Regulation, Enforcement or Negligence: A Look into the Possible Causes of Continued Abuse within the Bangladesh Apparel Sweatshop Industry

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Regulation, Enforcement or Negligence: A Look into the Possible Causes of Continued Abuse within the Bangladesh Apparel Sweatshop Industry

Anne Marie Sketch

An Honors Thesis
Submitted for partial fulfillment of the requirements for graduation with honors in Political Science from Hamline University

April 2014
Abstract:

The international fashion industry has long struggled with challenges around the practices of garment production, including adequate wage disputes, humane working conditions, and abuse and exploitation in the workplace. Recently, factories in Bangladesh have come under pressure for their perceived lack of regulations in sweatshops. Throughout the past two years, there has been an increase in deaths and abuse reported in Bangladesh apparel sweatshops, including deadly factory fires and building collapses including the Rena Plaza collapse last April that killed 1,134 Bangladeshi factory workers. Therefore, Bangladesh becomes an interesting case study for examining how global and local norms, policies, politics and the fashion industry all interconnect, and what can be done to significantly decrease the abuse and tragedies found within the industry. The research asks the following questions: what is causing the continued abuse and poverty in Bangladesh apparel manufacturing sweatshops, and specifically, are these tragedies occurring due to lack of regulation, lack of enforcement of regulation, negligence, or other supply chain issues? The ultimate goal for this research was to explain why this exploitation continues to occur, as well as to analyze findings in a way that will contribute to suggestions for change within the industry. Following case study research, a model emerges which shows the interrelationship of international organizations, NGOs, multinational corporations, the consumer, and workers’ rights. International organizations, such as the United Nations and International Labour Organization have been explored for their regulations and work in this area, specifically in regards to human rights issues. Other international actors, such as the World Trade Organization, have been researched to further understand international trade regulations and how this affects the supply chain, specifically in regards to the apparel industry. The role of NGOs such as the Institute for Global Labour and Human Rights has also been noted as well as the impact of multi-national corporations.
Acknowledgements

This honors project came out of the curiosity I developed after learning about sweatshop labor issues during my sophomore year fashion class. After hearing about the severe injustices within the industry, I decided I wanted to contribute to work in the field and designed a research project around this issue. I would not be here today with a long list of supports, mentors, and friends. I would like to thank Hamline University and the Political Science Department for this amazing opportunity. I would like to thank all of my professors who have encouraged me to dig deeper into subjects and challenge the status quo. I would like to thank St. Catherine University and the faculty in the Apparel, Merchandising, and Design Department, specifically Professor Trudy Landgren for first showing me this issue existed and for encouraging me to achieve success in everything I do.

To my friends who encouraged and inspired me to complete an honors project, despite the hard work it entails: Heidi, Peter, Joe, Angela, Hannah, and Rachel. Thank you to those who have listened endlessly to my rants about clothing quality and labor issues and have become interested in activism in their own right. Thank you to Hannah Toedter, Hannah Roberg, Claire, Michelle, Steph, and Kendra, Troy, and Curtis for living this journey with me. And of course, thank you to my parents, whom I have spent many a long night ranting and raving about my project. You have inspired me to seek change and be tenacious in all I do, and this project is a culmination of all you both have taught me.

I would also like to recognize the victims of the collapses and fires in Bangladesh and workers who continue to work in the factories. Though I have not met them, I respect them more than I could ever put into words and I can only hope that this is the start of research that will truly impact the lives of factory workers all throughout the world.
Last, but most importantly not least, thank you to my honors advisor, Professor Karen Vogel. I thank her for her unwavering patience with me as I developed my voice as a researcher, challenged work within the field, and formed my own ideas and opinions. Again, I thank each of you for your support on what I dream to be just the beginning of an influential journey within this field.
Table of Contents:

Chapter One: Introduction........................................................................................................5
Chapter Two: Literature Review............................................................................................10
Chapter Three: Globalization of Regulation and Enforcement within the Apparel Sweatshop Industry .......................................................................................................................16
Chapter Four: Bangladesh Apparel Sweatshop Case Study and a Look at Human Rights........25
Chapter Five: Consumer Role in Sweatshop Labor and Exploitation....................................35
Chapter Six: Analysis of Findings..........................................................................................41
Chapter Seven: Conclusion....................................................................................................48
Bibliography.............................................................................................................................51
Chapter One: Introduction

Walking through your average shopping mall in America, consumers are inundated with apparel choices. Stores compete against one another to secure a larger section of their target market, and in turn, a larger section of the profit within the industry. Throughout this cycle, companies hurry to carry the latest trends and fashions at the cheapest prices, often luring in with new arrivals and sales. When companies pit their goods against one another, lowering their prices and increasing their demand, what does this do to the people who have manufactured the products? The t-shirt may feel soft in the hands of the consumer, but how does it feel on the callused hands on the young girl in Bangladesh who worked tirelessly to complete the garment? The research conducted aims to address these questions and shed light on the issues within the sweatshop industry, contributing to the work in the field.

In thinking about a topic for an honors project, I wanted to work on a project that combined all three areas of my academic interests—Public Service, Fashion Merchandising, and Business Administration. After taking an apparel construction class my sophomore year, I started to find an overlap of these areas. Sweatshop labor, as will be addressed throughout this project, ties in the public service and political aspect through the involvement of international labor, government responsibility, and trade laws, as well as issues dealing with human rights. The emergence of sweatshops also involves the fashion industry, especially in regards to product development and sourcing of goods. Lastly, the business aspect of the sweatshop is important to understand as it directly relates to the profit model that sweatshops help sustain, as well as the overall economic development of the country.

The research conducted was driven by the goal to explore the industry and to make a contribution to the field. Specifically, the research question is as follows: Is the abuse and
poverty within the Bangladesh apparel sweatshop industry caused by a lack of regulation within
the industry, lack of enforcement of regulation, or negligence by the parties involved?

Due to the nature of an undergraduate departmental honors project, the research is limited
in scope. Though much exists to cover throughout the industry, the decision was made to focus
specifically on the case of Bangladesh. Recent events and a history of exploitive practices within
the sweatshop industry in Bangladesh make the country an interesting case study to focus. The
research conducted included comprehensive analysis of the apparel sweatshop industry as a
whole in order to gain a foundational understanding of the situation. However, Bangladesh is the
country of focus and thus also serves as the model of the research, analysis, and conclusions
presented.

While several recent incidents of abuse and tragedy have occurred in Bangladesh, the
situations that have been seen in Bangladesh are, unfortunately, not new to the industry. On
March 25th, 1911, 146 workers at a garment factory in New York City died as a result of the
historic and tragic Triangle Shirtwaist Factory Fire, an event that not only shaped America, but
shaped the fashion manufacturing industry and led to the advent of regulations and concern over
“sweatshop labor” within the industry (Hoenig 2005). 102 years later, the fashion industry
continues to face very serious and concerning issues in regards to apparel manufacturing. Today,
the exploitation of workers in the manufacturing industry, which is considered to be
manufacturing in more than just the fashion industry, has taken on a global shape. Thousands of
manufacturing factories throughout the world can easily be thought of within the definition of a
sweatshop. Though sweatshops are defined differently by organizations and companies, the
research conducted used the following as the definition of a sweatshop: “a business that regularly
violates wage, child labor, safety or health laws designed to protect employees from
exploitation” (Redden and Beyer 1993). The criteria of the sweatshop industry remains extremely relative, and companies are often in positions where they can define what determines “violation” on their own. While international moral understandings may exist in what violations occur in these areas, currently no governing body addresses exact wages for sweatshop labor, nor what health and safety laws must be achieved in order to ensure that the factory is not in violation of international labor rights or country workplace safety standards. Although substantial action has been taken within the industry, the problem is prevalent and continues to create devastating destruction, as recently seen throughout Bangladesh.

Although the research focused specifically on Bangladesh, the project explores several other important factors in thinking about the apparel industry, including international trade regulation, the impact of economies, company responsibility and culpability, supply chain issues, and the role of the consumer. A comprehensive analysis section sheds light on what has been accomplished within the industry and provides insight on how these achievements can serve as a catalyst for future change within the industry. The conclusion section serves as a reflection on the research conducted and lays out plans for further research, as well as includes acknowledgement of what was learned throughout the project.

