



The Role of Multinational Corporations and of the State in
Promoting Human Rights in Bangladesh:
A Case Study of the Rana Plaza Factory Collapse

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Abstract:

My study analyzes the role of the state and of multinational corporations in the promotion of workers' rights in Bangladesh through a case of the Ready-Made Garment(RMG) industry. My study examines the responsibility of Multinational Corporations(MNCs) and the motivation behind it. It also examines the principles of Corporate Social Responsibility(CSR) and the way they work on practice in the aftermath of the Rana Plaza factory collapse. Additionally, it reveals the roots to the state's failure to sufficiently comply with its obligations towards the protection of human rights through the lens of globalization and neoliberalism.

My study concludes that as multinational corporations have much more resources at their disposal, the state of Bangladesh should not be held entirely accountable for the human rights violations, but the promotion of human rights should be performed in a mutual manner.

Keywords: *Human Rights, CSR, Bangladesh, Garment industry, globalization*

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1. Introduction	1
1.1 Problem discussion	1
1.2 Research questions.....	1
1.3 The aim of the thesis	1
1.4 Relevance to the field of human rights	2
1.5 Delimitations.....	2
1.6 Methodology	2
1.7 Chapter outline.....	4
2. The case study of workers’ rights in the RMG industry in Bangladesh	4
2.1 Background. The history of Bangladesh.....	4
2.1.1 Pre-independence period.....	4
2.1.2 Post-independence period	5
2.1.3 International actors and acceleration of growth.....	6
2.2 The Rana Plaza Factory Collapse.	7
2.3 An overview of state’s and MNCs’ responsibilities.	8
2.3.1 The Accord on Fire and Building Safety in Bangladesh	8
2.3.2 UN Guiding Principles on Business and Human Rights	9
2.3.3 International Labour Organization.....	10
2.4. An overview of Human rights violations in RMG industry in Bangladesh.....	11
2.4.1 The right to just conditions of work.....	11
2.4.2 The Right to safe and healthy working conditions.	12
2.4.3 Forced labour	12
2.4.4 Freedom of association	13
3. Theoretical framework	14
3.1 Corporate Social Responsibility & Carroll’s pyramid.....	14
3.1.1 The notion of the Corporate Social Responsibility. Four components of CSR	14
3.1.1.1 Economic	14
3.1.1.2 Legal	15
3.1.1.3 Ethical	15
3.1.1.4 Philanthropic/discretionary	16
3.1.2 Arguments for CSR and main critics	16
3.1.2.1 Arguments for CSR.....	17
3.1.3 Compliance with CSR Standards.....	18
3.2 Stakeholder theory	19
3.2.1 Multi-stakeholder initiatives	19
3.2.2 Critiques of the stakeholder theory	20
3.3 Globalization.....	21
3.3.1 Dependency theoretical perspective	21
3.3.1.1 Dependency & import-substitution programs.....	22
3.3.1.2 Dependency & Contemporary underdevelopment.....	22
3.3.1.3 Critics of Dependency.....	23
3.4 Neoliberalism.....	24
3.4.1 Neo-liberalism of the 1980s in South Asia	25
4. Reports and data background	26
4.1 Information about data.....	27
4.2 Results from the reports:.....	28
4.2.1 Workplace safety in RMG factories and different socially responsible initiatives	28
4.2.2 Overall Workers’ Rights Situation.....	29

5. Analysis	30
5.1.1 State's impossibility to act in the context of globalization	30
5.1.2 Failed responsibility of the state to promote Human Rights.....	31
5.2 CSR and responsibilities of MNCs	33
5.2.1 Expected behavior.....	33
5.2.2 The CSR on practice	34
6. Conclusions	35
7. Future Research	36
8. Bibliography	38

1. Introduction

1.1 Problem discussion

The responsibility of multinational corporations (MNCs) to promote human rights in the garment industry is quite rightfully considered to be one of the most widely discussed issues in media, among human rights defenders and in business. The case of the garment industry or Ready Made Garment (RMG) industry in Bangladesh sheds light on some dimensions of enduring labor practices in the outsourcing countries and the compliance of MNCs with corporate social responsibility's standards in promoting labour rights, workplace safety, and decent working conditions. In the context of global spread of unethical practices among business, corporate social responsibility has become increasingly important in both developed and developing countries.¹

1.2 Research questions

1– What is the role of the state in promoting workers' rights and should the state be held accountable for workers' rights violations in the context of globalization and neoliberalism?

2– How do Multinational Corporations perform the responsibilities to promote workers' rights in the ready made garment industry in Bangladesh in the aftermath of the Rana Plaza factory collapse? And what are motivating factors that stand behind their compliance to do that?

1.3 The aim of the thesis

The aim of the thesis is to analyze the responsibilities for the massive violations of human rights of workers in the Ready Made Garment industry in Bangladesh. More specifically, to investigate both responsibilities of Multinational Corporations in the aftermath of the Rana Plaza factory collapse and the situation when the state with its vulnerable history of globalization doesn't meet its obligations towards human rights.

¹ Mohammed Ziaul Haque and Fara Azmat, "Corporate Social Responsibility, Economic Globalization and Developing Countries A Case Study of the Ready Made Garments Industry in Bangladesh," *SUSTAINABILITY ACCOUNTING MANAGEMENT AND POLICY JOURNAL* 6, no. 2 (2015): 167.

The CSR principles and initiatives that are appeared as the main tools for the promotion of human rights in Bangladesh are presented together with the discussion on the state's failure to meet its obligations attributable to the negative effects of globalization.

My goal is to determine whether MNCs' CSR policies are sufficient enough and what is a driving force for companies to promote human rights. Furthermore, to identify roots of the state's impossibility to act in that regard and to see if the state has the responsibility for the workers' rights in the garment industry.

1.4 Relevance to the field of human rights

Multinational corporations that are operating globally do not assume full responsibility when they outsource its production to companies overseas. Even though there are some CSR standards and principles on ethical business practices, workers' rights issues have only seen slight improvements or even remain the same and in the RMG industry in particular. Different stakeholders encourage the implementation of CSR practices by MNCs. However, current problems that take place in Bangladeshi RMG industry are yet to be solved. The case of the Rana Plaza collapse in Bangladesh appears as a remarkable example of how different actors respond to problems that are related to the workers' rights and a compliance with different obligations. In addition, it draws attention to the state's inability to comply with international obligations towards protection of human rights.

1.5 Delimitations

I am aware of increasing numbers of female workers in the RMG industry in Bangladesh. However, in this paper, the focus is on the workers' rights in a broader sense, and it encompasses the use of different types of labour. Also, as it is a very well known fact that the trade unions play an important role in the protection of labour rights, I should stress out that I have no intention of engaging in discussion on a particular topic as in our case of the Rana Plaza collapse, mostly all of the workers affected by the tragedy did not belong to any unions.

1.6 Methodology

The protection of human rights in the developing countries and in Bangladesh in particular is widely discussed in the context of responsibilities of MNCs addressing the primarily responsibility ultimately to MNCs operating in the region. This study is a case study of the RMG

industry and the aftermath of the Rana Plaza factory collapse with the aim to understand who should be obliged to shoulder the burden of responsibility in regard to workers' rights. The case study on the example of one particular situation could generalize across other similar cases.² Therefore, the distinctive features of responsibilities that could be found from the investigation of the Rana Plaza case, could be seen in other industries in Bangladesh with the extensive use of unethical labour practices.

The case has been selected as it has become a milestone in the rising of the international awareness with regard to the issue of severe working conditions in the RMG industry. Also, it could be seen as a starting point in the significant changes in the MNCs' attitude to workers' rights while outsourcing their production to the Bangladeshi factories.

In the study of the complex issue of the MNCs' and states' responsibilities I also use the quantitative approach and analyze reports of the Accord agreement compliance, and the ILO . These reports present the development and achievements in the work for the promotion of better working conditions of employees in the RMG industry.

The reports from Human Rights Watch organization and the "Worker's voice report" allow me to assess the initiatives of MNCs on practice and to reveal other human rights violations in the industry.

I conduct the study with the use of both theoretical material and critical data analysis. In my study to answer the research questions I also apply to theories of CSR and Stakeholder theories. These theories help to understand the reasons and motivation behind the intensive implementation of MNCs' ethical business practices. Dependency theory and the doctrine of neoliberalism are needed for the assessment of the state's role and its failure in the promotion of human rights.

I also apply to the historical perspective of Bangladesh and to already mentioned theoretical perspective of dependency and neoliberal doctrine.

