Background Document

More than seven months after the Rana Plaza tragedy, the worst industrial disaster in Bangladesh history, thousands of injured workers and the families of the more than 1,100 killed are still waiting for compensation. To date, only one of the international brands whose clothes were made in the building, the UK retailer Primark, has provided emergency relief to the victims.

Loblaws, whose Joe Fresh products were found in the rubble of the Rana Plaza building, has also promised to provide emergency relief to injured workers and families of those killed. Loblaws and Primark, along with European brands Bon Marché and Mascot, have signed an agreement to provide long-term compensation through a joint fund under a common compensation formula.

Walmart Canada, whose products were made in a Rana Plaza factory in 2012, has so far refused to provide any emergency relief or compensation to the victims. Nor has Walmart agreed to provide any compensation to the families of the 112 workers who lost their lives and the 120 workers who were injured in the 2012 Tazreen factory fire.

Unsafe workplaces a systemic problem

Unsafe workplaces and poor health and safety practices are endemic to the Bangladeshi garment export industry. Since 2005, approximately 1,500 workers have died in preventable factory fires and building collapses.

Common workplace safety hazards include: poorly constructed buildings with weak foundations and too many floors; blocked or locked factory exits and no external fire escapes; faulty electrical wiring; barred windows, stacks of flammable materials, and inadequate safety equipment; little or no health and safety training for workers or management; lack of a role for workers and trade unions in workplace safety; and pressure on workers to continue working in the face of serious hazards in order to meet order deadlines.

In the Rana Plaza case, workers and management personnel knew the day before the tragedy happened that there was a large crack in the building's foundation, and workers were afraid to enter the building the day of its collapse, but management ordered them go to work or lose their pay in order to meet the order deadlines of the brand buyers.

Bangladesh: Leading the race to the bottom on wages

Bangladesh is the second largest producer of garments for export world-wide, offering the lowest labour costs of major garment-producing countries.

As of November 11, the minimum wage for Bangladeshi garment workers was \$38 a month. In response to massive worker protests demanding an increase to \$100 a month, the Bangladeshi government offered to increase the monthly minimum wage to \$66. Factory owners, who had proposed a \$55 minimum wage, claimed they could not afford to pay the increase.

Meanwhile, giant apparel brands and retailers making enormous profits off cheap labour in Bangladesh are refusing to increase the prices they pay their suppliers in order that they could pay a living wage by local standards.

Restrictions on workers' rights continue

Growing international attention to worker rights abuses in Bangladesh has increased pressure on the Bangladeshi government to reform its labour laws to allow garment workers to organize unions and bargain collectively for improved wages and working conditions.

Although there have been some recent improvements in labour legislation, organizing unions in export processing zones is still prohibited. And despite recent changes in labour laws, workers continue to face extreme repression when they attempt to organize, including firings of union supports, physical assaults and death threats against union organizers, and the failure of the labour authorities to grant union registrations.

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