Accord is “a five year, legally binding commitment that subjects factories to independent inspections and public reports while requiring retailers to fund annual safety upgrades up to \$500 000.”¹⁹⁶ To date, participants include “Swedish mega-retailer H&M (the largest buyer of ready-made garments from Bangladesh), France’s Carrefour, and Britain’s Marks and Spencer clothing

¹⁹³ Ataur Rahman Belal and Stuart Cooper, “The absence of corporate social responsibility in Bangladesh,” *Critical Perspectives on Accounting* 22(2011): 662.

¹⁹⁴ Beryl Ter Haar and Maarten Keune, “One Step forward or More Window-Dressing? A Legal Analysis of Recent CSR Initiatives in the Garment Industry in Bangladesh,” *The International Journal of Comparative Labour Law and Industrial Relations* 30 no.1 (2014):15.

¹⁹⁵ *Ibid.*, 16.

¹⁹⁶ Jason Motlagh and Atish Saha, “The Ghosts of Rana Plaza: In Bangladesh, one year after the worst accident in the history of the garment industry, recovery remains a fragile process, justice seems elusive, and reform has a long way to go,” *Virginia Quarterly Review* 90, no. 2 (2014): 77.

giant that owns the Zara chain. Prior to the collapse only two companies, American PVH Corp (Tommy Hilfiger and Calvin Klein), and Germany's Tchibo had signed on."¹⁹⁷ Alongside these retailers, trade unions and non-governmental organizations (NGOs) have also signed the Accord. "On the trade union side, the signatories include two Global Union Federations (GUFs), IndustriALL Global Union, and UNI Global Union, as well as a number of Bangladeshi garment unions. In addition, the NGOs Clean Clothes Campaign, Workers' Rights Consortium, International Labour Rights Forum, and Maquila Solidarity Network are witnesses to the Accord, while the International Labour Organization (ILO) acts as an independent chair."¹⁹⁸ The Ethical Trading Initiative backs the agreement.¹⁹⁹

Under the terms of the Accord, "the signatories agree to establish a fire and building safety programme in Bangladesh within a period of five years."²⁰⁰ The Accord specifically deals with safety in the Bangladeshi ready-made garment firms that are a part of the supply chains of the signatory corporations.²⁰¹ The Accord aims to "improve fire and building safety by means of safety inspections. The risks highlighted in the inspections require remedies, for which funding will be made available by the signatory companies and others. Factory managers, workers, and security staff will be trained to enable them to voice concerns and to actively participate in activities to ensure their own safety."²⁰²

¹⁹⁷ Jason Motlagh and Atish Saha, "The Ghosts of Rana Plaza: In Bangladesh, one year after the worst accident in the history of the garment industry, recovery remains a fragile process, justice seems elusive, and reform has a long way to go," *Virginia Quarterly Review* 90, no. 2 (2014): 77.

¹⁹⁸ Beryl Ter Haar and Maarten Keune, "One Step forward or More Window-Dressing? A Legal Analysis of Recent CSR Initiatives in the Garment Industry in Bangladesh," *The International Journal of Comparative Labour Law and Industrial Relations* 30 no.1 (2014):6.

¹⁹⁹ Gemma Goldfingle, "H&M signs Bangladesh fire and building safety code in wake of Rana Plaza collapse," May, 13, 2013, *Retail Week*, <http://search.proquest.com/docview/1350257673?accountid=6180>.

²⁰⁰ Beryl Ter Haar and Maarten Keune, "One Step forward or More Window-Dressing? A Legal Analysis of Recent CSR Initiatives in the Garment Industry in Bangladesh," *The International Journal of Comparative Labour Law and Industrial Relations* 30 no.1 (2014):6.

²⁰¹ *Ibid.*, 17.

²⁰² *Ibid.*

American companies Walmart, Gap, J.C. Penney, Sears, and Target refused to commit to the Accord and on July 10th, 2013 announced an alternative five year plan, the Alliance for Bangladesh Worker Safety.²⁰³ “[The Alliance] parallels the Accord on Fire Safety but allows the retailer to opt-out of the agreement if disaster strikes. Critics labeled the effort a foot dragging attempt to avoid costly, long term investments, expressing doubt over whether the companies could legitimately police themselves.”²⁰⁴ Scholars Beryl Ter Haar and Maarten Keune argue that the Bangladesh Worker Safety Initiative of the Alliance for Bangladesh Worker Safety “recognizes that the individual CSR efforts of [multinational corporations] have not resulted in safe working conditions. Therefore a collective effort is required, to which end the Alliance is founded and the Initiative [was] launched.”²⁰⁵ The twenty corporations that joined the Alliance are of North-American origin. The Alliance is supported by several (mainly North-American) employers’ associations and by BRAC (an international NGO founded in Bangladesh). The Alliance seeks cooperation with other interested parties and key stakeholders, including the Bangladeshi government, the [ready-made garment] Industry and its workers, and other international organizations.²⁰⁶ “The intention is to improve, over the next five years, fire and building safety through the development of standards, inspections, training, and worker empowerment.”²⁰⁷ Inspection and safety training for factory management and workers are to be monitored by a third party and a ‘hotline’ created to enable workers to report safety concerns.²⁰⁸

²⁰³ Jason Motlagh and Atish Saha, “The Ghosts of Rana Plaza: In Bangladesh, one year after the worst accident in the history of the garment industry, recovery remains a fragile process, justice seems elusive, and reform has a long way to go,” *Virginia Quarterly Review* 90, no. 2 (2014): 78.

²⁰⁴ Ibid.

²⁰⁵ Beryl Ter Haar and Maarten Keune, “One Step forward or More Window-Dressing? A Legal Analysis of Recent CSR Initiatives in the Garment Industry in Bangladesh,” *The International Journal of Comparative Labour Law and Industrial Relations* 30 no.1 (2014):20.

²⁰⁶ Ibid.

²⁰⁷ Ibid., 6-7.

²⁰⁸ Ibid., 21.

“The programme is supported by a funding allocation providing access to substantial low-cost capital for factory improvements.”²⁰⁹

With these initiatives, the corporations involved claim to “improve their corporate social responsibility. From a legal or regulatory perspective, they may be seen as cases of transnational private regulation (TPR), i.e., regulation by private actors replacing (inter-)governmental regulations or covering new areas that have not previously been regulated by either national or international public bodies.”²¹⁰

CSR and TPR have become increasingly common in “the governance of transnational labour issues. In spite of their increasing use, however, they have received mixed reviews. Judgments range from ‘promising developments that truly aim to make a difference’, to ‘largely window-dressing to improve the reputation of companies and ease the mind of the consumers’. These mixed reviews reflect concerns raised by TPR initiatives with regard to their legal status, legitimacy, implementation, and compliance.”²¹¹ CSR initiatives are also subject to a range of criticisms.²¹² “From an orthodox economic perspective, they are seen as unnecessary and draining resources from ‘proper’ business activities. Others are sceptical about the real motives and impact of CSR policies and consider them to be ‘ethical marketing devices’.”²¹³ CSR instruments are also regarded with scepticism because of “their voluntary nature and lack a transnational legal framework that could give such instruments a more formal nature and increase their enforceability.”²¹⁴

²⁰⁹ Beryl Ter Haar and Maarten Keune, “One Step forward or More Window-Dressing? A Legal Analysis of Recent CSR Initiatives in the Garment Industry in Bangladesh,” *The International Journal of Comparative Labour Law and Industrial Relations* 30 no.1 (2014): 21.