Speaking about the validity of the material, the reports that are used in the study are provided by the well established International Labour Organization(ILO) as well as by the Accord reports, that has been conducted within the framework of the most substantial agreement on the workplace safety. The detailed descriptions of both sources are presented in section 2.3. As for other sources, the selection of the literature for this study has been primarily done through the database of the Malmo University's library and Google scholar portal.

² John Gerring, "What Is a Case Study and What Is It Good For?," *American Political Science Review* 98, no. 2 (May 2004): 341

1.7 Chapter outline

In the first chapter, the problem discussion, questions and the relevance to the field of human rights have been presented as well as the aim and the delimitations. Also, it contains the research design and methods for the analysis. Chapter two will introduce the case study of the workers' rights in the Ready Made Garment industry in Bangladesh. The history of the country, the description of the Rana Plaza factory collapse and the overview of the state's and Multinational Corporations' responsibilities will be introduced. In section 2.4 an overview of the human rights violations associated with workers in the industry will be presented. In chapter three, the selected theories and conceptual framework of globalization and neoliberalism will be discussed. Chapter four will present report and data background and the results of its examinations. Chapter five will contain the analysis of the state's responsibilities and the Corporate Social Responsibility in Bangladesh. Chapter six – conclusions - will consist of the results the analysis has provided me. Lastly, chapter seven will provide some suggestions for future research.

2. The case study of workers' rights in the RMG industry in Bangladesh

2.1 Background. The history of Bangladesh.

2.1.1 Pre-independence period

In the pre-independence period – East Bengal that became East Pakistan (1947-1971) and later Bangladesh - was a prosperous East Asian state with its high level of exports of different categories of textile products. With its extensive history, East Bengal was meant to grow and become a prosperous country with a good level of infrastructure, but they had to confront significant barriers imposed on the export of its products by the British Empire. In order to protect British textile industry, there were introduced some restrictions and taxes up to 70/80% on all imported garment products from India and even on sales of cloth within the country.³ The colonial interests became an obstacle for the further development of the country. The industrialization processes were unfeasible as the “British imperial power destroyed the domestic textile industry and transformed the region into one fully dependent on agriculture”.⁴ The jobs

³ Shahidur Rahman, *Broken Promises of Globalization : The Case of the Bangladesh Garment Industry* (Lanham : Lexington Books, 2013), 2

⁴ Rahman, 3.

and occupations were represented only in the agriculture sector leaving no possibilities for a revitalization of clusters with highly skilled workers.

In the Pakistani period since 1947 when Britain divided India and Pakistan into two independent states, East Bengal became East Pakistan, while West Pakistan appeared to be a controlling power with political and economic decisions placed in its hands. Both East and West Pakistan were mainly producers of raw materials; however, West Pakistan began to expand its industrial sector and did not take into account East. Even though East Pakistan had few industrial establishments, a position of dependency on a ruler remained the same in a way that West Pakistan continued to use East Pakistan only as a source of raw materials and as a main consumer of West Pakistan's goods and products.⁵ West Pakistan was only focused on its own profit and industrial development, so the resources of East were drained in favor of West and almost during twenty-five years of Pakistani history there was a rising from year to year economic disparity between two parts of the country. According to S. Rahman underdevelopment of Bangladesh was the outcome of a vulnerable history and the lack of political and economic power both under the British Empire and the West Pakistani ruler.⁶

2.1.2 Post-independence period

After the independence in 1971, Bangladesh was one of the poorest countries in the world. No major industries were developed in Bangladesh, and after nine months of war, the country was devastated. The main challenge of those times was to completely rebuild the war-ravaged country with the lack of any necessary international assistance or resources.⁷ First of all, the new government decided to nationalize all key industries and implement socialist, very restrictive policies to restore the economy. While the industrial sector that belonged to West Pakistan before, banking and insurance had been also nationalized and some sanctions were imposed on import as a part of import-substituting program.⁸ S. Rahman argues that the government appealed to the socialist system not only under the influence of other countries those times, but also because within the country there were not enough human resources either managers or

⁵ Rahman, 4.

⁶ Rahman, 5.

⁷ "...BGMEA B2B Web Portal...," accessed May 3, 2018, <http://www.bgmea.com.bd/home/about/AboutGarmentsIndustry>.

⁸ Rahman, *Broken Promises of Globalization*, 6.

entrepreneurs to take over the administration of business assets of over than 700 enterprises that had been left by the West.⁹

To resolve the problem of lacking skilled management, the government decided to introduce a number of special sectoral corporations that are supposed to conduct control of all industries. Even though each industry had to develop individually, the government had always been interfering into business processes, as consequences corruption and declining of an economy emerged and by the 1975 the government faced with the failure of nationalization.¹⁰ After the military coup d'état in August 1975 the country had been under a military rule and the Bangladesh Nationalist League(BNP) established in 1978 and the civilian rule came only in 1991.¹¹ During that 15 years period the quasi-military governmental policy was market oriented, i.e. all efforts were directed towards industrialization with its export-led strategy that involved an increase in productivity.

2.1.3 International actors and acceleration of growth

It is important to note that such a policy was encouraged by international actors such as International Monetary Fund(IMF) and the World Trade Organization(WTO) in a sense that their international export-oriented programs for the Third World countries with financial support and loans are to increase the efficiency and contribute to the industrialization.¹² As the issue of export growth has been given the highest priority, lots of steps have been done to attract as many foreign investments as possible. The export-oriented zones(EOZ) are introduced as well as tax holidays for foreign investors and minimum controls on capital inflow. The government gives much freedom to the foreign actors including the use of labour force to make the region attractive and to accelerate the industrialization. The implemented policy of privatization has resulted in a decline of many different industries. The garment industry is the only one that has an extensive growth as it appears as an export-oriented one and in the 1980s it has begun to transform from a home-based into the global garment chain.¹³ Further development of the garment industry has been primarily due to the complex Multi-Fiber Agreement signed by 44

⁹ Rahman, 7.

¹⁰ Rahman, 7.

¹¹ Akhand Akhtar Hossain, "Contested National Identity and Political Crisis in Bangladesh: Historical Analysis of the Dynamics of Bangladeshi Society and Politics," *Asian Journal of Political Science* 23, no. 3 (December 2015): 369

¹² Rahman, *Broken Promises of Globalization*, 9.

¹³ Rahman, 18.

countries and providing some guidelines for the trade in the textile industry in the developed and developing countries. To protect different industries and workers developed countries have imposed some limitations and quotas, however, with time, Bangladesh becomes the quotas-free country. A large amount of multinational companies has shifted their production to Bangladesh from other least developed countries and that has become the main driver for the sustained growth of the garment industry in the region.¹⁴

2.2 The Rana Plaza Factory Collapse.

On April 24, 2013 in the morning the eight-story Rana Plaza building collapsed. It was located outside the capital city of Bangladesh Dhaka in the industrial area of Savar. There were five garment factories with more than 5,000 people in that 9-storied building, and they had been producing garments for dozens of world famous brands. According to the New York Times' investigation among those brands were Benetton, Carrefour, Mango, Walmart and etc.¹⁵

For the factory owners the permission was given to build a 5-storied building, but in 2005, they got new permission to build additional four floors without any significant changes concerning safety instructions. What is more, in the beginning it was designed to be for commercial use, but the owners turned it into the industrial one. The capacity of electric generators was not big enough for the industrial building with such a high level of productivity, and that was the reason for the appearance of cracks just one day before the collapse.¹⁶

However, on the day of the disaster, the workers had to come back to the factories as they were forced to do that threatened with dismissal and being assured that the building was safe enough. At the beginning of the working day there was a power cut in the Savar area, and when they switched on the electrical generators, the building started to crumble and then collapsed. The horrible tragedy took the lives of more than 1100 people and over 2000 were seriously injured.¹⁷ After the tragedy 38 people were charged with murder, however, it is really hard to make some significant changes in the region and to ensure that the workers' rights are respected as most of all factories' owners are either members of Bangladeshi parliament or they have very close ties

¹⁴ Rahman, 22.

¹⁵ The New York Times, "Rana Plaza Collapse Documentary: The Deadly Cost of Fashion"; *Op-Docs*, *The New York Times*, accessed May 17, 2018, <https://www.youtube.com/watch?v=9Fkhzdc4ybw>.

