



**FIDH - International Federation for Human Rights
Odhikar**

One Year After the Rana Plaza Catastrophe : Slow Progress and Insufficient Compensations

One year has passed since the collapse of the Rana Plaza in Dhaka, Bangladesh, and survivors and victims' families are still waiting for adequate compensation. Safety conditions and respect for workers' rights in garment factories in Bangladesh remain concerning.

Background:

On April 24, 2013 in Savar, in the suburb of Dhaka, Bangladesh, the “Rana Plaza” factory collapsed, killing at least 1,130 people and injuring more than 2,000.¹ This eight-storey structure, built and operating in violation of minimal safety standards, held five ready-made garment factories which supplied some thirty European and American clothing brands.

In the aftermath of this disaster, a variety of international multi-stakeholder initiatives were created, bringing together global brands, trade unions, NGOs and the International Labour Organization (ILO), in order to improve the building and fire safety codes of textile factories in Bangladesh, as well as to compensate Rana Plaza survivors and victims' families. Some multinational companies were quick to provide one-off payments to victims, others have not yet contributed to the compensation fund, and some continue to insist that they hadn't placed any orders with the five Rana Plaza clothing factories.

Q&A by FIDH and its member organisation in Bangladesh Odhikar

1- Have those responsible for this catastrophe been identified? Have they been held accountable?

Several actors share responsibility for this tragedy. The primary responsibility falls on the Bangladeshi authorities, who failed in their obligation to protect workers. The private actors implicated in the disaster also share responsibility, namely the owners of the Rana Plaza building and of the garment factories it held, as well as the multinational corporations which sourced from those garment factories. The countries where global

¹ According to the *Rana Plaza Coordination Committee*, which established the *Rana Plaza Arrangement*, the number of dead has climbed to 1,134. See <http://www.ranaplaza-arrangement.org/>

brands are headquartered should also ensure, through national legislation and by supporting the development of international standards, that corporations based on their territory or within their jurisdiction do not contribute to violations of human rights when they conduct business abroad.

The “Rana Plaza” structure did not meet safety codes and was built and expanded without a permit. The Rajdhani Unnayan Kotripokkho (RAJUK) is one of the government authorities responsible for this catastrophe. According to the Detail Area Plan (DAP) of the RAJUK, no commercial building may be built in or around Dhaka without its permission. The owners of the Rana Plaza building had not received such a construction permit, but no action was taken by the RAJUK in this regard.

The state of Bangladesh, which in accordance with national and international law must protect human rights within its jurisdiction, failed in its duty to guarantee the rights and safety of textile workers. Bangladesh, which is considered a weak governance state, is faced with structural issues such as the lack of genuine rule of law, insufficient and inadequate inspection mechanisms, and overall ineffective access to justice for victims of work-related accidents.

Enterprises, be they national or multinational, have also failed to uphold their responsibilities under national and international law. The managers of the five factories in the Rana Plaza had ordered the workers to go back into the building to work, despite its evacuation on the previous day due to the appearance of cracks in the walls. These factories had undergone regular “social audits”, required and financed by international buyers, in order to verify compliance with “codes of conduct” and “social charters” established by the brands. The Rana Plaza disaster is a flagrant illustration of the ineffectiveness and inadequacy of these audits in Bangladesh, much like in other countries like India and China.²

Among those deemed to be directly responsible are the owners of Rana Plaza (Sohel Rana and his father Abdul Khalek); the owners of the five garment factories housed within Rana Plaza (Anisur Rahman of Ether Tax Ltd, Aminul Islam and David Mayor Rako of Phantom Apparels Ltd. and Phantom Tack Ltd., Bazlus Samad Adnan and Mahmudur Rahman Tapash of New Wave Buttons and New Wave Style); and the responsible engineers of Savar Municipality (Emtemum Hossain, Alam Miah and Abdur Razzak). The Savar Municipal Authority and Police filed five cases against these persons and others presumed to be responsible for the building's collapse.³ All of these individuals were arrested by the authorities, except for David Mayor Rako who has evaded arrest until now.⁴ Two of the factory owners (Bazlus Samad Adnan and Mahmudur Rahman Tapash) were granted interim bail from High Court Division of the Supreme Court for six months.⁵ The Criminal Investigation Department (CID) also arrested Refayet Ullah, Mayor of Savar

² See FIDH reports on working conditions in China: “China’s workers are calling for change. What role should brands play?” IDH-CLB, May 2013 available at <http://fidh.org/en/asia/china/china-s-workers-are-calling-for-change-what-role-should-brands-play-13270> and on working conditions in the textile industry in India (to be released in May 2014).

