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## **Second anniversary of the Rana Plaza building collapse and progress of the Bangladesh Sustainability Compact**

### **Greens/EFA motion for resolution**

*Tabled by Jean Lambert, Ska Keller, Yannick Jadot, Ulrike Lunacek, Monika Vana, Karima Delli, Judith Sargentini, Davor Škrlec on behalf of the Verts/ALE Group*

The European Parliament,

- having regard to its previous resolutions on Bangladesh, in particular those of 23 May 2013 on labour conditions and health and safety standards following the recent factory fires and building collapse in Bangladesh , 17 January 2013 on recent casualties in textile factory fires, notably in Bangladesh , 6 September 2007 , and 10 July 2008,
- having regard to its resolutions of 25 November 2010 on human rights and social and environmental standards in international trade agreements and on corporate social responsibility in international trade agreements,
- having regard to the Cooperation Agreement between the European Community and the People's Republic of Bangladesh on Partnership and Development ,
- having regard to the jointstatement by former European Commissioner for Trade Karel De Gucht and former Commissioner for Employment, Social Affairs and Inclusion László Andor on the occasion of the first-year review of the Bangladesh Sustainability Compact,
- having regard to the ILO Promotional Framework for Occupational Safety and Health (2006, C-187) and the Occupational Safety and Health Convention (1981, C-155), which have not been ratified by Bangladesh, as well as to their respective recommendations (R 197); having regard also to the Labour Inspection Convention (1947, C-081), to which Bangladesh is a signatory, and to its recommendations (R-164),
- having regard to the Commission communication entitled 'A renewed EU strategy 2011-2014 for Corporate Social Responsibility' (COM(2011)0681) and to the results of the public consultation on the Commission's work on the direction of its corporate social responsibility (CSR) policy after 2014,
- having regard to its reports on 'Corporate Social Responsibility: accountable, transparent and responsible

business behaviour and sustainable growth’, and on ‘Corporate Social Responsibility: promoting society’s interests and a route to sustainable and inclusive recovery’,

– having regard to the UN Guiding Principles on Business and Human Rights, which set a framework for both governments and companies to protect and respect human rights, endorsed by the Human Rights Council in June 2011,

– having regard to the Commission proposal for a Regulation setting up a Union system for supply chain due diligence aiming at transposing into legislation the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas,

– having regard to Rule 123(2) of its Rules of Procedure,

A. whereas the EU has good, long-standing relations with Bangladesh, including through the Cooperation Agreement on Partnership and Development, the Generalised System of Preferences and the Everything But Arms arrangement;

B. whereas on 24 April 2013 the Rana Plaza, a building in Savar, outside Dhaka, housing several garment factories, collapsed, causing the death of over 1 100 people and leaving some 2 500 people injured;

C. whereas Bangladesh, before the accident, had become the second-largest exporter of garments in the world after China, with one of the lowest garment wages, the textile sector providing for almost 85 % of the country’s exports; whereas 60 % of its clothing output was going to the EU, which is Bangladesh’s major export market; whereas a quarter of the country’s population is indirectly dependent on earnings stemming from this industry;

D. whereas, following the end of the Multi-Fibre Agreement, and due to the high labour intensity of the ready-made garment (RMG) sector, developing countries such as China, Bangladesh, India and Vietnam have become global producers; whereas the reorganisation of the sector around the integrated value chain model has meant that orders can only be secured by improving productivity and further lowering production costs, this making Bangladesh and other developing countries’ workforces particularly vulnerable;

E. whereas Bangladesh, Cambodia and Sri Lanka, where the economy is heavily dependent on the RMG sector, have experienced a decline in wages despite a steep increase in production facilities and employment;

F. whereas according to information from the International Labour Rights Forum, more than 600 garment workers have died in factory fires in Bangladesh since 2005, while, according to reports by human rights organisations, none of the factory owners or managers has ever been brought to trial;

G. whereas the owner of Rana Plaza factory, Sohel Rana, was arrested a few days after the disaster and currently faces murder charges together with another 40 people owning the several factories housed in the building complex;

H. whereas the collapsed building of the Rana Plaza complex was constructed illegally, and did not meet safety standards; whereas, following the disaster, 32 factories were permanently closed in Bangladesh as a result of significant safety concerns and 26 factories were partially closed; whereas there remain a significant number of factories that have yet to raise their standards to a sufficient level;

