

Research Brief

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Garment Workers in Savar, Near the Rana Plaza Site

// Photo: Ismail Ferdous, January 2023

When the garments industry first started in Bangladesh, it was remarkable to see women on the streets, commuting to the factories, as women had mostly stayed at home before then. More than 40 years later, Bangladeshi women have more freedom to move around in public space, occupying urban streets such as this highway on which the Rana Plaza complex once stood. Yet women's public presence is not the same as their empowerment: women workers still suffer from low pay, restrictions on trade union formation, and sexual harassment in and en route to the factories.

Ten Years After Rana Plaza

Remembering, Learning, and Moving Forward

The 2013 collapse of the Rana Plaza factory complex drew global attention to chronic problems with factory safety and worker rights in Bangladesh's ready-made garment (RMG) industry. What has happened in the decade since? In the decade following the Rana Plaza disaster, factory buildings have become much safer; a culture of occupational health and safety has been established in most factories; and manufacturers have begun to work with labour unions on factory safety monitoring. However, Bangladeshi workers are still paid among the lowest wages in the world, barely enough to eat or cover rent. Low wages are a direct consequence of concerted efforts to restrict labour organization, which in turn reflects the fact that

factory owners have far more political influence than factory workers. Bangladesh's flagship RMG industry continues to grow: it now employs four million workers, produces 82% of all exports, and earns 9.25% of Bangladesh's GDP.¹ Is a 'cheap labour' model of development compatible with Bangladesh's claims to development success, progress on women's empowerment, and middle-income country status? This Report examines how the Rana Plaza catastrophe is remembered, what has been learned and what has changed in the industry, and what needs to happen to build a garment industry fit for 21st century Bangladesh.²

Remembering Rana Plaza

The Rana Plaza complex in Savar in Bangladesh collapsed on April 24, 2013, killing at least 1,132 RMG workers, injuring over 2,500, and leaving thousands of families, workers, and community members traumatized. Workers had been pushed into working on urgent orders in a building the authorities had closed as unsafe the day before. The disaster occurred only five months after [112 workers had died in the factory fire at Tazreen Fashions](#). These two catastrophic events brought to light the poor labour conditions that workers in the RMG sector in Bangladesh had long been facing, awakening the world to the urgent need for change.



The Workers' Memorial at Rana Plaza in Savar, Bangladesh

// Photo: Ismail Ferdous, January 2023

The site where the Rana Plaza factory complex once stood is now an abandoned space. Apart from this one statue erected by workers' groups, there is no memorial; nothing from the international brands, the BGMEA, or the Bangladesh government to remember the victims of one of the world's worst industrial disasters.

Policy and academic research, trade unions, and activist efforts have recorded the details of the Rana Plaza disaster for posterity. However, only ten years later, an incident of such profound importance to Bangladesh's main economic sector is fading from public memory. Young people, including younger RMG workers, have not heard of the disaster. There is no national holiday or official marker of the occasion. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) would prefer the disaster to pass unmarked, as each anniversary is another opportunity to focus on Bangladeshi workers' pay and conditions. National policy documents rarely mention Rana Plaza as a motivation for their Five-Year Plans or Social Security Strategies. The only monument that commemorates the disaster was erected by workers themselves, on the edge of what remains a barren plot of land. Initial promises by the government to turn it over to workers to build a hospital or other memorial were quietly shelved – but not forgotten by worker advocates.

What Was Learned; What Changed

Innovative Partnerships for Factory Safety

The Rana Plaza disaster catalyzed innovative approaches to the governance of global value chains, some of which are now being used across the global apparel industry. Three initiatives were launched in Bangladesh following the collapse to improve the industry.

The [Sustainability Compact for Continuous Improvements in Labour Rights and Factory Safety in the Ready-Made Garment and Knitwear Industry in Bangladesh](#) brought the Government of Bangladesh, the European Commission, the United States, Canada, and the International Labour Organization (ILO) together with employers and trade unions to promote respect for labour rights, safe factories and workplaces, and responsible business conduct.

[The Accord on Fire and Building Safety in Bangladesh](#) was the largest and most innovative of the three initiatives, with over 200 Bangladeshi and international trade unions and mostly European brands signing an unprecedented legally-binding agreement that required suppliers to improve factory safety standards and establish occupational health and safety complaint mechanisms.