²¹⁰ *Ibid.*, 7.

²¹¹ *Ibid.*, 7.

²¹² *Ibid.*, 8-9.

²¹³ *Ibid.*, 8-9.

²¹⁴ *Ibid.*

Authors Beryl Ter Haar and Maarten Keune argue that, “What stands out with regard to both initiatives is that they were both adopted in a rather short period of time following the collapse of Rana Plaza: the Accord within three weeks and the Initiative within fourteen weeks. This would not have been possible if the route of public regulation had been taken, that is, if there had been a public regulator at the transnational level.”²¹⁵ Second, what distinguishes these initiatives from most other CSR initiatives is that “they involve a substantial number of market-leading [multinational corporations] and cover a substantial share of the supplier factories active in the Bangladeshi garment industry (between 35% and 50%).”²¹⁶

Criticisms of the initiatives exist however. For example, “workers’ rights activists have charged that the Alliance is less transparent than the Accord, and that its members can more easily walk away from any commitments they make to improve factory safety.”²¹⁷ One important difference between the initiatives however is that “with the Accord, one hundred and ten retailers accepted legal liability for the conditions in Bangladesh garment factories. If a factory burned down or collapsed, the victims’ families could use binding legal agreements to file lawsuits in Canada or the U.S. against the retailers.”²¹⁸

Human rights groups also highlight the wide divide about inspection methods. “The Alliance’s inspection model seems to be identical to the discredited model used by individual companies over the past decade that has failed to detect and eliminate hazardous conditions that have resulted in numerous preventable factory tragedies and the deaths of hundreds of

²¹⁵ Beryl Ter Haar and Maarten Keune, “One Step forward or More Window-Dressing? A Legal Analysis of Recent CSR Initiatives in the Garment Industry in Bangladesh,” *The International Journal of Comparative Labour Law and Industrial Relations* 30 no.1 (2014):23.

²¹⁶ Ibid.

²¹⁷ Rick Westhead, “Canadian retailers called upon to join new safety plan,” December 19, 2013, *The Toronto Star*, <http://search.proquest.com/docview/1469301265?accountid=6180>.

²¹⁸ Ibid.

workers.”²¹⁹ Both initiatives have been criticized as being “just a drop in the ocean.”²²⁰ A report by the Center for Business and Human Rights at the New York University Stern School of Business said “[the initiatives] fail to address the greatest risks of this system. Those risks are tied to ‘indirect sourcing’ or middlemen subcontracting garment work often to non-compliant plants with minimum standards for safety and workers’ rights.”²²¹

Compensation to victims

Compensation to victims and the families of those killed following the collapse was directly tied to recovery efforts and made more difficult by non-existent employee records, the nature and extent of injuries, and the treatment of the dead in the days and weeks that followed. The stories that emerged out of the wreckage demonstrated official indifference to garment factory workers. A complete list of employees did not exist, while the exact number of people who worked within the factory was unknown.²²² Days after the collapse, according to Jeremy Seabrook, it was reported that thirty-two unclaimed bodies had been buried. The unclaimed dead may have been so for many reasons, maybe family members lived in a remote part of the country and did not know where their loved one worked.²²³ Seabrook explains that, “people change factories all the time because of unpaid wages, mistreatment, beatings or fines for ‘misconduct’ (which generally means making a mistake in stitching), harassment or sexual advances by predatory male overseers.”²²⁴ There is a constant turnover in these unregulated workplaces; labour is dispensable and infinitely replaceable. Only when an event like the collapse of Rana Plaza illuminates the

²¹⁹ Rick Westhead, “Canadian retailers called upon to join new safety plan,” December 19, 2013, *The Toronto Star*, <http://search.proquest.com/docview/1469301265?accountid=6180>.

²²⁰ Andreas Wieland and Robert Handfield. “The Socially Responsible Supply Chain,” *Supply Change Management Review* (2013): 28.

²²¹ Marina Strauss, “Bangladesh: One year after Rana Plaza collapse, serious risks remain,” April 23, 2014, *The Globe and Mail*, <http://www.theglobeandmail.com/report-on-business/international-business/bangladesh-one-year-later-safety-conditions-improve-slowly/article18133781/>.

²²² Jeremy Seabrook, “The price of ‘progress’? From Senghenydd to Savar,” *Race and Class* 55 no.2 (2013): 89.

²²³ Ibid.

²²⁴ Ibid.

indifference of the system does it dawn on employers that workers are more than the sum of their weekly labour that they have families who struggle to survive and who depend upon the small sums they send home.²²⁵

Recovery efforts went on for twenty days in sweltering heat following the collapse.²²⁶ As a result, by the time they were retrieved, “many bodies were so mutilated or decomposed that they could only be identified by their mobile phones; cheap instruments of communication that outlasted the fragile bodies... [Families] were advised not to look at the bodies of their dead, since [they] were mutilated or decayed beyond recognition.”²²⁷ The process of finding the body of a loved one amongst the mass of victims was grueling at first. Cases occurred where relatives of deceased claimed the same body: “decomposed, perhaps unidentifiable, but relatives wanted to be able to say they had fulfilled their duty; and for this they needed possession of remains; to whom these belonged became secondary to the faithful performance of the necessary ritual.”²²⁸ Other issues arose during and following recovery efforts as, “unclaimed bodies were... left to fester in the heat. City officials later admitted that a lack of oversight and a gross underestimation of the scale of the disaster allowed people to make off with the wrong bodies in the days that followed.”²²⁹ Just as families claimed the same body, others unintentionally took home the wrong one as the need to bury bodies in accordance with Islamic custom played a role.²³⁰ Initially, two hundred and ninety-one bodies could not be identified. Some families who

²²⁵ Jeremy Seabrook, “The price of ‘progress’? From Senghenydd to Savar,” *Race and Class* 55 no.2 (2013): 89.

²²⁶ Saeed Ahmed and Leone Lakhani, “Bangladesh building collapse: An end to recovery efforts, a promise of a new start,” *CNN World*, June 14, 2013, <http://www.cnn.com/2013/05/14/world/asia/bangladesh-building-collapse-aftermath/index.html>.

²²⁷ Jeremy Seabrook, “The price of ‘progress’? From Senghenydd to Savar,” *Race and Class* 55 no.2 (2013): 89.

²²⁸ *Ibid.*

²²⁹ Jason Motlagh and Atish Saha, “The Ghosts of Rana Plaza: In Bangladesh, one year after the worst accident in the history of the garment industry, recovery remains a fragile process, justice seems elusive, and reform has a long way to go,” *Virginia Quarterly Review* 90, no. 2 (2014):71.

