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Human Rights Now

7F Creative One Akihabara Bldg. 5-3-4 Ueno
Taito-ku, Tokyo, JAPAN 110-0005

<http://hrn.or.jp/eng/>

Secretary General, Kazuko Ito

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Bangladesh

Exploitive labor still continues with low-price competition even after Rana Plaza collapse

1. Human Rights Now (HRN), a Tokyo-based international human rights NGO, conducted a fact finding mission in late June 2014 regarding the human rights conditions in Bangladesh, primarily in the Ready Made Garments Industry. This mission revealed that, despite the fact that it has been more than a year since the Rana Plaza collapse on 24th April 2013, the labor conditions for garment industry workers continues to be devastating.

The collapse in 2013 killed over 1,100 garment workers¹, injured at least 2,500², and around 200 are still missing, yet compensations for the victims and the bereaved families have been far from sufficient. Those still missing are left in the collapsed site even today.

International attention and outrage has resulted in efforts to establish some safety measures in the factories. However, the on-going status of the implementation of such measures is not focused on workers' rights, and there is a serious gap between the current efforts and the realization of workers' rights.



Rana Plaza survivors (Photo taken by HRN)

2. After the Rana Plaza collapse, the minimum wage for those working in the garment industry was raised from 3,000 taka (approx. \$38) to 5,300 taka (approx. \$68) in December 2013³. However, this increased wage has not lead to an increase in living standards for the workers. With this increase in the minimum wage, the cost of housing and that of other commodities have also risen in areas like Dhaka, resulting in little money remaining in workers' hands. HRN has witnessed situations where not a small number of garment factories' workers struggle to escape their life of small and unhygienic houses under extremely inadequate living environment such as slums, despite their constant work from the morning to late night.

3. The Rana Plaza collapse also resulted in the Labor Law being amended on July 15th, 2013⁴. However, when questioning whether this amendment is an advancement of workers' rights, the mission team heard many critiques.

As a positive change, Section 178 Subsection (3) of the amended Labor Law removes the previous requirement that was extremely problematic: "The Director of Labour or the officer authorized in this behalf shall, on receipt of an application under sub-section (1), forthwith send a copy thereof along with the list of officers of the union to the

¹<http://www.theguardian.com/world/2013/jun/23/rana-plaza-factory-disaster-bangladesh-primark>

²<http://www.bbc.com/news/world-asia-22450419>, <http://www.bbc.com/news/world-asia-27107860>

³<http://www.cleanclothes.org/livingwage/bangladesh-minimum-wage>

⁴ English-language text of amendments available at:

http://www.ilo.org/dyn/natlex/natlex_browse.details?p_lang=en&p_country=BGD&p_classification=01.02&p_origin=COUNTRY&p_sortby=SORTBY_COUNTRY

Pages 13-16 (Chapter 13) of that document contain the changes made to the regulations of trade unions.

employer concerned for information”. Together with international pressure, over 146 labor unions industry-wide were successfully registered last year⁵. This is indeed unprecedented in the history of the industry.

However, it has been reported that workers are still commonly discharged from their jobs when trying to organize a labor union. This is despite the fact that Clause (d) of Section 195 of the Labor Act prohibits threatening or dismissal of workers by the reason of forming a union⁶. Many workers claimed that infringement of this provision is rampant.

One NGO staff remarked that “some workers were arrested just because they formed a labor union. Some lost their jobs. Jobs in a garment factory are considered irreplaceable. Many of them fear retaliation and so refrain from attempting to organize their own labor unions.”

4. After the Rana Plaza collapse, the clothing industry formed two initiatives to ensure safety working environment for garment workers; the Accord on Fire and Building Safety in Bangladesh (the Accord)⁷ which was established in May 2013 mainly signed by European and North American brands such as Primark and H&M, and the Alliance for Bangladesh Worker Safety (the Alliance)⁸, which North American retailers, including Walmart, Gap, Sears, etc., signed in July 2013.

However, at the present state, both initiatives are merely focusing on the structural safety, and not regarded as a compliance check for the improvement of workers’ rights. As a result, the implementation process fundamentally overlooks the need for an improvement in workers’ rights.

