Human Rights Violations
In the Garment Industry
Of Bangladesh

Madeleine Jalava
In the span of a few decades, Bangladesh has risen to become the second largest garment exporter in the world as a result of liberalized trade policies that have attracted large scale foreign investment. The growing industry has provided the country with much needed capital to curb distressing poverty rates by giving employment to millions of young women from rural areas, while international apparel retailers have gained access to virtually unlimited cheap and low-skilled labour ideal for the production of fast-fashion items. However it’s an unsurprising consequence that many fundamental human rights, acknowledged both in international human rights law and established in Bangladesh’s national legislation, have been inadequately enforced so as not to interfere with the hugely profitable industry.

This thesis brings forward the most widespread human rights abuses in Bangladesh’s readymade garment industry: restrictions on the union rights of workers, forced labour, discrimination, child labour, lack of criminal justice, insufficient wages that amount to living in poverty and safety hazards at work. Despite the fact that Bangladesh has ratified most fundamental human rights treaties and conventions that have been designed to safeguard the rights of people globally, violations persist.

Recent accidents in inspected and certified garment factories show that current social compliance initiatives and CSR efforts that are essentially voluntary in nature have been insufficient to overcome the various safety and labour issues that occur in the factories that produce clothes for Western retailers. The inability of the human rights regime to protect individual rights from economic impacts as well as shortcomings in legal regulation and corporate accountability call for alternative measures which will be presented as a solution to the ongoing labour violations. Various initiatives developed by international actors that aim to address and improve labour conditions will be evaluated as well as different socio-economic factors behind the poor realization of rights.

**Keywords**
Human rights, Bangladesh, Garment industry, International law, CSR, Globalization
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<td>Business Social Compliance Initiative</td>
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<td>CCC</td>
<td>Clean Clothes Campaign</td>
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<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>EPZ</td>
<td>Export Processing Zone</td>
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<td>GDP</td>
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<td>HRW</td>
<td>Human Rights Watch</td>
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<td>ILO</td>
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<td>ISO</td>
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<td>MFA</td>
<td>Multi Fibre Arrangement</td>
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<td>MNC</td>
<td>Multinational corporation</td>
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<td>NGO</td>
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<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>OHCHR</td>
<td>Office of the High Commissioner for Human Rights</td>
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<td>PPP</td>
<td>Purchasing power parity</td>
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<td>RAJUK</td>
<td>Rajdhani Unnayan Kartripakkha (Capital Development Authority of the Government of Bangladesh)</td>
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<td>SAI</td>
<td>Social Accountability International</td>
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<td>UDHR</td>
<td>Universal Declaration of Human Rights</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNICEF</td>
<td>United Nations Children's Fund</td>
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<td>UNCHR</td>
<td>United Nations Commission on Human Rights</td>
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<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organization</td>
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<td>WRAP</td>
<td>Worldwide Responsible Accredited Production</td>
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1 Introduction

The clothing and textile industry employs more than 60 million people worldwide, the majority of whom work in Asian factories producing garments for the European and US markets. There has been a steady growth in recent decades as trade policies have been purposefully liberalized for Western corporations to expand markets and developing countries to attract foreign investment. Whilst the value of the industry has doubled in the last 10 years, the prices of clothes have fallen by a third. (Hamnett & Lee 2007, 7) Consumers spent an estimated $1.7 trillion on apparel, accessories & luxury goods in 2012. (Fashion United) The surplus of manufactured clothes is daunting, proven by the amount of clothes that wind up sold for a fraction of their retail price in biannual sales and the tons that end up in landfills each year. The fashion industry is unsustainable and unethical in many different ways, however this thesis will focus on the human rights of almost 5 million garment workers in Bangladesh who produce about 5 percent of all clothes sold in the world.

Donnelly (2013, 21) explains that human rights are vitally necessary if people are to attain a sense of dignity and self-worth, not just to allow their survival. Millions of people around the world have been deprived of a life of dignity for many different and complex reasons that I intend to address in this paper. My interest in global issues such as poverty developed through researching universal human rights and understanding their importance to needy people. Providing and strengthening human rights is thus part of solving problems such as poverty, as poverty means not only material scarcity but also a lack of representation.

Why Bangladesh? In many respects the story of Bangladesh is typical of any other developing country that opens its doors to free trade and establishes an export driven industry in order to spur economic growth. Labour violations and thus the violations of many fundamental human rights are apparent not only in the fashion industry, but are evident in other sectors too, ranging from agriculture to electronics. States that fail to safeguard the fundamental rights of their people often have very similar elements: a history of oppression and exploitation, a weak democratic system that is fuelled by corruption as well as a struggling economy. The violations that occur in Bangladesh’s garment industry and the ongoing battle for rights is thus comparable to many other past and present situations around the globe. Bangladesh has risen to become the second largest apparel exporting country in the world after China in just a few short decades, though the recent factory accidents have shed light on the fragile base upon which the rapidly expanded industry was built. The Rana Plaza accident as well as the Tazreen fire incident will be used as examples to show how the absence of rights contributed to these tragedies. On the 24th of No-
November in 2012, a fire broke out at Tazreen Fashion factory, claiming the lives of 112 people and injuring 200 others. Five months later, an eight-story commercial building Rana Plaza collapsed resulting in the deaths of more than 1,130 garment workers and over 2,000 people injured, leaving about 800 children orphaned, which made it the worst garment factory accident in history and the worst industrial accident anywhere in the world for a generation. Just a couple of weeks later, yet another factory fire broke out that killed 8 garment workers. (The Guardian 2013)

The fatalities in the garment factories in Bangladesh can be perceived as serious human rights abuses because of the toll on the workers and their families, and due to the sad fact that these accidents could have been prevented by local authorities as well as international brands that source from the country. Despite twenty years of trying to provide change through various social compliance initiatives, the industry can still be portrayed as unsafe, unsustainable and unethical. For decades major retailers have insisted on high standards as far as quality is concerned through sophisticated and continuous quality control monitoring. As Neil Kearney from International Textile, Garment and Leather Workers’ Federation points out, there is absolutely no reason why brands cannot insist on the same standards in regards to working conditions and why they cannot monitor them with the same extent and expertise. (Sparkes 2003, 199)

I will explore the most widespread human rights abuses that occur in Bangladesh’s garment industry by paralleling them to the country’s national law as well as comparing the enforcement of international human rights treaties and conventions. The efficacy of existing human rights instruments and mechanisms on protecting the rights of people globally will be evaluated. In the light of the observations discovered in this paper, additional alternatives to address various governance gaps will be presented.

Due to the increasing power of MNCs and their pivotal influence on the industry, a critical analysis of the current legal environment in which they operate will be given. This paper will show the connection between the current sourcing practices of international brands and how they directly affect the rights of the workers. Various regulatory possibilities and legislative advancements established by home states in order to ensure transparency in global supply chains will be considered. The purpose of this study is thus to provide an overview of all the challenges regarding human rights that the industry encounters and to answer the following question:
What are the main reasons behind the poor realization of human rights in the garment industry of Bangladesh and what can be done to improve the situation?

To begin addressing this challenging subject, the effects of globalization on developing countries will be examined as industrialization has commonly been the driver of growth to reduce poverty and to move from low- to middle income status. (Yamataga & Yunus 2012, 1) This study will continue with the characterization of the industry and the global supply chain of garments. The social responsibility of corporations in their global supply chains will be examined next, followed by various social compliance initiatives that have been developed for the regulation and improvement of labour standards.

In order to understand the meaning of universal human rights and how they are essentially provided, it is imperative to present all the various institutions and instruments that have been established for their safeguarding. In the context of international human rights law, the world has come a long way since the Second World War when even genocide was not legally prohibited. However as this paper will show, international law has not sufficiently taken into account the impact of MNCs. As Chané & Wouters (2013, 4) explain, these powerful international actors can contribute to economic and technological development but on the other hand are able to severely impact human rights or the environment and even commit crimes.

The political, historical and economic background of Bangladesh will be briefly discussed as it is important to portray the environment in which the garment industry has been built and developed and how this affects the distribution of rights. For the human rights abuses this thesis will address, I have chosen seven most common violations for which I have read articles, reports and interviews, and watched documentaries in order to get a realistic view and understand the perspective of those whose rights are being compromised. To offer solutions to the inadequate realization of these human rights and point out certain insufficiencies in current initiatives, I have studied books, statistical reports as well as articles written by experts. The government elections that were held six months ago delivered an inconclusive result and I have followed developments in the international media. My research methodology is a review of current literature and media reports.
2 The Effects of Globalization

Modern communication technology, fast development of global transportation, liberalization of geographical borders and international trade have created a multidimensional phenomenon that has enabled the rapid movement of investments, products and information, and thus creating an interdependent world. Globalization is controversial in that whilst it has delivered unprecedented wealth to the Western world, developing countries that provide the labour have not benefited proportionally. As argued by Ritzer (2011, 92), our current global economic system is to an extent based on a so called race to the bottom, which means that in order to compete and succeed the less developed countries must undercut the competition for example by offering low wages, poor working conditions and long hours. This set-up has permitted developed countries to exploit the less developed countries.

Supporters of globalization point out that outsourcing production has brought employment, foreign investment, new technology and thus wealth into poor countries. Most developing countries are people-rich and capital-poor which has seemingly created an opportunity for both parties; the companies of wealthy nations increase profits by offering an expanded range of choice to Western consumers at affordable prices due to low production costs, whereas developing countries that engage in global trade gain capital to invest in future growth. There are a few success stories to substantiate the claims of those praising globalization. For instance China has risen to become a producer of higher value products with generally higher wages and better working conditions compared to decades ago when manufacturing first relocated there. In 1980, about 85 percent of the Chinese population was considered to be poor. By 2010, the number had fallen to only 15 percent, which means that in a span of just thirty years more than half a billion people were taken out of poverty. In the Eastern parts of China living standards have risen to a level that is equivalent to many Western countries. The Human Development Index, which offers a global perspective on how well people are living, is 0.908 in Shanghai which is roughly the same as Portugal. However, HDI in poorer regions such as those in Tibet are equivalent to countries like Pakistan and Bolivia with an HDI of less than 0.7. Uneven development and wealth distribution shows that although China has won its race to the bottom, it still has its losers. (Urio 2012, 155)

Even though China has been a good example for many other emerging economies regarding the positive outcomes of opening doors to free trade, not all countries have experienced a comparable rate of progress. The per capita growth rate of many developing countries was above 3 percent in the 1960’s and the 1970’s whereas in the following dec-
ades of trade liberalization it plummeted to 1.7 percent. Since the 1980’s the decline of per capita income and consequently living standards have fallen most noticeably in Africa, broadly controlled by “global governments” such as the IMF and World Bank. (Chang 2008, 28) In sub-Saharan Africa the number of people living below $1.25 a day rose from 11 percent in 1981 to 28 percent in 2005. (UN 2010, 19) A study by the Political Economy Research Institute has calculated that sub-Saharan Africa lost $814 billion from 1970 to 2010 through illicit financial flows and tax havens, a figure which has been compared to the level of development aid ($659 billion) and foreign direct investment ($306 billion) received by the 33 countries belonging to the geographical area. In 2012 it was estimated that if the capital that left Africa illegally was invested on the continent, Africa could be able to reduce its poverty by half. Oil-rich countries such as Nigeria, Angola and Côte d’Ivoire have suffered the most in terms of volume of capital flight in addition to being exposed to various human rights violations that Western corporations have taken part in. (Political Economy Research Institute 2012, 1)

It is therefore crucial to highlight that wealthy countries indisputably always benefit from low priced commodities and cheap labour force, without there being any reciprocal arrangement guarantee that an underdeveloped country that accepts inhumane working conditions will rise from poverty. Moreover, present evidence suggests that solely relying on trade or foreign investment is not enough to alleviate poverty. In addition to employment, the poor need education, improved infrastructure, access to credit, security and empowerment of their rights. (National Bureau of Economic Research 2006, 43)

An Oxfam poverty report from 1995 describes well the impact of trade in a global economic environment:

“Trade has the power to create opportunities and support livelihoods; and it has the power to destroy them. Production for export can generate income, employment, and the foreign exchange which poor countries need for their development. But it can also cause environmental destruction and a loss of livelihoods, or lead to unacceptable levels of exploitation. The human impact of trade depends on how goods are produced, who controls the production and marketing, how the wealth generated is distributed, and the terms upon which countries trade. The way in which the international trade system is managed has a critical bearing on all of these areas.” (Watkins 1995, 109)

Of the 100 largest economies in the world, 51 are corporations and only 49 are nation-states. Moreover, 70 percent of the worldwide trade is carried out by the top 500 MNCs. (Mullerat 2010, 86) Corporations have thus become extremely powerful actors in the globalized economic system, some being economically more powerful than governments.
To put this in perspective, Nike’s total revenue in 2013 was $25.3 billion, which is significantly higher than Nepal’s $19.29 billion GDP in the same year. (Nike 2013; World Bank 2013) However, whereas governments are accountable to its people, leaders of MNCs are essentially accountable only to their share-holders. These powerful players taking part in world trade are thus capable of violating human rights however they are also able to change the way industries operate and by doing so influencing the lives and rights of those who operate at the bottom of the supply chain.

Globalization has undoubtedly affected human rights but whether it has been positive is open to debate. One aspect is that globalization enhances human rights by leading to economic benefits and political freedom, and that liberalized trade generally improves the lives of people. It is believed that with free market growth human rights will naturally follow. (Nair 2011, 137) Pendleton (1998, 2053) has even suggested that globalization belongs to a new set of individual rights which is similar to natural rights from which human rights have been developed.

Using China as an example again, however, shows that economic liberalization does not always provide for adequate realization of human rights as, despite the country’s flourishing economy, independent labour unions and human rights organizations are prohibited and all media is censored by the government. (HRW 2014) Moreover, it has been argued that to attract foreign investment, governments of developing countries feel compelled to keep labour standards and wages low, as well as deny or restrict workers’ rights to free association which conflicts with several fundamental human rights. When MNCs take part in setting national economic and social policies, local independent decision-making is subsequently diminished. Opponents also fear that in a globalized economy uncontrolled market forces threaten social, economic and cultural rights. (Nair 2011, 137)

However, Blowfield & Murray (2011, 117) point out that certain human rights violations such as slavery and child labour took place before globalization and therefore can’t be considered as consequences of the capitalistic expansion of trade. Technological advancement has simply made everything more visible to the global audience which has consequently added pressure on companies to act more ethically.