²³⁰ *Ibid.*

had mistakenly buried the wrong body later discovered that their missing relatives were alive.²³¹ As mentioned, “The lure of cash may have played a part, since authorities were doling out 20 000 taka payments to help cover burial costs. In at least ten instances, bodies wrongfully taken had to be exhumed from distant villages and returned to family members.”²³² Some opportunists took advantage of the chaos as well. Officials were sometimes reluctant to challenge someone who claimed a body and would hand it over along with the initial payments of 20 000 taka (about \$250), to people who pocketed the cash and dumped the corpses nearby.²³³

According to journalist Jason Motlagh, a man by the name of Faisal Muhid took it upon himself to begin the task of collecting the personal possessions of victims to help families identify their loved ones.²³⁴ Motlagh explains that, “When [Muhid] first arrived at the high-school grounds twelve days earlier, his anger over the Rana Plaza rescue was replaced by astonishment at the treatment of the dead. Though police were manning a table near the gate, there was no effort to maintain order among hundreds of people searching for victims’ bodies.”²³⁵ An elderly woman’s plea for a body to bury resonated with Muhid and he began cleaning the faces of bodies.²³⁶ “He developed a ritual to mitigate the decay: collecting anything that might help families with identification - keys, cell phones, papers, teeth, nose pins, and tabij (a kind of prayer amulet) - then sealing it all in ziplocked bags. Touching women’s bodies was

²³¹ Jim Yardley, “Grim Task of Identifying Factories’ Dead Overwhelms Bangladeshi Lab,” May 30, 2013, *The New York Times*, <http://www.nytimes.com/2013/05/31/world/asia/bangladeshi-lab-struggles-to-identify-rana-plazas-dead.html?pagewanted=all>.

²³² Jason Motlagh and Atish Saha, “The Ghosts of Rana Plaza: In Bangladesh, one year after the worst accident in the history of the garment industry, recovery remains a fragile process, justice seems elusive, and reform has a long way to go,” *Virginia Quarterly Review* 90, no. 2 (2014): 71.

²³³ Jim Yardley, “Grim Task of Identifying Factories’ Dead Overwhelms Bangladeshi Lab,” May 30, 2013, *The New York Times*, <http://www.nytimes.com/2013/05/31/world/asia/bangladeshi-lab-struggles-to-identify-rana-plazas-dead.html?pagewanted=all>.

²³⁴ Jason Motlagh and Atish Saha, “The Ghosts of Rana Plaza: In Bangladesh, one year after the worst accident in the history of the garment industry, recovery remains a fragile process, justice seems elusive, and reform has a long way to go,” *Virginia Quarterly Review* 90, no. 2 (2014): 74.

²³⁵ Ibid.

²³⁶ Ibid.

taboo, even more so when they were deceased. Yet Muhid knew his examinations were critical to bringing grieving families some closure... When a police officer walked over and denounced him, he asked bluntly: Who would take his place? The officer walked away.... Authorities verbally harassed him but never lingered, nor did they provide any supplies or monitor the crowds. Personal items were stolen, and the zippers of the body bags frayed from overuse, leaving some of the corpses exposed.”²³⁷

In response to the collapse the Bangladeshi government “quickly announced a rise in wages [an unspecified amount], and said it would henceforth be possible for unions to form ‘without the prior permission of the owners.’”²³⁸ The government did not however address “any comprehensive union to which all workers might belong. Nor did the government say anything about whether it was time to do away with company-sponsored unions, bogus welfare organisations, ineffectual and self-seeking officials; or to dismiss spies and informers. There was no mention of foreign NGOs, ‘labour rights organisations’, or consumer groups, which, if they have a role at all, need to support the functioning of free trade unions in Bangladesh.”²³⁹ Author Jeremy Seabrook argues that, “It cannot be left to Western activists, even less to the importers themselves, to determine what is good for those they and their suppliers and subcontractors employ.”²⁴⁰

A month after the collapse there were at least three hundred and one unidentified victims, the only way to identify them was through bone and tooth samples. Journalist Jim Yardley reported that “with the wreckage cleared, the slow, painstaking process of identifying bodies [became] a

²³⁷ Jason Motlagh and Atish Saha, “The Ghosts of Rana Plaza: In Bangladesh, one year after the worst accident in the history of the garment industry, recovery remains a fragile process, justice seems elusive, and reform has a long way to go,” *Virginia Quarterly Review* 90, no. 2 (2014): 74.

²³⁸ Jeremy Seabrook, “The price of ‘progress’? From Senghenydd to Savar,” *Race and Class* 55 no.2 (2013): 90-91.

²³⁹ *Ibid.*, 91.

²⁴⁰ *Ibid.*

wrenching exercise, bringing accusations of cover-ups ... as many families attempted to qualify for government compensation. Activists accused the government and industry leaders of intentionally stalling promised compensation payments to survivors and families of the dead.”²⁴¹ Increasing the wait time for identification was the fact that the National Forensic DNA Profiling Laboratory just could not process the number of samples given to them in a short period of time.²⁴²

While bodies were being identified, Prime Minister Sheikh Hasina announced a compensation package for families of approximately \$12 000. As of May 2013, only one hundred and fifty families had received the first installment of about \$1 100.²⁴³ Yardley reported that one of the reasons behind the slow distribution of compensation packages was that government officials were struggling to determine who the rightful claimants were.²⁴⁴ “Most garment workers migrated to the Dhaka region from rural villages. They often supported a spouse and children, and they also sent back money to help their parents... With the deaths of so many breadwinners, some families are desperate and fighting over the compensation. Mr. Harun said one woman, three months pregnant, lost her husband in the Rana Plaza collapse. She was given his body and his official documents, only to see his parents snatch the documents and make a claim for compensation.”²⁴⁵

According to journalist Jason Motlagh, “After dozens of amputee victims were paid large, well-publicized settlements, some relatives of the confirmed dead received payments of about half as much, with promises of more. Hundreds of others without positive identification of

²⁴¹ Jim Yardley, “Grim Task of Identifying Factories’ Dead Overwhelms Bangladeshi Lab,” May 30, 2013, *The New York Times*, <http://www.nytimes.com/2013/05/31/world/asia/bangladeshi-lab-struggles-to-identify-rana-plazas-dead.html?pagewanted=all>.

²⁴² Ibid.

²⁴³ Ibid.

²⁴⁴ Ibid.

²⁴⁵ Ibid.

recovered remains received nothing. According to the Bangladesh Institute of Labour Studies, none of the four thousand families affected by the tragedy received the full payments promised by the government or the BGMEA.”²⁴⁶

Compensation from the retailers involved was also slow to come. In September 2013, five months following the collapse just one manufacturer, Primark, came forward to compensate victims.²⁴⁷ In October, Loblaw committed to long-term, direct financial compensation beginning in 2014. Loblaw said it would pay three months’ wages to all employees of New Wave Style or their dependents. The company was following in the path of Primark, its sister chain in Britain—both controlled by the Weston family.²⁴⁸ Journalist Daniel Schwartz argues that, “Low wages are the reason the global garment industry gets clothes from Bangladesh, about \$22 billion worth last year. But it also means a compensation program based on those low wages [will not] cost that much.”²⁴⁹

In September 2013, “garment workers staged widespread protests demanding an increase in the minimum wage from \$40 per month to \$109. The protests forced at least four hundred garment factories to close temporarily, according to the International Labour Rights Forum. The workers’ demand [was] based on the average cost of living, which is at least \$109 per month,

²⁴⁶ Jason Motlagh and Atish Saha, “The Ghosts of Rana Plaza: In Bangladesh, one year after the worst accident in the history of the garment industry, recovery remains a fragile process, justice seems elusive, and reform has a long way to go,” *Virginia Quarterly Review* 90, no. 2 (2014): 78.