³ Fact Finding Report of Odhikar

⁴ The Daily Inqilab, 25-07-2013.

⁵ Staff Correspondent, “Two Rana Plaza Factory Owners Get Bail”, New Age, 28-01-2014.

Municipality, for his negligence in monitoring the construction of Rana Plaza.⁶ Despite being granted bail on other charges filed under the Building Construction Act, neither of the owners of Rana Plaza were granted bail in the case of murder and remain in jail.⁷

Certain global name brands said that they did not know that their products were being made at Rana Plaza, thus indicating problems of traceability in the supply chain. Sometimes sub-contracting practices are such that global brands do not know which factories are at the start of the production chain and whether or not these respect the rights of their employees. Generally speaking, it is in the factories at the very start of the supply chain where the risks for human rights violations are the greatest. The big name brands that source their products in Bangladesh must respect exercise human rights due diligence, which means they must identify, prevent, mitigate and remedy any violations that may take place all along their supply chain.

For many years FIDH has been denouncing the lack of binding standards and robust mechanisms which would prevent such tragedies and would establish the legal responsibility of corporations in matters of human rights throughout the supply chain. This continues to be a major obstacle to effective access to justice by victims of abuse by corporations such as those of the Rana Plaza disaster.⁸ The home states of global corporations must respect their obligation to prevent violations by businesses located on their territory or within their jurisdiction by including a duty of human rights due diligence in their legal code.⁹ In this regard, FIDH has appealed to the European Union to develop a legal due diligence framework obligating member states to be vigilant in human rights matters for corporations located in Europe. FIDH is also appealing to the European Union to adopt clear obligations (along with adequate implementation mechanisms) for European companies to disclose information on their policies and their impacts on human rights and the environment, including impacts linked to the supply chain.¹⁰ In this matter, FIDH welcomes the European Parliament's vote on the reform on non-financial reporting of 15 April 2014, which obliges companies to publish information on their impacts on human rights and the environment, and to communicate on their due diligence policies.¹¹ Lastly, FIDH supports initiatives taken at the United Nations level to make these principles applicable to multinational corporations and countries legally binding.

⁶ Kailash Sarkar, "Savar Mayor Arrested in Rana Plaza Case", Dhaka Tribune, 25-07-2013.

⁷ See « Broken Dreams : Report on the Rana Plaza collapse », Fact-finding report, 19 June 2013, Odhikar, at http://1dgy051vgyxh41o8cj16kk7s19f2.wpengine.netdna-cdn.com/wp-content/uploads/2013/06/Fact-finding_RMG_Rana-Plaza_Eng.pdf

⁸ See the FIDH report "Business and Human Rights: Enhancing Standards and Ensuring Redress", March 2014, available at <http://www.fidh.org/en/united-nations/human-rights-council/un-human-rights-council-25th-regular-session/14899-business-and-human-rights-fidh-calls-on-the-international-community-to>

⁹ See especially in France, proposed legislation, Law #1524, regarding the responsibility of vigilance by Company Head Offices and subcontracting companies, November 6, 2013, at <http://www.assemblee-nationale.fr/14/propositions/pion1524.asp>

¹⁰ See FIDH & ECCJ, "EU-Bangladesh: the EU should scrutinize European companies operating in Bangladesh", 2 July 2013, <http://www.fidh.org/en/asia/bangladesh/eu-bangladesh-the-eu-should-scrutinize-european-companies-operating-in-13583>

¹¹ See ECCJ press release, "European parliament votes for rules on corporate accountability and business transparency", 15 April 2014, <http://www.corporatejustice.org/European-parliament-votes-for.html?lang=en>

(See FIDH's last publication [Business and Human Rights: Enhancing Standards and Ensuring Redress](#))

2- Have victims received compensation?