3 The Globalized Clothing Industry

3.1 Fast-fashion and Sweatshops

According to Dicken (2003, 317), the textiles and clothing industries were the first manu-
facturing industries to take on a global dimension and are the most geographically circulated industries across the world. Globalization paved the way for large apparel companies to expand into foreign markets, which consequently meant that clothes could be manufactured at an unprecedented pace for a growing number of potential customers. Fast-fashion emerged around the late 1980s, when the demand for new trends increased along with technological advancements that significantly reduced product development cycles in the textile industry. (Hines & Bruce 2007, 41) It can be considered as a business-model of itself, in which the principle concept is to incorporate quick response production capabilities with enhanced product design that captures the latest consumer trends and uses minimal production lead times to match supply with uncertain demand. (Cachon & Swinney 2011, 778)

The consumer-driven phenomenon of fast-fashion stimulated companies to move their production into countries with cheap labour and low governance. It was not the beginning of sweatshop labour in the garment industry, as the first sweatshops appeared in 19th-century England at the end of the Industrial Revolution. An early definition of a sweatshop was given in 1902 as “no particular method or remuneration, no particular form of industrial organization, but certain conditions of employment, viz. unusually low rates of wages, excessive hours of labour and unsanitary workplaces”. Sweatshops largely disappeared in the developed countries as trade union movements fought for the emancipation of dangerous working conditions and governments established a fair minimum wage. Subsequently the cost of production became significantly higher which drove corporations to relocate to places where unions were weakest, labour protections were least enforced, workers were most repressed and evidently, the labour was cheapest. (Ross 2004, 13, 103)

Today clothing and textiles are among the largest industries with total exports of $766 billion in 2013. The industry rose by 8 percent in 2013 which is four times higher than the average growth for world exports. (WTO 2014, 58)

3.2 The Supply Chain of Clothes

The supply chain journey of a typical garment produced from cotton involves numerous players before it is eventually placed on a retailer’s shelf. The world’s largest cotton producing countries are China, India and the United States, of which especially the latter has a notorious history in the cotton slave trade that dates back to the late 18th century. (Statista 2014) However, even today working conditions in the cotton fields are far from safe and often involve child labour. World Vision reports that in Gujarat, India, a child working on a cotton farm receives less than $1 per day. Children may work as long as 12 hours in
extreme temperatures. In Uzbekistan, which is the world's 6th largest cotton producing country, children are made to work from early in the morning to evening without sufficient food, earning less than a 0.04 percent share of a typical t-shirt's retail price. (World Vision 2013, 2) After the cotton is picked, it is shifted into the spinning mill where the cotton is spun into yarn. The yarn is then shipped either directly or via an intermediary to a weaving factory where yarn is knit into cloth and the cloth is dyed and finished. The ready cloth is then shipped to a garment factory, often located in a South Asian country, where the fabric is sewed into garments. Depending on the design, possible prints and final processing are made. The garment then continues its journey either directly or through an agent to the clothing brand or retailer. (IMF 2005)

As described above, the supply chain in the apparel industry is multifaceted and involves many players and stakeholders. Traditionally brand manufacturers have been involved in the production process either through ownership of the factories or supplying inputs for production. In today's world brands rarely have their own factories as production is almost completely outsourced to local private factory owners. Quite often there is an additional intermediary, for example an agent, wholesaler or importer that further distances the buyers from the producers and hinders transparency across the supply chain. The apparel industry is a good example of a buyer-driven value chain in which producers are bound to the decisions of buyers. As MNCs are the investors who bring money into a poor country, they have the power to influence the delivery schedule, prices, materials and terms. The typical pattern is that the brand provides a detailed garment specification and the supplier is responsible for acquiring the inputs and coordinating all parts of the production process, which includes the purchase of textiles, cutting, garment assembly, laundry and finishing, packaging and distribution. (Gereffi & Frederick 2010, 15)

The indirect sourcing model has benefitted global brands and retailers as well as leading exporters. A distant relationship towards the bottom end of the supply chain has been favourable especially from the buyer's perspective, as it has insulated them against taking responsibility for safety and labour issues in the factories. When conflicts arise or competitiveness is challenged, it is easier to switch production to another factory instead of tackling existing problems or negotiating a compromise. To set up a garment factory does not require huge investments which has enabled factory owners to move from one place to another for example to reduce production expenses. Sometimes owners close factories because of unionization among the workers and put up another factory elsewhere with new workers that are not affiliated to a trade union. (Baumann-Pauly & Labowitz 2014, 21)
Many retailers have admitted that they do not know the names of the factories in which their products are being made due to a complicated supply chain structure. Zulficar Ali, an executive director at the Bangladesh office of U.K. based Synergies Worldwide, illustrates in an interview how an order made by a clothing brand could be produced in 20 different units from where they are sent off to one place for final inspection. (The Wall Street Journal 2013)

Unauthorized subcontracting is also extremely common as manufacturers who deal with retailers are often unable to meet production deadlines due to rapidly changing fashion in Western markets. This brings pressure for local factory producers to meet production deadlines especially around the peak seasons such as Christmas. When order deadlines approach, working hours get longer and legally entitled rest days are refused. Unauthorized subcontractors, which utilize usually smaller facilities and are unknown to buyers, are rarely in line with safety regulations as they most likely haven't been inspected. The International Federation for Human Rights confirms that the risks for human violations are the greatest in factories at the very start of the supply chain due to unauthorized subcontracting. (FIDH 2014)

4 Sustainable Business

4.1 Corporate Social Responsibility

Milton Friedman, a winner of Nobel Prize in Economics and advocate of a free market economic system with minimal intervention, wrote in 1962:

“There is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.” (Friedman 2002, 133)

Since then, rapid global trade expansion has led to increased public concern about various environmental and social impacts that have directly resulted from corporate actions, consequently steps were taken to apply principles of Corporate Social Responsibility, a form of self-regulation integrated into a company’s business model.

ISO, a non-governmental membership organization and the world's largest developer of voluntary International Standards defines CSR as the responsibility of an organization for the impacts of its decision and activities on society and the environment, through transparency and ethical behaviour that:
- Contributes to sustainable development, including health and welfare of society
- Takes into account the expectation of stakeholders
- Is in compliance with applicable law and consistent with international norms of behaviour
- Is integrated throughout the organization and practices in its relationship

(ISO2600 2012, 2)

Figure 1. Carroll’s Pyramid of Corporate Social Responsibility (2014)

Carroll’s sustainability pyramid originally from 1991 has often been used to illustrate all the responsibilities that belong to CSR. The model is not designed to be interpreted in a sequential manner, but rather so that business is expected to fulfil all of its responsibilities simultaneously. He argues that whereas economic and legal responsibilities are required, ethical and philanthropic considerations are expected and desired. (Carroll & Buchholtz 2015, 36)

There has been a lot of debate on whether binding legal regulation or voluntary self-regulation is the better strategy for promoting CSR. CSR usually goes beyond what governmental regulators require, and it has been said that business ethics begin where the law ends. However, in December 2014 The European Commission passed a historic law which now requires companies with more than 500 employees to disclose information on their policies, risks and outcomes on environmental matters, social and employee as-
pects, respect for human rights, anti-corruption and bribery issues, and diversity in their board of directors. (European Commission 2015)

Most large companies already have a set of principles, i.e. codes of conduct that Blowfield & Murray (2014, 363) describe as a company’s commitments to maintaining a specific standard in issues such as the environment, labour and human rights, bribery and corruption, corporate governance and corporate responsibility reporting principles. Although codes of conduct serve as a strategy to safeguard human rights, they are voluntary in nature rather than legally binding, even if they might mention legal requirements such as a minimum wage.

Even though CSR reporting is now mandatory for large European corporations and does undoubtedly promote transparency, integrating sustainability into business operations that can be applied and monitored throughout the supply chain is not as simple in practice and requires a lot more work than publishing an annual report. A report by HRW remarks that although codes of conduct or commitments to social responsibility exist, they are often inadequately implemented and thus additional standards and compliance mechanisms are required. (HRW 2008, 2) This is very much the case with many global apparel brands as well, and it is relevant to make a distinction between what companies pledge to do in their code of conduct and what is actually going on in their supply chains. For instance, in the 2011 annual report of Inditex, the world’s largest clothing retailer, the group states:

“Guaranteeing satisfactory working conditions for each one of the employees of Inditex manufacturers and suppliers is an indispensable and non-negotiable condition… Inditex applies a zero tolerance policy with certain practices, such as underage working, forced labour or the breach of proper salary policies.” (Inditex 2011, 56)

Inditex has also designed a protocol of action for the prevention of child labour in the supply chain in 2009 which is established on the best practices in the industry and includes the main conventions established by the ILO. (Inditex 2011, 59) Despite these efforts, in 2011 the company was accused of child labour in Brazil, where workers from Bolivia and Peru worked 16 hour days in unsanitary and hazardous working conditions. The workers were reportedly paid half of Brazil’s minimum wage. (BBC 2011) Two years later the group was in the news again when similar sweatshop practices were uncovered in Argentina. (Daily Mail 2013) Although purging child labour from the bottom of the supply chain is a strenuous task that requires long-term and dedicated cooperation from multiple stakeholders, these incidents illustrate how although large companies like Inditex promise to
uphold certain labour standards, they haven’t enforced wider control over their global supply chains or ensured that their code of conduct is in accordance with their business operations. Thorough due diligence when choosing suppliers, various monitoring tools and compliance programs as well as extensive social audits performed by accredited third-party inspectors are all time consuming and costly, however these measures add up to only a fraction of the profits of a $ multibillion company like Inditex.

Global retailers and brands often choose to turn a blind eye on human rights violations that occur in their supply chains as exploitation of cheap labour is accepted as a common practice in developing countries. As the primary and most obvious responsibility of a company is to be profitable and to maximize shareholder value as illustrated in Carroll’s pyramid, making significant investments into sustainability may not be regarded as the right thing to do financially. Moreover, fear of losing competitiveness hinders progress in sustainability as the whole fast-fashion industry, which essentially relies on a short product lifecycle, is built on an unsustainable base in a much larger scale than just fast and cheap production. For instance the use of synthetic fibres such as polyester has doubled in the last 15 years which has contributed to air and water emissions due to its energy-intensive process that requires large amounts of crude oil, and has created environmental costs for disposal since most manmade fibres are non-biodegradable. However, MNCs are becoming more and more aware that non-compliance is expensive and increases risk, and have thus engaged in CSR programs to address both their own competitive interests in addition to the interests of the wider society. (Fletcher 2014, 10, 54, 208)

Recent public scandals on the use of tax havens and tax loopholes by corporations has raised valid questions concerning corporate taxation and CSR. In the global economy MNCs have many possibilities to avoid their responsibility to pay taxes and thus evade contributing to the creation of prosperity and stability of a society as taxes provide crucial public revenues for governments to meet economic and social objectives. Tax evasion is especially harmful to developing countries that rely quite heavily on expected and much needed government revenue. (Beare 2012, 393) Experts from PricewaterhouseCoopers say that some major businesses are beginning to regard taxation as a mainstream part of their corporate social responsibilities, however Jenkins & Newell (2013, 12) discovered in an OECD survey of 233 codes of corporate conduct that only one code mentioned taxation. (Scheiwiller & Symons 2009, 27-28) Moreover, they argue that corporations that are considered as leaders in terms of CSR rarely give any recognition to taxation as a CSR issue. It is therefore not surprising that large apparel brands such as H&M and Inditex also practice legal tax avoidance. H&M has in recent years portrayed itself as ethical and conscientious and has stated that as a good corporate citizen it views tax as an important part
of its social responsibility. However, it is open to debate how socially responsible it is to manufacture the vast majority of its products in poor countries and pay all of its tax "where the value is created" which essentially means Sweden and other mostly Western sales countries. (H&M 2014) Inditex on the other hand has shifted between 2009 and 2014 an estimated $2 billion in profits to tiny foreign subsidiaries in the Netherlands and Switzerland that employ about 0.1 percent of the groups' worldwide workforce, but which reported almost 20 percent of the parent company's global profits in 2013. Giuseppe Ragusa, an economist at Luiss University in Rome, (Bloomberg 2014) explains how tax shifting creates a false playing field and places a larger tax burden on smaller companies that do not have foreign subsidiaries.

4.2 Social Compliance Initiatives

The practice of social auditing began in mid-1990s, after a number of high profile companies were exposed for using factories that manifested unacceptable working conditions. It was around the same time when large corporations began to adopt codes of conduct that were designed to reassure that exploitation and worker abuse would not occur throughout the supply chain. Oxfam estimates that the ethical audit industry is worth $80 million dollars a year. (Oxfam 2011)

Clean Clothes Campaign, a European alliance of NGOs and trade unions since 1989, explains the purpose of social audits:

“Social audits are meant to help identify workers' rights violations in production facilities, to assess and evaluate suppliers' performance in relation to social standards and encourage improvements at the work place. They cannot, by themselves, create change. At the same time, flawed auditing can have the opposite effect by providing a false or incomplete picture of working conditions at a production site. Much, therefore, depends on the quality and scope of an audit.” (CCC 2005, 18)

Several global initiatives have been formed to monitor the operations of multinational corporations and their compliance to industry codes of conduct. These initiatives can be divided between non-profit organizations that often involve multiple stakeholders and business-led initiatives. Social Accountability International (SAI), Fair Wear Foundation, Fair Labour Association, Ethical Trading Initiative and Worker Rights Consortium are all initiatives founded by various NGO's and trade unions; whereas the Business Social Compliance Initiative (BSCI), Global Social Compliance Programme (GSCP) and Worldwide Responsible Accredited Production (WRAP) have been established by multinational corporations or industry experts with linkages to the corporate world. Together these initiatives
aim to address and improve various issues in the garment industry such as child and forced labour, the right of freedom of association, decent working hours, occupational health and safety and general ethical business behaviour. All of these initiatives have developed their own frameworks and standards for corporations to adopt when evaluating suppliers and conducting audits. Most significant differences are related to wages; whereas most NGO driven initiatives push for a living wage that is enough to meet basic needs, business-led initiatives accept the minimum wage set by the government as sufficient. Moreover, NGOs enforce and promote multi-stakeholder conversation and objective evaluation however initiatives that are set up by corporations are rarely unbiased or seek the absolute best interest of all stakeholders. (Sustainability Initiatives and Standards 2013)

Only SAI and WRAP issue certificates for factories. Perhaps the most accredited certificate is the SA8000 standard developed by SAI, which is based on the UN Declaration of Human Rights, conventions of the ILO, UN and national law, and used as a tool to connect industry and corporate codes to create a common language for measuring social performance. (SAI 2015) In contrast, WRAP, the world’s largest independent certification program with board members connected to US clothing brands, is largely based on compliance with local laws rather than on international conventions. (WRAP 2015) However, the most endorsed standard is the BSCI code of conduct which is utilized by more than 1500 global companies. BSCI states that it recognizes SA8000 as the best practice, however there are significant differences between BSCI code of conduct and SA8000 that concern wages and remediation measures in the case of child labour. Companies that currently endorse the BSCI code of conduct are encouraged to further apply for the SA8000 certificate, but from more than 20,000 factory audits that BSCI holds in its database, only 291 suppliers are SA8000 certified. (BSCI 2011, 20) All initiatives, apart from Fair Labour Association and Worker Rights Consortium that conduct independent investigations themselves, use external auditing companies to monitor non-compliances.