²⁴⁷Tanya Talaga, “Bangladesh Rana Plaza disaster victims still waiting for compensation,” *The Toronto Star*, September 12, 2013, http://www.thestar.com/news/world/2013/09/12/bangladesh_rana_plaza_disaster_victims_still_waiting_for_compensation.html.

²⁴⁸Marina Strauss and Bertrand Marotte, “Loblaw outlines Bangladesh compensation plan,” *The Globe and Mail*, October 24, 2013, <http://www.theglobeandmail.com/report-on-business/international-business/loblaw-to-compensate-victims-of-bangladesh-factory-collapse/article15041964>.

²⁴⁹ Daniel Schwartz, “Analysis: Rana Plaza compensation would cost retailers little,” *CBC News*, October 25, 2013, <http://www.cbc.ca/news/world/rana-plaza-compensation-would-cost-retailers-little-1.2224749>.

according to the Bangladesh Institute of Labour Studies. Factory owners offered a twenty percent increase, with the government expected to announce in October.”²⁵⁰

In November of 2013, “a government-appointed panel in Bangladesh voted to raise the minimum wage for millions of garment workers to about \$66 a month- still the lowest in the world and well below what workers had been seeking. According to local research groups and rights activist Kalpona Akter, Bangladesh still has the lowest minimum wage in the world, even if the raise goes into effect. The Ministry of Labour still must approve the raise. Factory owners say it is difficult for them to significantly raise the minimum wage because global brands are unwilling to pay higher prices amid stiff competition and a protracted economic crisis in the West.”²⁵¹

“In time for the first anniversary of the collapse (April 2014) compensation payments of \$700 [were] finally being handed out to survivors and victims’ families- an amount critics say is woefully low. An international effort to raise \$40 million from the brand name manufacturers that used Rana Plaza suppliers has also fallen short of its goal. To date, only \$15.3 million has been collected for the Rana Plaza Donors’ Trust Fund, even though there were twenty-nine major brands using a factory inside the building. About half of those companies have contributed to the trust fund. Some, like Benetton and J.C. Penney, have yet to give anything.”²⁵² Bob Jeffcott of the Maquila Solidarity Network a Toronto-based labour and women rights organization argues, “It is terrible [victims] have waited this long. Some have had to pull their children out of school because they can no longer afford it. Others who can’t work can no longer

²⁵⁰ Daniel Schwartz, “Analysis: Rana Plaza compensation would cost retailers little,” *CBC News*, October 25, 2013, <http://www.cbc.ca/news/world/rana-plaza-compensation-would-cost-retailers-little-1.2224749>.

²⁵¹ Huffington Post, “Bangladesh Garment Workers Get a Raise (But They Still Make Lowest Minimum Wage in the World),” *Huffington Post Business*, November 4, 2013, http://www.huffingtonpost.com/2013/11/04/bangladesh-minimum-wage_n_4211794.html.

²⁵² Tanya Talaga, “Rana Plaza survivors get first compensation payments,” *The Toronto Star*, April 24, 2014, http://www.thestar.com/news/world/2014/04/24/rana_plaza_survivors_get_first_compensation_payments.html.

pay their rent. It is a double tragedy: first they are injured, then they are waiting for compensation.”²⁵³ Companies that have donated to the fund include “Canada’s Loblaw, Primark, Bonmarché, El Corte Ingles, and Mango. Another \$2.2 million has come via the non-governmental organization BRAC USA, which includes donations from the Gap Foundation, the Children’s Place, VF Foundation, Walmart and the Walmart Foundation. Loblaw, owner of the fashion line Joe Fresh, has committed \$5 million in local relief and compensation. That makes it one of the top global donors. Bob Chant, Loblaw senior vice-president of corporate affairs and communications, in a statement to the *Toronto Star* said that over the past twelve months, Loblaw has worked with industry, government, non-governmental organizations, and the International Labour Organization to improve working conditions and building safety standards.”²⁵⁴

Non-State Actors

According to authors Bernstein and Cashore, in order to address the absence of effective national and intergovernmental regulation to improve international environmental and social problems, ‘private’ alternatives such as self-regulation, corporate social responsibility, and public-private partnerships have been created.²⁵⁵ Non-state market driven (NSMD) systems are one of the responses to this gap in effective regulation and have been created to help solve or mitigate issues such as “fisheries depletion, deleterious environmental impacts from food production, tourism, and mining, rural and community poverty, and inhumane working conditions.”²⁵⁶

²⁵³ Tanya Talaga, “Rana Plaza survivors get first compensation payments,” *The Toronto Star*, April 24, 2014, http://www.thestar.com/news/world/2014/04/24/rana_plaza_survivors_get_first_compensation_payments.html.

²⁵⁴ *Ibid.*

²⁵⁵ Steven Bernstein and Benjamin Cashore, “Can Non-State Global Governance be Legitimate?” Presented at the Amsterdam Conference on the Human Dimensions of Global Environmental Change, 1-41, 2007, Abstract.

²⁵⁶ *Ibid.*, 2.

NSMD systems “encourage compliance by recognizing and tracking, along the market’s supply chain, responsibly produced goods and services.”²⁵⁷ The aim of NSMD systems is to unite companies, social actors, and stakeholders in a “community that accepts ‘shared rule as appropriate and justified.’”²⁵⁸ According to Bernstein and Cashore, non-state market driven systems are designed to embed social and environmental norms in the global marketplace.²⁵⁹ Similarly Affolder states that, “financiers and insurers channel environmental norms to industry just as they channel funds there.”²⁶⁰ Non-state market driven systems therefore have the advantage of channeled pressure from banks, insurance companies, and shareholders; while also using corporate reputation as a pressure point.²⁶¹ Initiatives to protect environmental and human rights can therefore be executed by non-state actors. There are, however, advantages and disadvantages to both compulsory regulations and voluntary initiatives. Regulations coming out conventions for example, may not be ratified by state actors and therefore compliance is not required. If ratified however, regulations require compliance and thus some degree of environmental and human rights protection can be achieved. Voluntary initiatives are not mandatory and therefore what encourages companies to join is market-based incentives; with enough incentive for companies environmental and human rights protection can be furthered. Without a market-based incentive however companies are not obligated to join an initiative.

With reputational and financial pressures, companies may also sign onto schemes that fit existing company standards in order to promote themselves as being part of the cause to, for example, promote environmental and human rights protection. Furthermore, companies may sign

²⁵⁷ Steven Bernstein and Benjamin Cashore, “Can Non-State Global Governance be Legitimate?” Presented at the Amsterdam Conference on the Human Dimensions of Global Environmental Change, 1-41, 2007, Abstract.