The third initiative, a voluntary five-year agreement known as the [Alliance for Bangladesh Worker Safety](#), was set up by 29 mostly American brands. The Alliance implemented extensive training and monitoring programs, but relied on brands' voluntary participation and encouragement of suppliers' compliance with safety standards.³

Widely regarded as a successful approach to global value chain governance, the [Accord model has now been adopted in Pakistan](#). While Bangladeshi manufacturers were required to improve factory safety standards based on Bangladeshi laws and ILO norms, funding for factory remediation or safety work was not initially made available, and most factories borrowed to finance the work.⁴ In 2017, the Accord created a Factory Remediation Fund of USD 1.4 million to support this work.⁵ In 2019, the Bangladesh Accord transitioned to the Bangladeshi-led [RMG Sustainability Council \(RSC\)](#), which absorbed the infrastructure of the Accord and added Bangladeshi manufacturers to the union-company co-governance structure, but also limited the influence of workers and their representatives, who now have only one-third of the seats compared to the half they had in the Accord's steering committee. An International Accord has since been negotiated between the unions, international buyers, and brands to ensure that unresolved complaints are backed by legal recourse.

Legal Accountability in Global Value Chains

The collapse of Rana Plaza underlined the shared responsibility of international brands at the top of the value chain for the conditions of workers at the bottom, prompting further innovations in global value

chain governance. Several foreign governments pledged financial support towards [establishing employment injury insurance, social dialogue, and improved working environments](#). However, efforts to establish the direct responsibility of buyers/retailers



Latifa Lipi, With Her Daughter Rifi

// Photo: Ismail Ferdous, January 2023

Latifa Lipi and her four sisters all worked in the Rana Plaza building. One sister was killed in the disaster. Latifa was working on the 6th floor and was crushed under the rubble for almost 12 hours. She sustained injuries to her head, legs, and abdomen; her compensation of BDT 150,000 was mostly spent on medical treatment. Since the disaster, Latifa has found it difficult to keep a job: her eyes are not good and her legs give her pain. Although wages have since increased, the workload is more arduous, with higher targets to meet. Recently, she and her husband withdrew their daughter Rifi from the madrassah where she was studying as they could not afford the fees on his earnings alone. There is no government school near her home (very close to the Rana Plaza site). Does she have any demands of the industry? Yes, she does. On two occasions following the disaster, she was unfairly dismissed by factories that did not want to pay her Eid bonus, severance pay, or provide maternity leave. "All I am asking for is the money I have earned, what I am owed. I am not asking for anything else," she said.

for the Rana Plaza disaster through Canadian courts failed.⁶ The Accord held international brands accountable for the conditions in their supply chains in internationally recognized legal jurisdictions, setting an important precedent that influenced the design of mandatory human rights due diligence (MHRDD) laws.⁷ France passed a due diligence law after the Rana Plaza disaster raised awareness about the need for legal reforms to hold international brands accountable for rights violations in their supply chains. Based on the [United Nations Guiding Principles on Business and Human Rights](#), the law outlines responsibilities to “identify, prevent, and reduce the human rights-related risks” associated with business partnerships and operations.⁸ Other European countries and the European Union are also preparing MHRDD laws. Worker organizations in Bangladesh and elsewhere have been pushing for such laws to hold international brands accountable. While it remains to be seen whether and how workers will be able to use these laws, the trend indicates that brands will face increased pressure to improve their supply chain monitoring and to better assess national worker rights protections going forward.

National Oversight and Governance

The RMG sector had largely been self-governed prior to the Rana Plaza disaster. In its aftermath, the Government of Bangladesh took on more responsibility for regulation and oversight of factories and workers’ rights. Efforts to strengthen regulation included increasing staffing and capacity in the Department of Inspection for Factories and Establishments, while the functions of the Wage Board were also revised and redefined. The Bangladesh Labour Act was amended in 2013 to improve provisions for compensation for death and disablement, trade union registration, and worker participation committees. However, bureaucratic processes continued to hinder union registration, and early progress towards unionization soon stalled.⁹

Commitment to increasing transparency of supplying factories led to initiatives such as the Mapped in

Bangladesh (MiB) database of RMG export factories. A multi-stakeholder initiative of brands, government, NGOs, industry, and experts, MiB aims to record details of all exporting factories such as location, registration status, building type, workers, and certification, with the aim of improving monitoring and detection of non-compliant suppliers.¹⁰

Changing Practices in Factories

Substantial gains were made towards making factory buildings safer, and manufacturers agreed that basic safety standards must be improved and maintained. As of 2021, the Accord reported that 93% of member factories had made initial remediation; 1,300 Worker Safety Committees had been trained to address and monitor workplace safety; and around 1.8 million workers had received essential workplace safety education. Even with three safety initiatives running, they could not cover all factories, and safety status of inspected factories varied, depending on the initiative under which they were inspected. Since the Accord ended and transitioned to the RSC, concerns have arisen about the pace of remediation progress in RSC-led factories. New safety and security issues such as boiler and gas cylinder explosions have yet to be covered by safety initiatives.¹¹ Questions have also arisen about whether safer factories are enough to ensure worker safety, in a context in which low pay and precarious jobs are likely to force workers to accept long hours and dangerous working conditions.¹² Workers also noted that pressures to raise productivity had increased sharply since Rana Plaza, and that targets were high and factory discipline intense, so much so that there was not even time to drink a glass of water or say one’s prayers. In efforts to strengthen accountability to workers, complaints or grievance mechanisms were established under the Accord, but there is no analysis yet of how well these are functioning under the RSC.