Some large apparel brands, such as Inditex and H&M, have established their own compliance programs that have been drafted from their own code of conduct. Inditex has more than 400 internal and external supply chain auditors that work on verifying that all of the Group’s suppliers comply with their code of conduct. The group states that all suppliers within its supply chain are audited periodically by Inditex’s own CSR teams or specialist external auditors in order to assess their level of compliance with its code of conduct. The methodology of the audits has been developed in collaboration with IndustriALL, the Cambridge Centre for Business and Public Sector Ethics and Inditex. (Inditex 2015) H&M on the other hand has over 100 experts that monitor suppliers’ compliance with the company’s code of conduct by using H&M’s own tool, The Full Audit Programme, which con-
sists of consists of head audits and follow-up audits, management systems analyses and other capacity-building activities. (H&M 2015)

Due to the large amount of disparate initiatives and compliance programs that use different methods to investigate various labour issues in factories, the ethical audit industry lacks uniformity. Moreover, inconsistent standards potentially generate overlapping inspections and thus excess work. The task of identifying infringements becomes further more difficult when factory owners unlock fire exit doors, falsify records or tell child labourers not to come to work when an audit is due to take place. The New York Times reports how the share prices of three largest inspection companies in the field – SGS, Intertek and Bureau Veritas – have all increased approximately 50 percent from 2011 to 2013; however it is debatable whether their customers, i.e. multinational corporations, have gotten what they have expected and paid for as factories that have undergone regular social audits have turned out to be unsafe and in conflict both with codes of conduct and national law. The costs of audits vary significantly whether it is a six hour check-the-box audit with brief factory floor interviews, or a three-day thorough inspection in which employees are interviewed for instance at bus stops or at home. Major retailers with more than 1,000 suppliers worldwide often choose to conduct audits that fulfil the minimum requirements instead of comprehensive audits as costs would proliferate substantially for such a large amount of factories around the world. However, paying for audits that do not go beyond the surface and are unable to detect safety hazards might potentially backfire later. (NY Times 2013)

Although BSCI has audited more than any other initiative throughout its decade old history, CCC has openly condemned the insufficiencies of the business-driven initiative largely because it lacks the involvement of stakeholders and thus marginalizes their role. The NGO considers BSCI social audits to be insufficient as monitoring should be accompanied by and complemented with an independent verification system. (CCC 2005, 64-65) BSCI is not the only social compliance initiative to be criticized; as Fair Labour Association receives much of its funding from the same organizations it monitors, the risk for conflict of interest is evident. (NY Times 2012) SAI also receives fees and membership payments from major players in the garment industry such as Gap, Gucci and H&M in addition to labour unions, governments, foundations and nongovernment organizations. (SAI 2011)
5 International Human Rights Law

5.1 Definition of Human Rights

All human beings are born with equal rights which they hold inalienably, however in reality, billions of people, usually the poorest, are deprived of their basic human rights. Amnesty International, a global human rights NGO founded in 1961, describes human rights as:

“Basic rights and freedoms that all people are entitled to regardless of nationality, sex, national or ethnic origin, race, religion, language, or other status. Human rights include civil and political rights, such as the right to life, liberty and freedom of expression; and social, cultural and economic rights including the right to participate in culture, the right to food, and the right to work and receive an education.” (Amnesty 2015)

Although human rights abuses are usually more severe in developing countries, violations occur in developed societies as well. Racism, gender discrimination and homophobia are examples of human rights issues that many developed countries continue to tackle today. In the developing world, problems such as child labour as well as child marriage, blatant gender inequalities and absence of legal rights, freedom of speech and justice are common and often related to poverty. The human right to basic necessities such as food, health and education are compromised if a country is struggling economically and socially. In the past 50 years, many developing countries have gone through violent civil wars that have caused severe political unstableness, which has contributed to the slow adoption of internationally recognized human rights law. Moreover, labour rights, that are an inherent part of human rights, are deliberately jeopardized in order to spur economic growth.

Human rights are often expressed as universal, and in a sense they are as they have been acknowledged by almost all states as establishing obligations that are binding in international law. However, the implementation and enforcement of rights essentially lies in the hands of sovereign states. (Donnelly 2013, 38) Whereas all social actors are obligated not to violate human rights, it is the duty of the state to enforce human rights for its citizens in their own territories. Figure 2 shows the core responsibilities of states as defined by the UN.
As Donnelly (2013, 163) explains, various international human rights institutions and mechanisms possess forceful power to encourage, condemn, cajole and plead, but ultimately it is the state that decides what action will be taken to address human rights issues. Demands to stop human rights violations are demands for changes in legal and political parties, and change in an undemocratic and corrupt society is undoubtedly challenging.

5.2 The International Human Rights Regime

The global human rights regime was developed in the decades after the Second World War largely to ensure that the atrocities that took place during the war would not be repeated. Multiple organizations and mechanisms were formed in order to guide and monitor state practices globally. The United Nations was established in 1945 to promote international cooperation and a year later The United Nations Commission on Human Rights (UNCHR) to protect human rights globally. In 1948, the UNCHR compiled perhaps the most authoritative human rights document, The Universal Declaration of Human Rights. The document was adopted by the UN General Assembly and although it isn’t legally binding in itself, the declaration provided the basis for ensuing international human laws. (Donnelly 2013, 4-6)

From the hundreds of treaties that exist, six are commonly used to provide the core of international human rights law:

| Respect | States must refrain from interfering with or curtailing the enjoyment of human rights |
| Protect | States must protect individuals and groups against human rights abuses |
| Fulfil | States must take positive action to facilitate the enjoyment of basic human rights |

Figure 2. States obligations and duties under international human rights law (OHCHR)
- The two 1966 International Human Rights Covenants
- The 1965 Convention on the Elimination of All Forms of Racial Discrimination
- The 1979 Convention on the Elimination of All Forms of Discrimination Against Women
- The 1984 Convention Against Torture and Other Cruel, Inhuman, or Degrading Treatment or Punishment
- The 1989 Convention on the Rights of the Child

The treaties become legally binding once a sovereign state voluntarily accepts them. As of 2011, the treaties mentioned above had an average of 172 state parties which indicates that despite all cultural, political and economic differences in the modern global world, there is a universal concession on the existence of internationally recognized human rights. (Donnelly 2013, 14) In addition to treaties, international human rights law derives from customary international law as well, which Rosenne (1984, 55) defines as “rules of law derived from the consistent conduct of states acting out of the belief that the law required them to act that way.”

The UNCHR was replaced by The Human Rights Council in 2006 after it became politicized. Since then, the Human Rights Council has acted as an impartial forum to assess human rights performance of various states. The council has a system of “universal period review” which brings the human rights records of all states to open and public discussion on a rotating basis. It also assembles sessions for specific issues, in which for instance the Syrian crisis was addressed in 2011. (Donnelly 2013, 77) One of the main purposes behind the council is to acquire information on violations in order to encourage governments to improve their situation, albeit often through public embarrassment. The Office of the High Commissioner for Human Rights (OHCHR), also a UN agency and founded in 1993, operates in a similar fashion of information-advocacy. The high commissioner of the council may directly pursue governments in order to get them to respect internationally recognized human rights. It additionally provides assistance in implementing international human rights standards by offering expertise and training in administration of justice, legislative reform and electoral process. Several high commissioners have also risen to become globally respected and renowned advocates for human rights. Currently the OHCHR has offices in thirteen countries and dozens of officers throughout the world, including in Bangladesh. (OHCHR 2015)

Other important global actors in protecting human rights are the International Labour Organization (ILO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Criminal Court (ICC) and the UN Security Council. The ILO in particular, founded in 1919, has been prominent in dealing with various labour issues.
that concern human rights. (Donnelly 2013, 86-87) There are 190 Conventions of ILO, however 8 are considered to be fundamental:

- Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87)
- Right to Organize and Collective Bargaining Convention, 1949 (No. 98)
- Forced Labour Convention, 1930 (No. 29)
- Abolition of Forced Labour Convention, 1957 (No. 105)
- Minimum Age Convention, 1973 (No. 138)
- Worst Forms of Child Labour Convention, 1999 (No. 182)
- Equal Remuneration Convention, 1951 (No. 100)
- Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

These conventions are legally binding international treaties, as the ratifying countries commit themselves to applying the convention in national law and practice and reporting on its application at regular intervals. (ILO 2015)

As stated by the UN Secretary John Ruggie (2013, xxviii), “The idea of human rights is both simple and powerful. The operation of the global human rights regime is neither.” His statement is based on the reality that international treaties are completely voluntary for states to adopt and ratify, and therefore the largely UN-based human rights regime is not capable or essentially designed to act as a centralized legal regulative system. The treaties obligate ratifying governments to act in line with certain moral norms in order to uphold and protect human rights and fundamental freedoms of individuals or groups; however, the real challenge is to transform conventions into national law and to enforce them effectively. Thus international legislation ensures human rights, but each country with its own legislation enacts what each authority has to do in order to implement human rights. (Ruggie 2013, xxx)

Individuals are able to complain about violations against their rights in an international arena under a respective UN treaty against states that are parties to the treaty and have recognized the competence of the supervisory body to consider complaints from individuals. (OHCHR 2015) Complaints are considered by the treaty body which examines the presence or absence of a violation. Bayefsky (2002, 3) explains that from an individual's perspective filing a complaint is not easy as response is usually not fast and a result may take years. Complainants may only use certain languages and explaining is done completely in writing and not in person. Most serious human rights abuses such as genocide, crime against humanity and war crimes are taken to the International Criminal Court which tries only individuals, not states. (Icelandic Human Rights Centre 2015)
Transnational human rights advocates are private entities such as NGOs that operate across borders. Some NGOs engage in general human rights advocacy whilst others focus explicitly on a specific singular right. Two major transnational human rights advocates that have been engaged in various global human rights issues are Amnesty International and Human Rights Watch (HRW).

Amnesty International is a nonpartisan mass-membership organization, funded largely by individual donors. The organization has grown steadily since first drawing attention to prisoners of conscience and torture in the 1960s and over decades expanding into a broader spectrum of human rights such as the rights of women, children, minorities and refugees. Its success is due to aggressive but unbiased public advocacy with effective behind-the-scenes lobbying at both international and national level. An International Secretariat that consists of more than 500 experts undertakes work in several areas, focusing on research, campaigning, communications, and international law and organization. (Donnelly 2013, 150-151)

HRW originates from Helsinki Watch, a private American NGO that was formed in the USA in 1978 to monitor implementation of the Helsinki Accords throughout Iron Curtain countries during the Cold War. Today HRW employs roughly 400 people that primarily engage in on-the-ground researching which is followed by independent reporting. The organization publishes findings in more than 100 reports and hundreds of news releases each year. It also engages in public campaigning and political lobbying. HRW states that it does not accept government funds or support from any private funder that could compromise its objectivity. (Donnelly 2013, 151-152; HRW 2015)

As with all transnational human rights NGOs, the accuracy of reports depends on the ability to collect and authenticate information about human rights violations. Their work is essentially to draw attention to practices that are inconsistent with principals of international law by collectively engaging in the right of freedom of expression. Objectivity and credibility are therefore fundamental in transparent information advocacy, however both Amnesty and HRW have been scrutinized by national governments, other NGOs and the media for being biased or inaccurate reporting. HRW in particular has been accused of losing critical perspective on events in the Middle East and dedicating too much attention to the Israeli and Palestinian conflict. The majority of the reports published by the organization condemn Israel for its violations against human rights whilst the actions of Palestinian groups are not presented in a similar proportion, thus raising questions about the organization’s
integrity. (NY Times 2009) Amnesty has been attacked for one-sided reporting as well in addition to being in the news for excessive pay-outs to its two senior staff members that totalled more than $1 million. (International Business Times 2013)

Despite various controversies human rights NGOs have encountered, their work is crucial in bringing public awareness to the abuses that occur globally. Although they lack legal authority, they have the moral and legal authority of multilateral global actors and thus also possess power in influencing sovereign states. (Donnelly 2013, 155)

5.4 Multinational Corporations and Human Rights

International human rights law was originally designed to protect individuals from the state. However, the increasingly pivotal power of non-state actors such as MNCs has raised questions whether human rights obligations should be imposed on them as well as they have the power to make or break economies. The conduct of global companies influences the fundamental human rights of millions of people either in a positive or negative way, as MNCs have the ability to breach labour rights by contributing to exploitation, as well as to promote them by taking steps to protect the rights of the people who are involved in the activities of the corporation. (Gatto 2011, 9-12)

MNCs are able to escape national jurisdictions by outsourcing production into developing countries with low governance and more favourable terms of production. In return, the governments of developing countries sometimes resist regulating or limiting the activities of MNCs under their own jurisdiction because of the vital need for foreign investment and economic growth. This creates an agreement which seemingly benefits both parties, however it produces an unbearable situation for millions of workers who are for example denied their bargaining power to change their circumstances. Consequently it can be acknowledged that many human rights violations are carried out by global companies, perhaps in some cases completely unknowingly but very often by turning a blind eye. And even if not directly in their own factories abroad, then through their complicated supply chains, which nonetheless facilitate, encourage or aid human rights abuses.

MNCs function in what has been described as "a vacuum between ineffective national laws and non-existent or unenforceable international law." (Amao 2011, 1) Due to extra-territorial jurisdiction and complex company structures that may involve multiple foreign subsidiaries, national laws have proven to be ineffective in the governance of MNCs. Moreover, MNCs do not have a legal personality under international law despite their in-
international character, which essentially means that it is impossible to file a claim against MNCs before an international tribunal. (Okur, Sampford & Zifcak 2015, 152)

The topic of violations by MNCs has gained increasing global attention and the need to establish regulative measures has become evident. Ruggie has accurately stated:

“The root cause of the business and human rights predicament today lies in the governance gaps created by globalization - between the scope and impact of economic forces and actors, and the capacity of societies to manage their adverse consequences. These governance gaps provide the permissive environment for wrongful acts by companies of all kinds without adequate sanctioning or reparation. How to narrow and ultimately bridge the gaps in relation to human rights is our fundamental challenge”. (Ruggie 2008, 3)

Multiple initiatives and frameworks that can be described as soft laws have been developed to fill governance gaps and to guide the business world into performing in a more ethical and sustainable manner, one of which is the Guiding Principle on Business and Human Rights that was drafted by Ruggie and endorsed by the Human Rights Council in 2011. The framework leans on three core responsibilities: the state duty to protect against human rights abuses by third parties, including business; the corporate responsibility to respect human rights; and the need for more effective access to remedies. In practice, the framework encourages pragmatic action by securing protection through enforcing appropriate policies and regulation, including due diligence practices in corporate responsibility, and ensuring that in situations where negligence occurs, victims will nonetheless have sufficient access to both judicial and non-judicial remedy. (Ruggie 2008, 3)

Another set of principles is the OECD Guidelines for Multinational Enterprises, originally adopted by the Organization for Economic Co-operation and Development (OECD) in 1976 and last revised in 2011. The guidelines are governmental recommendations to MNCs that address nine areas of business ethics: information disclosure, human rights, employment and industrial relations, environment, combating bribery, consumer interests, science and technology, competition and taxation. All 34 OECD member states are obligated to set up a National Contact Point which is an entity responsible for the advancement of the Guidelines on a national level. (OECD 2011, 3-4, 18)

Several other legally non-binding initiatives are the UN Global Compact which urges companies to embrace universal principles and to partner with the UN, ILOs tripartite declaration of principles concerning multinational enterprises and social policy, and ISO 26000 that provides guidance on how corporations can operate in a socially responsible way. All
initiatives thus far, however, are not based on any international binding obligation, but rather on social expectations, and thus essentially serve as providing advice on sustainable progress and not to regulate the conduct of MNCs. (Deva & Bilchitz 2013, 59)