The research conducted using qualitative research methods. In relation to political science, The American Political Science Association (APSA) has a broad definition of qualitative methods, stating, “…follows a broad interpretation of qualitative research methods grounded in different philosophies and ontologies, such as neo-positivism, pragmatism, and varieties of interpretivism,” (APSA 2014). The APSA goes on to say that “…different forms of designs (longitudinal, within-unit comparisons, etc.) and forms of data collection and triangulation (archival research, interviews, discourse analysis, and ethnography),” (APSA
In regards to how I structured my research process, I began by gathering general information about the sweatshop industry. I first looked at general historical and current facts regarding sweatshops in various countries as a way to become familiar with the cultural, economic, political, international, and historical contexts. It was through this foundational research that I found what an interesting case Bangladesh was. As I was completing my research design, the Rana Plaza Factory collapsed, which led to slight shifts in how I was conducting my research. I included media news articles, as well as narrative reports, blogs, and other academic sources, shifting away from reading historical cases of the sweatshop industry to trying to understand what was happening in Bangladesh, a situation that continues to change daily. I also became interested in the various international actors, domestic issues, and economic factors that were affecting workers in the country.

Throughout the research, one of the most interesting observations is the connectedness between three parties: multi-national corporations, non-governmental organizations, and political actors. These three actors, when thought about in the context of worker’s rights, prove to be an illustration of multilateral negotiation and dialogue, which is believed to be an integral part of the future change within the industry. While both domestic and international areas of trade law impact the sweatshop industry, these factors must be addressed similarly in order to form cohesive and comprehensive solutions and action steps regarding the sweatshop industry.

The research presented here aims to develop different ways of viewing the sweatshop industry and highlights potential actions that could be taken in order to create change. Throughout my research, I began to understand that this is a very complex issue, one that brings into question basic human rights, political factors, and the capitalist society within the business industry. Throughout this project, I tried to first look at each of these areas and their inherent
issues and challenges separately in order to understand how they functioned on their own. Then, I began making the connections across these arenas and started to see the interplay of these various elements.

The issues tackled throughout the research paint a picture that is too vibrant to ignore. The sweatshop workers throughout Bangladesh and other countries deserve the ability to receive the rights as acknowledged by the United Nations Universal Declaration of Human Rights, which states in Article 23, Section 1, “Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and protection against unemployment,” (United Nations, 1948). It is with the unwavering spirit of hope from sweatshop workers and belief in the work of the United Nations that I have found a passion and calling for this work, and it is with great honor that I was provided the opportunity to conduct such impactful and hopefully influential research within the field.

The research begins with a literature review, which addresses scholarly research within the field and acknowledges the strengths and weaknesses of the work. Chapter Three deals with the globalization of the apparel and textile trade and takes a look at the international trade regulation history and its impact on sweatshops. Chapter Four focuses on Bangladesh as a case study and provides a history of the country as well as addresses the economic development and role of sweatshops within the country. Chapter Five acknowledges the importance of the key actors within this issue, including the consumer, the multi-national corporation, and the fashion industry. Chapter Six brings together the analysis and findings from the research, and Chapter Seven provides a comprehensive conclusion. The work presented throughout the coming chapters aims to raise questions and seeks to find other perspectives and lenses of which the problem can be viewed.
Chapter Two: Literature Review

This literature review examines various theoretical approaches and the previous research in the field in regards to four focus areas: history of the sweatshop industry and how globalization has affected the industry; the structure and problem of sweatshops in Bangladesh; and the work that has been done in regards to regulation and global governance; and sweatshop regulations and current conditions as it relates to human rights. Throughout the review of the literature analyzed, a gap was discovered within current academic scholarship that fails to acknowledge the connection between global and local political and economic actors, as well as how multinational corporations, political actors, and non-governmental organizations (NGOs) interconnect. What is often missing is an understanding of a need to interconnect international norms, state regulation, and the complexities of cultural, economic, and political dynamics.

Prior to reviewing the current research within the field, it is important to note the definitions of key terms used throughout the research presented, many of which deal with trade and the global phenomenon. First, the definition of sweatshop. As the reader might imagine, this is the crux of the research, and thus should be understood from a scholarly perspective. Redden and Beyer define sweatshop as, “a business that regularly violates wage, child labor, safety or health laws designed to protect employees from exploitation,” (Redden and Beyer 1993). As the research addresses the global impact of this issue, the term globalization is also important, which is defined by the Oxford Dictionary as, “the process by which businesses or other organizations develop international influence or start operating at an international scale” (Oxford 2014). Other key terms will be defined throughout the research.
I. History of the Sweatshop Industry and Effects of Globalization

While sweatshops have been an integral part the apparel manufacturing industry for much of its existence, the past few decades have given rise to the proliferation of sweatshops due to globalization. In Robert Ross’s “The Rag Trade as the Canary in the Coal Mine: The Global Sweatshop, 1980-2010”, he talks about how capitalism and globalization have evolved over time, leading to the growth of sweatshop labor. “The current form of globalization is specifically a product of employers’ resolve to evade and weaken organized labor and, so far, it has been successful.” (Ross 2011). Ross’s description of the global sweatshops is all too evident when compared to other academic research, such as in “Apparel Sweatshops at Home and Abroad” by Wanda K. Cheek and Cythina Easterling Moore, which states, “Multinational manufacturers have found that owning a factory offshore is no longer necessary because subcontractors are readily available to do business in developing countries where labor relations are also weak.” (Cheek and Easterling Moore 2003). The article goes on to talk about reasons why the sweatshop factory dynamic has continued and has become acceptable within the industry, which is largely due to economic demands and trade regulations.

Another set of scholars propose the economic benefit, and sometimes destruction, that sweatshops presents, in the article, “The Ethical and Economic Case against Sweatshop Labor” by Benjamin Powell and Matt Zwolinski. Powell and Zwolinski present the economic argument that sweatshops remain an important and integral part of the economies of several countries, but also realize that there are moral and ethical standards that need to be met (Powell and Zwolinski 2011). The author’s views were confusing and it was unclear as to whether they were proposing a solution to the sweatshop labor problem, or looking at the issue entirely from an economic
standpoint. The authors did present strong arguments in regards to the moral side of the issue, which is important to keep in mind in the case of Bangladesh.

Similarly to Powell and Zwolinski, Chris Meyers’ piece entitled, “Wrongful Beneficence: Exploitation and Third World Sweatshops” Meyers discusses not only the exploitation of the workers through the apparel companies that manufacture their products at factories abroad, but the impact that consumers have on the industry (Meyers 2002). His research acknowledges that several actors exist within the industry, including the consumer, companies, and factories, all of whom can be at fault for negligence and lack of education within the industry.

II. Sweatshops in Bangladesh

In thinking about the focus on Bangladesh, it is important to start with some foundational information on the country, which is discussed in the articles reviewed here. Bangladesh emerged as a leader in the sweatshop industry in the early 1980s, largely due to their need for economic stability and their large working class of women, whom have been reported to be “molded into compliant workers” (Ahmed 2004). They are now the second largest producer of apparel goods in the world, right behind China (Ahmed 2004). As will be discussed further, Bangladesh has suffered great atrocities as a result of their sweatshop industry, including severe situations such as the Rana Factory Plaza collapse, which occurred outside the capital of Dhaka on April 24, 2013, killing 1,134 people and injuring hundreds of others (BBC 2013).

Reports of fires, collapses, and general worker abuses are not uncommon for Bangladesh, as employees in the nearly 4,500 sweatshops in the country have been historically paid less than their counterparts in neighboring countries and have continuously been reported to have cases of abuse and neglect within the factories, though there was an increase in wages recently (Yardley
As discussed in Fauzia Efrian Ahmed’s article, “The Rise of Bangladesh Garment Industry”, the exploitation of millions of workers throughout Bangladeshi factories began with the proto-capitalist movement throughout the country after the 1971 war (Ahmed 2004). Starting in 1975, the Bangladeshi government restructured itself, leading to the development of new industries and economic sectors, namely the sweatshop industry. After the death of the Prime Minister in 1975, the privatization of industries was needed to garner the respect and investment of countries and was thought to be a strong way to create exportation of goods, leading to economic stability (Ahmed 2004). However, this essentially led to the development of the monster of sweatshops that is now seen in Bangladesh.