I. whereas on 24 April 2013, the Rana Plaza Arrangement (Compensation Fund) to compensate the victims of the disaster and their families was signed by the representatives of the Government of

Bangladesh, local garment manufacturers and international garment brands, local and international trade unions and international NGOs; whereas the amount determined to cover the costs of all claims is USD 30 million; whereas, as of 24 April 2015, the total amount raised by voluntary corporate contributions was around USD 27 million, leaving 3 million outstanding; whereas it will not be possible to pay the medical costs of those victims requiring long-term medical care if the fund remains underfinanced;

J. whereas the Rana Plaza disaster prompted the EU to forge, together with the Government of Bangladesh and the ILO, the 'Compact for Continuous Improvements in Labour Rights and Factory Safety in the Ready-Made Garment and Knitwear Industry in Bangladesh' (the Sustainability Compact) in July 2013, where Bangladesh committed to taking action to improve labour standards and working conditions in the country's RMG industry;

K. whereas the first review of the Compact took place in October 2014 and concluded that, while progress had been made, further important steps had to be taken by the Government of Bangladesh, notably regarding the improvement and implementation of the Labour Law, improving labour rights in Export Processing Zones (EPZ) and the hiring of more labour inspectors; whereas the second review of the Compact will take place in Autumn 2015;

L. whereas the Labour Law was amended in July 2013; whereas the law continues to fall short of international standards and it remains very difficult for workers today in Bangladesh to exercise their fundamental labour rights without retaliation; whereas today only a handful of the unions manage to bargain over collective agreements;

M. whereas, one and a half years on, the Government of Bangladesh has yet to issue the implementing rules and regulations for the Labour Law; whereas the implementation of the Law is a necessary condition for eligibility for the ILO Better Work Programme and for the functioning of the Accord on Fire and Building Safety in Bangladesh (the Accord);

N. whereas, in Bangladesh, 10 % of the workforce in the RMG sector is employed in EPZs; whereas a new EPZ Labour Act was passed by the cabinet in July 2014 but, among other things, denies the right to form trade unions in EPZs and grants powers and functions to the EPZ Labour Courts and Labour Appellate Tribunal which are severely restricted compared to the general Labour Courts and Labour Appellate Tribunal; whereas Worker Welfare Associations do not have the same rights and privileges as trade unions;

O. whereas about 300 new trade unions have been registered in the garment sector since the start of 2013; whereas in 2014, 66 applications, which amounts to 26 % of all applications filed, were rejected; whereas the government has rejected the majority of registration applications in 2015 for reasons not provided for in law, and in a way which appears to target independent unions which have been the most successful to date in organising unions;

P. whereas at least 45 serious acts of anti-unionism by a wide range of actors, some of which are violent, have been reported since the launch of the Compact;

Q. whereas Bangladesh had only 92 inspectors to control around 5 000 ready-made garment (RMG) factories and other industries in the country before the accident; whereas the Government of Bangladesh had committed to recruiting an additional 200 inspectors by the end of 2013; whereas the government failed to reach its goal and the current figure stands at 173 additional recruits; whereas labour inspection remains infrequent and ineffective, particularly as regards labour standards enforcement;

R. whereas at present 175 fashion and retail brands have signed up to the Accord on Fire and Building Safety, a legally binding agreement between brands and trade unions covering almost half of all

Bangladeshi factories for the export market and two million workers; whereas 26 other North American companies, such as Walmart and Gap, have signed up to the Alliance for Bangladesh Worker Safety, a unilateral agreement aiming at improving safety in factories, which, however, does not include any role for trade unions, or a requirement that brands support remediation;

S. whereas Bangladesh has made great strides in reducing the gender gap in society, having successfully achieved the third UN Millennium Development Goal on gender equality; whereas 3.2 million of the 4 million workers employed in the RMG sectors are women; whereas their employment has, in many cases, made a positive difference to their standing in their communities and families;

T. whereas textiles and clothing represent the world's second-biggest traded manufactured product today and whereas the textile industry is considered one of the most polluting industrial sectors; whereas spinning, weaving and production of industrial fibres undermine air quality, and dyeing and printing consume vast amounts of water and chemicals, and release numerous volatile agents into the atmosphere that are particularly harmful for the workers, the consumers and the environment;

U. whereas according to the Worker Rights Consortium, it would add less than 10 cents to the factory price of each of the 7 billion garments that Bangladesh sells each year to Western brands if the country's 5 000 garment factories were to be elevated to Western safety standards within 5 years; whereas there are no indications that prices of garment and textile articles have increased during the last two years;