6 Bangladesh

6.1 Statistics

Bangladesh is the world’s 8th most populous country with an estimated population of 162 million people. It is the most densely populated country with the exception of small city states such as Hong Kong, Singapore and Bahrain. (Lewis 2011, 13) Located in South Asia next to India and Burma, Bangladesh is prone to many natural disasters such as cyclones, floods and earthquakes. The country’s capital is Dhaka, which has expanded into one of the world’s largest megacities with a population of more than 18 million people in the Greater Dhaka Area. Bangladesh’s GDP per capita based on purchasing power parity was $2,948 in 2013 which is the second lowest in South Asia after Nepal and a little bit higher than many countries in sub-Saharan Africa. Approximately 31.5 percent lives below the poverty line on $1.25 a day. Average life expectancy has increased significantly from 46.88 years in 1972 to 70.7 years in 2012. However, about 41 percent of the population aged 15 and above are illiterate. The currency in Bangladesh is Taka (BDT). (World Bank 2013)

6.2 Government

As an independent country Bangladesh is just four decades old. It was initially one of the key acquisitions of the British Empire in the mid-18th century, after which it was annexed to the new country of Pakistan in 1947. Political and financial exclusion from the country’s central hub in the West invoked a sense of inequality and estrangement, which ultimately led to a liberation war in 1971 that was won with India as an ally. It has been said that Bangladesh was created because of human rights violations as Pakistan’s military killed an estimated three million people and raped about 200,000 women during the nine-month-long war. The new country was very poor and unstable, and a nationwide famine in 1974 was exacerbated by a flood that killed 1.5 million people and deepened the already existing crisis. (Lewis 2011, 73-74)

After the Liberation war, Bangladesh initially established a unitary state with a presidential form of government. Temporary martial law, 3 successful military coups and 30 failed ones, however, have been the by-products of political and financial instability. Parliamentary democracy was restored in 1991, but to this day democracy in Bangladesh can still
be described as illiberal as political and legal institutions are based on unjust politics and state power is misused for personal and political gain. Freedom of expression, political opposition, extrajudicial killings and torture by the law enforcement agencies as well as pervasive corruption in the judiciary, local authorities and in business are all ongoing challenges that Bangladesh faces as a democratic country. (Lewis 2011, 107-108)

In Transparency International's 2014 Corruption Perceptions Index, Bangladesh was ranked as the 145th most corrupt country from the total of 175. In the release of the report, the chair of Transparency International Jose Ugaz explained how governments of fast-growing economies who refuse to be transparent and tolerate corruption, build a culture of impunity in which corruption thrives. (Transparency 2014) Although Bangladesh has established some laws that are in many parts comparable to international standards, enforcement is generally weak due to poor governance and corruption. Corruption is most blatant in the country's judiciary system, although it is prevalent across a wide array of sectors even in education and the health service. A study conducted by Transparency International in 2012 showed that 88 percent of all households who sought judicial services were subjected to corruption and harassment with an increase between 2007 and 2010. Law enforcement is the second most corrupt sector in Bangladesh in which 79.6 percent of households who received services from law enforcement agencies had encountered corruption and harassment. Moreover, it has been asserted that there is a long tradition of the government using the police force as a tool to maintain and control their power in politics by performing illegal commands and harassment. A local human rights organization, Odhikar, has estimated that 127 people were killed extra-judicially in 2010. (Transparency 2012, 2, 6-7)

Bangladesh's 2014 national elections were the most violent since the country’s independence as more than 120 people were killed and injured by Bangladesh’s ruling party Awami League as well as opposition parties. (HRW 2015) The World Bank estimates that the political turmoil that lasted for three months generated $2.2 billion in losses for the country as strikes, attacks and transport blockades were frequent. The RMG industry was heavily constrained by the blockades that prevented garments from being dispatched on time as the roads leading to the port were affected. (Deutche Welle 2015)

The rapid expansion of the garment industry has been central to Bangladesh’s export strategy and has therefore drawn the ruling elite to get involved in the growing sector. Analysts estimate that 60 percent of Bangladesh’s 300 members of parliament are involved in the garment industry and 10 percent directly own factories. (NY Times 2013) Corruption takes place in the form of bribes when pushing through licenses and permits, and has
therefore been a crucial contributor in the vast amount of illegally constructed dangerous facilities. Iftekhar Zaman, executive director of Transparency International, Bangladesh, describes how factory owners can pay as much as $25,000 in bribes for 14 different categories of permit from 17 public agencies across 11 ministries. The bribes get bigger when the risks are greater for instance when an emergency exit is missing, but the factory will still stay open. (Corporate Compliance Insights 2014)

In June 2014, the government of Bangladesh proposed a law entitled Foreign Donations (Voluntary Activities) Regulation Act 2014 that would impose strict restrictions on NGOs operating in the country. If enforced, NGOs and individuals will not be allowed to receive foreign donations for their voluntary activities unless they have obtained approval from the government. The proposed bill inflicts tough sanctions such as fines and disciplinary action for non-compliance by both organizations and individuals. (GHRD 2014)

6.3 Economy

The long history of economic exploitation culminated in a weak and fragile economic base upon which to build during the first years of Bangladesh’s existence. Due to state-controlled policies and heavy nationalizing of large and medium-sized enterprises, economic growth in the 1970s was poor, with a relatively slow growth rate compared to the increase in population. Elements of the free market economy and decline of state intervention came in the early 1990s when the first fair election was held and the new government made significant reforms to the economic policies of the previous government regarding trade, finance and capital account. International actors such as The International Development Association have contributed to the economic liberalization of Bangladesh with a total of $16 billion to support policy reforms and investment projects, a sum that accounts for more than one-quarter of all foreign aid to Bangladesh. (World Bank 2013)

Privatization was launched in order to attract foreign direct investments and technology, and untraditional export industries such as garments and shrimps were expanded in order to lift the country from poverty. (Nations Encyclopedia)

Poverty levels decreased from 56.7 percent in 1992 to 31.5 percent in 2010. Table 1 displays poverty rates in rural and urban areas in a span of almost 20 years. The lower poverty line refers to extreme poverty in which the non-food allowance is the average non-food expenditure of households whose total consumption is equal to the food poverty line, whereas the upper poverty line represents moderate poverty, i.e. the non-food allowance is the average non-food expenditure of households whose food consumption was equal to the food poverty line. (World Bank 2008, 2)
Table 1. Head count rates of incidence of poverty (World Bank 2008)

<table>
<thead>
<tr>
<th>Year</th>
<th>Upper Poverty Line (%)</th>
<th>Lower Poverty Line (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>National</td>
<td>Rural</td>
</tr>
<tr>
<td>2010</td>
<td>31.5</td>
<td>35.2</td>
</tr>
<tr>
<td>2005</td>
<td>40.0</td>
<td>43.8</td>
</tr>
<tr>
<td>2000</td>
<td>48.9</td>
<td>52.3</td>
</tr>
<tr>
<td>1995-96</td>
<td>50.1</td>
<td>54.5</td>
</tr>
<tr>
<td>1991-92</td>
<td>56.7</td>
<td>58.5</td>
</tr>
</tbody>
</table>

Despite the economic success of recent decades, the majority of the country's labour force is still engaged in informal low productivity and low income jobs. Due to the fertile soil of the region, the economy of Bangladesh continues to be primarily agrarian with cash crops of rice, jute, tea, cotton and sugarcane. Although declining from previous decades, agriculture contributed a 16.3 percent share to Bangladesh's GDP in 2013 and employed approximately 60 percent of the country's labour force. (World Bank 2013) Three-quarters of the population still live in rural areas which consequently makes Bangladesh a predominantly rural society. (Lewis 2011, 21)

Remittances have also contributed a significant and growing amount to the country's economy; in 1985 remittances from Bangladeshis working overseas were around $500,000 whereas in 2013 remittances totalled almost $15 billion, accounting for 13 percent of the country's GDP. Bangladesh has also been involved in UN peacekeeping which has provided the government with an important source of new income – in the years 2006 and 2007 more than $200 million was received from the work in which over 9,000 Bangladeshis participated in UN peacekeeping missions. (Lewis 2011, 152-153)

From an average GDP growth of 3 percent in the 1970s to 6 percent in the 2010s, amongst other improved figures are the total fertility rate which has been reduced from 7.0 to 2.7, an increase in savings and investment rates from below 10 percent each to 24 percent (investment rate) and 30 percent (savings rate), and more than tripling the production of rice and by that achieving almost self-sufficiency in normal production years. The distribution of microcredit, i.e. tiny loans to impoverished borrowers, which was introduced by
Bangladesh Rehabilitation Assistance Committee and executed by Grameen Bank, has also been a contribution to the country’s poverty reduction strategy. (IMF) The World Development Report 2013 described how whereas some countries have done well in human development indicators, and others have done well in economic indicators, Bangladesh belongs to a relatively small group of countries that have done well in both. (World Bank 2013, 197)

6.3.1 The RMG Industry

Bangladesh is the world’s second largest readymade garment exporter, only China being ahead. The RMG industry in Bangladesh has grown exponentially in over a few decades to become the backbone of the country’s economy today. Back in the early 1980s, exports in the industry were $31.5 million, which accounted for 4 percent of Bangladesh’s total exports. It then employed less than 150,000 people. Nowadays RMG exports total almost $24.5 billion (2013-14), accounting for more than 80 percent of the nation’s export earnings and employing over 4 million workers. (See Appendix 1) Around 60 percent of garment exports go to the European Union, 21 percent land in the US and 4 percent in Canada. (BGMEA 2015)

Several factors have contributed to the rapid growth of the RMG sector in Bangladesh. One of them is The Multi Fibre Arrangement, which was formed in 1974 by the developed countries to protect their clothing manufacturers from cheap imports from developing countries. Strict export quotas were applied to garment manufacturing countries such as South Korea and China, but Bangladesh was left out because it didn’t have an established industry in that sector. The MFA initiated the formation of the RMG industry in Bangladesh when South Korea saw the opportunity to spread its production there. However, the expansion was ultimately driven by Western retailers that were exploring new countries in which they could manufacture garments in order to get around the quotas. The MFA expired at the end of 2004, which terminated Bangladesh’s advantage of protected export quotas. It was speculated that the end of the MFA would cause significant changes in the dynamics of the garment producing countries, as competition from China and Vietnam increased. Yet the fact that Bangladesh has kept its wages among the lowest in the world has ensured its international competitiveness, and therefore the international policy shift did relatively little damage to the country’s RGM industry. (Lewis 2011, 148-149)

Another factor has been the large uneducated and cheap labour force which has been ideal for the garment industry as the work generally requires very few skills. Women in particular, who account for 80 percent of the sector, have been given the opportunity to earn their own living and lead an independent life instead of staying home as women usu-
ally do in a traditional Muslim country. (Asia Foundation 2014) Lack of freedom and high rates of domestic violence previously offered few opportunities for women to seek alternatives. The creation of the garment industry has thus served to empower young, unmarried and uneducated women from the rural areas of the country by offering them financial independence in the country’s capital area.

In order to attract foreign investment and increase export and commerce, the government of Bangladesh set up Export Processing Zones that are labour-intensive and export oriented industrial areas with reduced taxation, customs duties, and bureaucratic requirements for business registration. There are currently eight zones in Bangladesh that offer tax free importing of raw materials and tax free exporting of finished products, with more due to open in the future. Total exports of products manufactured at EPZs were almost $44.5 million in 2014, the majority of which came from garments. Bangladesh’s EPZs currently employ 411,077 workers, mostly young women. The EPZs are regulated and controlled by the Bangladesh Export Processing Zone Authority (BEPZA) which is also responsible for the inspection and supervision of the factories. (Board of Investment Bangladesh) Wages in EPZs are determined by BEPZA and are currently slightly higher than the national minimum wage. Brands such as H&M, Nike, Gap, Adidas and Tommy Hilfiger source their production at Bangladesh’s EPZs. (Bangladesh Export Processing Zone Authority)

EPZ facilities have been specifically designed for industrial activity and because of that accidents are rare however, working conditions in these zones are far from being acceptable from a human rights perspective. To enter an EPZ without permission is illegal, and they are often run in a military manner with abusive managers. (Dean & Ritzer 2015, 97) The EPZ workers are only allowed to form welfare councils for collective bargaining, which is a weaker form of a trade union. In practice, most of the workers’ associations exist only on paper and it has been reported that leaders who actively promote the interests of the employees have been fired from their jobs. (Solidarity Centre 2014)

7 Human Rights Violations in Bangladesh’s RMG Factories

7.1 Freedom of Association

The day before the Rana Plaza building collapsed, cracks in the walls were discovered and the whole building was evacuated. The shops and the bank on the lower floors immediately closed, but the garment workers operating on the top floors were commanded to go back to work. A worker who survived the accident revealed that the managers of the
factory threatened to withhold a month's pay from anyone who refused to come to work the next day. (Bloomberg 2013) Not a single worker that died in the accident belonged to a union as unionizing has been deliberately made as difficult as possible in Bangladesh in order to keep workers compliant. It is thus fair to speculate that if the garment workers had belonged to a trade union and had a collective voice to refuse to go back to work inside a dangerous building, the death toll could have been significantly lower.

Under domestic and international pressure, the government made reforms to the country's labour law in July 2013. Altogether 87 sections of the Labour Act 2006 were amended, the most significant changes concerning the formation of trade unions. The new amendments erased the previous obligation to inform employers of the names of union leaders at the time of registration of a trade union. The new law also allows workers to seek advice from outside experts during collective bargaining. However, for the government to register a union, at least 30 percent of the workers in an establishment, which can constitute multiple factories, are required to join. (ILO 2013) ILO reports that the number of unions grew significantly from 132 in 2012 to 437 in 2015, though the current number of unions accounts for just 5 percent of all the garment factories in Bangladesh. (ILO 2015, 6)

Despite the improvements, the revised labour law continues to fall short of international labour standards in regard to freedom of association. The ILO convention No. 87 on freedom of association and convention No. 98 on the right to organize and bargain collectively were both ratified in 1972 by Bangladesh and obligate the country to adopt legislation that grants its citizens the full right to establish and to join organizations of their own choosing, as well as to provide protection against acts of anti-union discrimination. (ILO 2013) Moreover, the amendments do not extend freedom of association and collective bargaining rights to garment workers working in the country's EPZs which essentially clashes with Article 23 of the Universal Declaration of Human Rights in which “everyone has the right to form and join trade unions for the protection of his interests." (UN 2015)

Targeted abuse by factory management continues to hinder the expansion of trade unions in Bangladesh despite the relaxation of controls on the formation of unions. HRW reported a case in which union leaders at a factory near Dhaka tried to set up a union in January 2014, but in doing so they were brutally assaulted and their attempts led to scores of workers being fired. One of the union leaders was beaten while pregnant, forced to work at night, and eventually dismissed, without receiving all the wages she was owed, only because she wouldn’t back down on unionizing. The President of the Garment Workers' Unity Forum has been arrested and jailed seven times for protesting against wages.
These incidents are examples of dozens of cases in which union leaders have been threatened, attacked or fired for their legally entitled rights. (HRW 2015)

7.2 Forced Labour

Forced labour can be described as work that people are forced to do against their will under the threat of some form of punishment. Slavery, trafficking and bonded labour are typical examples of forced labour, however so is compulsory overtime. In Bangladesh typical examples of forced labour involve young women working for sixteen hours a day seven days a week without appropriate compensation (War on Want 2015). In September 2013, the BBC reported garment workers being locked inside a factory for nineteen hour shifts without the workers being permitted to leave the factory (BBC 2013). Locking workers inside a building can have catastrophic consequences, as proven by the fire accident at Tazreen factory.