Ahmed also addresses recommendations for the crisis in Bangladesh. Written in 2004, her information and analysis is still relevant, though it is disconcerting that it remains as such. Ten years later and scholars and activists in the field are still working to combat similar issues and dealing with similar factory incidents. In the second half of Ahmed’s article, she establishes the theory that sweatshops are viewed through two different lenses: how they affect the individual and how they affect the collective (Ahmed 2004). It is an interesting argument that sweatshops provide jobs and stability in countries that might desperately need an income. On the collective level, a concern exists that continual harm and abuse to large numbers of workers remains, often exploiting their inherent rights as humans. The sweatshop industry continues to be a challenging industry to analyze, and Ahmed presents clear evidence that these sweatshops need direct and forceful governing bodies to combat the challenges.
III. Global Regulations and Governance

While other legal scholarship exists, general academic literature on the study of global regulations, policy, and governance is somewhat sparse and often focuses more on the role that the United States might play in affecting global markets. Debra Cohen Marynov’s article “Sweatshop Liability” discusses in detail, the previous work in the industry to establish regulation. She cites several legal cases where American companies were sued for their negligence and lack of enforcement of regulations in sweatshops abroad, in which these cases hold the company who is having goods manufactured responsible for the abuse and negligence. She also highlights the work the Federal Trade Commission Act (FCTA) has established to regulate the sweat shop trade community within the United States (Marynov 2010). While this is good information in terms of the role of the US, the jurisdiction of the FCTA is limited and does not regulate other countries.

Marynov also presents the proposed Decent Working Conditions and Fair Competition Act, which is a more comprehensive approach to the issue, as it works to prohibit the “imports, exports, and sale of goods made in factories or workshops that violate core labor standards, and prohibits the procurement of sweatshop goods by the United States Government,” (Marynov 2010). If passed, this act would recognize the International Labor Organization labor standards and provide more information to consumers in regards to the working conditions that products were produced. The International Labor Organization is a United Nations specialized agency that works to provide representation of workers, government, and employers in regards to labor standards. The ILO and their work in the apparel manufacturing industry will be addressed further in Chapter Three.
Overall, the scholarly articles presented lay a good foundation for understanding the development of the global sweatshop industry and can provide good information on the industry as a whole. However, little had been published specifically about Bangladesh prior to the factory collapses and tragedies from 2012 and 2013, though scholars and activists are working to update resources and produce reports and journals with information specifically on the incidents. Due to the lack of scholarly articles and formal research on the recent Bangladesh incidents, much of the research and information about the recent incidents used in this research project has come from news and media sources. Although the research presented here covers a wide variety of perspectives and research backgrounds, all authors have something in common---the idea that change must occur. While some believe this change should be through international law or through increase in wages, or education and involvement of consumers and corporations, others believe action must occur through governments. Again, this acknowledgment of the actors is still seen as separate players, and the field has yet to address a comprehensive scope of the issue, laying out all actors involved.
Chapter Three: Globalization of Regulation and Enforcement within the Apparel Sweatshop Industry

As acknowledged in the literature review, the apparel sweatshop industry spans the entire globe. In thinking about globalization and the involvement of the global economy as it relates to sweatshops, some knowledge of the evolution of legal regulations and levels of enforcement within the industry is important. However, the topic of regulations is incredibly complex, and the limited scope of this paper only allows for a basic outline of the most important changes in regulation within apparel trade during the past few decades.

In thinking about the production of garments, the whole garment production process must be addressed. Production of garments includes the sewing of the garment, but also the design and development of the pattern, sourcing of the materials, production of goods, shipping of materials and the complete manufactured item, and the overall management of the labor involved in all of these processes. Aside from the tangible factors involved in the production process, another factor is the trade regulation and labor laws involved in the apparel manufacturing process. To be clear, international laws in regards to the development of textiles, yarn goods, dying, and other chemical processes exist. However, for the purposes of this research, trade regulation is the most concerning as it deals with multi-national corporations.

The definition of a multi-national corporation as is used for the purposes of this research is, “A corporation that has its facilities and other assets in at least one country other than its home country. Such companies have offices and/or factories in different countries and usually have a centralized head office where they co-ordinate global management,” (Investopedia 2014). Multi-national corporations and the sweatshop industry can also be affected by international law, in particular international trade regulation and governing bodies that impact global trade.
First, to set a foundation for how this might get confusing, an example is presented. Say a multi-national company is based in the United States. They source their apparel manufacturing to a factory in Bangladesh, who, may or may not continue to outsource the job to another country, often due to production quotas that must be met. The continued outsourcing of goods from one factory to another is called subcontracting (USAS 2014). If something happened at the factory the garment was produced in, what labor laws would be in effect? Who would be responsible for any compensation or severance pay? And ultimately, who would have jurisdiction in the event that legal battles occur? Unfortunately, the international trade laws are extremely complex and lack transparency to fully understand what would happen in such a case, which is perhaps why so many issues exist in dealing with international sweatshop tragedies.

While it is hard to pinpoint exactly who is responsible, some governing bodies exist to which the industry can turn to in order to provide clarity and governance. One of the most important trade regulating bodies within the international trade community is the World Trade Organization (WTO). The WTO is an international body and specialized agency of the United Nations that works to create and implement rules and regulations for trade throughout the 159 signatory states, of which Bangladesh is a member (WTO 2013). Through the agreements and negotiations within the WTO, world trade policy is formed. The WTO works to create free trade throughout the world and does so through the development of several important regulating documents (WTO 2013). Some of the most important textile and trade regulation within the industry occurred decades ago, but their influence remains important to trade today. This section will look at some of these regulations. Due to the complexity of these trade regulations, only a brief overview will be provided.
Beginning in 1955 with discussions among leading apparel trading partner countries, including Japan, the United States, the United Kingdom, Hong Kong, and India, the Short-Term Arrangement on Trade in Textiles was agreed upon in 1961 (Strange and Newton 2004). This first apparel trade agreement inspired the formation of the Long-Term Arrangement (LTA), which focused on the trade of cotton textiles. Although these agreements were in place, the international community found that as the apparel production industry increased throughout the world, new regulations would be helpful in allowing for the free trade throughout the world. Thus, the Multi-Fibre Agreement (MFA) was established and in affect from 1974 to 1994.

In regards to the MFA, the WTO states, “Up at the end of the Uruguay Round, textile and clothing quotas were negotiated bilaterally and governed by the rules of the MFA. This provided for the application of selective quantitative restrictions when surges in imports of particular products caused, or threatened to cause, serious damage to the industry of the importing country”, (WTO, 2013). The MFA turned out to be controversial throughout the apparel trade industry due to the restrictions and quotas placed on goods. The MFA was then replaced in 1995 with the Agreement on Textiles and Clothing (ATC), which was implemented from 1995-2005. The ATC was meant to be transitional regulation to help with the elimination of quotas in countries. However, this did not entirely happen. Rivoli states, “Though the ATC is scheduled to for expiration at the beginning of 2005, a number of quota regimes will remain in place for the U.S. apparel. First, the China safeguard allows importing countries to impose quotas on Chinese apparel imports through 2008. Second, quotas will remain in effect for a number of countries that are not WTO members,” (Rivoli 2005). During this same timeframe, the General Agreements on Tariffs and Trade (GATT), were also being re-evaluated, which called for the implementation of apparel goods (Rivoli 2005). The ATC did mandate that a Textiles Monitoring Body would be
established in order to ensure that these quotas and other regulations were enforced. Though this did appear to happen in most cases and was helpful in restoring free trade to the apparel and textile industry, the mandate for this body ended in 2005, leaving the apparel trade vulnerable. It is unclear whether the continuation of this body would have helped in the implementation of safety and trade regulations throughout countries such as Bangladesh. A similar structured body could, perhaps, benefit the industry today.

The topic of trade regulations and their complexity and lack of transparency brings up an important question---who creates this regulation? Rivoli states, “All in all, the restrictions and regulations governing apparel imports are written, administrated, and enforced by hundreds of lobbyists and lawyers, as well as bureaucrats from the Department of the Treasury, the Department of Commerce, the Congressional Textiles Caucus, the U.S. Trade Representative, and the interdepartmental Committee for the Implementation of Textiles Agreements,” (Rivoli 2005). Rivoli’s point, as discussed in the literature review, is that maybe congress people, lobbyists, etc, should not be the main negotiators of these regulations. Though there should be government involvement in the creation and enforcement of regulation, perhaps there should be a shift in how these are created, which will be discussed further in the research.