¹⁶ Mehedi Ahmed Ansary, Uttama Barua "Workplace Safety Compliance of RMG Industry in Bangladesh: Structural Assessment of RMG Factory Buildings - ScienceDirect," *International Journal of Disaster Risk Reduction* Volume 14, Part 4, 2015; 426,

¹⁷ "HRW Publications - 'Whoever Raises Their Head Suffers the Most,'" accessed May 11, 2018, http://features.hrw.org/features/HRW_2015_reports/Bangladesh_Garment_Factories/index.html.

with the government.¹⁸ Due to the high level of corruption and the willingness of factories' owners only to maximize profits, international community and organizations should exert more pressure to change.

2.3 An overview of state's and MNCs' responsibilities.

Back in the 1970s, the UN was trying to implement some legally binding frameworks and to establish laws governing activities on MNCs. However, the attempt was failed because that some member states promised to veto the initiative. Since then different organizations have provided some "soft-laws" for business operations and the obligations of states.¹⁹ In 1998 Bangladesh signed and ratified the convention on economic, social and cultural rights (ICECSR) and that also allowed different UN bodies to enter the country and try to improve different issues related to business practices, including the workers' rights of the citizens and non-citizens of Bangladesh.

According to ICECSR, the state has responsibilities to respect, protect and fulfill human rights, furthermore, the state, has to make some changes in domestic laws to promote human rights. However, the government of Bangladesh has not done any significant changes either before, or after the Rana Plaza tragedy. The most noticeable improvement towards workers' rights was back in 2015 when the government had modified the Labour law, but the most valuable changes as for the freedom of association of workers has not been done yet. In the aftermath of the tragedy, the government had focused on the workplace safety, but not on the protection of workers' rights in general.²⁰

2.3.1 The Accord on Fire and Building Safety in Bangladesh (*The Accord*)

In the aftermath of the Rana Plaza Collapse, there was a call for some significant improvements of the workers' rights and workplace safety. The most significant component of all new proposals was The Accord on Fire and Building Safety in Bangladesh (The Accord) that was signed on 15 May 2013. The Accord is a five year legally binding agreement between global brands and

¹⁸ Human Rights Watch, "Bangladesh: Tragedy Shows Urgency of Worker Protections," Human Rights Watch, 2013, accessed May 11, 2018, <https://www.hrw.org/news/2013/04/25/bangladesh-tragedy-shows-urgency-worker-protections>.

¹⁹ Javed Siddiqui and Shahzad Uddin, "Human Rights Disasters, Corporate Accountability and the State: Lessons Learned from Rana Plaza," *Accounting, Auditing & Accountability Journal* 29, no. 4 (May 11, 2016): 681

²⁰ Uttama Barua and Mehedi Ahmed Ansary, "Workplace Safety in Bangladesh Ready-Made Garment Sector: 3 Years after the Rana Plaza Collapse," *International Journal of Occupational Safety and Ergonomics* 23, no. 4 (October 2, 2017): 579

retailers aimed to build a safe and healthy RMG industry. Among crucial aspects of such an agreement are public disclosures of firms, independent inspection reports and allocation of funds by main MNCs operating in the region. Also within the program, there is a commitment to give more rights to workers as to refuse unsafe work or a right to submit complaints.²¹ The Accord program has two main directions: inspection and remediation. Independent inspections allow the members of Accord to create the corrective action plan(CAP) while remediation activities include training, complaints mechanisms, etc. Every year the CAP is being updated to show the progress and to emphasize the problematic areas. By 2018 there are more than 200 signatory companies are signed the Accord agreement that covers more than 1600 factories in the country. Accord's determined actions and continued efforts try to protect more than 2mln workers and to avert future disasters.²² Among companies that have signed the Accord are both companies that were operating in the Rana Plaza building, but also with years many other companies from Adidas to H&M have joined the agreement. It is interesting to note that an American multinational retail corporation Walmart had its operations in the Rana Plaza, they have rejected to sign the Accord even after such tragic events.²³

In the paper, through the annual reports of the Accord it is possible to assess the most substantial multi-stakeholders activity on CSR in Bangladesh. The findings could help us to find the strengths and weaknesses of the CSR implementation on practice as well as to underscore the need for commitment to its principles.

2.3.2 UN Guiding Principles on Business and Human Rights

United Nations Guiding Principles on Business and Human Rights (UNGP) were introduced by Human Rights Council in 2011. It has become an important milestone in the context of the impacts of business on workers' rights. Three main duties for states and business are set out in the UNGP and these are to respect, protect and to provide an access to remedy.²⁴ The duty to protect against human rights violations by third parties is similar to the obligation set out in the ICESCR and implies the effective policies, legislation, and regulations for the prevention of abuses. This duty gives a state an authority to be more demanding and to influence the business

²¹ "About the Accord," *The Bangladesh Accord* (blog), accessed May 11, 2018, <http://bangladeshaccord.org/about/>.

²² "About the Accord."

²³ "Wal-Mart Will Not Sign Bangladesh Accord," *Reuters*, May 14, 2013. accessed May 11, 2018, <https://www.reuters.com/article/us-bangladesh-walmart/wal-mart-stepping-up-bangladesh-factory-inspections-idUSBRE94D15T20130514>.

²⁴ Michael K. Addo, "The Reality of the United Nations Guiding Principles on Business and Human Rights," *Human Rights Law Review* 14, no. 1 (March 1, 2014): 133

areas regulations.²⁵ The second duty, to respect human rights presupposes that MNCs should not only avoid the violation, but to show how they do that with a so-called ‘knowing and showing’ principle, i.e. to conduct the due diligence of human rights and the communication of their outcomes.²⁶ The third duty, access to remedies, is an important principle for the counteract in case a human right abuse occurs, so those affected have access to effective remedy. The UNGP provide the assessment for the ‘effective’ remedy which includes legitimacy, accessibility, predictability, transparency and human rights compatibility.²⁷ The Guiding principles are claimed to be universal and do not create some new policies, but elaborate on already existing standards. The UNGP are aimed at the avoidance and mitigation of corporate activities’ impacts and take into account opinions of all interested stakeholders.²⁸

2.3.3 International Labour Organization

The International Labour Organization(ILO) is an international body that has been creating and promoting labour standards for almost 100 years now. It has been founded to guide the corporations’ activities and now it provides business with some frameworks on how to operate. The International Labour Standards are presented in the form of either recommendations or conventions on the variety of aspects from the conditions of work and worker’s rights. There are more than 80 conventions and 80 recommendations set in the ILO Standards. The standards do not have a legally binding approach, but once a state has ratified a convention, it is necessary to comply with its content, including the reports to different committees.

The crucial feature of the ILO standards is that they are the only guidelines that are elaborated in a tripartite structure, where the ILO works with the representatives from states, employer’s and worker’s organizations. The common efforts are directed towards an achievement of respect for worker’s rights throughout the world.²⁹

Bangladesh has been a member of the ILO since 1972 and has ratified more than 35 conventions of the ILO Standards. The major recent activities have been focusing on the improvement of working conditions and especially in the RMG industry. The ILO country office in Bangladesh also encourages the tripartite dialogue in the country as the practical implementation of the ILO

²⁵ Addo, 134.

²⁶ Addo, 134.

²⁷ Addo, 135.

²⁸ Nicolas Bueno, “Corporate Liability for Violations of the Human Right to Just Conditions of Work in Extraterritorial Operations,” *The International Journal of Human Rights* 21, no. 5 (June 13, 2017): 566

²⁹ “Guide to International Labour Standards (2014),” 2, accessed May 11, 2018,

http://www.ilo.org/global/standards/information-resources-and-publications/publications/WCMS_246944/lang--en/index.htm.

standards is the key factor for the successful promotion of the worker's rights.³⁰ This thesis work is focused on the ILO standards and the "Improving Working Conditions" program of the ILO as it appears as one of the most prominent activities in promoting human rights in the region.

2.4. An overview of Human rights violations in RMG industry in Bangladesh.

People's republic of Bangladesh is continuously facing numerous amount of human rights abuses. According to different Human Rights organizations operating in the region and the United Nations Human Rights Committee (UNHRC), there is a large number of failed obligations of Bangladesh that are set in ratified conventions. With the recent events that are related to Rohingya refugees, the media has been focusing primarily on the refugee problem. However, ongoing severe challenges in the Ready Made Garment industry remained unresolved, and demand continued attention. The continuous human rights abuses have been ignored through a discourse of denial, i.e. the "state rejects accusations of human rights violations, attacking critics and only partial acknowledges of actions."³¹ In the communications with the Committee on Economic Social and Cultural Rights Bangladesh doesn't recognize most of all human rights concerns that have been expressed by the Committee.