Immediately following the Rana Plaza collapse, survivors and their families received emergency allowances from the government, NGOs and a few global brands. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) distributed salaries and allowances to a majority of workers, but not to all of them.¹²

Through the [Rana Plaza Arrangement](#),¹³ the claims process for compensation was initiated on March 24, 2014. Victims and their families can receive legal aid and obtain information by calling a hotline before applying for compensation. The payments are being made in accordance with national laws and with ILO standards¹⁴ and serve to cover medical costs and loss of income. According to the compensation process, 3,600 eligible victims and their families will receive an advance of 50,000 BDT (or \$650 U.S.) before April 24, 2014, and all compensation applications will be processed within 6 months of being received.¹⁵

The Rana Plaza Donors Trust Fund, established through the Rana Plaza Arrangement, accepts voluntary donations from global brands and private donors. Currently, approximately half of the more or less thirty global brands who were clients of the Rana Plaza textile factories have contributed to the fund.¹⁶ Unions and international NGOs continue to put pressure on multinational brands, especially those who were clients of Rana Plaza, to donate to the voluntary fund.¹⁷ According to Rana Plaza Donors Trust Fund estimates, \$40 million will be required to adequately compensate the 3,600 survivors and their families. Recently, the French government also asked French businesses to contribute to the fund even if they were not clients of Rana Plaza.¹⁸ FIDH, which has collaborated with the multinational retailer Carrefour for several years, called upon the enterprise to sign the Fire and Building Safety Agreement (see below), which it has done. FIDH has also encouraged all of the global brands which work in Bangladesh, as well as all of the companies belonging to the Global Social Compliance Programme, to

¹² See “Still Waiting: Six months after history’s deadliest apparel industry disaster, workers continue to fight for compensation”, Clean Clothes Campaign (CCC) and International Labor Rights Forum (ILRF), October 2013, <http://www.cleanclothes.org/resources/publications/still-waiting>, and “Monitoring the Rana Plaza Follow-ups”, Centre for Policy Dialogue, September 2013, p 18

¹³ See the Rana Plaza Arrangement site at <http://www.ranaplaza-arrangement.org/>

¹⁴ ILO, Convention no. 121 on the benefits in cases of work- related accidents and occupational diseases

¹⁵ See Summary of the Rana Plaza Coordination Committee meeting of March 18, 2014, available at <http://www.ranaplaza-arrangement.org/news/summary-of-the-coordination-committee-meeting-of-march-18-2014>

¹⁶ See the list of donors to the Rana Plaza Trust Fund at <http://www.ranaplaza-arrangement.org/fund/donors>

¹⁷ See the campaign “Pay up!” of the Clean Clothes Campaign at <http://www.cleanclothes.org/ranaplaza>

¹⁸ Intervention by Paul Husinger, President of the French PCN during a high-level panel organised by the French Minister of External Commerce, Nicole Bricq, and by the Minister of External Commerce and Cooperation in the Development of the Netherlands, Lilianne Ploumen. « Strengthen social and environmental standards in international commerce », March 31, 2014.

contribute to the voluntary fund.

As of 19 April 2014, a total of Tk. 221,100,000 (USD 2,793,190) has been distributed over nine phases among 909 victims' families.¹⁹ However, according to the Center for Policy Dialogue²⁰, though each family had received between Tk 100,000 and 500,000 (between USD 1,263 and 6,316), the compensation is so far “very insufficient”.²¹

In addition to financially compensating the victims of the Rana Plaza catastrophe, profound changes in the global supply chain are needed to prevent such tragedies from happening again and to guarantee textile workers around the world safe and dignified working conditions. Most of all, it is essential to support workers, especially by permitting them to exercise their union rights. As Dan Rees, Director of the ILO's Better Work Program indicated, the Rana Plaza tragedy could probably have been avoided if the workers had dared, on that day, to express their fears about entering a building whose deterioration they could plainly see.²²

Read the testimony of survivors and victims' families in a [fact-finding report from June 2013 published by Odhikar](#), FIDH's member organisation in Bangladesh.²³

3- Have the Bangladesh authorities taken the necessary steps to prevent this type of tragedy from happening again?