Workers' Complaints Files, Trade Union Office in Narayanganj

// Photo: Ismail Ferdous, January 2023

An important change after Rana Plaza has been the introduction of complaints mechanisms with teeth: when workers complain about health and safety issues, they now get addressed because of legally-binding mechanisms. But it is only when workers are members of trade unions that their complaints about non-payment of wages or benefits get addressed.

Freedom of Association and Collective Bargaining Rights

Efforts to strengthen workers' rights to freedom of association and collective action were less notable or successful than factory safety initiatives. While the Accord and its successor the RSC, created space for workers' organizations in the steering committee, manufacturers remain hostile to trade unions. Post-Rana Plaza, the process of trade union registration had been streamlined under the 2013 Labour Law and a 2018 amendment enabled unions to be registered with 20% worker participation, down from 30%. The number of registered trade unions increased at first, but progress stopped after a few years, as growing numbers of applications were rejected.¹³ Worker groups argue that it is mostly 'yellow' trade unions, created by factory management, which receive registration, while workers' unions that are independent of political parties or factory management typically struggle to receive registration.

As trade unions remain a contentious issue in Bangladesh, much hope has been invested in worker participation or safety committees, through which workers can negotiate directly and constructively with management over factory level issues. The amended Labour Law provided for these committees. They may have helped improve working conditions and industrial relations at the factory level, but they are no substitute for formal trade unions as they can neither negotiate on issues of conflict (for instance unfair dismissal or wage theft) nor undertake collective bargaining.¹⁴

Compensation and Employment Injury Insurance

Compensation to the victims of the Rana Plaza disaster was partial and inconsistent.¹⁵ The Rana Plaza Donors Trust Fund established in 2014 by the ILO collected contributions and held them in trust, based on claims from eligible beneficiaries. The

majority of the funds were contributed by international clothing brands, anonymous donors, and smaller individual donations, with the remaining coming from the Bangladesh Prime Minister's Fund¹⁶, though there has been a lack of reporting on how some of the emergency funds were managed before the Trust Fund was established. In the end, victims and families of the Rana Plaza disaster received just over USD34 million in loss of income payments from schemes recognized under the arrangement.¹⁷ Survivors reported difficulties in accessing the compensation, most of which was absorbed in medical costs, and expressed the view that such payments should be given as their rights as injured workers, not as charity. Many also mentioned struggling to return to apparel factory jobs due to the physical injuries they sustained or the emotional stress they suffered. [The unjust, delayed, and uneven process of compensating victims and their families triggered demands for employment injury compensation.](#) In 2022, a pilot Employment Insurance Scheme was launched in the RMG sector, with the initial aims of assessing the scale and nature of RMG workplace injuries and associated medical costs, and of establishing risk-sharing mechanisms through which brands can contribute to financing top-ups to the industry's existing Central Fund.¹⁸

Moving Forward: What Remains to Be Done

There have been dramatic improvements in factory safety since the Rana Plaza disaster. Yet workers report having to work harder to meet higher production targets and continue to struggle financially. No systematic follow-up has been done to assess the long-term health effects of the Rana Plaza collapse on survivors, but survivors report being unable to work as much or to earn enough even to cover school expenses. What are the priorities after Rana Plaza? What remains to be done to build a garments industry fit for middle-income 21st century Bangladesh?

Global Value Chain Governance Reform

Most of the gains Bangladeshi workers have seen in the past 10 years have come about through concerted efforts to campaign globally and nationally on issues of urgent importance to workers. The three safety initiatives drove government, manufacturers, and brands to invest more effort in worker protection programs. Prior to establishing the RSC, the BGMEA had not previously sought to bargain with global and national trade unions or join a co-governed initiative.

