

Manufacturing: After the Bangladesh Factory Collapse

On April 24, 2013, a clothing factory in Rana Plaza, outside of Dhaka, Bangladesh collapsed, killing more than 1,100 workers and injuring many others. Upon inspection following the collapse, officials found that the factory's construction did not meet codes. The upper four floors had been erected without proper permits. Additionally, the building's foundation contained known cracks, which workers had reportedly pointed out in the days prior to the collapse. Their concerns went unheard and they were required to work nonetheless (Manik and Yardley, 2013).

As news broke that the tenants of the factory were American- and European-owned clothing companies, the disaster revealed not only the unsafe workplace conditions that laborers in the developing world endure daily, but also the role of Western corporations in allowing for these conditions to persist. This newfound awareness resulted in a strong backlash against governments that install weak labor laws and companies that take advantage of these circumstances for financial gain.

The Manufacturing Trap

Bangladesh provides a striking example of the prevalence of the export manufacturing industry in the developing world. The country is second only to China as the largest exporter of apparel – garment exports account for approximately \$21 billion annually in Bangladesh. Additionally, the industry employs more than four million people, most of whom are women. The manufacturing sector has grown immensely during recent years, expanding by 26 percent between June 2012 and June 2013 (Chandrasekaran, 2013).

This growth is undoubtedly due to incomparably low production costs in Bangladesh. Minimum wage in the country comes in around \$38 per month, which is lower than neighboring states such as India, where minimum wage is approximately \$100 per month (Bose, 2013; Chandrasekaran, 2013). Coupled with lax enforcement of already weak labor laws, Bangladesh's small production overheads provide an appealing option for Western apparel brands hoping to outsource their manufacturing.

Outsourcing of manufacturing to the developing world is commonplace among Western firms, which seek cheaper sources of labor and, as suggested by the tragedy in Bangladesh, areas with lenient safety regulations to minimize costs of production. Western retailers that outsource labor may also be privy to tax breaks and loopholes in labor laws in developing nations desperate to bring in jobs. When these benefits and privileges are reduced, firms may choose to take their business elsewhere, meaning that developing nations must keep costs low to retain manufacturing sector jobs.

Part of the reason that retailers outsource labor to areas with low production expenses is to appease Western consumers, who have become accustomed to having constant access to incredibly low-cost and trend-driven clothing, from companies such as Wal-mart, Target, American Eagle and H&M, among many others. In this sense, "fast fashion" companies find themselves in a

similar predicament as the countries that manufacture their products. If these retailers raise prices, consumers may choose to spend their money elsewhere. Among consumers, questions are rarely raised regarding the sources of these products, and the risks associated with manufacturing goods at such low cost. The human rights component of the fashion industry receives minimal consideration. As a result, the collapse was a wakeup call for many people who regularly purchase “fast fashion.”

Bangladesh: Two Months Later

Immediately following the Bangladeshi factory collapse, outrage ensued, particularly in the U.S. and Europe. Accountability was demanded from corporations and governments alike. People clamored over how something so awful could happen. For weeks, the news was racked with images of the half-collapsed building, of bystanders clawing through rubble with their bare hands, of a woman being removed from the destruction after being trapped for an astounding 17 days. But now, approximately two and a half months after the tragedy occurred, what meaningful steps have been taken by the international community towards serious change?

A quick Google search reveals that the issues brought forth by the tragedy in Bangladesh have garnered less media attention as time has gone on. While this finding is not completely surprising, it suggests that people may have lost interest in the movement to ensure worker safety that the disaster initiated. This is the case despite the fact that millions of people worldwide continue to work in conditions similar to those workers who died in the factory collapse. Supporting this point, a team from the Bangladesh University of Engineering and Technology recently inspected 66 manufacturing plants in response to the April tragedy. Of those factories, just six were found to be “without any noticeable distress or deviation.” The rest contained structural issues that varied from minor to severe, two of which had cracks similar to the collapsed plant and require immediate shutdown, according to the team (News.com.au, 2013). Similarly, the Bangladeshi government has conducted inspections of its own, concluding that an estimated 60 percent of the 3000 manufacturing plants in the country have structural problems (Butler, 2013).

Domestically and internationally, states have taken steps towards ensuring greater protections for workers in Bangladesh following the collapse. Externally, governments in the U.S. and European Union have applied pressure through the threat of trade restrictions to propel the Bangladeshi government to reform labor laws. In July 2013, Bangladesh passed new legislation to increase worker protections, by permitting laborers to form unions and creating a fund to improve living standards for workers, among other provisions. While these reforms are a certain upgrade on previous legislation, some critics have charged that they are inadequate and were passed too quickly to appease Western governments, rather than to make serious changes (Bose 2013).

Complimenting governmental efforts is the formation of a legally-binding contract, developed jointly by clothing companies, local and international NGOs and union workers in Bangladesh. The protocol aims to vastly improve conditions for workers in Bangladesh over the next five years, and requires proper building inspections and repairs, “worker-led health and safety committees” in factories, and other protective measures (Morden, 2013). The changes

will be funded by the 70+ companies that have signed the agreement. Missing from that list are certain major American retailers such as Gap and Wal-mart, which have drafted their own, non-binding compact without help from local unions in Bangladesh (Morden, 2013).

Conclusion

The steps that have been taken over the past two months in response to the Bangladeshi factory collapse are undoubtedly moving in the right direction. But they are not the end, and there is much left to accomplish. The tragedy reaffirmed the intimate links between the developing and developed worlds, between manufacturing plants in Asia and corporate offices in New York City, between laborers who work 15 hour days for a few dollars' pay and consumers who regularly purchase tank-tops for \$2.80 at Forever 21.

The collapse demonstrated that poor working conditions are not a problem relegated to and under the sole responsibility of developing nations. Rather, they are a result of global consumption trends that have driven down production costs in a "race to the bottom." And in this race, Western consumers have come out on top while workers in the developing world have shouldered the costs, in some cases with their lives.

Awareness is the first step towards resolving a problem, and in the most tragic sense, the factory collapse in Bangladesh accomplished the task of bringing awareness to a situation in desperate need of resolution. Much of the responsibility to ensure better protection of workers' rights now lies in the hands of consumers, who can demand greater accountability and transparency from retailers. Hopefully, along with the changes already being implemented at the state and institutional levels, individuals' decisions to educate themselves and purchase responsibly will result in tangible advancements for workers' safety and quality of life in developing nations.

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