There is a list of human rights violations that constantly persist within workers' rights in Bangladesh.

2.4.1 The right to just conditions of work

The right to work and favorable conditions of work is a well-established right enshrined in Article 23 of the Universal Declaration on Human Rights(UDHR).³² In the ICESCR clarifies the right to just conditions of work in Article 7. At the national level, the non-binding Association of Southeast Asian Nations Human Rights Declaration the right set forth in Article 27(1).³³ The Right to just and favorable conditions of work has seen some elaboration in the recent times. In 2016 the Committee on Economic, Social and Cultural Rights released the General Comment No. 23 on Article 7. In the Comment it has been stressed out that the protection of labour rights with its 50-years history since the adoption of the Convention has yet to be fully realized.

³⁰ "Decent Work in Bangladesh (ILO in Bangladesh)," accessed May 12, 2018, <http://www.ilo.org/dhaka/country/lang--en/index.htm>.

³¹ Siddiqui and Uddin, "Human Rights Disasters, Corporate Accountability and the State," 683.

³² "Universal Declaration of Human Rights" (UN General Assembly, 1948), accessed May 12, 2018, <http://www.refworld.org/docid/3ae6b3712c.html>.

³³ "ASEAN Human Rights Declaration" (Association of Southeast Asian Nations (ASEAN), 2012), accessed May 12, 2018, <http://www.refworld.org/docid/50c9fea82.html>.

The Rana Plaza tragedy is not the only accident that took place due to the lack of protection the right to just conditions of work, but because of the enormous amount of deaths, it has become a milestone on the path towards more protected workers' lives. However, before the Rana Plaza collapse the fires were constantly seen in the textile factories and dozens of dead, injured or left disabled for life. The tragedy has attracted a lot of attention to the workplace safety in Bangladesh and the needs for the improvements.³⁴

2.4.2 The Right to safe and healthy working conditions.

In the scope of the right to just conditions of work is the right to safe and healthy working conditions and it is presented in Article 7(b) of ICESCR.³⁵ The General Comment claims the state parties to include in national legislation all necessary policies that could regulate employer's actions as they are given the responsibility to avoid any dangerous accidents through mediating risks associated with "workplaces, working environment, work processes, tools, machinery and equipment".³⁶ The protection of right to safe and healthy working conditions is especially relevant in the case of garment industry as the majority of workers is women that are subjected to unfair treatment from employers, as in some cases they are not officially considered as workers and therefore could not relate to any protection or remedy mechanisms.

The International Labour Standards and its Convention 1981 Occupational Safety and Health Convention 1981(N155) also focuses on the workplace safety and emphasizes that authorities should implement monitoring instruments and prevent the work of unsafe companies and to provide appropriate remedy mechanisms for those that are affected.

In case of Rana Plaza workers had no choice but to come back to their unsafe factories, located on the upper floors of the building. It is not only that they had to come back by their own will, but they were forced to do that and here is the illegal use of the forced labour discussed below.

2.4.3 Forced labour

In accordance with ILO Standards and Convention No. 29 the forced labour is defined as "all work or service which is exacted from any person under the menace of any penalty and for

³⁴ Garrett Brown, "Bangladesh: Currently the Worst, but Possibly the Future's Best," *NEW SOLUTIONS: A Journal of Environmental and Occupational Health Policy* 24, no. 4 (February 1, 2015): 469

³⁵ "International Covenant on Economic, Social and Cultural Rights" (UN General Assembly), accessed May 20, 2018, <http://www.refworld.org/docid/3ae6b36c0.html>.

³⁶ UN Economic and Social Council, "General Comment No. 18: The Right to Work (Art. 6 of the Covenant)" (UN Committee on Economic, Social and Cultural Rights (CESCR), 2006), accessed May 20, 2018, <http://www.refworld.org/docid/4415453b4.html>.

which the said person has not offered her or himself voluntarily”.³⁷ The convention has been ratified by Bangladesh in 1972, however, the problems in relation to the forced labour could be revealed either before the Rana Plaza tragedy or after that. While the Labour Law Act of Bangladesh states that the working day should not exceed 8 hours, on practice there have always been practices of coercive and unpaid overtime.³⁸ In the story of Rana Plaza, workers were forced by their managers to come inside the damaged building against their will to continue the work. The consequence of the forced labour practices was the deadliest accident in the history of the RMG industry of Bangladesh.

Before the tragedy, the industry had seen many forms of exploitation that affect health and well-being of workers including the child labour and the forced labour.³⁹ And the tragic case of Rana Plaza has attracted the international attention to the working environment at factories not only in regard to the extremely harsh conditions on the infrastructure but to the coercive character of the labour practices that allows producing goods 24 hours a day, seven days a week. Human Rights Watch has reported that abusive factory conditions such as forced overtime, physical abuse, verbal abuse and sometimes of a sexual character have always been a common reality and that in some cases workers are treated like slaves.⁴⁰

2.4.4 Freedom of association

The provision of UDHR is claimed in Article 23 that everyone has the right to the freedom of association and the right to form and to join trade unions to protect his interests. In its turn, the ILO Standards also protects the freedom of association under Convention No. 87 emphasizing that such a right to establish and to join an organization could be given without previous authorization.⁴¹

The violation of the Right of freedom of association could not be seen that explicitly in the case of Rana Plaza building collapse. None of the suffered workers belonged to any labour associations or trade unions and that is one of the main reasons why they had to go back to the already cracked building, they did not have the collective voice to refuse from unsafe working practices. According to Human Rights Watch, the government of Bangladesh has constantly

³⁷ “Convention C029 - Forced Labour Convention, 1930 (No. 29),” accessed May 23, 2018, http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C029.

³⁸ “Bangladesh - Labour Act, 2006 (XLII of 2006).,” accessed May 23, 2018, http://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=76402.

³⁹ “Fashion’s Factory Stigma,” *WWD: Women’s Wear Daily* 204, no. 110 (November 27, 2012): 1.

⁴⁰ “HRW Publications - ‘Whoever Raises Their Head Suffers the Most,’” 21.

⁴¹ “Guide to International Labour Standards (2014),” 7.

been hindering the emergence of central trade union organizations of garment industry workers and has always been suppressed any strikes that have even resulted in persecution of activists, unfair arrests, and apparently fabricated criminal cases.⁴²

There is a large number of trade-unions in Bangladesh, but all of them are very small, with inadequate budgets, and not influential at all. As each of the unions has to seek for findings from different organizations and as leaders of unions have different backgrounds and different goals there is always a competition between trade unions and that don't lead to any substantial results on a national scale in promoting workers' support.⁴³

3. Theoretical framework

3.1 Corporate Social Responsibility & Carroll's pyramid.

By the middle of the 20th century, the primary responsibility of MNCs was to provide their shareholders with the adequate profit without any exceptions. And in the early sixties, the shift had been brought in approach to MNCs' behavior. For many years there have been lively debates on what kind of obligations should be included in the scope of CSR. For CSR to be accepted there was a need to have certain parameters that could include all aspects of business responsibilities that society expected from MNCs. In 1991 Archie B. Carroll suggested that there should be four categories of social responsibilities: economic, legal, ethical and philanthropic. However, the essence of CSR is to be seen in the ethical and philanthropic responsibilities. All of those four components of CSR are presented in the Carroll's CSR pyramid.

3.1.1 The notion of the Corporate Social Responsibility. Four components of CSR.

3.1.1.1 Economic

Milton Friedman in his article in The New York Time magazine in 1970 defines the social obligation of business is to increase its profits. "There is one and only one social responsibility of business-to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, to participate in open and free competition without deception or fraud'. A successful firm is considered to be the one that is consistently profitable with a high level of operating efficiency. According to Carroll, there is no possibility to pursue

⁴² Human Rights Watch, "Bangladesh: Stop Persecuting Unions, Garment Workers," Human Rights Watch, February 15, 2017, Accessed May 10, 2018, <https://www.hrw.org/news/2017/02/15/bangladesh-stop-persecuting-unions-garment-workers>.

⁴³ Sarah Mosoetsa and Michelle Williams, *Labour in the Global South : Challenges and Alternatives for Workers* (Geneva: ILO, 2012), 101

other responsibilities of business without profits, and that is why the economic responsibility predominates among the rest.