²⁵⁸ Ibid.

²⁵⁹ Ibid., 1.

²⁶⁰ Natasha Affolder, “The Private Life of Environmental Treaties,” *American Journal of International Law* 103, no.3 (2009):519.

²⁶¹ Ibid., 520.

on to schemes to remedy their track record and show consumers, banks, and insurers an improvement in their operations. As a result, non-state market driven systems may not be as effective as regulations set by state actors at changing or improving a company's business practices. Therefore state actors are necessary for environmental and human rights protection. Implemented together, however, steps towards protected workers' rights can be made more efficiently.

This section of this major research paper aims to look at two of the many non-state market driven systems that play a role in the ready-made garment industry in Bangladesh. In their own way each of these systems encourages change through business; interestingly of the retailers involved in the collapse H&M is a member of both non-state market driven systems. Just like the initiatives that emerged after the collapse, the initiatives under the Fair Labour Association and Social Accountability International are meant to protect worker rights and encourage safer and healthier working conditions, yet retailers that are member to these non-state market driven systems can not solely rely on the initiatives to safe guard their supply chains and their reputations, as is demonstrated by H&M.

The Fair Labour Association (FLA)

The Fair Labour Association (FLA) is dedicated to protecting workers' rights and to improving working conditions internationally. The association combines the efforts of businesses, colleges, universities, and civil society organizations through adherence to international standards.²⁶² The association originated in 2001 and was initiated by industry, the Clinton administration, and consumer and labour rights organizations. The FLA works

²⁶² FLA, "Mission and Charter," *Fair Labor Association*. (2012), <http://www.fairlabor.org/our-work/mission-charter>.

internationally to address the policy problem of labour conditions and workers' rights in the apparel and shoe market and targets producers, namely sweatshops.²⁶³

The FLA places the responsibility on companies to “voluntarily meet internationally recognized labour standards wherever their products are made.”²⁶⁴ The association does so in three steps. First the association “holds affiliated companies accountable for implementing FLA’s Code of Conduct across their supply chains.”²⁶⁵ The FLA’s Code of Conduct is “based on International Labour Organization (ILO) standards, and seeks to protect the workers who manufacture the clothing, footwear, luggage, jewelry, electronics, and other items enjoyed by consumers around the world.”²⁶⁶ The FLA’s standards concern employment relationships, non-discrimination, harassment or abuse, forced labour, child labour, freedom of association and collective bargaining, health and safety, the environment, hours of work, and compensation.²⁶⁷ Each standard aims at addressing and improving a worker’s experience in the factory. Secondly, the FLA ensures that affiliated companies protect workers’ rights through conducting external assessments and investigations in order to keep consumers informed. The FLA also assists in the resolution of complaints, ensuring transparency.²⁶⁸ Lastly, the FLA supports compliance in providing training and resources to help companies and factories meet standards and improve conditions for workers.²⁶⁹ In supporting compliance the FLA uses what they call their Sustainable Compliance methodology (SCI).²⁷⁰ SCI is designed “to move the field of social

²⁶³ Steven Bernstein and Benjamin Cashore, “Can Non-State Global Governance be Legitimate?” Presented at the Amsterdam Conference on the Human Dimensions of Global Environmental Change, 1-41, 2007, Appendix A.

²⁶⁴ FLA, “About Us,” *Fair Labor Association*, (2012), <http://www.fairlabor.org/about-us>.

²⁶⁵ FLA, “Protecting Workers’ Rights Worldwide,” (2012), *Fair Labor Association*, <http://www.fairlabor.org/our-work>.

²⁶⁶ FLA, “Labor Standards,” *Fair Labor Association*, (2012), <http://www.fairlabor.org/labor-standards>.

²⁶⁷ *Ibid.*

²⁶⁸ FLA, “Protecting Workers’ Rights Worldwide,” (2012), *Fair Labor Association*, <http://www.fairlabor.org/our-work>.

²⁶⁹ *Ibid.*

²⁷⁰ FLA, “Our Methodology,” *Fair Labor Association*, (2012), <http://www.fairlabor.org/our-work/our-methodology>.

compliance beyond policing and temporary remedies.”²⁷¹ According to the FLA, “conventional audits do little to prevent recurring violations or drive sustainable and progressive improvements in working conditions. [The SCI] helps improve workers’ lives by gauging usual and normal working conditions rather than a snapshot on a particular day; and uncovering root causes of problems and providing systemic, sustainable solutions so that problems are fixed in a lasting way.”²⁷² Through placing responsibility on companies to meet labour standards the FLA ensures improvements in the lives of workers who produce goods for companies. Some of the companies that have committed to the FLA’s Code of Conduct include Adidas, Apple, Fruit of the Loom, H&M, Nestle, Nike, Patagonia, and Puma.²⁷³

Social Accountability International (SAI)

Like the Fair Labour Association, Social Accountability International (SAI) seeks to promote and protect workers’ rights. The SAI is a non-governmental, multi-stakeholder organization and was established in 1997.²⁷⁴ It was initiated by the Council on Economic Priorities and a handful of firms. The SAI aims to address the policy problem of workers’ rights and community involvement within the wider market range of factory products including toys and cosmetics, excluding extractive operations.²⁷⁵ SAI’s mission is to advance the human rights of workers around the world. It partners to eliminate sweatshops by “promoting ethical working conditions, labour rights, corporate social responsibility, and social dialogue.”²⁷⁶ SAI works through “building local capacity and developing systems of accountability through socially

²⁷¹ FLA, “Our Methodology,” *Fair Labor Association*, (2012), <http://www.fairlabor.org/our-work/our-methodology>.

²⁷² Ibid.

²⁷³ FLA, “Participating Companies,” (2012), *Fair Labor Association*, <http://www.fairlabor.org/affiliates/participating-companies>.

²⁷⁴ SAI, “Social Accountability International (SAI),” (2012), *Social Accountability International*, <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&pageId=490>.

²⁷⁵ Steven Bernstein and Benjamin Cashore, “Can Non-State Global Governance be Legitimate?” Presented at the Amsterdam Conference on the Human Dimensions of Global Environmental Change, 1-41, 2007, Appendix A.

²⁷⁶ SAI, “About SAI,” *Social Accountability International*, (2012), <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&pageId=1365>.

responsible standards.”²⁷⁷ According to their website, the SAI “convenes stakeholders to develop consensus-based voluntary standards, conducts cost-benefit research, accredits auditors, provides training and technical assistance, and assists corporations in improving social compliance in their supply chains.”²⁷⁸

SAI established what they call the SA8000 standard for decent work. The SA8000 is a tool for implementing international labour standards that is being used in over three-thousand factories, in over sixty countries, and in sixty-five industrial sectors.²⁷⁹ “The SA8000 standard is based on the conventions of the ILO, UN and national law, and spans industry and corporate codes to create a common language to measure social compliance.”²⁸⁰ The SA8000 Standard addresses: child labour, forced and compulsory labour, health and safety, freedom of association and right to collective bargaining, discrimination, disciplinary practices, working hours, remuneration, and management systems.²⁸¹

Since its founding, SAI has provided training to “over 30 000 people, including factory and farm managers, workers, brand compliance officers, auditors, labour inspectors, trade union representatives, and other worker rights advocates.”²⁸² SAI not only engages with companies in promoting their voluntary compliance standards but also focusses on the broader context of compliance.²⁸³ SAI engages with trade unions, NGOs, multi-stakeholder initiatives, organic, fair

²⁷⁷ SAI, “About SAI,” *Social Accountability International*, (2012), <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&pageId=1365>.

