



## Remembering Rana Plaza: What next?

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Ladies and gentlemen,

Thank you to Jean Lambert, for organising this event and for inviting me to be here.

This is my first opportunity to speak about Bangladesh, the Sustainability Compact, and Rana Plaza itself.

It's a difficult subject. It's difficult because of the tragic stories of those who lost their lives, those who survived, and their families. And it's difficult because we know how preventable it was.

If the factory owners made basic safety checks, the building might have been evacuated.

If international companies had demanded better working conditions for the people who make their clothes, those checks might have happened.

And if the Government of Bangladesh had put in place an effective workplace safety regime, the whole incident might have been avoided.

And it is also true that the citizens of the European Union are the largest consumers of Bangladesh's clothes.

So we cannot fully dissociate ourselves either from this tragedy on the other side of the world.

Europeans are directly connected to the workers of Bangladesh by the clothes they are wearing.

That is why the European Commission felt the need to add its efforts to the work of trade unions, industry, the International Labour Organisation and the Bangladeshi government in the aftermath of the tragedy.

The result was the sustainability compact for Bangladesh.

I would like to speak briefly today about its objectives, about our progress and about what remains to be done.

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The objectives were clear:

- We wanted to establish respect for labour rights in Bangladesh, most importantly the right to freely form trade unions.
- We wanted to see improved workplace safety in general and, most importantly, guarantees that buildings would no longer collapse or burn down;

- And we wanted to see responsible business conduct the whole way along the supply chain.

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How much progress have we made, two years on from the disaster?

The good news is that we have come a long way.

First, labour rights are better protected in Bangladesh today than they were two years ago:

- The government amended the labour act in July 2013. The amendments improved the rules on freedom of association, collective bargaining and workplace safety.
- Since Rana Plaza, workers have registered over 300 new garment industry trade unions, which has more than doubled the total number.
- The government has also strengthened its ability to inspect factories. They have increased funding, hired over 170 new inspectors, and boosted training.

Second, there has been real progress on building and workplace safety.

The public and private sectors have combined to assess the safety of factories.

- Over 2500 factories have been inspected out of a total of 3500 targeted factories.
- Action has been taken when unacceptable conditions have been found, with 32 factories being completely closed.
- And inspection reports are being made public in a searchable database, thus bringing more transparency to the garment supply chain.

Third, several projects are now underway to promote responsible business conduct.

Two international private sector programmes: the Bangladesh Accord on Fire and Building Safety and the Alliance for Bangladesh Worker Safety have successfully brought the international business community and local actors together.

In addition, the government itself has its own National Tripartite Committee which brings employers together with the government and trade unions.

The ILOs Better Work Bangladesh programme – partly funded by the Netherlands and the UK – is also making some progress on the ground. Its goal is to build the structures within Bangladeshi factories that will allow workers and management to resolve their issues constructively. It is just as much about boosting productivity as it is about improving conditions.

Fourth, development partners are also playing their part. The EU, the US, Norway, Canada, the Netherlands, the UK and others are funding a range of project programmes supporting the practical implementation of the Compact with the support of the ILO.

They range from training on effective collective bargaining for trade union organisers and managers ...

... to a media campaign directed at the industry promoting dialogue on rights and safety.

Finally, families and survivors are receiving compensation, rehabilitation and retraining. The EU is also playing a role in that process.

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These steps are all very welcome. They show that progress is possible when people make a collective effort.

But it is not enough. We need to do more.

I would like to highlight three priority actions for the short term and several others priorities for the medium term.

In the short term:

The most urgent action needed is for the government to pass the implementing regulations for the 2013 labour law reforms.

The fact that this has not happened yet is serious limiting the effect of the reforms. It's slowing efforts to set up a mature industrial relations system. It's impeding vital parts of the Better Work Programme. And it is hindering the setting up of factory committees to monitor occupational safety and health.