3.1.1.2 Legal

Besides the maximization of profits, companies are expected to comply with different laws and regulations and here the legal responsibility emerges. Business has to operate within the existing legislation both at the national and the international level, especially while operating overseas. The commitment to laws that bind companies coexists with the economic responsibility, as they are to be seen as fundamental principles of free enterprise system. For a company, it is important that its way of doing business meets all the minimal requirements from the government and law, which depicts the “codified ethics” of basic notions of fair operations.⁴⁴

Economic and legal responsibilities are at the core of business activities for decades, while in the thesis I am focusing on the ethical and philanthropic responsibilities that are described below.

3.1.1.3 Ethical

Ethical responsibilities may be seen as a driven force that generates new values and norms that society expects business to meet, while those expectations go far beyond the scope of legal obligations of a company. Carroll suggests that such ethical principles that society impose on companies are derived from ethical principles of moral philosophy, such as justice, rights and utilitarianism. The ethical responsibilities are interconnected with the legal ones in a way that the former has the positive impact on the latter to extend and broaden its boundaries, but also on companies to operate beyond their existing legal obligations.⁴⁵ In case of Bangladeshi RMG industry, one couldn't rely on the legal responsibilities as the existing laws are not sufficient enough to ensure human rights.

For a good MNC, it is necessary to understand that not only the legal frameworks but the form of a morally and ethically correct behavior should go with the accepted norms of the society where the end-product is being sold.⁴⁶ Some forms of corporate behavior are highly expected to be performed by MNCs as it perceived to be one of the key factors for a brand's and its products attractiveness. And the power of consumers should not be underestimated as their awareness of unethical business practices make the anti-consumption and boycott movements more and more

⁴⁴ Archie B. Carroll, “The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders,” *Business Horizons* 34, no. 4 (August 7, 1991): 41.

⁴⁵ Carroll, 41.

⁴⁶ Carroll, 41.

popular. Under the influence of such movements, people identify themselves as ethical consumers more rapidly, and a boycott of a firm might cause the decline in sales.⁴⁷

3.1.1.4 Philanthropic/discretionary

While economic and legal responsibilities are required, ethical responsibilities are considered to be expected, the philanthropic responsibilities those that are desired.⁴⁸ The philanthropic actions are more voluntary than other components of CSR, and they are also expected from the company by society. That is why they are considered as desired, in case a company doesn't correspond with philanthropic expectations, it is not to be seen as an unethical behavior. Carroll also emphasizes that it is less important for a company to use its resources for the improvement of the community's qualities of life than to carry out other responsibilities.⁴⁹

However, ethical and philanthropic responsibilities represent the new social contract between business and society, where companies direct more of their corporate actions towards the society's needs.⁵⁰ The philanthropic responsibilities could be defined as "a commitment to improve community well-being through discretionary business practices and contributions of corporate resources".⁵¹ It is important to note that the ethical consumption, "the conscious and deliberate choice to make certain consumption choices due personal and moral beliefs" becomes more and more popular among customers.⁵²

In the recent times, such discretionary actions are not only limited by monetary donations but different collaborations with various stakeholders and funding of CSR initiatives. In this thesis work, I examine such a substantial multi-stakeholder initiative for the RMG industry in Bangladesh as The Accord on Fire and Building Safety. It appears as a great example of how different companies have agreed to cooperate in the protection of labour rights.

3.1.2 Arguments for CSR and main critics

⁴⁷ Andrew (Lecturer in development geography) Brooks, *Clothing Poverty: The Hidden World of Fast Fashion and Second-Hand Clothes* (London, UK: Zed Books Ltd., 2015., 2015), 215.

⁴⁸ Archie B. Carroll and Kareem M. Shabana, "The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice," *International Journal of Management Reviews* 12, no. 1 (March 2010): p.90

⁴⁹ Carroll, "The Pyramid of Corporate Social Responsibility," p.42.

⁵⁰ Carroll and Shabana, "The Business Case for Corporate Social Responsibility," p.90.

⁵¹ author Francesco Perrini, "Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause Philip Kotler Nancy Lee," *Academy of Management Perspectives*, no. 2 (2006): 3.

⁵² A Crane and D Matten, *Business Ethics: A European Perspective, Managing Corporate Citizenship and Sustainability in the Age of Globalization* (Oxford University Press, Oxford, 2003), 401.

The main critics of the Corporate Social Responsibility of MNCs is focused on Friedman's assumption that the CSR approach is inconsistent with the main target of business to maximize profits and that companies should not be held responsible for any shortcomings in the society's life as they don't have enough capacity and expertise the government and the legislation has.⁵³ In 1973 K. Davis also suggests that business has enough power and to imbue it with more power might considerably weaken local institutions or governments that are to solve our social problems.⁵⁴ It is significant to note that the dimensions of the critical approach of the CSR has been developed decades ago, and some of them are widely discussed even in the 21st century.

3.1.2.1 Arguments for CSR

Kurucz *et al.* in 'the Business case for CSR' claim that a company "can do well by doing good", i.e. it could increase its financial performance not only by main business operations but also while helping to build better conditions for a society.⁵⁵ They also present four key positive aspects of the CSR principles incorporation.

First, the number of risks could be mitigated if a company pursues the equal employment opportunity and while being environmentally sustainable.⁵⁶ Establishing trusting relations with local communities also allows a company to *reduce costs* of its operations and to decrease the amount of regulations imposed on a firm. Business expresses its concern about relations with different stakeholders as their demands present potential threats to the viability of the company.⁵⁷ *Second*, the dedication to the CSR might become a *competitive advantage* of a firm in the market. A firm's unique social responsibility strategy may benefit in better relations either with employees or investors, leaving the competitors behind. This feature is strongly connected with the *Third* aspect of the incorporation of the CSR, that is of the strengthening of the *reputation and legitimacy*. The participation of a firm in the compliance system as a part of CSR and the disclosure of the information give a positive impact on the firm's image and that could attract not only investors but also customers.⁵⁸ By investing in CSR activities, the customers could see that a company not only cares about profits but also engaged increasingly in different stakeholder's

⁵³ Carroll and Shabana, "The Business Case for Corporate Social Responsibility," 88.

⁵⁴ Keith Davis, "The Case for and against Business Assumption of Social Responsibilities," *The Academy of Management Journal*, no. 2 (1973): p.320.

⁵⁵ Elizabeth C. Kurucz, Barry A. Colbert, and David Wheeler, "The Business Case for Corporate Social Responsibility," *The Oxford Handbook of Corporate Social Responsibility*, February 14, 2008, p.84,

⁵⁶ Carroll and Shabana, "The Business Case for Corporate Social Responsibility," 94.

⁵⁷ Kurucz, Colbert, and Wheeler, "The Business Case for Corporate Social Responsibility," 88.

⁵⁸ Carroll and Shabana, "The Business Case for Corporate Social Responsibility," 99.

and society's needs. With the disclosure of the information on social and environmental issues, an MNC could demonstrate that their operations correspond the societal norms and expectations, therefore they are legitimate.⁵⁹ The fourth key aspect of the CSR is that its implementation creates a *win-win situation* for the company and stakeholders in the short term and long term framework. Organization, environment, and society could benefit from mutual cooperation and socially responsible behavior of that organization, as building the trust relations leads to even earlier unseen opportunities.⁶⁰ As an example, the societal learning in long term contributes the better human resources for the company. In the win-win perspective the CSR becomes a tool that helps companies to pursue their own agendas and at the same time allows stakeholders to satisfy their demands.⁶¹

3.1.3 Compliance with CSR Standards

One of the most important tools for the incorporation of CSR principles in business practices is the compliance with its standards. Different CSR practices include the compliance procedures as it allows to monitor whether MNCs enabling ongoing ethical business approaches. Non-compliance with the adopted CSR standards might become one of the main reasons for the industrial disasters like the Rana Plaza collapse in Bangladesh.⁶²

Even though the compliance procedures are considered to be on of the main features of successful CSR, some researchers argue that if a company put too much efforts to comply with some standards, it may cause some unintended negative consequences.⁶³ When local companies are trying to fulfill some measurable standards, they might forget about some real problems that are not covered by some established compliance demands and in that case, people on the ground might still experience infringements of human rights the protection of those are not set forth on paper. For compliance procedures not to be harmful, but effective there should be negotiations with all actors involved at the stage of drafting. The transparency among those actors and commitments by MNCs and suppliers are also among essential requirements.⁶⁴

⁵⁹ Carroll and Shabana, 100.

⁶⁰ Kurucz, Colbert, and Wheeler, "The Business Case for Corporate Social Responsibility," p. 91.

⁶¹ Carroll and Shabana, "The Business Case for Corporate Social Responsibility," p. 100.