²⁷⁸ SAI, “Social Accountability International (SAI),” (2012), *Social Accountability International*, <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&pageId=490>.

²⁷⁹ SAI, “About SAI,” *Social Accountability International*, (2012), <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&pageId=1365>.

²⁸⁰ SAI, “SA8000 Standard,” *Social Accountability International*, (2012), <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&pageId=937>.

²⁸¹ *Ibid.*

²⁸² SAI, “About SAI,” *Social Accountability International*, (2012), <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&pageId=1365>.

²⁸³ *Ibid.*

trade and environmental organizations, development charities, and anti-corruption groups to carry out research, training, and capacity building programs and to achieve socially responsible practices around the world.²⁸⁴

In order to operate, the SAI receives financial support from many individuals, institutions, foundations, government bodies, and businesses.²⁸⁵ Some of the governments and multilateral institutions that support the SAI include: the German Development Cooperation (GIZ), the UK Department for International Development (DFID), UN Women, the US Agency for International Development (USAID), and the World Bank-International Finance Corporation (IFC).²⁸⁶ Some of the more well-known companies involved in public-private partnerships and collaboration and membership with the SAI include The Body Shop, Burberry, Gap Inc., H&M International, and Marks & Spencer.²⁸⁷

Future Steps and Recommendations

The collapse of Rana Plaza drew attention to Bangladesh's highly profitable, low-cost garment industry and added pressure on Western retailers to improve workplace safety in the Bangladeshi factories that supply them.²⁸⁸ Yet while consumers and activists demanded more transparency from retailers within the weeks, months, and year that followed the disaster, change has been slow. In order to learn from the disaster and the circumstances leading to collapse of Rana Plaza the final section of this major research paper provides four recommendations for government and corporate actors as well as consumers.

²⁸⁴SAI, "About SAI," *Social Accountability International*, (2012), <http://www.sai-intl.org/index.cfm?fuseaction=Page.ViewPage&pageId=1365>.

²⁸⁵ SAI, "List of Supporters (2011-2012)," (2012), *Social Accountability International*, <http://www.sai-intl.org/index.cfm?fuseaction=Page.ViewPage&pageId=845>.

²⁸⁶ Ibid.

²⁸⁷ Ibid.

²⁸⁸ Amber Hildebrandt, "Big-name retailers scramble to improve garment trade safety," *CBC News*, May 10, 2013, <http://www.cbc.ca/news/world/big-name-retailers-scramble-to-improve-garment-trade-safety-1.1404770>.

1. Corporations remain in business with current factories in their supply chains and work with government officials, factory owners, and stakeholders to improve conditions employing tools such as self-regulation and corporate social responsibility initiatives.

Less than a month after the collapse ‘fast fashion’ retailers were scrambling to find effective and lasting solutions to appease consumer concerns and prevent any further tarnishing of their reputations.²⁸⁹ Solutions ranged and included moving business elsewhere; staying in Bangladesh and attempting to improve factory conditions; signing off on a cross-retailer agreement; and directly informing consumers with ethical labeling.²⁹⁰ Labour rights groups were quick to argue that leaving a factory could put the workers at risk because none of the structural and safety issues would be solved.²⁹¹ Leaving would not solve the issues that allowed the collapse to occur; rather it would allow them to continue.

Directly after the collapse many Western retailers took the ‘wait-and-see’ approach.²⁹² Canada's Loblaw Companies Ltd., for example, “was the most vocal about its plans to stay and help where it could.”²⁹³ Questions surfaced however about the effectiveness of self-regulation and whether a single company could have much impact. Labour rights groups questioned how the company would address structural issues if other retailers were not involved or contributed to building improvements.²⁹⁴ Following the collapse labour activists believed that “the only solution to the string of garment factory disasters in Bangladesh [was] to get companies to sign an agreement promising they [would] improve safety.”²⁹⁵ Groups argued that a legally binding agreement was the only way to ensure that companies improved conditions within their supply

²⁸⁹ Amber Hildebrandt, “Big-name retailers scramble to improve garment trade safety,” *CBC News*, May 10, 2013, <http://www.cbc.ca/news/world/big-name-retailers-scramble-to-improve-garment-trade-safety-1.1404770>.

²⁹⁰ Ibid.

²⁹¹ Ibid.

²⁹² Ibid.

²⁹³ Ibid.

²⁹⁴ Ibid.

²⁹⁵ Ibid.

chains.²⁹⁶ With the signing of the Accord on Fire and Building Safety in Bangladesh and the Bangladesh Worker Safety Initiative time will tell whether conditions in garment factories will see actual improvement.

Since the collapse, the Accord on Fire and Building Safety in Bangladesh has been signed by one hundred and sixty-six companies from twenty countries.²⁹⁷ “The legally binding agreement commits retailers to use only those manufacturers who operate safely. If a factory fails inspection, retailers must help fund construction upgrades.”²⁹⁸ Officials with the Accord are trying to convince others operating in Bangladesh to sign on. Meanwhile, progress is being made on the inspection of Accord factories.²⁹⁹ “‘About forty-five factories are being visited a week and so far two hundred and eighty have been inspected for fire and electrical problems while two hundred and forty factories have been examined for structural issues,’ said Bob Jeffcott, of Toronto-based Maquila Solidarity Network, a labour and women’s rights group. ‘There has been some resistance by manufacturers however. Some say standards are too high,’ he said, ‘[while] others are hesitant to shut their factories to make buildings safer.’”³⁰⁰

Another group of brands, the Alliance for Bangladesh Worker Safety, has also organized inspections and vowed to improve worker safety.³⁰¹ “Working with the Bangladesh University of Engineering and Technology, six hundred and seventy-five inspections have been carried out to date, reports Harvard University’s James Gifford.”³⁰²

²⁹⁶ Amber Hildebrandt, “Big-name retailers scramble to improve garment trade safety,” *CBC News*, May 10, 2013, <http://www.cbc.ca/news/world/big-name-retailers-scramble-to-improve-garment-trade-safety-1.1404770>.

²⁹⁷ Tanya Talaga, “A year after Rana Plaza collapse, consumers demand more accountability,” *The Toronto Star*, April 2, 2014, http://www.thestar.com/news/world/2014/04/21/a_year_after_rana_plaza_collapse_consumers_demand_more_accountability.html.