Poor working and safety conditions and human rights violations in the textile-clothing sector in Bangladesh are not recent phenomena. In response to the Tazreen Fashions Garment factory which burnt down on 24 November 2012 killing 112 people, Bangladesh had launched a National Tripartite Plan of Action on Fire Safety (NTPA) on 24 March 2013. A month later, the Rana Plaza building collapsed. The Plan of Action was revised and expanded²⁴ to include a national tripartite programme under ILO supervision to improve working conditions in the ready-made garments sector in Bangladesh.²⁵ In July 2013 the Government of Bangladesh enacted a reform of the Labour Code which according to the ILO and international trade unions²⁶ was not up to international safety standards. Nevertheless, there is still a large gap between the laws and practices of Bangladesh and the international standards for labour rights, especially concerning the

¹⁹ Staff Correspondent, “53 More Families Get Help From PM,” Daily Star, 17-04-2014.

²⁰ An independent Bangladeshi think tank ; <http://cpd.org.bd/>

²¹ Staff Correspondent, “Yawning Gap Between Pledges and Delivery,” Daily Star, 27-01-2014.

²² Intervention by a high-level panel organised by the French Minister of External Commerce, Nicole Bricq, and by the Minister of External Commerce and Cooperation in the Development of the Netherlands, Lilianne Ploumen. “Strengthen social and environmental standards in international commerce», March 31, 2014.

²³ « Broken Dreams : Report on the Rana Plaza collapse », Fact-finding report, 19 juin 2013, Odhikar, disponible à http://1dgy051vgyxh41o8cj16kk7s19f2.wpengine.netdna-cdn.com/wp-content/uploads/2013/06/Fact-finding_RMG_Rana-Plaza_Eng.pdf

²⁴ National Tripartite Plan of Action on Fire Safety and Structural Integrity, http://www.ilo.org/dhaka/Informationresources/WCMS_221543/lang--en/index.htm

²⁵ Ready-Made Garment Sector Programme, <http://www.ilo.org/global/about-the-ilo/activities/all/safer-garment-industry-in-bangladesh/lang--en/index.htm>

²⁶ See ITUC press release “New Bangladesh Labour Law Fails Against to Protect Workers Rights”, ITUC, 20 July 2013, <http://www.ituc-csi.org/new-bangladesh-law-fails-again-to>

right of association and collective bargaining.²⁷

At the international level, several multi-stakeholder initiatives were set up following the Rana Plaza disaster, including the [Accord on Fire and Building Safety in Bangladesh](#) signed on 13 May 2013. The Accord, which establishes a fire and building safety improvement program for a period of five years, is unprecedented since it was signed by more than 150 multinationals and international garment suppliers, 10 national and international trade unions and 4 NGO witnesses and is being supervised by the ILO, and because it establishes a legally binding mechanism for settling disputes.²⁸

The Accord provides for national and international engineers and safety inspectors to make independent inspections of about 1,500 garment factories before September 2014.²⁹ The first inspection reports were published 11 March 2014³⁰ and detail renovations required in these factories. Although the Accord stipulates that the participating brands must ensure that their suppliers are “financially capable” of complying with the renovation requirements using such means as loans, joint investments and business incentives, in some cases there is still some ambiguity about the financial responsibility for this renovation work.

Close to 20 North American brands that did not want to sign the Accord have set up an alternative initiative called the [Alliance for Bangladesh Workers Safety](#), which also provides for voluntary loans and inspections for the renovation of over 700 factories. The Alliance is a business-led initiative that is not legally binding and does not include the participation of the ILO or trade unions.

Despite the promising nature of certain initiatives and mobilisation of a diverse group of actors, it is still too early to decide whether these initiatives will really improve the safety of textile workers in Bangladesh in a sustainable way. In October 2013, just a few months after the Rana Plaza collapsed, 7 people were killed when another fire broke out at another factory.³¹ Given the growing number of initiatives, it is equally crucial to ensure coordination between these initiatives and with the multiple actors involved.