A classic example of the juxtaposition of government officials and trade can be seen in the Generalized System of Preferences (GSP). This is a program that works to encourage global economic growth, especially in least developed countries. The Office of the United States Trade Representative states that the GSP “…is a program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 123 designated countries and territories,” (Office of the United States Trade Representative 2013). This is through the allowance of duty-free exportation of certain
products when imported through one of the preferred countries (Office of the United States Trade Representative 2013). The GSP is not exclusive to apparel and textile items, but also includes most manufactured goods. GSP actually expired on July 31, 2013, but there are current discussions regarding authorization of an extension (Office of the United States Trade Representative 2013).

Aside from the regulating documents set forth by the WTO, the International Labour Organization (ILO) is an organization that is important in terms of international labor and human rights in regards to working conditions. The ILO is an agency of the United Nations and “...is the only U.N. agency with government, employer, and worker representatives. This tripartite structure makes the ILO a unique forum in which the governments and the social partners of the economy and 185 member states can freely and openly debate and elaborate labor standards and practices,” (ILO 2013). The ILO has been very vocal in their stance on the recent incidents in sweatshops throughout the world, most notably in Bangladesh. Shortly after the Rana Plaza Collapse, ILO Representative Deputy Director General for Field Operations and Partnerships, Gilbert Houngbo, announced a new mission to Bangladesh (ILO 2013). This high level mission focuses on creating a labor reform package, assistance in conducting building safety analyses in regards to fire and worker safety throughout factories, recruit 200 additional government inspectors for the factories (ILO 2013). This mission included a joining of three parties, including the government of Bangladesh, employers, and workers, all with an aim to alleviate the issues within the apparel manufacturing industry (ILO 2013). Through their aligned mission, they developed a course of action which includes: development of a labor law reform regarding workplace safety suggestions; creation of skills development educational programs for those who are injured or harmed during their time in the apparel factories; work to create a framework of
government inspectors that would check the infrastructure of the factories, which would be
supported by the Department of the Chief of Inspector of Factories and Establishments;
implement the National Tripartite Plan of Action on Fire Safety in Bangladesh; and at the initial
implementation of these suggestions, the ILO encourages a meeting of all involved parties to
discuss the success of the implementation of the processes (ILO 2013).

Prior to the development of these proposed practices, the ILO has been one of the leading
organizations in the labor industry to call attention to the human rights issue within the
sweatshop industry. Recently, the ILO published a short report on gender representation with
Bangladesh, largely focusing on the number of women working within the ready-made-garment
(RMG) industry. The ILO reported that 80-85% of workers within the RMG industry in
Bangladesh are women (Khatiwada 2014). However, this increase of women in the workforce in
Bangladesh has helped their economy, stating, “In the economic sphere, women have played a
vital role as well, as evidenced by the importance of the ready-made-garment sector”,
(Khatiwada 2014).

The ILO addresses another important element to the global situation, which is the impact
that sweatshops have on the economy. As mentioned in the Literature Review Chapter, some
économists believe that sweatshops are good for economic development, especially in
developing countries such as Bangladesh. However, as Miller argues, “But these arguments
distort the historical record and misrepresent how social improvement is brought about with
economic development. First, the claim that developed economies passed through a sweatshop
stage does not establish that sweatshops caused or contributed to the enhanced productivity that
they say improved working conditions,” (Miller 2003). Miller’s theory on sweatshops is not that
they do not serve a purpose, but rather they may not represent the social change and societal
development that some economists believe. The negative impact on sweatshops and the economy can be seen in countries like Bangladesh where workers are grossly underpaid for their work. In an article for TakePart, a social activism media site, journalist Joseph Allchin wrote a compelling piece entitled, “This Girl Walked Through Fire So We Can Get Jeans for $9”, (Allchin 2013). In this piece, Allchin pulls back the veil of ignorance that many consumers have on the fashion industry and uncovers the real life tragedies that sweatshops have had on the country. This piece, along with many other news reports and firsthand accounts from workers in the factories cement that argument that while the economic benefit is necessary to the country, it must come with concern for human rights.

In addition to the international organizations and government regulation involved in this issue, regional actors carry great importance. Regional organizations of importance in dealing with economic and trade issues include: The Association of Southeast Asian Nations (ASEAN), which include the countries of Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, and Vietnam. While Bangladesh is not a member of ASEAN, the country is a member of the South and Central Asian group. Though there is no official name of the group, the Office of the United States Trade Representative recognizes Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka as part of the South Asian states, and works to develop U.S. trade policy as it affects the aforementioned countries. This office oversees the U.S. Trade and Investment Cooperation Forum Agreement (TICFAs). In November 2013, the United States and Bangladesh signed a Trade and Investment Cooperation Forum Agreement (TICFA). This agreement was a monumental step in hopefully creating a more transparent and safe working environment within the industry, stating in the TICFA, “Recognizing that both Parties are signatories to the United Nations Convention Against
Corruption, and the importance of promoting transparency and adhering to the Convention, particularly in matters related to trade and investment”, (US-Bangladesh Trade and Investment Cooperation Forum Agreement 2013).

Aside from recognizing the importance of the UN Convention Against Corruption and withholding the signatory duties of both countries, the TICFA also acknowledges the need for continued discussion on the situation in Bangladesh and outlines the need for the development of a United States-Bangladesh Forum on Trade and Investment, which establishes that the parties must meet at least once a year. Though the TICFA does not explicitly recognize the worker safety and human rights issues occurring within the country, the U.S. Trade Representative Michael Froman stated in remarks following the announcement of the TICFA that, “Importantly, we’ll also be able to track and discuss Bangladeshi efforts to improve worker safety and worker rights. This is an important priority for the United States as Bangladesh seeks to prevent more tragedies in its ready-made garment sector”, (United States Trade Representative 2013) Prior to the signing of the TICFA, the USTR developed the Bangladesh Action Plan 2013. The goal of this action plan was to help in the re-establishment of Bangladesh’s Generalized System of Preferences (GSPs) benefits after they were suspended by President Obama about a month earlier. The action plan acknowledges several areas of focus, including the following: government inspections for labor, fire, and building standards; ready-made garments and knitwear sector; export processing zones; and shrimp processing sector, another sector where Bangladeshi workers have suffered exploitation and poor working conditions (United States Trade Representative 2013).

The interconnectedness of government regulation and impact within the industry, economic stimulus through sweatshops, and regional and local actors prove the issue is complex
and no one size fits all solution. What makes Bangladesh so interesting is that, unfortunately, the country has experienced some of the worst situations dealing with these factors as related to sweatshops. Not only has the country experienced tragic building collapses and fires, but Bangladesh is a country that was almost entirely built on a sweatshop focused economy. Due to just this fact alone, we are able to see the impact of the sweatshop industry on a much larger scale. Because of this level of involvement of sweatshops with the economic and political sphere, a lens is created in which other countries and other situations can be viewed. Bangladesh’s unique situation acknowledges problems on the grandest scale and thus allows for observation and analysis that will impact not only Bangladesh itself, but all countries.
Chapter Four: Bangladesh Apparel Sweatshop Case Study

Bangladesh proves to be an interesting case study and country to focus on because of its political, economic, and social dynamics in regards to the apparel sweatshop industry, as well as the recent tragedies occurring in the sweatshops in the country. While it is popularly thought that China is the leading country for exports of apparel goods, Bangladesh is set to overtake the country within the next few years, and has long been a top outsourcing spot for apparel production. Currently, 5,000 sweatshops in Bangladesh employ nearly 4 million workers (International Labor Rights Forum, 2013). Their minimum wage is among the lowest in the apparel manufacturing industry, and lack of regulation creates an easy entry into the market for apparel manufacturing (International Labor Rights Forum, 2013).

Prior to addressing why these abuses continue to occur, it is important to understand the recent crises and tragedies within the Bangladesh sweatshop industry. The situations presented here are only a fraction of the tragedies that occur in sweatshops throughout the world every day. Much abuse within sweatshops goes unreported, as workers fear that they will lose their jobs or will be forced to work more. In the cases of the Bangladesh tragedies, the recent situations have been caused by lack of fire exits, locked doors inside the factories, unstable foundations, and sewing machines near flammable materials, such as fabric or chemicals,

The start of the incidents that were researched for this project was the Tazreen Factory Fire, which occurred in November 2012. Tazreen Fashions Factory was located near Dhaka, the capital of Bangladesh (Theuws et. al. 2013) Approximately 129 workers were killed in this fire. The fire was thought to be caused by a sewing machine igniting garments (Theuws et. al. 2013). Unfortunately, many of the companies who were sourcing to the factory at this time have yet to pay any sort of severance pay to the workers. In a Daily Star article published about a year after
the Tarzeen fire, Md Mirazul Islam, a worker in the factory who sustained serious burns from the fire stated, “We are yet to be compensated even though a year has passed since the fire,” (Daily Star 2013). The article went on to share other interviews from survivors of the Tarzeen fire, including one from Masud Rana, a worker who acquired severe injuries when he jumped from the building (Daily Star 2013). Rana stated, “People have forgotten the incident, but I have lost my relatives to it and I cannot forget,” (Daily Star 2013). Rana and Islam’s accounts of the incident provide insight into the situation and acknowledge that there is still much work to be done within the country.