V. whereas the RMG sector is prominently dominated by large retailers, branded manufacturers and marketers which control global production networks and directly stipulate supply specifications; whereas clothing and textile manufacturers, in the context of a globalised industry, often have no choice but to accept lower prices, increase quality standards, shorten delivery times, reduce minimum quantities and take on as much risk as possible;

W. whereas the strong competitive pressures, power asymmetries and the competition between developing countries to attract foreign investment that characterise the RMG sector can render governments' task of addressing labour rights and safety issues more difficult;

X. whereas European citizens have submitted countless petitions and organised campaigns demanding greater accountability from garment brands to ensure their products are manufactured in an ethical way;

1. Remembers the victims on the occasion of the second anniversary of the Rana Plaza tragedy, one of the most devastating industrial disasters ever, and extends its condolences to those injured or disabled as well as to the bereaved families;

2. Urges brands sourcing from Rana Plaza, or having significant ties to Bangladesh, and the Bangladeshi authorities to ensure that the remaining 3 million for the USD 30 million Compensation Fund is allocated as soon as possible to the victims' families; regrets that the demand to pay out agreed compensation by the second anniversary of the disaster has not been complied with;

3. Recalls that the Rana Plaza Arrangement, which provided the basis for setting up the Compensation Fund, is meant to constitute the basis for the long-term goal of providing a permanent and sustainable system for compensation; encourages the Government of Bangladesh to stand by its commitment in the framework of the National Tripartite Plan of Action to set up a permanent national workplace accident insurance scheme, effectively changing the landscape for future occupational health and safety issues in Bangladesh;

4. Notes that the Accord and the Alliance have completed the inspections of all factories under their remit; urges the Government of Bangladesh to complement such action by swiftly carrying out the

inspection of the factories under its responsibility and to adopt adequate remedial actions; welcomes the engagement of those manufacturers who wish to improve standards; encourages the Accord and the Alliance to improve their cooperation and systematically exchange reports of factory inspections to avoid duplication of work and double standards; calls on the Alliance also to publish its reports in Bangla and to provide them with pictures so that they can be accessible to everyone in the country;

5. Notes that the minimum wage in the garment industry remains low despite the 2013 increase, and calls on the government, in full consultation with trade unions and employers, to establish a living minimum wage; further, urges the government to ensure that all garment factories actually pay the wages that are due;

6. Notes the steps taken by Bangladesh in amending its Labour Law; regrets that a number of restrictions to workers' freedom of association were not addressed and that the Law still falls short of complying with ILO Conventions 87 on Freedom of Association and Protection of the Right to Organise and 98 on Right to Organise and Collective Bargaining; urges the Government and the Parliament of Bangladesh to adopt, as a matter of priority, the necessary rules and regulations to ensure the effective implementation of the Law;

7. Is concerned by the situation in EPZs and stresses that workers there should enjoy the same rights as workers elsewhere in the country; strongly regrets that the proposed EPZ Labour Act continues to prohibit workers from forming unions in the EPZ and that it sets out an overall lower level of workers' rights, and points out that Worker Welfare Associations in no way have rights and privileges comparable with those of trade unions; urges the Government of Bangladesh to immediately extend the Labour Law to EPZs without delay;

8. Welcomes the registration of 300 new garment trade unions since the start of 2013 but regrets deeply that about 30 of the newly registered trade unions are reportedly no longer active because of severe anti-union retaliation, at times violent, and that about another 30 trade unions have been disbanded as a result of factory closures; notes that the newly registered trade unions represent 4 % of the RMG workforce; is concerned by the increased threats, harassment and physical violence against workers' representatives and therefore urges the Government of Bangladesh to effectively address unfair labour practices by implementing the necessary measures to prevent, investigate and prosecute wrongdoings – including anti-union discrimination and reprisals – in an expedient and transparent manner; is convinced that adequate training and awareness-raising on labour rights is an effective way of reducing anti-union discrimination;

9. Understands the difficulties of making progress in recruiting inspectors resulting from the necessity to train people adequately before actual posting; regrets, however, that the target of recruiting even an additional 200 inspectors by the end of 2013 had not yet been fulfilled in April 2015, and underlines that 200 inspectors are far below what is necessary to supervise an industry of four million workers; stresses that labour inspectors need to be given the power to enforce penalties against labour law violators and that fines should be dissuasive and should be effectively enforced;