The labour law in Bangladesh states that a working day should be no longer than 8 hours, however overtime is allowed subject to the provision that the whole day does not exceed 10 hours. The law allows a weekly day off and therefore a working week of maximum 60 hours. The law also states that women are not allowed to work in an establishment between the hours of 10pm and 6am without their consent. (ILO 2013)

The ILO Forced Labour Convention No. 29, ratified by Bangladesh in 1972, was introduced to put an end to the use of forced or compulsory labour, that is “all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.” (ILO 2015) The UN International Covenant on Economic, Social and Cultural Rights recognizes the right of everyone to the enjoyment of just and favourable conditions of work which ensures “rest, leisure and reasonable limitation of working hours and periodic holidays with pay, as well as remuneration for public holidays.” Despite national legislation as well international human rights conventions violations against labour law in Bangladesh continues to be the norm and not an exception. (OHCHR 2015)

7.3 Discrimination

Discrimination in the female-driven garment industry is a common yet hidden issue. Female workers are frequently subjected to offensive and sexually explicit language, hitting, slapping on heads and pulling of hair because of making a mistake, failing to meet a production target, asking for leave, working slowly because of illness or arriving late. Women have been hesitant to speak up about harassment because they feel ashamed and fear
risking their reputations or damaging their marriage prospects. Reporting of verbal and physical abuse and sexual harassment thus continues to be unusual although according to Fair Wear Foundation, approximately 60 percent of the factory workers have experienced some type of harassment or abuse at work. Although the provisions in the amended labour law prohibit discrimination based on sex and disability, the law does not include any specific measures to tackle sexual harassment of women. (Fair Wear Foundation 2013, 9, 11)

Women are often denied their rights to maternity leave, although the labour law in Bangladesh allows a total of 16 weeks paid leave. A survey conducted by War on Want which interviewed 988 female garment workers revealed that 474 were denied any provision while being pregnant and about 50 percent said that although they weren’t obliged to do nightshifts, they still had to work overtime during pregnancy. Lack of knowledge about basic rights is apparent as the survey revealed that two thirds of the women were unaware of their legal entitlement to maternity leave. The Bangladesh labour law requires that an establishment with more than 40 women employees must have a suitable room for children under the age of six. As many as 641 workers reported that no such facilities have been provided which left the women with no other option but to send their children to stay with their parents in rural areas of the country. Pregnant women are also routinely fired in pursuance of avoiding costs. (War On Want 2011, 8-9)

Data collected within garment factories in Bangladesh indicates that 4 out of every 5 production line workers are female, whereas just over 1 in 20 supervisors is a woman. Because women do not expect to have opportunities to progress their careers, they do not invest in the skills required to become supervisors. (The International Growth Centre 2014) Moreover, statistics show that female line-operators earn approximately 60 percent of their fellow male line-operators’ salaries. Due to gender discrimination, men are given the advantage of being employed in more technically skilled jobs whereas women are stuck in low-skilled jobs because of their low level of education and training. (National Human Rights Commission Bangladesh 2014, 44-45)

Bangladesh has ratified the ILO Convention No. 111 on Discrimination in Respect of Employment and Occupation. Ratifying states commit to adopt legislation which prohibits all discrimination and exclusion on any basis including race or colour, sex, religion, political opinion, national extraction or social origin in employment. (ILO 2015) The UN convention on the Elimination of All Forms of Discrimination against Women, which Bangladesh ratified in 1984, is an instrument to ensure the elimination of all acts of discrimination against women by persons, organizations or enterprises. However, upon signing the treaty, Bang-
Bangladesh stated that it does not consider as binding upon itself the provisions of article 2 and 16 (1) (c) as they conflict with Sharia law. Article 2 compels ratifying countries to renounce engaging in any practice of discrimination against women and to ensure that authorities shall act in compliance with the obligation. It also obliges adopting appropriate legislative and other measures that condemn discrimination against women in all its forms. Article 16 (1) (c) secures the same rights and responsibilities for women during marriage and at its dissolution. (UN 2015)

7.4 Child Labour

Child labour can be defined as work that deprives children of their childhood, their potential and their dignity. ILO describes such work as mentally, physically, socially or morally dangerous and harmful. It may also require them to combine school with excessively long and heavy work, or strip them of the opportunity to attend school altogether. (ILO)

It is difficult to uncover under-aged workers in garment factories as audits are often announced in advance which gives the factory owners the opportunity to prepare by ordering minors not to come to work that day. Nonetheless, a number of cases have been brought to public attention where girls as young as thirteen were working up to eleven hours a day in dangerous and abusive conditions in Bangladesh. (The Guardian 2014) Incidents where twelve year olds have given false birth certificates in order to be employed have also been reported, which underlines the desperate need for income in order for families to survive. (CBS News 2013) Moreover, a children’s opinion poll conducted in 2008 revealed that one quarter of all working children had been physically punished at their workplaces. (UNICEF 2009, 126) Because children are cheaper, productive and considered to be more obedient, employers are often willing to employ them regardless of their age. Factory owners who employ minors are never charged with using child labour as the practice is not seen as harmful and for poor families there are no other alternatives. Moreover, working in a garment factory is considered to be much safer than being on the streets or a better option than doing illicit work.

The UN Convention on the Rights of the Child identifies a child as below the age of 18 years and calls member states, including Bangladesh, to “recognize the right of the child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child’s health or physical, mental, spiritual, moral or social development. (OHCHR) In 2001, Bangladesh ratified the ILO Convention No. 182 on the worst forms of child labour which prohibits slavery, child prostitution and other illicit activities. However, the ILO Convention
No. 138 on the minimum age for admission to employment and work has not been endorsed by the country. Most countries have established national legislation, often guided by standards adopted by the International Labour Organization, to prohibit or place severe restrictions on the employment of children. Under article 15 of the Constitution, a child has the right to social security and article 34 prohibits the coercion of children into doing compulsory labour. Bangladesh’s labour law states that children aren’t to be permitted to work in any occupation or establishment, however from the age of twelve they may be employed in light work that doesn’t endanger their health and development or interfere with their education. Adolescents, i.e. 16 and 17 year olds, are allowed to be employed only if they have a certificate of fitness in the prescribed form and granted by a registered medical practitioner. These adolescents are not allowed to work for more than five hours a day and thirty hours a week. However for hazardous work such as working in a garment factory, the legal minimum age is eighteen without exceptions. (ILO 2009)

7.5 Criminal Justice

A series of unresolved crimes and unfair trials related to the garment industry have raised doubts about the credibility of Bangladesh’s judiciary, thus threatening the establishment of fundamental human rights in the country. A vocal and fearless garment worker and active trade union organizer Aminul Islam who belonged to the non-profit labour group Bangladesh Centre for Workers Solidarity (BCWS) was tortured and murdered in April 2012. He fought relentlessly for labour justice and recruited a growing number of workers to join politically independent labour groups. Earlier in 2010, Islam and two other BCWS leaders Babul Akhter and Kalpona Akter were charged with multiple serious offences, including attempted murder, criminal intimidation and violence against civil servants which the union leaders denied committing. Later that year he was arbitrarily detained and tortured by members of the National Security Intelligence. It has been widely speculated that the trade unionists were taken to trial in order to obstruct their growing labour activism and that Islam’s murder, which to this day remains unsolved, was a message sent out to trade unions and local NGO’s not to protest low wages and working conditions. (NY Times 2012)

The two major garment factory accidents that have taken place in recent years have highlighted the unjust and preferential legal system of Bangladesh. The Tazreen Factory fire had initially showed promise in making those who are responsible accountable for the accident. After fourteen months of bypassing the legal process, in February 2014 the factory owner Delwar Hossain was taken into custody and charged with death by negligence of the victims. However, in August the same year he was released on bail prior to an 11-day hunger strike by 1600 of his factory workers because they were not given their pay.
The president of Garment Workers’ Unity Forum commented that withholding workers’ wages was “dirty politics” from the owners in order to have Delwar bailed out. (The Guardian 2014) In the case of Rana Plaza, altogether twelve people were arrested after the accident, including two factory owners and two engineers. All have been released on bail except the building owner Sohel Rana and one of the factory owners. Fears remain over the possible bail out of the remaining accused as the owner of the building allegedly has political ties to the ruling political party Awami League. (Benar News 2015) To put things in a clearer perspective, Bangladesh’s high court in 2012 sentenced a university lecturer to six months in jail for posting a Facebook status joking about the death of the country’s Prime Minister Sheikh Hasina. A Facebook status which essentially relies on the right to freedom of speech attracts a similar sentence as that served by the owner of the Tazreen factory who, by neglecting safety issues, got more than a hundred people killed. (Tribune 2012)

Article 7 of the Universal Declaration of Human Rights states that everyone is equal before the law and is entitled to equal protection of the law without any discrimination. Article 9 declares that no one shall be subjected to arbitrary arrest, detention or exile. Numerous trade union leaders have been arrested in Bangladesh because of protesting low wages or going on strike even though they are essentially practicing their legally entitled rights. Moreover, the factory owners that physically assault trade union leaders often get away with their offences through bribery as law enforcement is extremely corrupt. (UN 2015)

7.6 Living Wage

The wages of Bangladeshi garment workers remain among the lowest in the world, and the lowest between major apparel manufacturing countries despite a recent review to the country’s national minimum wage. The garment workers have persistently fought for increases in the country’s legal minimum wage, and in November 2013, after workers’ protests that forced about 250 garment factories to close, a government appointed minimum wage board voted to raise the minimum wage in the garment industry from 3,000 BDT ($39) to 5,300 BDT ($68), which amounted to an increase of 77 percent. Trade Unions had originally demanded 8,114 BDT, but the owners representatives were calling for a rise to just 3,600 BDT. (CCC) However, as inflation was 7.5 percent in 2013 and persists to be approximatively the same today, the wage increase has been in fact smaller in real terms due to an increase in living costs. (World Bank)

Although the increase is relatively considerable, the current minimum wage is still far from what is considered to be a living wage. The Asia Floor Wage Alliance, a coalition of international trade unions and labour rights activists, has calculated that a living wage in Bang-
Bangladesh is 25,687 BDT ($330) which takes into account some common factors including the number of family members to be supported, the basic nutritional needs as well as other basic needs such as housing, healthcare, education and some basic savings. (CCC)

The Universal Declaration of Human Rights states in Article 23 that everyone who works has the right to just and favourable remuneration that ensures an existence worthy of human dignity. (UN) The recent wage increase continues to force garment workers to live in poverty and deprives them of dignity. The poor in Bangladesh spend more than 60 percent of their income on food which leaves only a very small proportion to cover other basic necessities. With their meagre salaries many garment workers cannot afford to rent a place of their own and are compelled to live in urban slums which creates additional dangers in regard to health and safety, especially for young girls and women who have migrated to the country’s capital from rural areas. Low wages essentially leaves workers with no other choice but to work long hours which contributes to the cycle of other labour law violations. Furthermore, according to the president of the Garment Workers’ Unity Forum that represents 80,000 garment workers, the implementation of the new minimum wage has been slow as only 40 percent of employers abide by the amended minimum wage law. (IPS News 2015)

7.7 Safety

Because of the rapid spread of the industry, many buildings that were initially built for other purposes have been converted into factories often without appropriate permits, increasing various safety hazards as the buildings are compromised with heavy machinery. The vast majority of Bangladesh’s garment factories are located in Greater Dhaka where RAJUK is the main authority responsible for issuing building permits and monitoring illegal construction, however due to widespread corruption and lack of resources regulation and intervention are extremely poor. (RAJUK 2011) Bangladesh’s first building code was published in 1993 to set out requirements for the construction of buildings throughout the country, but it was not modified until 2006 by which time already more than 4000 garment factories had been constructed under loose guidance and regulation. (BNBC 2006) Moreover, as the amount of garment factories has grown exponentially in a few decades, the number of inspectors and monitoring bodies of the industry have not increased in the same proportion. ITUC has estimated that in 2008 the government employed less than 80 labour inspectors who were responsible for all the industrial sectors in the country. (ITUC 2012) The Bangladesh Institute of Architects projects that 50 percent of the country’s garment factories are likely to be unsafe. (Seattle Times 2013)
Faulty electrics, outdated wiring at risk of short circuit, non-existent or archaic fire extinguishing facilities as well as old and badly maintained machinery are the main reasons for frequent factory fires. (CCC 2012, 2-3) A report by Solidarity Center discovered that between November 2012 and January 2014 there was on average one factory fire a week. An average of two garment workers are injured or killed per day due to factory fires in Bangladesh. The figures used in the report do not take into account large-scale tragedies such as the Tazreen Fashions accident in November 2012 that killed at least 112 people and injured 200 more, but only the everyday fires and ordinary deaths and injuries that do not make mainstream news because they do not reach catastrophic proportions. (International Labor Rights Forum 2014, 2-3)

Education and training on fire safety has been astonishingly poor considering the number of fire accidents that occur regularly. A health and safety risks survey conducted by the Alliance for Bangladesh Worker Safety in 2013 interviewed 3,207 workers from 28 factories that member companies source their products from. The results show that 45 percent have never been trained on fire safety and that male workers have received more health and safety training than female workers. Furthermore, certain factories experience problems with security guards as 86 workers from 18 percent of factories surveyed believe that security guards increase the risk of accidents by locking exit doors and turning off fire alarms. From all the interviewed workers, 10 percent revealed that security frequently locks them in, which additionally generates even greater danger, and a quarter disclosed that they feel unsafe at their workplaces. (Alliance 2014, 14, 18, 21-22.)

The right to safety has been mentioned in several international instruments. In addition to the Universal Declaration of Human Rights which established the right to just and favourable conditions of work, the ILO has several conventions on occupational health and safety in general as well as conventions for specific industries that are regarded as dangerous. The Occupational Safety and Health Convention No. 155 provides for the adoption of a coherent national occupational safety and health policy. The Promotional Framework for Occupational Safety and Health Convention No. 187 binds ratifying countries to promote a safe and healthy working environment by formulating a national policy. However, neither of them has been ratified by Bangladesh. (ILO 2009, 5) In July 2013 the EU together with ILO called for the recruitment of an additional 200 inspectors by the end of the year. It also set a long-term goal of upgrading the Department of the Chief Inspector of Factories and Establishments to a Directorate with a total of 800 inspectors. (European Commission 2013) However, in July 2014 ITUC reported that although new inspectors had been hired, the government failed to reach the goal of 200 new inspectors. Refraining from ILOs health and safety conventions, as well as not creating enough positions to inspect the
country’s factories, contributes to the overall negligence the government imposes on the safety of its working citizens.