The largest factory collapse in apparel sweatshop history occurred on April 24, 2013 in Dhaka, Bangladesh. This was the Rana Factory Plaza Collapse. According to the latest reports, 1,134 workers were killed and nearly 2,000 more were injured (BBC 2014). It is reported that workers noticed cracks in the building the day prior to the collapse and told management. After a few hours, the workers were allowed to go home and management said they would look into the issue (Akter 2014). However, when workers returned the next morning, the cracks had not been fixed and workers were expected to go on as usual. Shortly after work began that day, the top levels of the factory began to come crumbling down, ultimately leading to the devastating crash. Recovery efforts took several weeks and there are still bodies that have not been found. Reports from workers within the factory are heartbreaking, and protests and riots have occurred throughout the streets of Dhaka demanding change within the industry (Sidker 2014). The companies who were found to have sourced at the Rana Factory have been asked to provide compensation to both the workers and the families of those who were either injured or killed by the collapse. Nearly one year later, few companies have agreed to any sort of severance pay and some still claim they are not responsible.
Bangladesh proves to be interesting in more ways than just what has happened in the last few years. The country’s economy was essentially established on the basis of sweatshop work, which grew out of the country’s independence in 1971. Bangladesh is located in Southeast Asia, right between India and Burma. The Bay of Bengal borders the country to the south and is an integral part of the country’s trade development. Nearly 163.6 million people live in the country, making it the 9th most populated country in the world (CIA World Factbook, 2012). The capital of Dhaka houses the majority of the sweatshops in Bangladesh, though large concentrations can be found in Chittagong. In 2012, Bangladesh reported a $302.8 billion GDP, placing it 44th in the world (World Bank 2013). Though the country has experienced political and economic instability throughout its development as an independent country, Bangladesh’s economy has grown 5.8% per year since 1996 (CIA World Factbook 2012). Much of this income has been through the apparel manufacturing and agricultural industries, both which have grown tremendously in recent decades (CIA World Factbook 2012). For the apparel industry in particular, garment manufacturing now accounts for 78% of the total goods exported and equates to 17% of the county’s GDP (Theuws 2013).

A historical look at the development of Bangladesh as a country helps in understanding where the country is at in their development. Formally East Pakistan, Bangladesh did not receive independence until 1971, when a contentious war broke out between East and West Pakistan and eventually brought in the neighboring country of India (BBC, 2014). In 1976, the military banned trade unions, preventing workers from having adequate protection within the workplace (BBC, 2013). Throughout the development of the manufacturing industry within the country, the government has continued to be opposed to the creation of unions. In April of 2012, Aminul Islam, an organizer with the Bangladesh Center for Worker Solidarity (BCWS), was brutally
attacked and murdered for his stance on labor unions within the region (Hossain, 2013). This showcases that labor unions are still an extreme point of contention within the country.

The Executive Director of BCWS, Kalpona Akter, faced several charges in regards to her activism around sweatshop labor unions, and spent a short amount of time in jail for organizing (Akter, 2014). Though her charges have since been dropped, union leaders with the Bangladesh Garments and Industrial Workers Federation (BGIUF) continue to face unsubstantiated charges (Akter, 2014). Labor unions are beginning to be registered within Bangladesh, though the change is so recent that no data exists to show if factory owners and the government will allow workers to participate in these labor unions.

While much remains to be seen in regards to labor unions and worker rights within the sweatshop, another element of the development of Bangladesh’s manufacturing industry is the economical piece. As a developing country, Bangladesh needs to have a stable economic industry. Although the sweatshop industry provides some form of economy, at what cost must the people pay? People within the economic and business field argue that without sweatshops, Bangladesh would be worse off than they are now. In a Forbes article written shortly after the Rana Plaza Factory collapse, Benjamin Powell states, “…while 77% of Bangladeshis live on less than $2 a day—the international poverty standard—and 43% live on less than $1.25 a day, workers at the much-demonized “sweatshops” average more than $2 a day. Granted, that’s not a lot, but it is more than they would earn elsewhere,” (Powell 2013). Powell does recognize that there is work to be done in regards to safety regulations, but he also addresses that advancements in safety and regulations would not be without a potential cost and detriment to the economic scope of the industry (Powell 2013). While Powell does address an interesting counter-argument, the human rights argument would ask, “At what cost must one suffer in order to achieve an
“above-average” wage? What fundamental human rights must one forfeit in order to achieve an adequate standard of living?”

Economic development and human rights do not have to be mutually exclusive, and can in fact, work to complement one another. The simple idea that if a manager treats their employees well, the employees will produce better and increased results, can be applied to this case as well. In the situation within sweatshops, managers force workers to produce high amounts of garments each day, and as was shown in the documentary *China Blue*, which provides a snapshot of sweatshop labor in China, managers may even force the employees to give up breaks, take money out of their paychecks for food, and withhold their pay until an order is complete (Peled 2006).

**Governance of the Sweatshop Industry in Bangladesh:**

Due to the recent incidents in Bangladesh, actors have stepped forward and demanded that change occur. Companies are taking action and working to compensate employees that may have been harmed in these incidents. Companies also are working to create legally binding documentation that aims to protect the workers. However, there are some offending companies that have not taken any action in the matter and have claimed that they did not know what was going on in the factories. This points to the lack of transparency, or lack of the ability to easily follow the connections, within the supply chain. As mentioned earlier, companies can subcontract their manufacturing. At this point, it is extremely difficult to track where exactly a garment is being produced, and even if a company is able to find where it being produced, there is no way to regulate the practices occurring in the factory. Due to the recent incidents, there are steps being taken to address the issue and hopefully offer potential solutions. This section will focus on a few of the agreements and accords that have been developed.
Accord on Fire and Building Safety in Bangladesh:

Chaired by the International Labor Organization (ILO), the Accord on Fire and Building Safety in Bangladesh (Bangladesh Accord), was developed in hopes of improving the working conditions in the apparel manufacturing facilities in Bangladesh. The accord states:

“The undersigned parties are committed to the goal of a safe and sustainable Bangladeshi-Ready-Made Garment (“RMG”) industry in which no worker needs to fear fires, building collapses, or other accidents that could be prevented with reasonable health and safety measures. The signatories to this Agreement agree to establish a fire and building safety program for Bangladesh for a period of five years”, (Accord on Fire and Building Safety in Bangladesh 2013).

The Accord is a legally binding document that sets forth twenty-three suggestions that companies must comply with when they sign on to the agreement. The Accord largely focuses on fire and building safety, but also acknowledges the need for development of the appointment of a steering committee to manage and oversee activities such as the budget, payment of the annual fee from each signatory company, and the contracting of inspectors for the sweatshops. The Accord also outlines that inspections of the factories must be conducted by independent third party contractors who are not employed by the trade unions, companies, or factories. If inspectors do find something wrong with the building, the supplier factory is responsible for paying for the building to be fixed, and in the event they do not pay for the damages, the factory may face termination of business with the signatory company. The Accord also states that, “signatory companies shall require their supplier factories to respect the right of a worker to refuse work that he or she has reasonable justification to believe is unsafe, without suffering discrimination or loss of pay, including the right to refuse to enter or to remain inside a building that he or she has reasonable justification to believe is unsafe for occupation” (Accord 2013).

The Accord works to establish transparency within the industry by creating a public list
of all of the factories that have been approved by the Accord, as well as their safety inspection reports. In terms of the funding of this Accord, the document calls for each signatory company to pay an annual fee, which depends on the volume of garment production, and is set at a maximum of $500,000. These fees will pay for the inspections and development of other components of the Accord, such as the steering committee. Currently, 150 companies from over 20 countries have signed onto the Accord, including big name brands, such as Fruit of the Loom, Abercrombie and Fitch, PVH, which if the parent company to Calvin Klein and Tommy Hilfiger, H&M, Inditex, which owns Zara, and Adidas of Germany. The Accord website also includes a list of factories, which includes information such as the owner’s contact information, address of the factory, the number of stories of the building, which Accord signatory companies manufacture goods in the factory, and the information in regards to the safety of the building.