²⁹⁸ *Ibid.*

²⁹⁹ *Ibid.*

³⁰⁰ *Ibid.*

³⁰¹ *Ibid.*

³⁰² *Ibid.*

There is however friction between the two groups of retailers. “Members of the Bangladesh Accord on Fire and Building Safety accuse the primarily North American retailer Alliance on Worker Safety of creating a similar but weaker initiative with the aim of confusing consumers.”³⁰³ Members of the Alliance, on the other hand, suggest “the Accord proponents are subverting Bangladeshi laws by publishing factory inspection reports, and distracting those trying to make progress from the issues at hand.”³⁰⁴

Ideally both groups should work in tandem to improve conditions along their supply chains and in doing so set an industry-wide standard that will prevent factory disasters from occurring in the future.

2. Increase prices to better reflect the true cost of production and embrace ethical labeling. Bringing awareness to consumers.

Increasing the price of currently inexpensive clothing goes against the model of ‘fast fashion’ yet it is one of the main ways to better reflect the true cost of production. Increasing the price of clothing- industry wide in order to remain competitive- would allow for funds to ‘trickle down’³⁰⁵ the supply chain and ultimately (and ideally) raise the wages of garment factory workers.

As argued, fair wages are yet another area of improvement for garment workers in Bangladesh. Since the collapse, monthly wages have been increased seventy-nine per cent to

³⁰³ Amber Hildebrandt, “Bangladesh’s Rana Plaza factory collapse spurs change, finger pointing,” *CBC News*, April 24, 2014, <http://www.cbc.ca/news/canada/bangladesh-s-rana-plaza-factory-collapse-spurs-change-finger-pointing-1.2619524>.

³⁰⁴ Ibid.

³⁰⁵ ‘Trickle down’: an economic theory that government benefits favouring large companies will result in increased profits for smaller companies and their suppliers etc., and improvements in the economy at all levels. [*The Canadian Oxford Dictionary*, ed. Katherine Barber (New York: Oxford University Press Canada, 1998), 1549.]

\$68.³⁰⁶ However, one of the problems is that “some Bangladesh manufacturers claim that they are being forced to shoulder the wage hike alone as some brands refuse to help.”³⁰⁷ In order for changes to occur both government and corporate actors need to be willing to increase wages and prices.

Immediately following the collapse, other retailers began the process of becoming more transparent with their customers; posting information about their manufacturers. One of the ways to become more transparent is to embrace the practice of ethical labeling. For example, “Fair Trade USA, a non-profit company that audits U.S. companies and certifies whether they give international coffee suppliers fair wages, [moved] into the apparel sector. The pilot program [claimed] to be the first clothing certification with a label that shows consumers whether farmers growing the cotton and workers sewing the garments [are] paid adequately and [work] in an audited factory.”³⁰⁸ Demonstrating where clothing was made and by whom, would allow consumers to make more educated choices in their purchasing and support retailers who have responsible supply chains.

3. *Consumers as global citizens*

As activist Annie Leonard argues, “change on the scale required by the severity of today’s planetary and social crises requires a broader vision and a plan for addressing the root causes of the problem. To do that we must stop thinking of ourselves primarily as consumers and start thinking and acting like citizens.”³⁰⁹ Standards are set, decisions on what to make and where

³⁰⁶ Tanya Talaga, “A year after Rana Plaza collapse, consumers demand more accountability,” *The Toronto Star*, April 2, 2014, http://www.thestar.com/news/world/2014/04/21/a_year_after_rana_plaza_collapse_consumers_demand_more_accountability.html.

³⁰⁷ *Ibid.*

³⁰⁸ Amber Hildebrandt, “Big-name retailers scramble to improve garment trade safety,” *CBC News*, May 10, 2013, <http://www.cbc.ca/news/world/big-name-retailers-scramble-to-improve-garment-trade-safety-1.1404770>.

³⁰⁹ Annie Leonard, “How to be more than a Mindful Consumer,” *Peace and Justice*, August 22, 2013, <http://www.yesmagazine.org/issues/the-human-cost-of-stuff/annie-leonard-more-than-a-mindful-consumer>.

are decided upon in the halls of government as Annie Leonard explains, therefore as globalization connects all parts of the world consumers in the developed world must be conscious of their global role and come into their role of global citizen.³¹⁰ Consumers must seek information and be aware of business practices that bring them cheap t-shirts and tank tops. With such awareness corporate actors may begin to change their practices.

4. Focusing on and embracing the female work force.

The ready-made garment industry has the potential to be a vehicle for social change within Bangladesh. Already the industry “offers women workers advantages not offered by the other limited and rather arduous avenues of employment available to women such as stone crushing, agricultural labour, and paid domestic work.”³¹¹ Yet at the same time there is “gender inequality and sexual exploitation in this industry.”³¹² Addressing this inequality and exploitation would bring about positive changes in other aspects of women’s lives such as enhancing their economic capabilities to spend, save, and invest their incomes, sending their children to school, and after meeting basic needs sending funds to their families in the countryside and therefore fulfilling their familial obligations.³¹³ Initiatives should be directed towards specific problems that female workers face such as placement in jobs that require lower technical skills (therefore becoming trapped in low-paying jobs), stress due to long hours, few breaks, repetitive work, and poor working conditions, unhygienic surroundings like inadequate toilet facilities, as well as sexual harassment.³¹⁴ Embracing the largely female workforce and implementing policies that

³¹⁰ Annie Leonard, “How to be more than a Mindful Consumer,” *Peace and Justice*, August 22, 2013, <http://www.yesmagazine.org/issues/the-human-cost-of-stuff/annie-leonard-more-than-a-mindful-consumer>.

³¹¹ Nidhi Khosla, “The ready-made garments industry in Bangladesh: A means to reducing gender-based social exclusion of women?” *Journal of International Women’s Studies* 11 no.1.(2009):290.

³¹² *Ibid.*

³¹³ *Ibid.*, 293.

³¹⁴ *Ibid.*, 296.

would create change and better working conditions for women within the industry would see safety improvements within the garment factories and also a shift within Bangladeshi society.

The Year Since

In the year since the collapse, Bangladeshi government authorities have appointed more factory inspectors and plan to appoint more and argue that they also aim to ensure that no new factories are built without following proper safety regulations.³¹⁵ Yet issues still remain.

According to Human Rights Watch, the international companies that sourced garments from five factories operating in Rana Plaza are not contributing enough to the trust fund set up to support survivors and the families of those killed.³¹⁶ The target for the fund, chaired by the International Labour Organization, was \$40 million; only \$15 million has been raised thus far. As of April 2014, officials had started disbursing 50 000 takas (\$640) as initial payments to the victims' families.³¹⁷

Other issues rest in the structure of the country's garment industry and have yet to be addressed. According to a recent study by New York University's Stern School of Business, an 'essential feature' of the sector involves factories subcontracting work to other workshops that have even worse conditions.³¹⁸ The report found that, "In the absence of government regulation the prevalence of indirect sourcing has resulted in a supply chain driven by the pursuit of lowest nominal costs. That means that factories receiving subcontracts are operating on razor-thin margins that leave concerns about safety and workers' rights perpetually unaddressed."³¹⁹

³¹⁵ Julhas Alam, "Rana Plaza collapse: What's changed, one year later?" *The Associated Press*, April 24, 2014, <http://www.ctvnews.ca/world/rana-plaza-collapse-what-s-changed-one-year-later-1.1790036>.