⁶² Barua and Ansary, "Workplace Safety in Bangladesh Ready-Made Garment Sector," 578.

⁶³ Noemi Sinkovics, Samia Ferdous Hoque, and Rudolf R. Sinkovics, "Rana Plaza Collapse Aftermath: Are CSR Compliance and Auditing Pressures Effective?," *Accounting, Auditing and Accountability Journal*. 2016; 617, Accessed May 3, 2018, <https://www.escholar.manchester.ac.uk/jrul/item/?pid=uk-ac-man-scw:298565>.

⁶⁴ Daisy Gardener, "Workers' Rights and Corporate Accountability – the Move towards Practical, Worker-Driven Change for Sportswear Workers in Indonesia," *Gender & Development* 20, no. 1 (March 1, 2012): 52,

3.2 Stakeholder theory

There are a few reasons why stakeholder theory is to be used in the examination of the CSR practices. Stakeholder approach tends to find ways to improve CSR principles on practice, and therefore to promote human rights in the RMG industry and in the developing countries in general. There are many diverse stakeholders involved in the garment industry in Bangladesh such as employees, government, communities in which an MNC operates, and due to the limited resources to meet the needs of all of these stakeholders, consequently, the stakeholder approach is considered to be the most relevant one.⁶⁵

According to R. Edward Freeman and his “Strategic Management: Stakeholder perspective” stakeholders are “groups who can affect or are affected by the achievement of an organization’s purpose”.⁶⁶ Since the 1980s, there has been some development in the stakeholder approach to the CSR, as different scholars have been trying to find justifications for the expansion of business operations that go beyond the financial aspect. In the revision of his earlier definition of the stakeholder theory, Freeman suggests that in the case of big numbers of domestic and international stakeholders it might be hard to define who is the legitimate stakeholder and who is not.⁶⁷ And while in the 1990s there was an assumption that some shareholders were not satisfied with extra spending on CSR issues, within last two decades it has been a significant growth of awareness among shareholders in relation to the importance of the conduction of the CSR operations.

3.2.1 Multi-stakeholder initiatives

Voluntary, multi-stakeholder initiatives (MSIs) that consist of actions of private and sometimes public actors that are “to address the governance gaps that exist when MNCs conduct operations in states that cannot or will not fulfill their obligations to protect the rights of their own

⁶⁵ Haque and Azmat, “Corporate Social Responsibility, Economic Globalization and Developing Countries A Case Study of the Ready Made Garments Industry in Bangladesh,” 168.

⁶⁶ R. Edward Freeman, *Strategic Management: A Stakeholder Perspective*, Englewood Cliffs, NJ (Prentice-Hall, 1984), 49.

⁶⁷ R. Edward Freeman, “The Stakeholder Approach Revisited,” *Zeitschrift Fuer Wirtschafts- Und Unternehmensethik* 5, no. 3 (November 2004): p. 236.

people”.⁶⁸ There is no clear understanding of what are the drivers for the MSIs as they usually emerge in the aftermath of some events, like the building collapse of Rana Plaza.

One of the key factors for the MSIs is the pressure to respond to public human rights allegations to the crisis in a specific industry. In that case, different stakeholders decide to create some binding rules and monitoring mechanisms for MNCs. It is important to notice that the advantage of such binding rules is that it could be implemented before some new specific laws emerge in the country. Industry-specific MSIs provide some benchmarks for the members of the initiative to show the appropriate directions of business practices and resolving human rights’ violation issues. Usually, initiatives also imply the reporting based system of compliance, so the performance of MNCs could be tracked and estimated.⁶⁹ In Bangladesh, the Accord agreement appears as an example of such initiatives in relation to the governance gap in the workplace safety.

The main critiques in regard to the MSIs are focused on its structure and organization. The voluntary aspect is criticized for the lack of long-term perspectives as there is no enforcement mechanism for either adoption of an initiative’s provision no to the compliance mechanism. Other critics are not satisfied with the lack of ‘voice’ of the affected communities, and they claim MSIs to be quite narrow as it only serves corporations’ interests. For instance, in some initiatives, the opinion of the representatives from the trade unions have not been taken into account. And the third group of the critics is addressed to the shifting of the governance from a state to an MNC operation in a particular region. They claim that corporations tend to privatize and shape a government function.⁷⁰

3.2.2 Critiques of the stakeholder theory

Despite the frequent application of the stakeholder theory, it has been subjected to criticism by Fleming and Jones. They argue for the “critical stakeholder analysis as from their point of view the power relations between different stakeholders are not described with the scope of the

⁶⁸ Dorothee Baumann-Pauly and Justine Nolan, *Business and Human Rights. [electronic Resource] : From Principles to Practice* (: Taylor and Francis, 2016., 2016), 108.

⁶⁹ Baumann-Pauly and Nolan, 112.

⁷⁰ Baumann-Pauly and Nolan, 123.

theory.⁷¹ From their point of view, the theory only implies that corporations should negotiate with different stakeholders, but in fact, in the era of globalization, the interests of more vulnerable stakeholders are not adequately counted.

The CSR concept has been also criticized for its unclear definition, the lack of direct guidelines on how companies should act with regard to workers' rights. Apart from that, for H.v Oosterhout and P. Heugens, the financial aspect of the commitment to the CSR approach has also been questioned as it doesn't seem to be that obvious that the concern of MNCs would lead to the increased profits.⁷²

3.3 Globalization

Bangladesh has been in a vulnerable position for decades. And even after the independence in 1971, there is no clear understanding on the possibilities for country's development. The reason is that the country has always been depended on one type of production: textile, jute and later the garments, and either under the British empire or by the end of the 20th century there was no space for the development. The internal chaos and the lack of stability in the region make it more attractive for external actors and the continuous problems raise the question about the limits and possibilities for the globalization.⁷³

Globalization is an economic process that also causes some political and social consequences. The main concern of the globalization in the developing countries is that for them such a process could not be seen as indigenous due to their history and other circumstances. F. Azmat and M. Haque argue that for developing countries and for Bangladesh, in particular it is hard to enter the economic globalization.⁷⁴

3.3.1 Dependency theoretical perspective

In the 20th century due to the economic growth, many researchers are trying to find the roots of the disparity between Western advanced industrialized countries and poor countries in the global South. The dependency theory develops in the 1950s in the United Nations Economic

⁷¹ Peter Fleming and Marc V. Jones, *The End of Corporate Social Responsibility: Crisis and Critique* (London, UNITED KINGDOM: SAGE Publications, 2012)

⁷² J. (Hans) van Oosterhout and Pursey P. M. A. R. Heugens, "Much Ado about Nothing," *The Oxford Handbook of Corporate Social Responsibility*, February 14, 2008

⁷³ Rahman, *Broken Promises of Globalization*, 2.

⁷⁴ Haque and Azmat, "Corporate Social Responsibility, Economic Globalization and Developing Countries A Case Study of the Ready Made Garments Industry in Bangladesh," 169.

Commission for Latin America. There is no unified definition for the dependency theory, and there have been debates in the 20th century between different groups of researchers on the dependency. The key articulators of the dependency theory are Argentine economist Raul Prebisch and German-American economic-historian sociologist Andre Gunder Frank. Prebisch articulates that the flourishing of rich countries is not always on par with the slow pace of the development of poor countries, while Frank presents a more critical way of thinking and insists on the bad impact of capitalism regarding the developing countries.

3.3.1.1 Dependency & import-substitution programs

R. Prebisch concerns about the fact that the development in western countries doesn't necessarily lead to the growth in poorest countries. He emphasizes that the economic development of rich countries often become the main obstacle for the poorest ones. Prebisch explanation could be found in the system that rich countries have been built with the periphery. A poor country's growth has become fully depended only on the producing raw materials for rich countries and already made products become available only through import. And as the price for the product would be always more expensive than of the raw material, there is no space left for the growth of a poor country.⁷⁵ According to Prebisch the solution for the poverty alleviation lies on the path of import-substitution programs and therefore declining reliance on the rich countries. Such an approach has not been seen as feasible due to the limited opportunities of internal markets or because of the fact that poor countries' political will to change has not been followed up on the ground.⁷⁶

3.3.1.2 Dependency & Contemporary underdevelopment

For subsequent theorists like A.G. Frank the roots for the underdevelopment of poor countries is the capitalist system in general. Frank argues that the capitalist division of labour has become the main obstacle for the development of the global South. "The contemporary underdevelopment is in large part the historical product of past and continuing economic and other relations between the satellite underdeveloped and the now developed metropolitan countries".⁷⁷ With the capitalist division of 'duties' dependent states provides cheap labour and cheap minerals or materials and

⁷⁵ "Dependency Theory: An Introduction," Vincent Ferraro, Mount Holyoke College, July 1966," accessed May 12, 2018, <https://www.mtholyoke.edu/acad/intrel/depend.htm>.