**Bangladesh Labor Act of 2006 and Recent Amendments**

The Bangladesh Labor Act of 2006 came about after continued issues within factories throughout the country (Bangladesh Labor Act 2006). Created by the Parliament of Bangladesh, the document addresses everything from worker’s rights to machinery restrictions. Prior to this act, there were fifty labor laws in Bangladesh. Through the work of this law, twenty-five of the laws were repealed and consolidated. Some of the laws that were changed include the Workman’s Compensation law, which had not been changed since it was enacted in 1923 (Bangladesh Labor Act 2006). The 2006 updates to the labor act focused on updating antiquated laws, though the new laws may have still seemed inadequate in comparison to more developed countries. While the laws updated in 2006 provided acknowledgment of issues within the industry, there was still much work to do.

In 2013, shortly after the Rana Plaza Factory Collapse, the Bangladesh parliament gathered to make amendments to the Bangladesh Labor Act of 2006. Stemming from the lack of
substantive changes from the 2006 updates, there was much work to do to increase worker safety within Bangladesh. The amendments still lacked specificity and garnered concern from organizations, such as AFL-CIO, who stated, “In our view, the changes made by the Bangladesh government did not bring the country’s labor law into compliance with ILO fundamental rights, conventions, and standards”, (AFL-CIO, 2014).

**Alliance for Bangladesh Worker Safety**

The Alliance for Bangladesh Worker Safety is a non-legally binding document that was created by several North American apparel companies to create the Bangladesh Worker Safety Initiative (Bangladesh Worker Safety, 2014). Though this alliance is binding in the sense that it holds companies accountable with each other, there is little legally binding action associated with the Alliance, which is an important difference from the Accord. The Alliance is more the creation of an action plan for Bangladesh workers and factories. However, that is not to diminish the legitimacy or importance of the Alliance. The Alliance creates a place for companies and stakeholders to come together and discuss what should be done within the industry. Companies that are part of the Alliance recognize that there is a need for change within the industry, and this allows for the creation of a plan to enable action. The idea is that it will take five years to create and fully implement this action plan (Bangladesh Worker Safety, 2014). Alliance supporting companies include: Gap, Inc., J. C. Penney Company, Inc., Macy’s, and Wal-Mart Stores, Inc. Members of the Board of Directors includes former U.S. Ambassador to Bangladesh, James Moriarty, Vice President of Global Affairs for Target, Daniel Duty, and the President of the Bangladesh Garment Manufacturing and Exporters Association (BGMEA), Mohammed Atiqul Islam, (Bangladesh Worker Safety, 2014).
International Labor Organization Conventions

Throughout the duration of the International Labor Organization (ILO), the ILO has developed hundreds of conventions that set forth a precedence in regards to issues regarding labor laws. In terms of sweatshop labor and issues related to sweatshop labor, there are several conventions that Bangladesh has yet to ratify (Theuws 2013). Currently, Bangladesh has yet to ratify the following ILO Conventions: Convention 121, 135, 138, and 155. These conventions deal with issues related to the minimum age of employment, safe and healthy working environment, freedom of association, and worker’s compensation (Theuws 2013). Though it is not clear as to why Bangladesh has not ratified the ILO Conventions, it may be due to the political tensions that are present between the Bangladesh government and worker’s rights. As mentioned previously, the government does not support the right for workers to create labor unions, and although the ILO Conventions outlined above do not explicitly encourage or mandate labor unions, they do outline the right to freedom of association as well as address other aspects that are often at the forefront of labor union causes. There may also be economic concerns in ratifying these conventions. Since companies have not yet agreed to a comprehensive worker rights and factory safety agreement, and it has not been defined as to who would be responsible for paying for things such as updates of factory safety, Bangladesh may either be waiting for companies to step up to pay for these fixes, or they might be waiting for more progress to come out of the Accord or the Alliance.

Analysis

In looking at the three initiatives, a strong understanding seems to exist that a need for change within the industry is imperative. Stemming from the 2006 Bangladesh Labor Act, companies have become aware of the conditions within the factories. However, it seems that it
reached a tipping point within the past eighteen months due to the increase in the number of incidents within Bangladesh factories. Both the Alliance and the Accord establish much needed dialogue within the area, and present ideas that may create solutions and action. The Accord, more so than the Alliance, presents substantive changes within the industry that are already occurring. While the Alliance has gathered important actors within the industry, the idea of establishing an action plan over the course of five years is much too long to wait in dealing with some issues. Extending the scope of the issue may be important; however, a fear comes with waiting too long to implement ideas and change, especially when human life and issues surrounding human rights are involved. Both the Alliance and Accord showcase the desire for change throughout the industry and should be commended for their action taken in this matter. It is also interesting that Bangladesh has withheld ratifying the aforementioned ILO Conventions, which would significantly impact the safety and sovereign right of the people within the industry. The future of the industry strongly relies on the discussions and decisions that come from these documents, and companies and workers must remain hopeful for change. Companies are greatly important to the success of these agreements, but these agreements are not the only ways that companies, and the fashion industry as a whole, must work to make progress in the field. The next chapter will discuss the role of the fashion industry, the companies, and the consumer.
Chapter Five: The Fashion Industry, the Companies, and the Consumer

The research presented thus far has focused on the regulation, history, and current situation within the sweatshop industry, particularly in Bangladesh. However, the influence of the fashion industry, the consumer, and multi-national companies themselves have yet to be presented. This remains an important component of the issue. The following chapter will focus on the role of the fashion industry, apparel companies, and the consumer in terms of the global sweatshop industry. The fashion industry, and in particular multi-national corporations, represents the third set of actors that affect workers' rights. This chapter will also look at how exploitation has been proliferated throughout the fashion industry and what companies and consumers are doing to take steps towards change. Suggestions and analysis will also be included.

Manufacturing and Supply Chain

First, it is important to think about the role of the supply chain. Supply chain, defined as “the sequence of processes involved in the production and distribution of a commodity”, (Investopedia, 2014), takes into account all of steps of making a product. In terms of the fashion industry, this starts with the designer. As seen in supply chain image on the next page (please note supply chain can vary greatly from company to company), which shows a basic example of a supply chain, the designer, either as a contractor to a company or an employee of the company, develops an idea for the product. From the designer, the idea often then goes to a pattern maker or product development team. This is where they will work to develop the product and ensure that the correct directions are developed to ensure the product can be produced in mass quantities. After the design is approved, it will often be contracted to a factory for production. This is where transparency and tracking of the garment gets murky. Due to the volume of the order and lack of oversight within the industry, companies may send their garments to several,
sometimes even hundreds of factories. What often happens in this stage is what is called sub-contracting.

**Diagram 1: Supply Chain Example (developed by Anne Marie Sketch)**

Sub-contracting is when a company outsources their production to a factory, and that factory turns around and outsources it to another factory (Cline 2014). This can happen multiple times throughout the manufacturing process, and can occur in such a way that factories pit themselves against each other in terms of the amount they are capable of producing or the cost of labor supplied so to remain competitive within the industry.
Fashion Industry Profile:

The fashion industry has a huge influence in regards to the pace of fashion and trends. Though consumers ultimately decide whether or not to take part in a trend, it is the industry that influences the consumers with the development of new trends. The fashion industry operates under a system of “fast fashion”, which is defined as, “…low-cost clothing collections that mimic current luxury fashion trends,” (Joy et. al. 2012). Examples of fast fashion companies include, but are not limited to: Forever 21, H&M, Zara, Charlotte Russe, TopShop, and Urban Outfitters. These retailers thrive on consumers buying impulsively and target their customers through the use of sales and discounts on already cheap clothing. Fast fashion is very controversial in that not only is there a problem with the quality and cost of the items, but there have also been issues in regards to proprietary information with companies such as Forever 21 stealing ideas and patterns from high-end designers (Cline 2012).