10. Trusts that substantial progress in all labour and safety issues can be made by the second review of the Sustainability Compact due to take place in autumn 2015;

11. Believes that global retailers, branded manufacturers and marketers have a great deal of responsibility in preventing manufacturing countries from improving labour conditions and wages; is convinced that fairer market structure and social conditions could be created if those companies implemented all along their supply chains internationally recognised Corporate Social Responsibility (CSR) standards, in particular the recently updated OECD Guidelines for Multinational Enterprises, the ten principles of the United Nations Global Compact, the ISO 26000 Guidance Standard on Social Responsibility, the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, and the

## United Nations Guiding Principles on Business and Human Rights;

12. Calls on the OECD to establish a multi-stakeholder process on responsible supply chains of textiles and garments with a view to developing practical due diligence guidance, consistently with the OECD MNE Guidelines and the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, for companies to ensure that their goods are produced exclusively in factories fully respecting safety standards and labour rights; considers that such due diligence guidance should complement and strengthen existing international and national efforts and could constitute the basis for future legislation and labelling initiatives on responsible supply chains in textiles and garments;
13. Calls on the Commission to introduce legislation obliging companies which want to operate in the European market under European law to provide information about the entire supply chain of their products in line with the UN Guiding Principles on Business and Human Rights and the OECD MNE Guidelines, which includes, amongst other things, transparency of the supply chain up to the production facility;
14. Calls on the Council and the Commission to include a mandatory and enforceable CSR clause in all bilateral trade and investment agreements signed by the EU, which would bind European investors to the principles of CSR as defined at international level, including the 2010 update of the OECD Guidelines, and standards defined by the UN – notably the UN Guiding Principles on Business and Human Rights – , the ILO and the EU; suggests that this clause harmonises the existing standards and concepts in order to ensure comparability and fairness and that it contain measures for the monitoring of the effective implementation of these principles at EU level;
15. Acknowledges that employment in the garment sector has helped millions of poor rural women in Bangladesh and elsewhere to escape deprivation and dependence on male support; notes that the non-unionised workforce has been essentially composed of unskilled workers and women in the RMG sector in developing countries, who have often no choice but to accept low wages, poor working conditions and flexible working arrangements in order to keep their jobs; recognises that progress in workers' rights and protection is vital for the empowerment of women and underlines the need to increase women's representation in trade unions, including the newly formed ones in Bangladesh, and welcomes the Sustainability Compact in acknowledging the importance of gender empowerment in improving labour standards;
16. Believes that just a minor increase in the price of the end-products paid by consumers could substantially increase workers' welfare conditions and that the time is ripe to negotiate an appropriate minimum wage for the garment sector industry worldwide;
17. Requests that in future EU trade agreements with third countries, occupational safety and health should take a more prominent place as part of the decent work agenda, and that the EU provide technical support for the implementation of these provisions so that they do not constitute a barrier to trade;
18. Calls for a system of transnational legal cooperation to be set up between the EU and third-country signatories to bilateral trade agreements to ensure that victims of breaches of social or environmental legislation, or of failures to honour CSR undertakings or fair exchange practices by multinationals and their immediate subsidiaries have effective access to justice in the country where the breach took place, and, in support of the establishment of international judicial procedures, to ensure, where necessary, that breaches of the law by companies are punished;
19. Notes that the Everything But Arms (EBA) initiative has played an important role in Bangladesh's economic development and has contributed to improving material conditions for millions of people, in particular women; is convinced, however, that without sound conditionality in the area of human and

labour rights, EBA and GSP risk exacerbating low standards in worker protection and undermining decent work;

20. Calls on the European Commission, under its monitoring and evaluation mechanism of the GSP, to establish and ensure Bangladesh's adherence to internationally recognised human rights, labour and environmental conventions;

21. Encourages VP/HR Mogherini and Commissioner Malmström to continue to include the ratification of core ILO standards, health and safety inspection and freedom of association in discussions with Bangladesh and other countries on continued preferential trade;

22. Recognises the progress made by Bangladesh in engaging stakeholders and making commitments to improve the situation on the ground; calls on more European companies to join the Accord and encourages its replication in other high-risk countries;

23. Instructs its President to forward this resolution to the Council, the Commission, the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy, the Government and Parliament of Bangladesh and the Director-General of the ILO.

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