The latest plan by the Government of Bangladesh is for the rules to be passed in June 2015. Unlike previous announced dates, this one must be met. We are meeting here two years after the disaster. And it will be two years since the adoption of the reformed labour law in July. There is no good reason why this cannot be done now.

Our second short term goal is for the government to effectively investigate and prosecute unfair labour practices.

Those includes anti-union discrimination and reprisals. Even more worryingly, they include violence against trade union members.

This is essential. As long as workers who organise to defend their rights do not feel secure, then poor conditions will prevail. The Government must show very clearly that violence and discrimination are not acceptable in today's workplace.

Finally, we need to see action on the rights of workers in export processing zones. These zones are positive initiatives to boost growth and development in Bangladesh. But, to put it simply, they cannot be at the expense of fundamental labour rights.

That is why the government needs to adopt legislation that ensures rights to workers in the zones are effectively the same as those provided for in in the national labour law. This law has also been pending for some time. Now is the time to move ahead with it.

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These three actions would deliver a significant boost to the reform process. But they are not enough. Over the medium term, a number of other issues also need to be addressed:

As far as labour rights are concerned, there is room for further reform to the law. For example, the law as it stands does not fully comply with ILO conventions on freedom of association and collective bargaining. I hope the government will take this up soon.

The results on factory inspections are also only partial. Bangladesh has now recruited over 170 inspectors and continues to increase the resources available to the authorities responsible for building and fire safety. This must continue. Bangladeshi authorities must be ready to take ownership of inspections when the privately-run initiatives end in 2018.

Brands and retailers also need to step when it comes to providing compensation funding to the Rana Plaza Trust fund. As of today, we are almost 8.5 million US dollars short of the 30 million dollar target. This money is vital to help those most directly affected get their lives back on track. Companies need to step up now, on the second anniversary of this disaster, and transfer what is needed.

Finally, providing rehabilitation and retraining to the Rana Plaza survivors is a long term, not a short term exercise. So we will also all have to continue our efforts on that.

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Ladies and gentlemen,

I don't make these points to lay blame on others.

None of us is perfect. We in Europe have our own questions to answer.

This weekend saw another boat lost in the Mediterranean.

The details of that story are different from those of Rana Plaza. But the underlying elements are all too familiar:

- desperate people willing to take risks for a better life,
- venal commercial interests willing to exploit that desperation,
- and a government response that has been at best insufficient.

So when the European Union talks about the need to do more in Bangladesh, we do not come preaching from a lofty pedestal.

We are rather offering advice based on the bitter experience of being found wanting at a critical moment.

And we are offering our partnership to move forward. That's what the Compact is about. And it's what the Everything But Arms scheme of trade preferences is about. And I hope, if conditions are right and we have seen real progress, to visit Bangladesh myself this autumn to offer further support to the implementation of the Compact.

It's in nobody's interest that there be another Rana Plaza.

The garment industry has helped put Bangladesh on a path towards sustainable development. The country has significantly reduced poverty rates and improved life expectancy and education over the last thirty years. Many of those who gain the most are formerly marginalised women.

But the future of the garment industry depends not just on the price of its products but also on its reputation with consumers. And that reputation will simply not survive another disaster like this.

Another tragedy, or even just a continuation of today's poor conditions for workers, could also force the European Union to revisit Everything But Arms. It remains, after all, conditional on respect for fundamental labour rights.

Either of these scenarios would be disastrous for Bangladesh as a whole, especially at a time when the country has many other challenges to face.

That means the country's economic future and the conditions of its workers are inextricably linked. So fully implementing the compact makes good economic sense just as much as it makes good moral sense.

I know it's not easy. Some people believe they have a stake in the status quo.  
But I encourage everyone involved in the garment industry to do what they can.  
We are here today to remember Rana Plaza. Remembrance has a double purpose.  
We do it to show our respect for victims, the survivors and their families.  
And we do it to show we have learned from the past.  
The best way we can do that is by changing our behaviour.  
And I hope that is exactly what we will do.  
Thank you very much

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