In terms of this project, the concept of fast fashion is very important. The majority of the stores that were involved in the Bangladesh sweatshop tragedies included fast fashion retailers. As the definition of fast fashion suggests, fast fashion retailers are companies whom quickly manufacture trendy clothing and sell at a low price. Oftentimes, these garments are produced in smaller quantities since they may only be available for a few weeks (Cline 2012). In some cases, stores will partner with high fashion designers and produce limited edition lines of their clothing in order to reach a larger market. These limited edition garments are so popular that there have been reports of people fighting over the garments at the store (Cline 2012). Target partnered with famed Italian designer Missoni, whose partnership line sold out within the first day and even caused a crash of Target’s website within the opening hours. Stores such as H&M and Macy’s have also partnered with famous designers and have experienced similar issues with items selling
out quickly. This addresses one of the challenges of fast fashion—the need to produce even more. When stores sell out of an item or partnership line, they have to replace it with something in order to keep their profits consistent from quarter to quarter. Due to production and shipping times, retailers are often already working on their next line while the current line is in stores.

**Consumer Profile**

The consumer within the fashion industry can be seen as the most important player in this fashion cycle. Without the consumer subscribing to the current trends in the market, the companies would not sell the goods they have produced, and thusly, will not make a profit. It is this reason that companies focus so highly on getting the consumer in the door and helping them spend money. In thinking about the high turnover of the clothing in fast fashion, consumers often become regular customers as they want the most current trends. Part of this could be due to the fact that the target market of fast fashion companies are teenagers, who have free time and perhaps free money, thus having a higher amount of disposable income and time to spend shopping. Fast fashion retailers might also attract repeat customers because the quality of their garments just do not hold up for long periods, which brings customers back in for new items. Fast fashion retailers also have a revolving amount of inventory, which can entice shoppers to come back regularly in order to check out the new items.

As previously identified, the consumer does have an amount of bargaining power and has some skin in the fashion cycle game. However, how does one know this? And how does a consumer act in order to create change in the industry? While a simple solution would to be to stop buying from these stores entirely, it is not realistic, and frankly not good for the economy. So then, how does the industry influence the consumer to buy more ethically? Education. As will be discussed in the analysis and conclusion sectors, education is a way that consumers can
impact the industry. Knowledge is power, and if the consumer is consciously aware of the impact they are making by either buying or not buying an apparel item, they can have some influence. While it would be unreasonable to believe that this will fully solve the issue, the solution to this issue is not dependent on one solution, but rather the sum of those solutions combined.

Although consumers have much stake in the fashion industry, it really can come down to the company to contribute change within the industry. In the time since the tragic events occurred in Bangladesh, a number of companies have made strides in trying to positively impact the industry. European fast-fashion retailer, H&M, has reportedly created a compensation package plan for the workers and families of those affected by the Rana Plaza factory fire (Huffington Post 2013). The parent company, Inditex, of fast-fashion retailer Zara, has also acknowledged the culpability within the industry and is working on similar measures. Hundreds of companies were involved in these incidents, and while some are recognizing what happened, it is slow and there is pushback within the government. As mentioned earlier, the government long ago banned labor unions and they continue to oppress those who speak out on behalf of the workers.

The government of Bangladesh is not the only responsible party that has not adequately addressed the issue. Several companies whose tags have been found in the rubble of these tragedies have denied that they were involved or even knew that they were sourcing to these factories (Huffington Post 2013). Perhaps this is true and they did not realize their goods were being sub-contracted without their permission. However, companies must be held responsible for checking into their supply chain and ensuring that things match up. While it is extremely challenging to have a third-party auditor view a factory, this will be one of the most prominent ways for there to be change within the industry.
Aside from governmental intervention into this issue, companies can also support the creation of transparency within their own companies. Transparency is an integral part of the solution, and must be addressed by companies in order to provide adequate action to solve the issue. Transparency can take on a variety of roles within a company, most highly suggested in the form of the publication of their supply chain and factories used. In the current Bangladesh Accord, there is a list of approved factories within the country that meet certain standards. This is helpful to both the consumer who might want to research these, as well as to the company who can use this as a way to check to see if the company they are currently sourcing to is indeed cleared or if they are interested in relocating to another factory that is on the list. Whichever the reason, it is vital that tools like this exist, not only in Bangladesh, but throughout the country as a whole.

Though measurable action items exist that the consumer and companies can take part in in order to achieve better transparency and impact within the industry, more complex issues and solutions exist that must be addressed. The following chapter will include an analysis on the issues, and will encourage the reader to think about what they can do in their own lives and shopping habits in order to create change. Actions can be simple, like the ones presented here, or more overarching and broad in scope, as will be seen in the following chapter.
Chapter Six: Analysis of Findings and Call to Action

The research presented thus far has aimed to provide insight into the apparel sweatshop industry, both on a global level as well as in the specific case of Bangladesh. Though still much exists to be researched and learned, the findings and analysis here contribute to the field. As mentioned in the literature review, a glaring observation throughout the research was that little acknowledgment existed for the possibility of a tripartite solution, or rather, a solution dealing with three proposed parties: multi-national corporations, international and domestic political actors, and non-governmental actors.

As this project has shown, three key sets of actors are important in a sustainable solution to better workers' rights. These actors are: multi-national corporations, non-governmental organizations, and international and domestic political actors, which address both the country where the multi-national corporation is headquartered as well as the government of the country where the garments are being sourced. The actors are all under the pressure of the consumer, which will be talked about in more detail in relation to the diagram.

Diagram 2 on the following page was developed to show the interconnectedness of the key actors in this situation. In the center, are the workers and their rights. This is at the center because no decision or discussion should be made without first thinking about how it will impact the workers. In each of the connected circles are a key factor in impacting the sweatshop industry. The outside circle represents the demand of inexpensive goods and the role that the consumer plays, often putting pressure on the included actors. This element is important to understand in thinking about the diagram and the dynamic of the industry because the consumer often puts pressure on the three actors, which then relate back to the worker’s rights.

In terms of the actors within the model, first is the multi-national corporation. These are the big companies who produce, source, and sell throughout the world. Multi-national companies
become an important actor because of their involvement in labor, as well as factory safety. The inclusion of the multi-national company in the diagram like this encourages the companies to have a dialogue with this matter and to find ways to connect with the other actors to seek change while maintaining their company brand. In terms of how this might affect the corporation’s profits, not only could consumers start buying elsewhere, but factories could take a new stance and wish to source for a company that has more transparency and protection for their workers. Basically, the corporation is encouraged to clean up their act for their own reputation, which could be seen as a huge incentive for companies whom have been at the forefront of wage disputes and severance pay package deals resulting from their involvement in the unsafe working conditions of the factories in Bangladesh. Another side of this solution is the inherent responsibility that corporations have to educate the public. Again, this could be seen as something that a corporation may not be interested in doing on their own, but if presented in a way that could increase profit or customer share, the corporation may be more willing to participate. The education piece could also be developed and addressed through the NGO arm of this solution, which will be described later.

Second, are the political actors. The political actors are a whole myriad of people. Ranging from U.S. elected officials to local governments on the ground, this is any person who might have some stake in the trade and apparel industry, and someone with power to change it. This is the key---the actors must be people who are willing to put forth effort to tackle the issue and have power to do so. Examples would be the UN, ILO, United States Congress, Bangladesh Parliament, EU, and United States Trade Representative. Their role would be to provide governance in dealing with the situation. A key action that must be addressed would be the interworkings of the international laws and regulations, and how they interact, especially in
regards to how companies who are located in one country outsource to another country, sometimes even to multiple countries. It should be defined as to who has the jurisdiction. Overall, the suggestion presented would be to have more transparency within the government sector. It is also important to note that some of the tariff and quota deals appear to be out of date with the current way the industry is growing, and should therefore be re-evaluated for their efficiency and effectiveness.

In thinking about the NGO arm to the tripartite solution, the NGOs must be acknowledged as the fundamental change agent that can push for reform. As has been seen in a whole host of situations throughout the world, NGOs are often able to take action and provide resources. Perhaps in the case of educational programs, both in terms of the consumer and the factories involved, NGOs such as the Global Institute for Labour and Human Rights could provide the funding and training for these programs. Educational programs would be focused on educating consumers about their options, transparency within corporations, how the supply chain works, and forms of activism that they may be able to participate in. In the years after the initial launch of educational programs, NGOs and corporations could focus more on the impact that has been made and continue to develop strategies to influence change within the sweatshop industry.