⁷⁶ Giorgio Secondi, "Vincent Ferraro, 'Dependency Theory: An Introduction,'" *The Development Economics Reader*, 2008, 59.

⁷⁷ Andre Gunder Frank, "The Development of Underdevelopment," in James D. Cockcroft, Andre Gunder Frank, and Dale Johnson, Eds., *Dependence and Underdevelopment*. Garden City, New York: Anchor Books, 1972, P. 3., n.d.

in response they get all money, goods and services from the dominant ones, but they only serve the interests of the latter. According to A.G. Frank, such a division of labour is the main explanation of the dependency and therefore underdevelopment.⁷⁸

One of the main implications of the dependency theory is that poor countries are experiencing underdevelopment because of the coercive integration into the European economic system. Global socio-economic division of states that is determined by dominant ones leaves poor countries in a position when they primarily become suppliers of cheap labour and materials.⁷⁹ A.G. Frank also makes an important distinction between undeveloped and underdeveloped countries: he argues that now developed states were undeveloped in the past, but they did not have any external restraints for the development. However, underdeveloped states in the 20th century are in the position of interdependence with Western states, and that might be one of the main obstacles on the path to the development of those countries.⁸⁰ The discussion on the roots of the vulnerability of Bangladesh fits the theory as the country has always been under the rule of another state and its human and natural resources have been exploited either in favor of the dominant state or later in the context of the neoliberal doctrine.⁸¹

3.3.1.3 Critics of Dependency

The Dependency theory has been subjected to criticism by different scholars for its overly simplistic manner. The proponents of free-market economics do not agree with dependency theorists as they heap all the blame of underdeveloped states' failure on external factors.⁸² They see countries of the Third World just as small parts of the international system, that do not have any equal opportunities to autonomous development and they should not be held accountable for their decisions. All the burden of responsibilities should be placed on dominant states.⁸³

Traditional Marxists also criticize the dependency theory for the shifting of the source of all problems from the class struggle to the national or regional level.⁸⁴ Also, Marxists claim that the source of the underdevelopment not into the international trade, as it's proposed by the

⁷⁸ Secondi, "Vincent Ferraro, 'Dependency Theory: An Introduction,'" 60.

⁷⁹ Secondi, 61.

⁸⁰ Motolani Agbebi and Petri Virtanen, "Dependency Theory – A Conceptual Lens to Understand China's Presence in Africa?," *Forum for Development Studies* 44, no. 3 (September 2, 2017): 432

⁸¹ Rahman, *Broken Promises of Globalization*, 4.

⁸² Y. Namkoong, "Dependency Theory: Concepts, Classifications, and Criticisms," *International Area Studies Review* 2, no. 1 (01 1999): 142

⁸³ Tony Smith, "The Underdevelopment of Development Literature: The Case of Dependency Theory," *World Politics* 31, no. 2 (1979): 252.

⁸⁴ Namkoong, "Dependency Theory," 144.

Dependency theory, but in capitalism in general. As for the international trade- it might lead to the extension of the underdevelopment in the Third World, but it doesn't create it as the capitalism does.⁸⁵

Despite various criticism, it is important to acknowledge that the dependency theory gives a rise to concerns about the interrelations between countries in global North and South. With the use of the dependency theory for the solution of problems of South Asian countries and Bangladesh in particular, it could become more plausible to understand the development needs of the global South. As the integration process of South countries in the international system that benefits the North could start only with the identifying of those needs.⁸⁶

3.4 Neoliberalism

A contemporary understanding of such a complex term as Neoliberalism emerged in the 1980s in the aftermath of failure of the Keynesian ideology. The proponents of the Keynesian view were asserting that the level of economic activity had to be determined by the *aggregate demand* established by the government, *i.e.* state's policies were defining agenda on the activities of different industries through public procurement and investments.⁸⁷ According to T. Palley, the elections of Mrs. Thatcher in 1979 and Ronald Reagan in 1980 could be seen as the formal beginning of the dominance of the neoliberalism philosophy in both developed and developing countries and the preponderance of private sector over the public one.⁸⁸

The rise of different approaches to neoliberalism could be seen in different countries and on different continents. Among most influential economic schools and views on neoliberalism as German, Austrian, French and American our focus is on the definition associated with the latter one, elaborated in Chicago School of Economics. As the main features of neoliberalism from an American angle, they mainly emphasize "the efficiency of market competition, the role of individuals in determining economic outcomes, and distortions associated with government intervention and regulation of markets".⁸⁹

⁸⁵ Agbebi and Virtanen, "Dependency Theory – A Conceptual Lens to Understand China's Presence in Africa?," 435.

⁸⁶ Agbebi and Virtanen, 435.

⁸⁷ Thomas I. Palley, "From Keynesianism to Neoliberalism: Shifting Paradigms in Economics.," in *Neoliberalism: A Critical Reader*, ed. Alfredo Saad-Filho and Deborah Johnston (London: Pluto, 2005), 20.

⁸⁸ Palley, 24.

⁸⁹ Palley, 20.

The term *neoliberalism* could be understood through two theories: the theory of income distribution and the theory of employment determination. According to the former, the labour *gets paid what it worth*. i.e. the salaries are agreed upon the positions' scarcity and productivity.⁹⁰ And that approach could explain the incredibly low average wages of workers in the developing countries and in South Asia in particular.

As for the theory of employment determination, it implies that in case of completely free markets, none of the factors of production go to waste as the prices would be automatically adjusted to guarantee the sustained growth in demand for goods and products. In the context of neoliberalism, the employment determination theory entails that the existence of trade unions or any labour regulations are absolutely unnecessary as it would lead to the restraints of markets' expansions and to the loss of profits.⁹¹ The markets could automatically adjust to full employments and such a principle is the basis for the Chicago School Monetarism.

3.4.1 Neo-liberalism of the 1980s in South Asia

In the 1980s MNCs had seen an extensive redirection of their production and movement of labour intensive operations to the South Asian region. When the model of protectionist policies in developing countries such Bangladesh had been demolished there was a shift to neoliberalism ideology. Structural changes and institutional reform had been replaced by structural adjustments to comply with demands of the dominant states.⁹²

Many South Asian Countries 'opened their borders' for foreign companies' integration and Bangladesh as well. However, the development of neo-liberalization throughout the world had three main implications. First, "unlimited liberalization of access to commodity and financial markets" – MNCs entering the developing countries put a lot of pressure in order to liberalize the regulation of capital flow.⁹³ Second, "integration of all human needs into profit-making process" and third, *full deregulation of labour*, as after the ever increasing expansion of MNCs local

⁹⁰ Palley, 20.

⁹¹ Palley, 21.

⁹² Muhammad Anu, "Bangladesh--A Model of Neoliberalism," *Monthly Review: An Independent Socialist Magazine* 66, no. 10 (March 2015): 37.

⁹³ Dae-Oup Chang, "Neoliberal Restructuring of Capital Relations in East and South-East Asia," in *Neoliberalism: A Critical Reader*, ed. Alfredo Saad Filho and Deborah Johnston (London: Pluto Press, 2005), 251

governments for the reasons of economic growth, have reduced significantly barriers and trade regulations and conducted structural and institutional reforms.⁹⁴

The deregulation process has resulted in turning every activity into something for profit, very public space has become available for corporate interests. Mostly all public enterprises have been closed or replaced by shopping malls or export processing zones. The feminization of the labour class is another noticeable aftermath of the deregulation processes that has been caused by neoliberalism.⁹⁵ As a consequence of such deregulations, in the present period of time Bangladesh finds itself increasingly embroiled in the cycle of the new dependency.

For the discussion on the Rana Plaza collapse, it is also important to mention that among the consequences of the new ‘deregulations’ is the privatization of the energy sector that has also emerged through the country. The energy resources and power has been privatized and it has become quite costly for the population. And in spite of the increased prices, there has not been much attention to the essential safety features.⁹⁶

4. Reports and data background

Speaking about the responsibilities of MNCs I tend to assess the CSR initiatives in the Ready Made Garment Industry. I address to the Accord annual report 2016 that would show the actions and improvements in relation to workers’ rights in the region. As the Accord agreement appears as the most quintessential initiative in the aftermaths of the Rana Plaza tragedy, it is considered to be the most relevant material for the evaluation of cooperation of different MNCs to promote Human Rights in Bangladesh.