What is our particular concern is that we learned of workers losing their jobs without adequate compensation as a result of the permanent closure of the factories that failed to meet certain safety standards.

So far the Accord and the Alliance have done their initial inspections for over 800 factories⁹ and 700 factories respectively¹⁰, of which at least 20 have been closed.

Trade union leaders interviewed by HRN said that tens of thousands of garment workers are losing their jobs as a consequence of these closures.

The Alliance shows its policy regarding the payment of wages to the workers who lose their jobs due to a closure or renovation of factories¹¹, yet in the Accord there is no articulation of legal responsibility of international brands to monetarily compensate to the workers in case of closure of factories. The union leaders and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) have both said “the Accord closes factories without providing financial funding for renovation or construction of new buildings. There is no payment of wages to those who are going to be affected following the closure.”

A labor union member expressed her strong concern, saying, “There are about 5,600 factories in Bangladesh¹². The Accord and the Alliance said to investigate all the factories they are in charged with by the middle of this year [sic]¹³. This means that a corresponding number of workers would lose their jobs without being given any compensation”.



Rana Plaza survivors - The woman in the middle lost her mother and was injured herself. She was just 14 years old at the time (Photo taken by HRN)

⁵ <http://cpd.org.bd/wp-content/uploads/2014/04/press-reports-editorials-dialogue-one-year-after-rana-plaza-tragedy.pdf>, <http://www.thefinancialexpress-bd.com/2014/04/26/30847>

⁶ No employer shall, “dismiss, discharge, remove from employment, or threaten to dismiss, discharge, or remove from employment a worker, or injure or threaten to injure him in respect of his employment by reason that the worker is or proposes to become, or seeks to persuade any other person to become, a member or officer of a trade union.”

⁷ The Accord on Fire and Building Safety in Bangladesh, text available at: http://www.bangladeshaccord.org/wp-content/uploads/2013/10/the_accord.pdf

⁸ Alliance for Bangladesh Worker Safety, text of members' agreement available at: <http://usas.org/wp-content/blogs.dir/1/files/2013/07/WMT-Gap-Plan-released.pdf>

⁹ <http://www.bangladeshaccord.org/2014/06/bangladesh-accord-commitment-transparency/>

¹⁰ <http://www.bangladeshworkersafety.org/media-center/alliance-announcements>

¹¹ http://www.bangladeshworkersafety.org/files/Alliance%20Wage%20Extension%20Press%20Release%207_10_14.pdf

¹² <http://world.time.com/2013/06/10/bangladesh-factory-collapse-uncertain-future-for-rana-plaza-survivors/>

¹³ The Accord is aiming at completing 1500 factories inspection by the end of September 2014 <http://www.bangladeshaccord.org/2014/05/one-year-anniversary-signing-accord/>

5. The most important rights for workers, working without losing one's job and gaining a sufficient foundation for livelihoods, are not highly valued in compliance efforts.



Garment factory workers at “Women’s Café”, a place prepared for workers to be relaxed and share their thoughts (Photo taken by HRN)

HRN interviewed workers from a group of factories whose owner was arrested in connection with the Tazreen fire. The workers testified that “Before the fire, the doors at their factories were kept locked and if something were to happen, they would not be able to escape. After the fire at Tazreen Fashions, the doors at their factories are no longer kept locked.” On the other hand, they had not been paid for two months and are facing the possibility of losing their jobs right now.

This is because, after the Tazreen fire, the factory owner was arrested and is still being detained by the police. Workers were announced that 5 out of his 6 factories will be closed down. According to them, some 7,000 workers will face unemployment due to the closure. One female garment worker said, “We are living in the factory right now, because if we do not do so, the factory manager will sell all the machines away. I have worked here for 9 years already. It is very hard to find the next job [sic] (another job), so I do not want to lose this one.”

6. HRN frequently encountered complaints about global buyers (the European and American clothing industries) imposing the lowest cost possible at the production site, even after the Rana Plaza collapse, instead of ensuring a fair price that would allow necessary improvement in safe working environment.