Another key aspect to the NGOs portion of this plan is the establishment of the dialogue between all parties. Not only are the three circles of this diagram important to conversation, but the workers must have a voice as well. Oftentimes NGOs, in partnership with Intergovernmental Organizations such as the ILO or the United Nations, are able to hold conferences that focus on specific topics and bring together involved parties. To begin, the ILO might be able to host a conference that would bring together key multi-national corporations, political actors, other NGOs, and workers, in order to begin peaceful talks about solutions that would benefit all those
Diagram 2: Pressure and Actors within the Sweatshop Industry

- Consumer Pressures
  - Multi-National Companies
  - Worker's Rights
  - Political Actors
  - Non-Governmental Organizations
involved. NGOs often times are able to provide third party funding sources, which might be
more appropriate than multi-national corporations funding programs. The ILO has already
identified that this is a three pronged issue, involving the workers, employers, and government.
Though this is a good step, the ILO misses the importance of the center of worker’s rights and
lacks the opportunity to involve active supporters through NGOs.

Though the diagram is designed to show an equal involvement of all three parties, it is
important to understand that there are situations where the actors may not have equal
responsibility. For example, in the situation of the Rana Plaza, where some companies were
found to have been knowingly producing in a factory that did not meet fire and safety standards,
the responsibility of multi-national companies and their involvement in meeting safety standards
may be increased. While NGOs might still be able to provide support, their responsibility level
would decrease. Political actors may remain responsible with the same proportion that is shown
in the diagram as political factors impact fire and safety in Bangladesh.

In regards to other situations that might skew how much responsibility each of the actors
plays, political issues may require more involvement from the political actors. Trade regulations
and labor laws are largely dependent on the involvement of political actors, both from a national
and international standpoint, and would require increased involvement and responsibility. NGOs
may become more involved in situations where human rights have been violated, safety
standards ignored, or labor laws not enforced properly. Various NGOs may take on a more
important role in these situations, especially in cases where workers have been injured,
displaced, or need additional support that the government or companies are either not capable or
willing to provide. The diagram serves as a guide for the actors that must be involved in order to
create comprehensive change throughout the industry. Each incident within the industry must be
analyzed on a case-by-case basis which will determine the level of involvement from the various parties.

Overall, acknowledging this three actor system allows for the discussion of the complexity of pressing issues and the possibility of working together to create change. While it would be unrealistic to think that all parties would be willing to be involved or would be willing to change things at the same rate, this three actor intersection helps illuminate the variety of actors needed to begin the process. Also, the meeting of these actors may not be entirely cohesive. Political and economic circumstances, including the power of consumerism, can impact to what degree some actors may choose to pursue reform. For example, the lessening or heightening of demand for certain cheap goods might create certain pressures on multinational corporations, which may or may not motivate them to change practices. On the other hand, domestic or international politics might affect to what degree governments and international organizations have the political will to carry out new regulations. As a theoretical model, the diagram helps us understand that conversation and change can occur through those that most want to be a part.

While it is recognized that the idea of one’s agency and sovereignty varies greatly on a situation basis and from country to country, some rights that should be bestowed to all throughout the world. The United Nations said it best when they developed the United Nations Declaration of Human Rights in 1948, stating,

“Whereas recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation for freedom, justice, and peace in the world….Now, therefore the General Assembly proclaims this the Universal Declaration of Human Rights as a common standard of achievement for all peoples and all nations…secure their universal and effective recognition and observance, both among the peoples of Member States themselves and among the peoples of territories under their jurisdiction.” (United Nations, 1948).
Aside from the tripartite solution, other steps can be taken to achieve better worker rights and a more transparent industry. These are simple ideas that even consumers can do to help the industry. Suggested ideas include:

- **Understand the components of a garment.** While part of this may be accomplished through the educational piece of the proposed solution, it is important for all to be informed in what exactly goes into a garment and how one might be able to change their habits.

- **Companies must work to increase workers’ wages,** whether this means cutting costs in ethical ways elsewhere or raising their prices, a stronger wage builds a stronger economy for all parties involved.

- **Create transparency within the industry,** whether that be through the development of mandated third party audits, inclusion of factories used and their scores in annual yearly reports for companies, or development of a resource sharing site that allows all interested parties to view and comment on listed sweatshops.

In thinking about the potential solutions to the issue, it is necessary to acknowledge that no matter how much progress is made, there will be never fully be a “solution” to the issue throughout the apparel manufacturing industry. The issue spans billions of people, and is one of the few issues that affects nearly every single person in the world. According to the Merriam-Webster Dictionary, the definition of solution is, “something that is used or done to deal with an end to a problem,” (Merriam-Webster, 2014). The definition in and of itself states that there is an inherent “end” to the problem, and while the industry and those involved must remain hopeful, society mustn’t ignore the fact that if action is completed, the solution is near. Oftentimes, long journeys are difficult, but no journey truly has an end in the history of the industrialized world, and the journey to end sweatshops may not be one that I see the end to in my lifetime, but we must still continue to try.
Chapter Seven: Conclusion

In conducting this research, the importance of the moment that brought the three sectors of public service/political science, fashion merchandising, and business/economy together must be acknowledged. Although this project was largely dependent on the choices of the governments and multi-national corporations, this project would not exist without the courageous and brave people, such as Md Mirazul Islam, Masud Rana, Reba Sikdar and Kalpona Akter who work in sweatshops throughout Bangladesh and are willing to tell their stories every day (Daily Star 2013, Akter and Sikdar 2014). When thinking about a topic to research, inspiration was found in the quiet voice of struggle, loss, and unwavering hope through the retellings of incidents by Bangladeshi workers. Giving workers a voice and acknowledgement of the importance of the incidents that have occurred as well as thinking about why sweatshops happen were important undercurrents in this research.

Substantial research in the field remains to be conducted, and this project only tackles a small segment of that which needs to be studied in the future. Time and financial constraints limit what might be possible in an undergraduate project. While this research addresses complexities within the industry and contributes ideas and suggestions to the field, gaps remain in understanding human rights issues, lack of transparency in global trade regulation, and perceived lack of responsibility by all parties involved. Furthermore, the case study work of this research could be greatly enhanced by interviews in the field, a deeper analysis of the variety and impact of NGOs, and the involvement of political actors. Further research could also include more in-depth understandings of international trade regulations as well as how safety and labor regulations might vary from state to state. Other areas of the apparel sweatshop industry could also be studied, such as the impact of chemical processes in regards to both health and the environment, as well as the overall health impacts of workers in factories. Although these areas
of focus vary greatly from one another, the comprehensive understanding of all aspects in the industry will lead to further understanding and potential change.

In regards to the contributions this research has made to the field, there are two main contributions. One is the analysis and suggestion of a three actor approach to the issue. Although the ILO has brought together government, companies, and workers, this research claims that the structure should be different, suggesting that the workers are at the center of the discussion and that all conversations and decisions be focused around the worker’s rights. The involvement of NGOs is also a contribution to the research. NGOs have a powerful impact in the areas they serve. By involving them in the conversation, the potential for relief and support for workers in sweatshops is acknowledged, as well as ideas and suggestions for change in the future.

The other aspect of contribution that this research brings to the field is the acknowledgement that a lack of regulation, lack of enforcement of regulation, and continued negligence within the industry exists. The research question asked why there continues to be abuse within the industry, and it was found that there remains a level of involvement from all three factors. Although there is regulation in place in regards to safety of factories, as seen in the Bangladesh Accord of 2006, this regulation is not always enforced, due to lack of resources, lack of power, or lack of knowledge. The fact that regulation is outdated or lacks transparency, often results in inadequate regulation or negligence within the factories.

The consumers and companies also have a stake in this, and they must understand that without the support of safer sweatshops, their economic model is in jeopardy. While businesses thrive on the lower wages and higher profits, employees and countries are starting to take a stance against sweatshops. Organizations like United Students Against Sweatshops (USAS) and
the Clean Clothes Campaign (CCC) work to educate consumers on the real facts of sweatshops, an element that is very important to the industry as well.

Ultimately, it will be knowledge and the spread of the message to others that will contribute to the change within the industry. Research is knowledge. Knowledge is power. And power can lead to change. Therefore, in order to create change, one must research and gain knowledge in areas they wish to see change. The research on Bangladesh and the apparel industry as a whole has served as inspiration to continue this relevant and empowering work in the industry. Aside from the labor rights issue, the sweatshop industry also has a variety of other issues including the problems of chemical processes involved in the manufacturing and production of textiles, health issues involved in these factories, both from these processes, long hours of work, and lack of nutrition, and environmental concerns from manufacturing and production. Therefore, the apparel sweatshop industry remains an interesting and important case to study.
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