8 Exploring Solutions

8.1 Enforcement of National Law

The ratification of international treaties and ILO conventions indicates that the government of Bangladesh has adopted national laws to safeguard the rights of its citizens according to international standards, however as with every law, they have to be enforced and implemented properly, otherwise they lose their purpose and value. The Bangladesh Ministry of Labour and Employment bears the primary responsibility for monitoring the enforcement of the labour law, and it has systematically failed to do so on many occasions. Loose monitoring of regulatory rules due to governmental corruption and scarce resources permits factory owners to bend the rules in their own favour without the interference of authorities. Failure to make those who violate the national labour law accountable allows labour violations to continue without any significant changes.

Social issues such as discrimination are challenging to detect in factory audits that usually concentrate on apparent shortcomings such as sufficient fire exits and workplace conditions. The workers that are interviewed during audits are generally hesitant to disclose verbal or physical abuse. This accentuates the need for alternative methods to monitor the fulfilment of labour rights. Collective bargaining would enable workplace discrimination to be addressed more forcefully and through the voice of those who have been discriminated against. Female empowerment does not stand for financial independency alone; it also involves the distribution of opportunities, security and equal rights. Emphasis has to be put into ensuring that the young women working in garment factories aren’t being exploited and denied their rights just because they are provided with employment, and that they are being treated fairly according to national law. As long as unionizing is not completely liberalized and factory managers keep harassing women and those who attempt to join unions without being prosecuted, issues such as workplace discrimination won’t be properly addressed.

As the UN Special Rapporteur points out, freedom of association is a vehicle for the exercise of many civil, cultural, economic, political and social rights. Workers should be included as important stakeholders in social and economic development, yet in Bangladesh they are either denied their voice altogether as seen in EPZs or it has been made very difficult for them to speak up otherwise. If almost 5 million garment workers aren’t given the op-
portunity to affect the way things are operated at their own workplaces, oppression, danger and exploitation will prevail. Educating workers about their country’s legislation is crucial and gives them the power to fight for their rights by referring to their country's labour law. (UN Special Rapporteur)

Legislation must be the basis for action, however in the case of child labour it is not as simple. It is widely acknowledged that the primary cause of child labour is poverty. When a poverty ridden family is struggling to survive and parents cannot afford to send their children to school, the extra income provided by children becomes a necessity. It can therefore be safely assumed that if the parents earned a living wage, there would be no need for child labour. In Bangladesh primary education is free and compulsory only until the age of ten. (UNICEF 2015) A statistical report by UNICEF assessed that around 50 percent of all working children in Bangladesh do not attend school. Lack of awareness and the firmly established tradition of including children in the labour force also contribute to the difficulty of diminishing child labour. The concept of child labour as well as the harmful effects might be completely unfamiliar to some which therefore compels an educative approach to change current mind-sets. (UNICEF 2010, 3)

As an attempt to tackle the issue, in 2010 the government adopted a National Child Labour Elimination Policy which provides a framework for eradicating the worst forms of child labour by 2015, for example through involving parents of working children in income generating activities with the aim of getting children out of the cycle of poverty, and offering stipends and grants in order to bring the working children back to school. The policy calls for the formation of a National Child Labour Welfare Council to monitor the child labour situation at the national level. (Ministry of Labour and Employment 2010, 4-5) In the past those found engaging in child labour were liable to be fined a maximum of 5,000 BDT ($62.50), a sum that has been too small to deter violations. As the issue is deeply rooted in society and requires a lot of resources, inspections and remedial action, the government’s 5-year target to eliminate all the worst forms of child labour, i.e. slavery, trafficking, prostitution and dangerous work, has been too ambitious and unrealistic. The most effective solution is to focus on reducing chronic poverty through broad based economic and social development.

At the core of providing human rights on the national level is an uncorrupted and fair judicial system. The government must ensure that those who abuse labour rights will be held accountable as they are in fact violating national law. Fighting corruption in poor countries is a matter of altering the environment in which public servants and private actors operate. (OECD Observer 2000, 43-45) Anti-corruption measures require efforts from govern-
ments, civil society groups as well as private actors to strengthen institutions, reform public sectors and make economic reforms through policy changes. Although corruption is often regarded as a social problem, it is very closely tied to economic issues as it is most prevalent in countries with underdeveloped economies. Therefore MNCs have an important role in diminishing corruption, for instance through developing internal mechanisms to make corruption unsustainable within the private sector and by actively promoting and ensuring high standards of governance in their business relationships. (IFC 2006, 12)

8.2 Human Rights Due Diligence

After the Rana Plaza accident, it became evident that businesses need to do more in order to identify human rights risks in their supply chains. Greater human rights due diligence has the power to make disasters avoidable as well as to ensure that workers’ rights are respected. The UN Guiding Principles Reporting Framework promotes human rights due diligence to include four steps: assessing actual and potential human rights impacts; integrating and acting on the findings; tracking responses; and communicating about how impacts are addressed. The scope of the due diligence should examine detrimental human rights impacts that the business enterprise may cause or contribute to through its own activities, or which may be directly linked to its operations, products or services by its business relationships. (Human Rights Council 2011, 17) Deva & Bilchitz (2013, 99-100) point out that due diligence in a commercial context is a well-known procedure to corporations as routine investigations serve as a means to assess risks. They argue however, that there are key differences in due diligence, on the one hand that which primarily focuses on protecting the interests of the company, and on the other due diligence that focuses on protecting the rights of the people.

Human rights due diligence should not extend only to suppliers but to view partnerships in a much larger scale especially in developing countries where corruption provides for personal gain through exploitation. Using H&M as an example, the company has expressed its commitment to respecting fundamental human rights in its operations, value chain, and in the communities where the company operates by recognizing the UN Guiding Principles on Business and Human Rights. (H&M 2012) However, the company’s recent expansion into the region of Gambella in Ethiopia is rather controversial and questions the extent of the company’s commitment to protecting human rights. A new factory was opened by Al Amoudi, Ethiopia’s richest man with a net worth of $13 billion who has been accused of land grabbing in the region of Gambella for industrial purposes. In 2012, 42 percent of the total land area of Gambella was either being marketed for lease to investors or was already granted to investors, resulting in a forced relocation of 70,000 people under the
governments “villagization” program. (HRW 2012, 3-4) HRW reported that some relocations during the program’s first year in Gambella region were accompanied by violence, including beatings, arbitrary arrests, and insufficient consultation and compensation. (HRW 2015) Locals that were interviewed for The World According to H&M document reported killings as there were people who refused to relocate from their homes. (The World According to H&M 2014) H&M views its expansion into Ethiopia as the way to get involved in Ethiopia’s textile industry and to provide more jobs, however it has done so by indirectly contributing to human rights violations in the region through its business relationships. The company most probably did its due diligence in assessing risks in Ethiopia yet the fact that thousands of people have been unethically and violently relocated from their homes for financial gains has not been a significant factor in the company’s decision making. Ethiopia’s economy grew at an annual rate of 10.4 percent between 2010 and 2014 partly by attracting foreign investment in the agricultural and industrial sectors, however the same story that has been going on in Asia’s apparel industry for several decades continues in today’s Africa; an insufficient monthly wage of approximately $40 amounts to living in poverty as there is no official minimum wage in the country except for public servants, and workers struggle to form unions. (Al Jazeera 2014)

In Bangladesh, global brands have knowingly benefitted from the thriving corruption that has allowed the violation of safety and labour standards. Bishara & Hess (2014, 79-81) therefore argue that corporations have the moral responsibility to take action towards reducing corruption. They underline the importance of understanding how corruption impacts compliance with labour rights and safety regulations in developing countries. It is recognized that effective human rights due diligence is needed not only to protect MNCs from engaging in human rights abuses but also to build a process that is designed to prevent violations against those who hold rights. To make human rights due diligence easier for MNCs, the UN Global Compact has developed together with International Business Leaders Forum and International Finance Corporation the Human Rights Impact Assessment and Management. The tool is designed for companies to identify, understand, and evaluate actual or potential human rights impacts of a business development. (IFC 2015)

Some global apparel companies have already integrated due diligence into their business practices, but in most countries it is still voluntary and therefore not practiced enough in order to ensure that human rights are being respected in global supply chains. Change is slowly taking place, however, as a new law was recently proposed in France which will oblige companies employing 5000 employees or more domestically or 10,000 employees or more internationally, to develop and publish due diligence plans for human rights, and environmental and social risks. French companies that fail to do so can be fined up to €10
million. If passed and enforced, the legislation would mark an important step towards enhanced corporate responsibility. (OECD Insights 2015) It is important to point out that work must not end when a law is passed as monitoring the efficacy of policies is crucial. For example, the California Transparency in Supply Chains Act which was passed in 2012, requires Californian companies to clearly post on their websites the various steps they are taking to address human trafficking and slavery, however a study by the University of Delaware found that one quarter of apparel brands were not complying with the law. Resources need to be put into making sure that policies are implemented and that their effectiveness is evaluated. (University of Delaware 2012)

8.3 Global Minimum Wage

A living wage is a very central and powerful tool to achieving many fundamental human rights. It has the power to end loss of dignity and freedom that accompanies poverty, the right to food as well as to send children to school and receive basic health care when workers or their family fall sick. A living wage also provides participation in the social and cultural life of the workers' society. (The Guardian 2014)

Setting a global minimum wage has been discussed as a means of putting to an end the race to the bottom in which multinational corporations constantly seek the cheapest possible methods of manufacturing. There is a clear lack of consensus in the definition of a living wage as well as a lack of governmental initiative to progress the matter forward.

Asia Floor Wage calculated a living wage for garment workers in 2009 which was intended to be a tool to support labour struggles and to pressurize both retailers and national governments. The following table compares the average minimum wage and living wage figures that are based on the Asia Floor Wage 2013 of Purchasing Power Parity $725, i.e. rates of currency conversion that ignores the differences in price levels between countries.

Table 2. Asia Floor Wage (CCC)

<table>
<thead>
<tr>
<th>Country</th>
<th>Minimum Wage</th>
<th>Living Wage</th>
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</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>49.56 €</td>
<td>259.80 €</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>50.31 €</td>
<td>259.46 €</td>
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<tr>
<td>India</td>
<td>51.70 €</td>
<td>195.30 €</td>
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<tr>
<td>Cambodia</td>
<td>72.64 €</td>
<td>285.83 €</td>
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<td>Indonesia</td>
<td>82.14 €</td>
<td>266.85 €</td>
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<td>China</td>
<td>174.60 €</td>
<td>376.07 €</td>
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If Asia Floor Wage was to be implemented, competition among Asian apparel manufacturing countries would be affected which would consequently mean that Bangladesh would lose its competitive edge. More importantly though, the Asia Floor Wage is a completely voluntary campaign for corporations. Many companies said it was an interesting idea, but no company has yet started to officially use the figures as a living wage benchmark. However, some global brands have taken the initiative into their own hands as wage development driven by governments has taken too long. For instance H&M has pledged a living wage for textile workers in Bangladesh and Cambodia using the Fair Wage Method which first identifies workers' basic needs, then a wage is agreed on and afterwards regular reviews follow with better dialogue between workers and employers. (H&M 2015) However, CCC has expressed its disappointment in H&M’s initiative as it fails to clearly state a living wage benchmark which makes it impossible to create a 'roadmap' to achieving its payment and similarly impossible to measure the roadmap's success. (CCC 2013)

Following the Rana Plaza accident, Muhammad Yunus, founder of the Grameen Bank and a winner of the Nobel Peace Prize, made the following proposition:

“Foreign buyers jointly fix a minimum international wage for the industry. This might be about $0.50 an hour, twice the level typically found in Bangladesh. This minimum wage would be an integral part of reforming the industry, which would help to prevent future tragedies. We have to make international companies understand that while the workers are physically in Bangladesh, they are contributing their labour to the businesses: they are stakeholders.” (The Guardian 2013)

He also suggested a Garment Workers Welfare Trust in Bangladesh which would collect $0.50 increase in the price of a piece of clothing and deliver it to the workers through the fund. The garments would have a tag attached informing the consumer that the sum will be added to a garment worker’s salary. Although the idea is laudable, it is unlikely that global brands will commit to an international fixed minimum wage without government prompting and legal action. A similar approach has been offered by economists; for instance Palley explains how globalization demands global trade rules for goods and services and global financial rules for financial markets, and therefore labour markets need global rules as well. His proposal would be a global minimum wage system that is based on a fixed percent, for instance 50, of the median wage, i.e. a wage at which half a workforce is paid more and half paid less. Unlike a traditional minimum wage system where wages are periodically adjusted by taking account of inflation and other changing circumstances, the fixed percentage rate would allow the minimum wage to automatically rise
when the median wage rises. However, in poor countries like Bangladesh, 50 percent from the median wage would still equate to living in poverty as wages are generally very low, so the idea also involves raising all wages above the national poverty line to begin with. (Palley 2011)

Increasing wages to a dignifying level should be achieved through policymaking as it is essentially a question of basic human rights and not a voluntary matter in which corporations may or may not engage in order to enhance their brand image. However, it is the MNCs that hold the power in local policymaking as governments of poor countries are primarily concerned about not losing their international competitiveness. The government of Bangladesh is evidently hesitant to raise the minimum wage as cheap labour has been the primary reason behind the exponentially growing export industry in the first place. Fears of MNCs relocating elsewhere due to raising wages and improving labour conditions therefore hinders progress. It is important to point out that a typical sewing machine operator earns roughly 1 percent of a garment’s retail price which represents such a small proportion of total costs that doubling it would not make a substantial difference. Moreover, wage increases have been shown to improve workforce morale and productivity which is an aspect that buyers should consider. Better wages would also strengthen the local economy through improved consumer spending. Whether it will be a global minimum wage or set at a national level, the change must take place legally and not through voluntary measures. The first step towards that is to involve all stakeholders in the discussion which essentially means liberalizing trade unions so that workers are able to advance their own cause. (Labour Behind the Label)

8.4 Supply Chain Transparency

Supply chain transparency essentially means that corporations fully disclose all the suppliers they use so that independent third parties have the opportunity to look into the factories where their products are being manufactured and are able to assess whether the promises that are pledged, often in codes of conduct, are consistent. Past decades have transformed social compliance into its own industry which has created a vast array of auditing programs and certificates to assess the safety of factories. In the light of recent events, however, factories that have undergone regular social audits have turned out to be unsafe. The fire accident in September 2012 at a SA8000 certified garment factory in Pakistan which killed at least 262 workers shows that even an accredited and strict certification program has serious flaws as the factory was certified just 3 weeks before the fire. The reason behind the high death toll is the same as in Tazreen in Bangladesh: workers were trapped behind exit doors that were locked by managers. (NY Times 2012)
It is evident that some kind of reform must take place within the compliance industry. Centre for Research on Multinational Corporations (SOMO) and India Committee of the Netherlands (ICN) point out that the quality of data collected from audits is key. They also stress that companies should communicate openly about audit procedures and findings as well as specific corrective action plans and progress in action. (SOMO & ICN 2013, 2, 7) Ernst & Young has recommended that global apparel brands train their own quality assurance personnel to perform assessments themselves instead of outsourcing the task to an audit firm. This would consequently save money for MNCs and would avoid excess work. The credibility of a company’s social compliance program would still be evaluated by an impartial third party that would engage in performing substantial risk-based assessments, including the investigation of root causes behind the physical indicators of non-compliance. (E&Y 2014, 4-5)