According to officials from BGMEA: “In the past few years, the production cost has already increased at the average of 14%, even before the revision of minimum wage. However the price remained as before. We do not see any initiatives to increase in the price of the products from any brand. BGMEA has proposed this problem to the buyers, but we have not been able to receive a good reply from them. [sic]”

A Japanese factory stakeholder revealed that buyers have said, for example, “Accidents like the Rana Plaza collapse are directly linked to buyers' demands for such low prices. Even now, the pressures of low prices and product delivery deadlines are still quite intense. They (buyers) say “China can do with this price, what your factory will do then?” A factory manager in Dhaka similarly reported that, “We want to improve the working condition[s], but based on the price that buyers demand, it becomes an impossible task. We would not dare to ask them for a rise, because once we express this demand, they would not come to us anymore. [sic]”

A local NGO that has closely monitored garment factories said: “Buyers became keeping an out for not only suppliers but also the subcontract factories to check for compliances; still, the price is going down. Ironically, due to such low price given, compliance is also impossible. [sic] [Recently], buyers [have] start[ed] to leave this country and move to Myanmar and Africa.”

It is concerning that Bangladeshi workers were between the extreme choices of either being subjected to exploitation in poor conditions or passed over entirely when they are not able to deliver the low prices demanded.

7. HRN interviewed ten survivors of the Rana Plaza collapse. The tragedy has left them with severe disabilities such as eyesight loss, limb amputations, paralysis, and neuropathic pain. Many of them continue to require ongoing treatment and it is clear that they need to receive continuous aid over a long period of time.

According to the survivors, the government has given each person 10,000 to 20,000 taka, and Primark has given 45,000 taka to all Rana Plaza workers, and 95,000 taka only to the workers working in the factory Primark were sourcing from as present compensation.

The Rana Plaza Donors Trust Fund, an initiative established by the International Labor Organization (ILO) expects to collect \$40 million in order to provide reasonable compensation to the victims of the Rana Plaza collapse.

¹⁴ The Alliance is reportedly finishing 605 factories inspection by the week starting from 7th July <http://www.thedailystar.net/business/only-one-factory-shuts-after-inspection-by-alliance-31958>

As of August 4th 2014, however, just under \$17.9 million has been collected¹⁵. Although thirty-four buyers are reportedly linked to the factories that operated in Rana Plaza at the time of the collapse, most of them have refused to donate to the fund, saying that they are not responsible for accidents which occur in subcontracted factories.



The injured leg of a Rana Plaza victim (Photo taken by HRN)

These buyers have made large profits from cheap labor working in unsafe conditions. To disclaim any obligation to those workers shows a startling lack of responsibility. Out of the 34 brands, those who have supposedly paid some compensations are brands such as Primark, Walmart, Asda etc. whilst 16 brands have not yet shown any commitments; including Benetton, JCPenney, Carrefour, Store21, Robe di Kappa, etc¹⁶.

8. Excessive overtime work in garment factories not only infringes on human rights, but also prevents workers from taking care of their families. HRN had the chance to visit fashion industry factories equipped with child care centers, medical offices and cafeterias. However, in the majority of the factories that would not welcome observation, these measures seem unlikely to be implemented. A local NGO member insists, “We’ve been facing tremendous outbreak of the labor law by companies, that if woman workers were to take the maternity leaves, they are easily discharged of their jobs. [sic] (were to take maternity leave) Moreover, even though the condition of the labor law demands [the establishment of] a childcare center [in]enterprise[s] with over

40 workers, the offices that comply are still far less”¹⁷.

HRN has also received reports that during certain times of year when a large number of orders come in, many employers are not paying the legally required rates for overtime and routinely force workers to work until midnight. One 21-year-old female survivor of the Rana Plaza accident told HRN: “I was forced to work 7 days a week without a break. At the factory, overtime work of 3 to 4 hours was normal. I was working 7 days a week despite the fact that I was pregnant.” A 33 year old female worker living in a slum said “In the peak seasons, we were forced to work until 10 or 11 pm every day without having any day off in a week.” Neither of those workers has been paid their overtime wages.

A NGO representative has said, “Female workers come back home after 10 pm. Since the factories may [be] locate[d] far from their homes, [a 2 hour commute] is not a rare case. The workers’ families look after their children, but the female workers [do] not [have] sufficient time for their children, and thus some families may have to live [apart]”.

