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The lethal price of sweatshop development

Ten years ago, the Rana Plaza in Bangladesh collapsed, killing 1,134 garment workers. Since then, little has been done to improve working conditions

It has been 10 years since an eight-story commercial building, housing several textile factories on the outskirts of Dhaka, Bangladesh, collapsed on 24 April 2013. The collapse of Rana Plaza claimed the lives of 1,134 people and severely injured 2,000 more, most of them women.

It was the deadliest industrial disaster since the 1984 gas leak that killed more than 3,000 people in Bhopal, India, and the worst accident in the modern history of the textile industry. Thousands of workers were trapped beneath the rubble for several days, with many succumbing to hunger and dehydration while others resorted to drinking their own urine to survive.

A preventable tragedy

The deaths were predictable and preventable. The building was constructed atop a filled-in pond using substandard materials, rendering it unable to support the weight of heavy machinery. The upper four floors were added illegally, further exacerbating its structural issues. Cracks in the building's walls were seen in the days before the collapse, leading to the evacuation of some floors. But the building's owner, Sohel Rana, insisted on business as usual. Under pressure from buyers to meet delivery targets, Rana threatened to withhold workers' wages (roughly $38 per month) if they failed to report to work. For those who did, his building proved to be a death trap, collapsing in under 90 seconds.

It is tempting to dismiss the Rana Plaza disaster as just another example of the challenges, including corrupt governments and unregulated businesses, facing the developing world. But developed Western countries were just as complicit. The wreckage was littered with the labels of some of the world's top retailers and fashion brands. Benetton,

Monsoon, Mango, Walmart and Primark were among the 29 large retailers identified as having sourced inventory from the building's garment factories.

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The fact is that sweatshops like Rana Plaza would not exist if the dynamics of international trade did not fuel a desperate race to the bottom as developing countries compete for foreign direct investment from multinational corporations. In Bangladesh, the lack of regulation has enabled low wages and exploitative working conditions that are comparable to modern slavery.

The organisation of global supply chains, which employ more than 450 million people worldwide, both perpetuates this exploitation and helps to obscure its nature. By outsourcing jobs to developing countries, multinational firms can evade international labour standards and deprive workers of the rights and benefits accorded to direct employees. But this sleight of hand is not limited to the developing world. Exploitation is also rampant in the US garment industry, with workers in Los Angeles being paid as little as $1.58 an hour. Even in the tech industry, workers are subjected to precarious working conditions and exploitative wages, as evidenced by conditions in Amazon fulfilment centres.

Progress remains extremely limited

Although the Rana Plaza disaster drew widespread condemnation and moral outrage, even from Pope Francis, little has been done in the past 10 years to address the underlying issues that led to the collapse and its devastating human toll.

For example, while the legally binding 2013 Accord on Fire and Building Safety in Bangladesh was renewed in 2018 and has more than 200 signatories, several major companies, including Levi Strauss, Gap, Walmart and Amazon, refused to get on board. Instead, they opted for the Alliance for Bangladesh Worker Safety, a legally nonbinding corporate alternative that ended in 2018.

While the Rana Plaza Arrangement – a fund set up by the International Labour Organization and multiple donors, NGOs, the Bangladeshi government, trade unions and clothing brands – provided compensation for the survivors and victims' families, it was akin to putting a band-aid on a gangrenous wound. Despite some symbolic gestures of corporate social responsibility, workers in Bangladesh continue to face inadequate

wages, unsafe working conditions and unfair termination. In fact, the Covid-19 pandemic may have left most even worse off, as brands currently pay lower prices for the same products.

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The story of Rana Plaza is not an isolated event but a microcosm of the abuse and exploitation endemic to globalised capitalism. Countries in the Global South are expected to overcome the legacy of colonialism and make up centuries of economic development in just a few decades. Many are attempting to do just that. Bangladesh, for example, has grown dramatically since gaining independence in 1971, largely owing to its position as the world's second-largest garment exporter.

But the calculus of capitalism prioritises aggregates and national economic performance over the equitable distribution of gains among and within countries. Markets can provide no redress for employers' disproportionate appropriation of earnings at the expense of their workers. To achieve a fairer distribution of wealth and resources, Adam Smith's invisible hand must be restrained through regulation and redistributive policies.

The power imbalance between developed and developing countries renders the theoretical foundations of the global capitalist paradigm as shaky as a sweatshop built on landfill. And, like Rana Plaza in its fateful last days, the cracks are starting to show, with rising inequality and looming climate threats undermining the system's fragile structure. But as Leonard Cohen famously put it, 'There is a crack in everything. That's how the light gets in.' If we are wise, we will not ignore the cracks and will see the light.

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