Future advances in technology will make supply chain monitoring and risk assessment easier for companies through tapping into a variety of internal and external information sources. The consumer’s right to know where a product comes from emphasizes the need for companies to invest in measures that improve transparency and traceability, and certain industries have already begun tracking products from the manufacturer to the end consumer. (Deloitte University Press 2015) In the clothing industry it is voluntary for brands to include a made-in labelling on clothes, however the EU is currently pushing to rectify the law. The proposal that is yet to be fulfilled is that EU manufacturers would be compelled to put on the label "made in EU" or the name of the country. For goods produced in more than one place the country of origin would be that where they underwent "their last, substantial, economically justified processing or working in an undertaking equipped for that purpose and resulting in the manufacture of a new product or representing an important stage of manufacture." (European Commission) 16 member states including Britain, Germany and Finland, oppose the law amendment as they fear it can damage companies that rely on global supply chains whereas luxury fashion-focused countries such as Italy, Spain and France are supporters of the change. (The Guardian 2014)

In order to address the issue of forced labour in UK supply chains, the British Parliament passed the Modern Slavery Bill in March 2015, which now requires companies to report the steps they are taking to tackle human trafficking and slavery in their supply chains. In addition to reporting, the new law lays legal responsibility on companies to assure that measures are being taken. However, a loophole found in the slavery bill could allow companies to evade accusations because it does not require companies in the UK to report on the conditions of workers overseas who are making goods and providing services not
coming to the UK through wholly owned subsidiaries abroad, for instance. Although its success will depend on how much pressure the government will put on businesses, the law is a step forward in ensuring corporate accountability in human rights issues as it makes companies directly responsible in law for the condition of their supply chains. (The Guardian 2015) The EU does not yet have a similar law and the authors of ‘A Modern Response to Modern Slavery’ study conducted by the Centre for Social Justice argue that Europe has been too slow to adopt laws aimed at deterring those engaged in slave trade, and that more needs to be done by the EU's law enforcement authorities. (Centre For Social Justice 2015, 89)

8.5 Multi-stakeholder Initiatives

Driven by social pressure, the past decade has seen an increase in international multi-stakeholder initiatives addressing so-called governance gaps, in which state actors are either unable or unwilling to provide fundamental rights for their citizens. Ruggie explains that the principle idea of MSIs is assigning shared responsibility and installing mutual accountability mechanisms through collaborative networks that can involve a number of different actors such as host and home states, corporations, civil society actors, industry associations, international institutions and investors groups. (Human Rights Council 2007, 16.)

Critics of human rights related MSIs are concerned that the companies involved are only doing this to enhance their image and ward off potential litigation whilst at the same time the impact on transforming corporate behaviour is merely moderate at best. Supporters on the other hand point out that MSIs may possibly play critical roles in circumstances of partial government oversight and enforcement of standards can provide new platforms to improve state and corporate accountability. Voluntary efforts have often expanded into well-established institutions, such as the Ethical Trading Initiative and Fair Labour Association that have initially focused on the labour rights of the garment industry through the support of local governments, but have now evolved to address supply chain challenges in a wider range of industries as well. (International Review of the Red Cross 2012, 1031-1032) However, Labour Behind the Label, a global campaign to empower garment workers, points out that MSIs are tools, not outcomes, and that “the test of a company’s commitment is not its membership of forums like these alone, but what use it makes of them.” (Labour Behind The Label)

The 2013 factory accidents received a lot of global attention which spurred unprecedented international collaboration between the Bangladesh government, factory owners, multinational brands and various NGOs. Two initiatives were set up: the Accord on Fire and
Building Safety in Bangladesh and the Alliance for Bangladesh Workers Safety. The Accord is a legally binding agreement that brings together 10 international and Bangladeshi trade unions and over 150 international brands to establish improved fire and building safety regulations, in which ILO acts as the chair. ( Accord) A counter-initiative was set up by a group of 26 mostly North-American brands that did not wish to sign the accord. Unlike the Accord, the Alliance is a business-led initiative which is not involved with trade unions or NGOs and it isn't legally binding. Differences in the EU and US legal systems and fear of future prosecutions are some of the reasons why US brands and retailers did not want to sign the legally binding Accord whereas companies domiciled in the EU have generally not had concerns with it. Nevertheless, both of the initiatives offer quite similar programs that focus on factory safety and building inspections, training and empowering the workers and extending funds for factory improvements. (Alliance)

The two initiatives have grasped the challenging task of making Bangladeshi factories that supply clothes to global brands safe. Together the Accord and the Alliance have taken responsibility for monitoring conditions in about 1800 factories that supply garments to their member companies, however Baumann-Pauly & Labowitz (2014, 23) estimate that the total number is closer to 5,000 – 6,000 factories when unauthorized subcontracting is included. Despite these efforts the inspection and remediation operatives of the Accord and Alliance are unlikely to reach the factories where workers are most at risk. By April 2015, the Accord alone had inspected more than 1250 factories in which over 80,000 safety hazards were identified. (The Guardian 2014) The matter of who is responsible for the financing of factory repairs has been the subject of debate as neither the Accord nor the Alliance has a clear strategy, leaving the issue to a negotiation between factory owners and buyers. Jenny Holdcroft, policy director for international union IndustriALL explains how “brands don't want to commit to paying so that rich factory owners who have just pocketed the profits and not been spending on their factories for years continue to do so”, but on the other hand, the owners of factories that have been deemed to be too unsafe to continue production, claim that closing a factory temporarily for renovation would make them lose orders and thus close permanently. One factory owner has threatened legal action against the Accord, demanding $100 million in compensation after his factory was shut down. Up to now in at least 33 factories safety issues have been so serious that the Accord and the Alliance have recommended that production should be suspended, however, it is ultimately the government that decides whether to shut down a factory that has failed inspections, and due to political ties within the industry, authorities are naturally hesitant to do so. (The Guardian 2014)

While the main objective behind these initiatives is to prevent a recurrence of disastrous accidents, neither of the regulatory organizations address the numerous labour violations
that take place inside the factories. Establishing a legitimate fire escape will meet the requirements of safety regulations but it won’t help the workers during a fire if managers continue to have the authority to lock them inside. Moreover, the Alliance, which inspects factories for giant US corporations such as Walmart and Gap, has not included worker representatives or unions in its governance and therefore fails to come close to the potential outcomes of a MSI like the Accord. The Alliance has the sole control over factory inspections and if it fails to deliver on its pledges, the companies are only accountable to themselves. Prior to the Rana Plaza accident, the factories on the top floors had gone through regular BSCI social audits required by international brands so that certain codes of conduct would be met. The accident is a dismal illustration of how regulatory bodies that lack external stakeholders are ill-prepared to identify the various hazards that workers encounter. After the accident the BSCI stated that although social audits were performed in the two factories, the audits do not include building construction or integrity and therefore the initiative relies on the local authorities to implement and control national building regulations. As pointed out earlier, corruption is a prevalent and widely recognized issue in Bangladesh and can be witnessed in many sectors. The efficiency and integrity of the BSCI and business-led initiatives alike are therefore clearly faltering in their approach to the hazardous issues that factories encounter as a whole. (BSCI 2013)

In order to create the change that the garment industry of Bangladesh so urgently needs, all stakeholders need to be involved. The Accord marks an unprecedented binding coalition of a wide spectrum of international actors, however it does not engage in tackling the ongoing labour violations that garment workers face each day. Under the Accord, each signatory company has pledged to require from its suppliers that worker representatives are allowed into their factories to educate workers about workplace safety and worker rights. Educating is necessary, yet not sufficient to eliminate forced labour, discrimination and violence that workers face because of trade union activity. As Long points out, there is a risk that concerns over fire and building safety will be mitigated while nothing will be done to prevent the continued exploitation of workers in other ways. (Jacobin 2014) A similar, legally binding MSI could therefore obligate global brands to a standardized form of purchasing practices and corporate behaviour in order to meet basic labour rights. The current pattern is that local suppliers constantly try to outbid each other on price due to the fierce competition that international brands generate when orders are submitted. Low prices consequently equate to low wages, long hours and for example the denial of sick or maternity leave. Unrealistic production deadlines demanded by apparel brands compound the situation and lead to unauthorized subcontracting to factories that haven’t been inspected and are usually the most dangerous to work in. A binding MSI that would require apparel brands to comply with realistic production quotas
for instance by giving more time to complete an order or distributing work to smaller factories that would be disclosed beforehand in order to ensure safety and transparency, would create a chain reaction that would affect the workers directly. The freedom to join a trade union would be a non-negotiable issue and if intimidation or violence towards those who want to unionize occurs, it will be reported to the predetermined chair of the MSI so that the issue can be resolved with factory managers. Thus far, the government of Bangladesh has been inoperative in resolving labour issues of its own citizens, but this should not mean that MNCs are discharged from their obligations to respect the people that work for them at the bottom of their supply chain. If a supplier is found to neglect labour rights or discovered to be using facilities that have not been inspected, the factory owner will get a first warning. A three-strike policy may be adopted, giving suppliers enough chances to correct the situation. The basis of the initiative would be to promote long-lasting cooperation and socially sustainable partnerships between international brands and local factory owners that is based on honest dialogue and transparency.

8.6 Trade Policies

Using strategic trade policies to enhance fundamental human rights is a recognized means of applying pressure when there has been insufficient progress. In the 1970s both the EU and the US adopted a World Trade organization program, Generalized Scheme of Preferences, which allows developing countries to pay lower or no duties on their exports which enter the EU or US markets. The EU made an additional reform in 2014 by establishing a GSP+ scheme, which permits the least developed countries such as Bangladesh to have full duty free, quota free access for all products except arms and ammunition. (European Commission 2014) The essential purpose of the GSP is to encourage economic development and to promote compliance with the principles of good governance however it is also one of the main instruments for linking human rights issues to trade policies. If serious and systematic violations of human rights as well as labour rights are discovered, the EU and USA may temporarily withdraw the arrangement until improvements are made. There have been only three occasions in which the EU has temporarily discontinued trade privileges; Myanmar in 1997 due to forced labour under the former military regime, Belarus in 2007 for the violation of trade union rights and Sri Lanka in 2010 because of failure to effectively enforce 3 UN human rights conventions. In the latter case, the Sri Lankan minister of industry and commerce stated that the country had lost considerable apparel revenue over the past few years as a result of losing its GSP + status, however as a consequence of the suspension the government has worked hard to regain its eligibility by ensuring better human rights for its citizens and promoting good governance. Discussion on applying for trade privileges again have already begun. (Adaderana 2015)
USA took action after the Rana Plaza accident by suspending its trade privileges to Bangladesh due to “not taking steps to afford internationally recognized worker rights to workers in that country”. (NY Times 2013) The act however is considered to be largely symbolic as it did not affect Bangladesh’s garment industry – which represents the largest part of the trade between the two countries – since apparel does not belong to the group of American duty-free products under the GSP. The EU was also weighing up whether to suspend Bangladesh’s trade preferences though it took a different approach in addressing labour issues of the garment industry by forming a signed agreement between the European Commission, the Bangladeshi government and ILO. The Global Compact for Improvements in Labour Rights and Factory Safety in Bangladesh lists commitments to act within deadlines on issues such as strengthening workers’ rights, recruiting additional inspectors and improving building and fire safety. (IndustriALL 2013) However, if the government of Bangladesh shows insufficient progress in enforcing its labour laws and violations continue to prevail after all efforts, the temporary suspension of the GSP could be an option to reconsider. As the vast majority of Bangladesh’s readymade garments are manufactured for the European market and currently enjoy a duty free access, revoking trade privileges would incur a substantial financial penalty. Nonetheless, a tougher approach to encourage respect for human rights might be the key if all else fails.

8.7 Access to Remuneration

An important part of ensuring human rights is that victims have access to appropriate compensation and justice. Lawsuits in the garment industry have been relatively rare due to offshore outsourcing and the complexity of extraterritorial jurisdiction. However, in a landmark case in 1999 a group of labour rights organizations sued eighteen US apparel retailers and manufacturers for labour and human rights abuses that took place inside the jurisdiction of the laws of the United States. Saipan, which is one of the Commonwealth Northern Marian Islands located in the northern Pacific Ocean and belongs to the US, had gradually turned into a factory dormitory for young Chinese women that were brought to the island to produce garments that enjoyed a duty free access to the US market. The foreign workers had to pay recruitment fees to get to Saipan where, upon arrival they began working eighty hour weeks to pay off their first year debts. Control over the local minimum wage, $3.05, was granted by the US congress to the local authorities in order to spur economic development, but otherwise US labour laws applied normally on the island. Brands that outsourced clothing from Saipan, including Gap, Levi Strauss & Co and Abercrombie & Fitch, were charged with bonded labour, violations of minimum wage and overtime provisions. The case reached a settlement of $20 million in which 30,000 past and
present workers gained access to $6.4 million in back wages and $3000 was given to current workers for repatriation. (Ross)

Similar violations of human trafficking have been exposed in the Global South as well, however labour abuses in global supply chains have rarely been solved through legal action due to the scarcity of laws that restrict holding transnational corporations accountable for violations that occur abroad. In 2008, Australian television uncovered human trafficking and forced labour at a Malaysian Nike factory, where a large portion of the work force had been brought in by Bangladeshi contractors. The workers also had to pay high recruitment fees to get to a sweatshop with extremely poor housing conditions. Their passports were confiscated upon arrival, which violates the fundamental right to freedom of movement and the right to leave a country. Because the labour practices of Nike’s supplier were exposed in the media, the company responded to the incident by moving the workers into better working conditions, reimbursing the fees the workers had paid to employment agents, returning their passports and paying for airfares to visit home. Although appropriate action was taken on behalf of the multibillion company, no lawsuit was filed and the scope of the victims’ compensation was essentially dictated by how Nike saw fit. (Oxfam 2008)

Class action lawsuits are generally prohibited in Europe and losing parties are usually required to pay fees for both sides, which has protected European based companies from lawsuits filed from abroad. In the US, however, filing a class action lawsuit is fairly common since the practice originally emerged from there and plaintiffs pay the attorney a fee only if the case is successful. (NY times 2013) An example is the prosecution of Adidas in 2012, when the University of Wisconsin sued the company for failing to comply with contractual provisions in regard to labour rights in sponsorship and licensing agreements. The workers at the factory in Indonesia which produced garments bearing the university logo were seeking $3 million in severance pay after the factory was shut down in April 2011. The lawsuit was ultimately dismissed as Adidas reached a settlement that promised to contribute aid to workers. Without legal interference by the university, the workers would have most probably been left without their legally entitled pay. (Business & Human Rights Resource Centre 2012)

In present times when human trafficking and child labour are exposed or preventable accidents happen, victims receive minimum compensation at most and rarely the justice they deserve. Whether it is through a lawsuit such as in Saipan and Indonesia, or by the voluntary action of corporations after being exposed, sufficient and equitable compensation must be ensured for victims of exploitation. International NGOs play an important role
in pressurizing corporations to behave in a just manner after accidents and infringements have already happened. After the devastating building collapse in Bangladesh, the ILO set up The Rana Plaza Donors Trust Fund in January 2014 to deliver compensation for the victims. By April 2015, exactly two years after the accident, victims still continue to wait indefinitely for full compensation as the fund is $8.5 million short due to several brands failing to contribute an amount appropriate to their relationship with Rana Plaza. Nonetheless, approximately $20.5 million has been donated altogether by brands and retailers, the Bangladeshi Prime Minister's Fund, trade unions and civil society, largely due to the relentless advocacy of NGOs that has included global public activism and protests. (CCC 2015)

8.8 Legal Accountability of MNCs

As MNCs have evolved to become as powerful as states, there is growing consensus on developing international mechanisms to ensure that their activities are matched with the conduct that is expected from states under international treaties. Various soft law measures many of which have been around since the 1970s have evidently not been sufficient to tackle human rights abuses. Moreover, as Davies (2004, 58-59) reminds, the ratification of ILO conventions does not equate into compliance, and despite the binding nature of labour conventions, ILO does not have power of enforcement for instance through imposing fines against breaching governments. Ratifying countries also have the ability to withdraw ratification if they so please without any penalty, however consequences may appear in other forms due to international pressure, for example through changes in trade policies and loss of investments.