However, international brands have consistently pushed down the prices and squeezed manufacturers through delayed payment times. Between 2011 and 2016, that is *since* the Rana Plaza disaster, prices paid to Bangladeshi factories declined by almost 8%, despite increases in factory safety costs and the minimum wage.¹⁹ The COVID19 pandemic also highlighted how workers' rights are freely violated in global value chains, as international brands abandoned orders to the tune of USD 3.7 billion effectively ensuring millions of workers lost pay and livelihoods at a time of acute uncertainty and fear. Constant pressure from international brands to reduce prices and raise productivity undermine any effort to prioritize workers' rights. Transnational and Bangladeshi labour groups cooperated with the BGMEA during the pandemic to demand brands pay for abandoned and cancelled orders, with some degree of success. The future success of Bangladesh's RMG industry depends on further tripartite cooperation between labour, manufacturers, and the government of Bangladesh. Such tripartite cooperation can build mutual trust and constructive engagement.

Social Protection

The Rana Plaza disaster showed that workers would be forced into dangerous workplaces if they felt they lacked alternatives. The COVID19 pandemic again revealed workers' lack of protection: unable to socially distance at work and highly exposed to virus



Yasmin Akhter, from Narayanganj

// Photo: Ismail Ferdous, January 2023

Yasmin Akhter had been working for a year when Rana Plaza collapsed. “Yes we heard that the building broke from the factory managers. They said, Rana Plaza has broken and they gave us a holiday. I cried a lot, I felt really terrible, that so many lives were lost all at once. When I went home I felt really terrible.” She says that wages is the “toughest issue for everyone. The amount of work we have to do, the wages just aren’t meeting our needs. Our wages hardly rise at all. And when wages are increased, we have to work far harder. We are thirsty, want to drink some water, they say you need to work. They want to know why you haven’t met your targets. We are not even allowed to take prayer breaks. Just work, just work. All the time. Apart from work there is nothing else. You can’t believe it if you don’t see it, how much work pressure we face. All the time. There is nothing but work. We are doing the work of two or three workers now. Were there used to be 110 or 120 workers and now there are 60 or 70 doing the same amount of work. It’s tough, but if the wages were better, then the difficulty wouldn’t matter so much. If we had better pay we could educate our children properly. They could learn lots of things on computers. I have cried a lot because I can’t afford to give my son a computer.”

transmission, workers also faced wage theft from their employers and the downstream effects of international brands’ decisions to cancel orders on grounds of *force majeure*. This is why a fully-functioning system of social protection or national social security remains a key priority for workers. Social protection includes cash assistance or subsidies during emergencies (such as during pandemics, food price crises, climate-related and industrial disasters); health and unemployment insurance; and finalizing and scaling up the employment injury scheme. An effective social protection system would not only have helped protect workers from the disaster, it would have helped them cope in its aftermath, as well as during the COVID19 pandemic. Manufacturers and the industry should have an interest in supporting social protection for RMG workers, as this will improve their health and wellbeing, and thereby their productivity. These are basic expenses, which need to be calculated in the price of goods supplied to the brands.

Decent Wages

The minimum wage has increased several times since Rana Plaza, on each occasion after workers took to the streets. But Bangladeshi RMG wages are still some of the lowest in the world. And high inflation, particularly of food, energy and housing, mean that in real terms, wages have declined. Recent analysis shows that a family of four needs at least BDT 22,421 per month for food alone,²⁰ or three times the average pay of RMG workers. Many workers also lost pay or were retrenched during the COVID19 pandemic.²¹ An urgent priority is a reform of the minimum wage-setting apparatus so that RMG wages can be adjusted more frequently than the current five-year cycle. If workers’ situation is to improve wages need to not only rise in time with, but at times faster than, inflation.

Worker Voice

Workers will never secure decent wages or minimum wage reforms without independent trade unions and the right to organize and collective bargaining. Trade unions must be permitted to represent and promote the interests of workers, instead of being coopted for political and organizational interests or kept under surveillance if they advocate reforms. Workers' voice

must inform public policy, particularly around industrial development, social protection, and human rights. The provisions of the labour law which allow for trade union formation must be implemented if Bangladesh is to develop an RMG sector fit for a middle-income country that boasts of women's empowerment and development success.

Endnotes

- 1 Export Promotion Bureau Annual Report 2021-2022 (www.epb.gov.bd/); Quarterly Review on Readymade Garments (RMG): October-December FY'23 (www.bb.org.bd/).
- 2 This report was collaboratively authored by Maheen Sultan, Iffat Jahan Antara, and Touhidul Islam, and was published by the BRAC Institute of Governance and Development (BIGD) with support from 21st Century ILGWU Heritage Fund. Kalpona Akter, Debra Efroymsen, Ismail Ferdous, Judy Gearhart, and Naomi Hossain also contributed to the report. The preliminary findings of the report were shared with RMG workers in February 2023.
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