The Bangladeshi government has created an Action Plan to increase the number of labor inspectors from 20 to 200, and expects to enhance its compliance policies. Nonetheless, the labor inspection system is still far from adequate or properly functioning.

9. Aside from the garment factories that pull international attention, the human rights situations of the workers in the leather industry have been a serious concern. HRN has visited the Hazaribagh area in Lalbag Thana in Dhaka.

Hazaribagh is one of the world’s top ten most environmentally contaminated areas¹⁸. The contamination is mostly a result of leather processing, which uses a massive amount of chemicals such as sulfuric acid¹⁹, chromium salts, ammonium sulfide²⁰, and formic acid²¹. Most workers go without sufficient protection when handling the leather, carrying it, processing it, and dipping it into the poisonous chemicals with their bare hands. Health management is left to the workers themselves.



At a Hazaribagh leather factory (Photo taken by HRN)

¹⁵ <http://www.ranaplaza-arrangement.org/fund/donors>

¹⁶ Ibid.

¹⁷ In the Section 94 of the Bangladesh Labor Law requires that "In every establishment, wherein forty or more workers are ordinarily employed, there shall be provided and maintained a suitable room or rooms for the use of children under the age of six years of such women."

¹⁸ <http://science.time.com/2013/11/04/urban-wastelands-the-worlds-10-most-polluted-places/slide/hazaribagh-bangladesh/>

¹⁹ <http://www.nihs.go.jp/ICSC/icssj-c/icss0362c.html>

²⁰ http://epsehost.env.kyoto-u.ac.jp/safety/view/material_detail.php?code=00003034

²¹ <http://www.nihs.go.jp/ICSC/icssj-c/icss0485c.html>



At a Hazaribagh leather factory
(Photo taken by HRN)

In these highly dangerous leather-processing factories, children were witnessed working alongside adult employees. This problematic labor environment violates the right to health of both the adult and child workers. Additionally, air pollution and environmental pollution created by those chemicals are causing serious effects on the entire district. Approximately 180,000 people are living in Hazaribagh, including women and children²². Residents have been exposed to severe health risks and subjected to an inhumane environment.

The government is working to relocate it to the new designated areas within two to three years. However, given the existing situation with insufficient management structure of monitoring workers' rights and environment, similar harms seem likely to continue even after the move.

The leather projects processed in exchange of human rights violations are exported to countries such as China, South Korea, Taiwan, Japan, and Italy at least and sold at the market.

10. As it has been argued, although over a year has passed since the Rana Plaza collapse, the human rights situations of workers remain serious. The compliance check initiated by the international clothing industry is far from one that will catalyze fundamental improvements of the deteriorating situations for workers. HRN has to point out that the buyers, while pressuring the factories to ensure compliance checks in order not to lose their own international credibility, do not provide the necessary funds or resources for correcting the injustices and ensuring humane working environment, and instead continue to impose the low prices to gain the most profit.

Furthermore, because adherence to labor laws and other related regulations is not achieved, the devastating conditions for workers engaged in the garment factories as well as leather production process are left unchanged. This continuing state of affairs should be considered the responsibility of the Bangladesh government due to its negligence in monitoring for this situation.

These products, made in an environment where human rights are violated, are exported to all over the world and sold and purchased because of their cheap prices.

Human Rights Now's recommendations are as follows;

(1) To the Bangladesh government;

- Acknowledge that the Rana Plaza collapse is a human rights violation under the state's responsibility (its negligence in monitoring and management), conduct a national investigation and publish the result, identify those who are responsible for, including international apparel industry, and measures for recurrence prevention. For the victims, provide responsible compensations.
- Reinforce the mechanism for adherence of the Labor Act, and impose strict controls on violation acts including discharge without just reasons, sexual harassment, unjustifiable oppression and discharge against workers' activities such as forming labor unions and demanding better working conditions, allowing unpaid overtime, and forced illegal long working hours. In order to do so, enhance fundamentally a monitoring system of workers/labour.
- Enforce and promote defined and strict laws and regulations for preventing environmental pollution and health deterioration of workers resulted from toxic substances. And that the government sets the measure with regard to ensuring safety of factories and fire prevention and thoroughly implement it .
- Reconsider the minimum wage, take holistic measures, including public housing policy, for improvement of devastating living conditions where garment factory workers cannot survive with the current minimum wages.
- Provide aid comprised with public funds to the workers for them not to lose their means of living when factories are assessed to be inadequate to meet safety standard and subsequently closed.
- As a State Party of International Covenant on Economic, Social and Cultural Rights, drastically enhance public policies and measures (including public housing policy) in order to improve the current situation of which people in urban areas cannot enjoy their rights to safe water, sanitation, good, adequate housings, be protected by environmental pollution, etc.