Because international human rights law has not been designed to protect individual rights from economic forces, MNCs are viewed rather as objects than subjects of international law. Chané & Wouters (2013, 20) point out that MNCs enjoy noticeable rights under international investment law and under international human rights law, for example through ensuring protection of their assets before domestic courts and through arbitration processes. MNCs can also claim violations of their rights before The European Court of Human Rights. However, no corporation (as a legal person) has been prosecuted to date by any international tribunal since they lack jurisdiction over MNCs. (Pedersen 2011, 16)

Thus there is a growing acceptance on the formation of an international legal personality for corporations. For instance Mujih (2013, 121) suggests that MNCs should be granted a legal personality that would be defined as “the capacity to bear rights and obligations under international law”.

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There has been a lot of discussion on how the activities of MNCs should be regulated at an international level. One approach is that the international human rights regime would develop a binding instrument. In June 2014, the UN Human Rights Council adopted a resolution entitled Elaboration of an international legally binding instrument on Transnational Corporations and other Business Enterprises with Respect to Human Rights which provides for the establishment of a working group that will seek to draft a regulative mechanism. (Kaczorowska-Ireland 2015, 203) Deva (2013, 7-8) advocates for an international instrument that would apply to all types of business entities and would cover all human rights by drafting a Declaration on the Human Rights of Obligations of Business, akin to the UDHR. However, Donnelly (2013, 156-157) views CSR as a matter of social justice, not as human rights duties. He further questions whether there is sufficient evidence that MNCs are worse for human rights than local corporations. It would be unfair if only large MNCs were subject to regulations and liability if smaller local corporations are allowed to disrespect human rights law.

Historically the only mechanism that has been able to protect individual rights in the economic system has been the state. However, due to the fact that many host states in which MNCs operate are incapable or reluctant to safeguard the rights of its people, it has been proposed that the laws of home states of MNCs could be applied extraterritorially as a means to promote internationally recognized human rights. If such a legal instrument were enforced, it would impose human rights obligations on the overseas activities or subsidiaries of corporations within the territory of another state and provide a remedy for victims of human rights abuses abroad when there are no remedies available before the national jurisdiction of the host country. It has been said that through extraterritorial jurisdiction labour standards have the potential to rise when one country’s labour law is applied to other countries. Deva (2013, 156) points out that differences in home and host standards shouldn’t result in disputes as laws of host states rarely support for instance child or forced labour, and the adoption of home standards should thus result in better protection of human rights. On the other hand, Gregory (2014, 374) argues that the model of extraterritorial jurisdiction can have an unfavourable effect on international peace and cooperation as it would create tension in the international arena. His claim rests on the idea that sovereign nations react with intense hostility when their citizens and activities within their own borders are investigated and sanctioned by a foreign nation applying foreign rules.

It can be concluded that the mechanisms for applying human rights responsibilities to non-state actors such as MNCs are still in the making. In the globalized garment industry where manufacturing is outsourced to local companies, holding MNCs legally accountable for labour violations in their supply chains and providing effective remedy for victims will
be challenging in many respects. For one, it is difficult to identify and even more difficult to prove which violations occur solely because of MNCs and not local companies. However by analysing orders given by global brands it is often evident that the job is simply unrealistic to carry out within the scope of legal regular hours and therefore the purchasing practices of buyers push towards the breaching of labour laws. However, as factory owners are primarily responsible for respecting the rights of the workers, the liability for breaching safety regulations and labour laws falls on them and not on the buyers. From the victims perspective it is consequently very unlikely to get justice within the national legal system.

8.9 Consumer Power

It is said that consumers vote with their wallets by which companies decide the kind of products they produce. Many consumers thus choose to boycott a company in order to not support their business practices. Despite the good intentions behind the idea, boycotting a company because of its sweatshop practices can have an adverse effect on the workers at the very bottom of the supply chain. Union activist Kalpona Akter has said that boycotting would be suicide for the garment workers in Bangladesh; they need the jobs, but they want jobs with dignity. (Guardian 2013, 11)

A survey conducted back in 1999 discovered that three-quarters of US consumers would avoid shopping at a retailer that they knew sold garments made in sweatshops, and 86 percent would pay 5 percent more to ensure satisfactory working conditions. (Marymount University 1999) Largely due to the naming and shaming strategy that NGOs have relentlessly practiced for decades, consumers from developed countries buying cheap fashion are most probably well aware that someone who assembled the piece of clothing somewhere far away probably didn’t earn a fair wage and may have worked in conditions that are unacceptable and unimaginable by Western standards. Nevertheless, the profits of fast-fashion brands are booming because the industry is essentially stimulated by desire and want. Alexandra Shulman, the editor of the British Vogue, has disclosed how fashion is full of smoke and mirrors: by creating images and a world of stuff, the ultimate goal is to make people want to have something they do not need. (Independent Magazine 2009) Whereas it is an easy choice to buy consumer goods such as coffee with a fair trade stamp on it, adding fair labour value to ever changing fast-fashion is not such an easy sell to its largest consumer group, when it goes for quantity over quality.

According to Ernst & Young, any meaningful improvement in human rights in contract manufacturing will need to be reflected in higher prices paid by the consumer, and therefore fashion retailers need to start a conversation with their consumers regarding the price of human rights. (E&Y 2014, 6) Many retailers have already expanded into ethical cloth-
ing, for example a few years ago UK fast-fashion retailer Topshop launched its Fairtrade collection in which only Fairtrade cotton is used. The increasing movement in ethical consumerism and “slow-fashion” creates hope that more brands will take part in fair labour practices in the future.

Another form of consumer power is the collective action between universities in order to ensure safe and ethical working standards in the factories that produce collegiate apparel for them. Workers’ Rights Consortium is an organisation that assists 185 colleges and universities around the world with the effective enforcement of their manufacturing codes of conduct. The organisation states that its purpose is to fight sweatshop labour by conducting independent, in-depth investigations, issuing public reports on factories producing for major brands and aiding workers at factories in their efforts to end labour abuses and defending their workplace rights. When problems are identified, the WRC works with licensees, factory managers, workers and worker advocates to eliminate violations and transform the factory towards compliance. (WRC 2015) The majority of WRC affiliate schools are from the US and UK as college-licensed apparel is a significant market there. According to the US Collegiate Licensing Company the retail marketplace for college-licensed merchandise in 2013 was estimated at $4.59 billion, of which apparel sales account for approximately 65 percent. (CLC 2014) Thus the work of WRC is very significant and it can grow much further as probably all universities and schools acquire clothes with university logos on them, if not for sales then for various school related events and situations.

9 Discussion

Liberalizing trade policies and keeping labour costs amongst the cheapest in Asia has attracted global apparel brands to extend their production in Bangladesh, from which the country has gained much needed capital to reduce extreme poverty. The untraditional export industry has served as a means to empower millions of young women by bringing them into the formal sector from the country’s poverty ridden rural areas. Behind the success story of liberalized trade policies and impressive GDP growth is, however, an industry built on an extremely fragile foundation: dangerous factories in which workers, even children, toil 16 hour shifts for poverty wages and are usually deprived of their legally entitled rights, is acknowledged both in international human rights law as well as national legislation.

Defenders of exploitative labour practices in the global South justify sweatshops as an inevitable and mandatory developmental phase in the industrialization process that will
ultimately lift developing countries from poverty. Sparkes (2002, 195-196) points out that similar sweatshop practices were common in Manchester in the 1840s and New York in the 1900s and now in many South Asian garment producing countries. It may be true that progression requires going through necessary steps and undeniably does not happen overnight, however it is deeply disturbing that the worst garment factory accidents in history have occurred in the 21st century and in facilities which international corporations and organizations have inspected and certified as safe. Global brands took unprecedented responsibility and the two initiatives, Accord and Alliance, created in the aftermath of the accidents in 2013 aim to ensure that the Bangladeshi factories where people sweat to produce garments for Western markets are not in fact death traps. Large-scale exploitation, however, still continues without any significant measures from global brands to tackle it for obvious reasons.

This paper has examined the most common human rights violations in the Bangladeshi readymade garment industry by comparing them to various standards developed by the international human rights regime. Despite ratifying most fundamental international human rights treaties and conventions, Bangladesh has inadequately converted them into effective national legislation. Labour laws are weakly monitored and enforced in order to not interfere with the highly profitable industry. Widespread corruption that has infiltrated all sectors has catered to both the politically tied factory owners as well as many global brands that have for decades turned a blind eye to various labour violations by administering shallow audits that primarily focus on ticking the boxes and not improving the working conditions of the garment workers. In the light of this study it is evident that significant reforms are urgently called for as the human rights regime and its various mechanisms are essentially incapable of providing for and protecting the rights of people globally. Moreover, it has not taken into account the economic forces that threaten fundamental rights of all people around the world.

MNCs continue to operate in a legal environment that does not make them accountable for human rights violations abroad which facilitates their reluctance to make serious commitments towards ensuring safe and socially acceptable working conditions at the bottom of the supply chain. Most efforts by MNCs have been minimal, guided by soft laws and viewed as a matter of CSR, not as a duty to respect universal human rights. Korngold (2014, 3) argues that only global corporations have all the necessary elements to build “a better world” – the human capital, technology, international scope as well as incentives of the marketplace. Hart unites in this view, explaining that the responsibility of ensuring a sustainable world falls largely on the shoulders of the world’s enterprises, the economic engines of the future. (Harvard Business Review 1997) However, the mission to sustain
and provide inalienable and fundamental human rights for all people globally is a mission that cannot be assigned to profit seeking entities that have for many decades contributed to the exploitation of rights in order to fulfil their capitalistic purpose. This study emphasizes the need to transform the international legal role of MNCs to correspond with their economic and social impact around the globe. Some home states have already begun to apply pressure on MNCs with efforts to make their global supply chains more transparent and human rights due diligence mandatory. Demanding openness in business actions is the first step, however much more needs to be done in order to ensure that workers at the bottom of supply chains are not exploited for the profit of others. This can be achieved by strengthening the role of the home states in regard to regulating the activities of MNCs abroad.

Former secretary general of Amnesty Irene Khan (2009, 33) links poverty directly to inadequate realization of human rights. To examine poverty through economic indicators is not enough as they fail to identify elements that play crucial roles in the lives of poor people: insecurity, discrimination, exclusion from society and the lack of choice and ability to affect their situation. Millions of people do not even exist on paper which means they have no legal personality, and thus access to social security and legal rights are completely unattainable. Creating employment may provide material alleviation, however it does not equip poor people with their rights that are fundamental components of a dignifying life, nor does it make them equal members of society.Granting foreign aid can curb poverty however reports show that a large portion of the money goes straight into the pockets of politicians whereas the poor in Bangladesh receive only 25 percent of the funds. Fighting governmental corruption should thus be one of the main priorities of international actors in order to secure human rights and reduce poverty in Bangladesh. (Barthwal-Datta 2012, 66)

The prognosis forecast by the OECD for the year 2060 is gloomy: global growth will slow down while income inequalities will rise, climate change may suppress world’s GDP by 1.5 percent and 40 percent of the world’s population is predicted to be living in high water scarcity. Innovation and investments in skills will be the most important drivers of growth. (OECD 2014, 30-32, 37, 47) The success behind the garment industry in Bangladesh has been the large availability of cheap labour force that conforms to the massive purchases ordered by fast-fashion companies that do not require any special skills. It is thus necessary to ask whether the industry would remain competitive if the government was to significantly raise wages and invest in safe and fair labour conditions. The harsh reality of our cost-cutting and efficiency seeking economic system suggests that it would not, proved by H&M’s recent expansion into the even cheaper Ethiopia. However a global minimum wage
brought forward in this paper would help to put a floor on the race to the bottom. (Al Jazeera 2013)

Despite the fact that poverty levels have been curbed in many parts of the world, our world is becoming more and more unequal which fuels many other issues. Concerns over growing inequality are real both in developed countries as well as in Bangladesh. An Oxfam report published this year warns that unless the current trend of rising inequality is controlled, the combined wealth of the richest 1 percent will overtake that of the other 99 percent of people in 2016. Among the top 20 richest people in the world are the leaders of the two largest fashion brands – Inditex’s founding chairman Amancio Ortega, with a net worth of $64 billion and H&M’s main shareholder Stefan Persson with $34.4 billion. (Forbes 2014) However as Brooks (2015, 246) points out, the fundamental problem is not that capitalism has made some people very rich but that the distribution of growth is extremely uneven. This is backed by Piketty (2014, 537) who argues that inequality is the natural outcome of our current capitalistic economic system. Efforts to tackle inequality within and between nations will be the most difficult challenges in our time.

Researching this subject for my bachelor’s thesis has been challenging due to the complexity of the issue but at the same time extremely valuable and rewarding as I have learnt a lot in regard to all the socio-economic factors that are involved in the realization of human rights. With this study I have developed my prior interests in global issues and the responsibility of corporations in our interdependent world. I have focused on collecting data from reliable sources in order to provide an accurate study that has a realistic overview on the ongoing issues in the industry. My sources primarily consist of various well-established institutions, NGOs as well as material provided by prominent experts in their respective fields to ensure validity. Throughout this paper I have aimed to maintain an objective perspective through factual information.

As described by Benn, Dunphy & Griffiths (2014, 10) we are in a situation where corporate decision-makers make decisions which cumulatively are having a catastrophic impact on the planet and on the global community, however they are supported in this pattern of decision-making by consumers who reward them by purchasing the goods and services they produce. This calls for a change in the mind-sets of both corporate leaders and consumers in order to transform our world into a more ethical environment. Until the clothing and textile industry becomes completely automated through technological advancement there will always be someone who has sewn the piece of clothing together. The task is to strike a balance between mass consumption and fair labour practices which respects hu-
man rights, and it is only with the cooperation of governments, corporations and individual consumers that progress can be made and goals achieved.
10 References

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### 11 Appendices

Appendix 1. The growth of Bangladesh’s RMG industry 1986 – 2014 (Bangladesh Garment Manufacturers and Exporters Association)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Garment factories</th>
<th>Employment in Million Workers</th>
<th>RMG Export in Million $US</th>
<th>Total Export of Bangladesh in Million $US</th>
<th>% of RMG’s to National Export</th>
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