



# The building collapse that killed and injured thousands: What can we learn from Rana Plaza?

**Shelley Feldman**

Feminist, Gender, & Sexuality Studies  
Cornell University



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In April 2013, 1134 people died and more than 2500 were injured in the collapse of Rana Plaza, a nine-story building that housed five readymade garment (RMG) factories in Savar, a sub-district on the outskirts of Dhaka, the capital of Bangladesh. These factories produced garments for 29 international brands, including Walmart, Benetton, Cato Fashions, and Carrefour. As one of the deadliest garment factory accidents in history, the news had immediate and global reach highlighting the costs for garment workers, the majority of whom are women, of the relatively cheap garments available to the world market, particularly for European and North American clothing consumers. What lessons can we learn about global economic development from this event? What kinds of reforms and regulations can add to worker safety and security? Does the country's deregulated export-led growth strategy provide income security and upward mobility for its workers?

In this brief review, I draw attention to women workers in the RMG sector even as their conditions of employment and everyday experience are shared in some important ways with men. For example, women are less likely to benefit from opportunities for mobility within the sector, fill fewer of the supervisory positions, and, crucially, are more likely to face sexual harassment and other forms of gender based violence than men. Additionally, physical infrastructure is not always gender neutral as Bangladeshi women face greater difficulty exiting a building in times of disaster as sex-specific staircases, often inconveniently located, and accommodating a large number of women, inhibit entrance and exit. Finally, the RMG sector is claimed to be a significant vehicle for improving women's status, agency, and sense of empowerment, thereby enhancing their position in the family, and helping to move families out of poverty. Does the RMG sector help to realize this potential?

Current evidence is mixed concerning the relationship between women's employment in the RMG sector and their enhanced status and economic security. For many, securing and controlling their income increases women's decision-making power within the household. Still, many do not experience overall improvements in economic security because jobs are not secure, pay may not be timely, people can be fired at will or forced to work overtime without compensation, and wages remain astonishingly low. Despite employment in an industry that began more than 35 years ago, wages for Bangladeshi garment workers continue to lag behind those of other workers in the region. Following a protracted struggle for higher wages, in November 2010 wages increased 77 percent, to \$37 per month. Notwithstanding this raise, workers earned US\$0.23 an hour compared to US\$0.40 in Pakistan, US\$0.56 in India, and \$.35 in China. However, in the period following Rana Plaza and intervention by the international community, in December 2013 average earnings increased to \$67 per month.

Notwithstanding these important increases, worker's "malnutrition wage" continues to be the lowest in the world, even as Bangladesh is second, only to China, in RMG exports.

Further, ready-made garment production is central to Bangladesh's economic growth. In 1981–1982, RMG exports comprised only one percent of total exports, but by 2015 it accounted for 81 percent, and employed more than four million people in more than 5,000 factories. This growth trajectory has been achieved, in part, by taking advantage of the low cost of labor and limited investment in infrastructure and workplace safety. Further, the continued transformation of RMGs has led to a significant increase in the knit sector, which is capital and technology intensive and employs primarily male labor, while women continue to predominate in the woven sector. Apparel exports are anticipated to triple by 2020 as European and U.S. buyers plan to strengthen their presence in the country with an annual growth rate expected to reach seven to nine percent in the next ten years.

Despite this long history, broad buyer appeal, and importance for export earning, the industry is plagued by insufficient oversight of workplace safety, extremely poor working conditions, short-term contracts, irregular pay, forced overtime, and limited upward mobility. The building collapse in 2013, coupled with the fire in 2012 added to the more than 800 workers killed during the past decade, and exposed to the world the costs for workers of the poor conditions and lack of oversight of the sector.

Importantly, the Rana Plaza tragedy led to two global agreements to establish minimal safety protections. One is the new *Accord on Factory and Building Safety*, and a second is the *Alliance for Bangladesh Worker Safety Companies*. The *Accord* is a legally binding agreement signed between brands, trade unions, and labor rights NGOs and is dominated by European companies who require safety inspections of production sites and agree to provide some financial to help bring Bangladesh factories up to a minimal safety code. The *Alliance*, spearheaded by Wal-Mart and Gap, relies on the responsibility of buyers to sign contracts with fire and safety compliant factories, but neither mandates inspections, assists in factory repair to promote worker safety, nor partners with labor rights organizations. Crucially, however, compliance depends on the Bangladesh Government taking responsibility for enforcing building safety standards and regulations, as well as monitoring the construction industry which is notorious for failing to meet building codes and subverting oversight efforts.

Together, these agreements and government support can improve the protections and rights that Bangladeshi workers enjoy, especially if Bangladesh implements ILO protocols to which she is already a signatory. Three critical obstacles remain: One is that wage compliance is unevenly monitored especially of the large number of subcontracting firms that operate in the sector. Two is that compliance with building codes are not enforced and, as yet, there is no compliance certification system able to hold non-compliant firms accountable. Three, although unions are formally allowed to operate, the sector continues to challenge, attack, and harm both union organizers and those who join unions thereby undermining worker's rights. To respond to these obstacles, the Government of Bangladesh could enforce ILO standards, including a penalty for noncompliance for factory owners. In addition, the Government could develop and implement guidelines for the construction industry to ensure that factory infrastructure meets industrial codes.

The failure to resolve the tension between fair wages and safe working conditions, on the one hand, and retaining competitive advantage, on the other, calls into question the equality and economic security goals of an export-led growth strategy that is central to Bangladesh's development. And, while RMG manufacturing has enhanced women's autonomy and senses of empowerment, the failure to provide a living wage can, as some suggest, result in trade liberalization actually intensifying, rather than redirecting, Bangladesh's "race to the bottom," especially if development policy and the RMG sector continue to promote cheap labor as the cornerstone of economic growth.

### CONTACT:

**Shelley Feldman**  
Cornell University  
rf12@cornell.edu



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