²² <http://www.bbs.gov.bd/PageWebMenuContent.aspx?MenuKey=333>

(2) To BGMEA;

- Collaborate with other stakeholders to be accountable and provide appropriate compensations and medical care to the victims of Rana Plaza collapse.
- Take all necessary measures to ensure workers' rights in all the garment factories, including safe working environment and freedom of assembly.
- Thoroughly adhere to the amended Bangladesh Labor Law (2013).

(3) To the Accord and the Alliance,

- Improve the transparency for the factory inspections;
- Ensure wage compensation or employment of the workers in case of closure of their factories which are assessed to be inadequate to meet safety standard.
- Do not limit compliance checks of the safety conditions of factories, and instead base such checks on workers' rights as its core value. Incorporate sections to protect the human rights of workers and avoid injustices such as illegal overwork, exploitive labor, oppression against labor unions, unjust discharge, sexual harassment, etc.
- Implement the appropriate measures for ensuring employment, wage compensation, support of re-employment in order for the workers not to be turned adrift when their factories are closed down.

(4) To the international apparel industry and Buyers;

- All the brands whose certain parts of their products have been produced in the factories located in the Rana Plaza building²³ to provide proportionate funds to the Rana Plaza Victims's Fund, and make sure the appropriate compensations for the victims, the psychological distress of the bereaved, and lost of working ability to be made. Publish corporate policy how to prevent recurrence and be accountable for their responsibility.

- International clothing industry whose products are produced in the Bangladesh garment factories, to fulfill its role for decent work to be realized and positive improvement, by coordinating with governments and international institutions. In order to do so, hold sufficient opportunities to dialogue with stakeholders in the industry, workers, and civil societies, and formulate the orientation of improvement. Most of all, set an adequate price deeply considering the necessary cost at which safe and humane working conditions are ensured, without emphasizing low prices and short delivery deadlines to the manufacturing sites.
- In order to eliminate human rights violations and exploitive labor in garment factories in Bangladesh, conduct inspections going back to the supply chains, and promote improvement. The promotion needs to be done through inviting the third party such as local human rights NGO, requesting opinions from local stakeholders, and considering rights of the workers

(5) To donors;

- Consider the realization of the rights of the population living in the urban areas of Bangladesh, including rights to safe water, food, sanitation, housing, safe working conditions, and to be protected from serious environmental pollution, as their fundamental economical and social rights, is yet to be achieved, enforce supports to enhance their economic and social rights, with a central focus on public housing policy.
- Provide financial support as well as technical assistance with regard to realization of ensuring safety at garment factories and workers' rights, by coordinating with international institutions and Bangladesh government.

Human Rights Now ~Protecting Human Rights for All~

Human Rights Now is a Tokyo based international human rights NGO comprising a body of experienced legal professionals dedicated to protecting and promoting human rights around the world, with a special focus on Asia. The activity includes monitoring/ fact-finding of human rights, human rights education and advocacy work. Human Rights Now has special consultative status with the Economic and Social Council since August 2012.

²³ Brands which were reportedly producing the products in Rana Plaza building at the time of collapse includes; Bonmarche, Camaieu, The Children's Place, El Corte Ingles, Kik, Mango, Premier Clothing, Primark, Walmart, C&A, Gueldenpfening, Mascot, Asda, Inditex, Loblaw, LPP S.A., AdlerModemarkte, Benetton, Cato Fashions, Manifattura Corona, Matalan, NKD, Texman, Yes Zee, Carrefour, Store21, Auchan, JCPenney, Iconix, KANZ/Kids Fashion Group, LC Waikiki, Robe di Kappa, Ascena Retail