In addition, besides the safety hazards, the textile industry in Bangladesh continues to be marked by an absence of decent salaries, inadequate access to remedy for workers, as well as a lack of real trade union rights. This is especially evident from the constant attacks against trade union activists and the obstacles to establishing and running trade unions, as recently decried in [a report by FIDH and OMCT](#). It is also regrettable that no tangible progress has been made in the investigation of the assassination of the trade

²⁷ Statement by ILO Director-General Guy Ryder during the High Level Meeting on garment and textiles production in Bangladesh, 3 April 2014, http://www.ilo.org/global/about-the-ilo/who-we-are/ilo-director-general/statements-and-speeches/WCMS_240382/lang--en/index.htm?utm_content=bufferf280c&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer

²⁸ See complete, updated list of signatories to the *Accord* at <http://www.bangladeshaccord.org/signatories/>

²⁹ Accord Announcement on Factory Safety Inspection Standards, 14 January 2014, available at <http://www.bangladeshaccord.org/2014/01/factory-safety-inspection-standards/>

³⁰ See Inspection Reports at <http://www.bangladeshaccord.org/inspection-reports/>

³¹

A fire broke out at the Aswad Knit Composite Factory in Dhaka on 9 October 2013

unionist Aminul Islam, and that some union leaders are still subject to legal proceedings.

4- Are foreign companies more accountable?

It is now commonly accepted that companies must respect human rights in their business operations. The United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises recognise this notion of corporate responsibility. But these international standards are not legally binding, and the companies' commitment to respect human rights remains voluntary.

In today's world of globalised production, multinational corporations must limit and remedy the negative impacts that their corporate activities might have on human rights and the environment throughout the supply chain. They must actively encourage and work with their suppliers to ensure respect for the rights of textile workers in Bangladesh, and elsewhere.

Although there has been an important mobilisation of multinational corporations on this issue since the Rana Plaza tragedy, there is still a lot to be done to make these corporations fully accountable. FIDH recommends, for instance, that multinationals make respect for human rights central to their business activities, which includes a thorough revision of their purchasing policies. Among other things, enterprises should: reduce the number and improve their choice of suppliers; establish stable, lasting relations with their suppliers; comply with traceability and transparency requirements throughout the production chain; avoid working through intermediaries and, lastly, refrain from skirting responsibility by transferring production to countries with lower costs that often disregard human rights. On 13 May 2013, FIDH and its member organisation in Bangladesh Odhikar had seized the UN Working Group on Business and human rights regarding working conditions and human rights in the garment sector in Bangladesh.³²

5- What countries, other than Bangladesh, have a problem with workers' safety?

In the last few years, FIDH has published reports on human rights violations in textile factories in [Bangladesh](#)³³, in [China](#), and is preparing to publish a report on the same subject in India.³⁴

Garment factory workers in Cambodia, who recently began a wave of protest to demand a decent salary, were violently beaten by law enforcement authorities who arrested 23 people and fired live ammunition on the strikers, killing 4 and injuring over 30 people on 3 January 2014 in Phnom Penh. The textile factories involved have dismissed or

³² Voir "Rana Plaza Tragedy: FIDH and ODHIKAR formally trigger the United Nations to clearly set out the responsibilities of all actors involved in human rights abuses in the garment sector of Bangladesh », 14 mai 2013, à <http://www.fidh.org/en/asia/bangladesh/rana-plaza-tragedy-fidh-and-odhikar-formally-trigger-the-united-nations-to-13259>

³³ FIDH Report: BANGLADESH: Labour Rights in the Supply Chain and Corporate Social Responsibility <http://www.fidh.org/IMG/pdf/bg062008en.pdf>

³⁴ Publication scheduled for end April 2014

suspended several dozen workers and have filed complaints against the trade unions that started the strikes. 21 of the 23 people who were arrested are still in jail, awaiting trial. The textile and garment industry in Cambodia continues to be characterized by violations of union rights, working conditions below national safety and hygiene standards, and the lack of decent salaries. FIDH has [referred this question to the United Nations Working Group on Business and Human Rights](#).³⁵

In the next few weeks, FIDH will publish a report on human rights violations in the garment sector in India. Based on a fact-finding mission to garment factories in Tamil Nadu, Uttar Pradesh and Haryana States, it reports on the continuation of *Sumangali* (an employment programme that parallels forced labour), and on violations of human and labour rights in the garment factories. Recommendations are being made to Indian authorities, to the home countries of multinational brands and garment distributors, to manufacturers in India, and lastly, to international brands and retailers sourcing in India.

³⁵ See communication by FIDH and its member organisations ADHOC and LICADHO to the United Nations Working Group of Business and Human Rights (UNWG) of 10 March 2014, available at <http://www.fidh.org/en/globalisation-human-rights/14900-human-rights-violations-in-the-cambodian-garment-sector>