³¹⁶ Ibid.

³¹⁷ Ibid.

³¹⁸ Ibid.

³¹⁹ Ibid.

According to government officials, work is being done to improve factory conditions and protect the industry from ‘negative propaganda’.³²⁰

In terms of charges being laid on those who owned Rana Plaza, the investigation has taken a year to materialize results. As of June 2014, “Bangladesh’s Anti-Corruption Commission (ACC) had filed a case with local police accusing seventeen people of breaching regulations over the construction of Rana Plaza. The accused include the parents of Mohammad Sohel Rana (the man cited as the owner of the building) as well as the local mayor, engineers, and three owners of garment factories that used the building.”³²¹ The accused do not include Sohel Rana.

According to ACC spokesman Pranab Kumar Bhattachajee, “Rana’s name did not appear in documents covering ownership of the land and design approval, which instead listed his parents as owners.”³²² The ACC’s investigation found that those accused had breached the building code.³²³ “Municipal authorities gave permission for extra floors in the building, but they had no such authority.”³²⁴ An official will now be appointed to conduct a further investigation which may result in a charge sheet being filed to a court.³²⁵

Ellen Tauscher, chair of the Alliance for Bangladesh Worker Safety argues that while many resources are being used in the country to try to prevent another Rana Plaza, ““It’s going to take a tremendous amount of co-ordination and time. There are cultural issues, there are competitive issues, there are dysfunctional things like the government.””³²⁶ Tauscher also

³²⁰ Julhas Alam, “Rana Plaza collapse: What’s changed, one year later?” *The Associated Press*, April 24, 2014, <http://www.ctvnews.ca/world/rana-plaza-collapse-what-s-changed-one-year-later-1.1790036>.

³²¹ Ruma Paul, “Bangladesh accuses 17 over garment factory collapse,” *Reuters*, June 15, 2014, <http://www.reuters.com/article/2014/06/15/us-bangladesh-rana-plaza-case-idUSKBN0EQ0KY20140615>.

³²² *Ibid.*

³²³ *Ibid.*

³²⁴ *Ibid.*

³²⁵ *Ibid.*

³²⁶ Amber Hildebrandt, “Bangladesh’s Rana Plaza factory collapse spurs change, finger pointing,” *CBC News*, April 24, 2014, <http://www.cbc.ca/news/canada/bangladesh-s-rana-plaza-factory-collapse-spurs-change-finger-pointing-1.2619524>.

explains that the situation in Bangladesh is unique. Dhaka is the only place in the world where nineteen-storey factories exist. Such construction makes it difficult if not impossible to get workers out of the building in the event of an emergency and makes it important to have fire-suppression equipment on hand.³²⁷ Important to highlight as well is that “even once all the factories represented by the Accord and Alliance member retailers have undergone inspections, more than 2 500 (half of Bangladesh’s total) will not have been looked at.”³²⁸

What is clear moving forward in Bangladesh is that it will take time and resources to solve the issues that perpetuate poor and unsafe working conditions. The situation within the Bangladeshi ready-made garment industry was created over a period of twenty years by brands and retailers and their local factory partners and the Bangladesh government.³²⁹ It is therefore going to take time for those actors as well as consumers and non-state market driven systems to make lasting improvements.

Conclusion

The collapse of Rana Plaza was a totalizing event. Political, economic, physical, and social processes and events came together over a period of decades and created the circumstances for the collapse. The immediate cause of the collapse was the illegal construction of additional floors alongside the building’s instability caused by the foundation’s placement in a former waterway. Cracks in the building were made worse by the heavy and vibrating machinery located inside and used in the manufacture of clothing. The context of the collapse highlights processes such as globalization which create circumstances and reasons for disasters like Rana

³²⁷ Amber Hildebrandt, “Bangladesh’s Rana Plaza factory collapse spurs change, finger pointing,” *CBC News*, April 24, 2014, <http://www.cbc.ca/news/canada/bangladesh-s-rana-plaza-factory-collapse-spurs-change-finger-pointing-1.2619524>.

³²⁸ *Ibid.*

³²⁹ Amber Hildebrandt, “Bangladesh’s Rana Plaza factory collapse spurs change, finger pointing,” *CBC News*, April 24, 2014, <http://www.cbc.ca/news/canada/bangladesh-s-rana-plaza-factory-collapse-spurs-change-finger-pointing-1.2619524>.

Plaza to span across the world. As scholar Harris Ali argues, “By considering the social and biophysical context, we can move towards a more penetrating investigation into how humans have created situations that endanger the community, and how human action can lessen the potentially disruptive effects of a disaster through appropriate and suitable means.”³³⁰ In the case of Rana Plaza Ian Taplin argues,

“What emerges is a picture [of] a systemic pattern of exogenous forces that create conditions under which such events, if not inevitable, are at least not unlikely. We have individual factory owners in emerging economies pursuing rational self-interest and maximizing profits/minimizing costs; an institutional framework (international trade regulations, public policies supportive of such an industrial model and local government that facilitates a lax regulatory environment) that is both permissive and favors enterprises that provide employment, often regardless of actual work and safety conditions; and an industry structure that has rationalized supply chain management through outsourcing that has placed even greater pressure on cost and time. And finally, Western consumers have become accustomed to cheap fashion and for the most part appear unwilling to pay more for items that are untainted by exploitative practices.”³³¹

While the issue of poor and unsafe working conditions arguably falls onto retailers, factory owners, industry associations, and the Bangladesh government to monitor and improve, consumers are also tied to these conditions and have a role to play in their betterment. A *Globe and Mail* article, for example, which highlighted the debate about “how much responsibility retailers should have for the supply chain that moves products onto their

³³⁰ Harris Ali, “Analysing Environmental Disasters,” in *Understanding the Global Environment*, ed. Samir Das Gupta (New Delhi: Pearson Press, 2009), 260.

³³¹ Ian Taplin, “Who is to blame? A re-examination of fast fashion after the 2013 factory disaster in Bangladesh,” *Critical Perspectives on International Business* 10 no.1/2 (2014): 73.

shelves”³³² emphasized the role of not only retailers but of their customers as well. Consumers need to be more mindful of the global effects of consumerism and embrace their role as global citizens.

Examining the collapse of Rana Plaza allows us to understand and draw attention to the various mechanisms that work simultaneously and result in disasters. Lessons can be learned from exploring disasters and ultimately be used to prevent future disasters from occurring. Rana Plaza highlights, like most disasters do, problems within a system. While no system is perfect, parts of it can be improved so that lives are not lost.

³³² Mark Mackinnon and Marina Strauss, “Spinning tragedy: The true cost of a T-shirt,” October 12, 2013, *The Globe and Mail*, <http://www.theglobeandmail.com/report-on-business/spinning-tragedy-the-true-cost-of-a-t-shirt/article14849193/?page=all>.

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