Another important multi-stakeholder initiative that I examine in this paper has been implemented by ILO. The government, employers and other stakeholders have been working under the “Improving Working Conditions in the Ready-Made Garment Sector” Programme to achieve sustainable improvements of worker’s rights.

On contrast, I also address to the reports of the Worker’s Voice NGO and additionally to *Human Rights Watch annual reports* to observe the situation in the region in relation to the working conditions and human rights abuses.

⁹⁴ Chang, 252.

⁹⁵ Anu, “Bangladesh--A Model of Neoliberalism,” 38.

⁹⁶ Anu, 39.

In the research, I haven't intentionally examined the national legislation of Bangladesh as the UN Human Rights Committee⁹⁷ and Human Rights Watch claim that the government doesn't give priority to the protection of workers rights and not willing to change the legislation in favor of workers for decades. An example of that is the meaningless amendment of the Labour Act 2015 that doesn't provide access for workers to fully pursue the right to freedom of association and lacking some other important mechanisms for the protection of labour rights.

4.1 Information about data

a) The Accord on Fire and Building Safety is a legally binding agreement that includes the annual independent inspection programs. Such programs are conducted with the participation of representatives both from corporations and trade unions. The funding of the Accord activities are gathered from every company that has signed the agreement. The donations are calculated in accordance with the scope of a company's participation in the industry and could be up to 500.000\$ per year annually. There are more than 1600 factories that have been constantly inspected for compliance with workplace safety standards through years.⁹⁸ An important feature of the Accord report is that the organization has been conducted the observations every year since the Rana Plaza collapse and that gives an opportunity to assess the trends and development of the industry towards the protection of workers' interests.

b) In the aftermath of the Rana Plaza tragedy, the ILO has presented several initiatives to improve workplace safety and to provide better future conditions of work in the RMG industry. The key programme achievements could contribute the research on the need and importance of multi-stakeholder initiatives.

c) Since 2013 policy developments in Bangladesh have been observed in the "*worker's voice report*".⁹⁹ Awaj foundation, a local NGO with its main aim to support workers' rights, and the Consulting Service International (CSI) a very well known company that has been consulting different garment companies in relation to the implementation of CSR policies in their supply chains both work at the annual "worker's voice report". Every year after the Rana Plaza

⁹⁷ UN Human Rights Committee (HRC), "List of Issues in Relation to the Initial Report of Bangladesh," 2016, accessed May 14, 2018 <http://www.refworld.org/docid/588f191363.html>;

⁹⁸ "Inspections," *The Bangladesh Accord* (blog), accessed May 14, 2018, <http://bangladeshaccord.org/inspections/>.

⁹⁹ Nazma Akter and Karl Borgschulze, "Worker's Voice Report 2016" (AWAJ FOUNDATION, 2016), accessed April 20, 2018, http://www.consultingservice.hk/122016_Workers-Voice.pdf.

Collapse, these organizations have been assembling information in relation to the worker's rights and structural changes in the country. The 2016 'Worker's voice report' is based on interviews with over a thousand workers in the garment industry through face to face meetings at the Awaj Foundation.

d) *Human Rights Watch annual reports* appear as a reliable source of observations of constantly occurring human rights abuses in Bangladesh and labour rights in particular. For Human Rights Watch a research is becoming a foundation for the work of the organization as they assemble data on the ground, conduct interviews with those who are either abused or have witnessed abuses as well as initiate talks with local authorities, journalists and country experts.¹⁰⁰ For the indication of the persisting human rights issues I also apply to the communications of the Committee on Economic, Social, Cultural rights.

4.2 Results from the reports:

4.2.1 Workplace safety in RMG factories and different socially responsible initiatives

In the aftermath of the Rana Plaza, there have been introduced different initiatives to ensure the workplace safety. Both the ILO Programme and the Accord direct their efforts to improve the working conditions in different aspects. 'Safety committee and safety training program' has been conducted in over thousand factories in 2016 especially at factories where there are no trade unions. It is comprised workshops and seminars and aimed to raise knowledge on industrial safety among both workers and employers, review complaints and conduct inspections.¹⁰¹ By 2016 there have been almost 200 committees that arrange safety programs in factories around the country, contributing the main goal of the Accord to put all possible efforts for the better workplace safety.¹⁰²

In its turn, the ILO and its "Improving Working Conditions' program has also focused on the workplace safety. Through its report on conducted activities, it's observed that the starting point for training programs was the lack of a culture of Occupational Safety and Health (OSH) so there have been done massive work to enhance different actors to improve the safety of the workplace.

¹⁰⁰ Human Rights Watch, "About Our Research," Human Rights Watch, April 21, 2015, Accessed May 10, 2018 <https://www.hrw.org/about-our-research>.

¹⁰¹ Accord, "Annual Report 2016," 2016, 16, Accessed May 10, 2018, <http://bangladeshaccord.org>.

¹⁰² Accord, 22.

Apart from that ILO has reported that the program has supported more than 200 OSH committees and that almost one million workers have been trained on the principles of OSH.¹⁰³ The improvements in the workplace conditions and some results of the successful realization of different CSR practices and multi-stakeholder initiatives could also be observed in the Worker's voice report'. In the surveys of 2016 only 30% of workers faced the accidents at work and almost 60% reported to get assistance from managers in case of fire or etc.¹⁰⁴ While back in 2013 when asked what they dislike most about their factories most popular answers were the bad behavior of management and supervisors and on the question of desirable changes one of the most popular answers was to ensure good factory environment.¹⁰⁵

4.2.2 Overall Workers' Rights Situation

The quintessential Accord has been initiated in the aftermath of the building collapse, and that is why it has been primarily focused on the workplace safety while other labour rights don't fall under the umbrella of the agreement. Consequently, according to the recent list of the issues of concerns of the UN Human Rights Committee range of human rights abuses associated with labour rights still take place in the RMG industry at the present moment.¹⁰⁶ In the concluding observations on the initial report of Bangladesh that has been released on the 18th of April the committee has raised a number of concerns in relation to the workers' rights and to the right to just and favorable conditions of work in particular.

The Worker Voice report also stresses out that lots of initiatives emerged after Rana Plaza collapse has been primarily focused on the workplace safety and that is not enough for the change in the overall situation with labour rights in the industry.¹⁰⁷

Human Rights Watch has always been closely monitoring the labour rights issues in Bangladesh. From their Annual Reports, it becomes evident, that some of the workers' rights abuses remain the same even after administrative changes in legislation. The poor working conditions have always been an issue in RMG industry in Bangladesh. Human Rights Watch draws attention to

¹⁰³ "Towards Safer Working Conditions in the Bangladesh Ready-Made Garment Sector" (ILO, 2017), 4, Accessed May 10, 2018, http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-dhaka/documents/publication/wcms_614088.pdf.

¹⁰⁴ Akter and Borgschulze, "Worker's Voice Report 2016."

¹⁰⁵ Akter and Borgschulze.

¹⁰⁶ UN Human Rights Committee (HRC), "List of Issues in Relation to the Initial Report of Bangladesh."

¹⁰⁷ Akter and Borgschulze, "Worker's Voice Report 2016," 62.

the fact that despite of several disasters such a Rana Plaza collapse the government still avoid obligations that are outlined in international treaties and ILO standards.¹⁰⁸

5. Analysis

The aim of this bachelor's thesis is to analyze the responsibility of Multinational Corporations in Bangladeshi ready-made garment industry to promote human rights through the Corporate Social Responsibility practices on the case study of the Rana Plaza factory collapse, as well as to analyze the state's failure to respect its obligation towards human rights.

In order to carry out the work two research questions have been formulated:

1– What is the role of the state in promoting workers' rights and should the state be held accountable for workers' rights violations in the context of globalization and neoliberalism?

2– How do Multinational Corporations perform the responsibilities to promote workers' rights in the ready-made garment industry in Bangladesh in the aftermath of the Rana Plaza factory collapse? And what are motivating factors that stand behind their compliance to do that?

5.1.1 State's impossibility to act in the context of globalization

In the debates where the priority to promote human rights is given to the states, proponents are arguing that coercive national laws and the domestic implementation of the corporate responsibility are needed. "Major legal hurdle is the universal lack of domestic laws establishing the liability of parent and subcontracting companies for the harm suffered by employees from which they benefit abroad".¹⁰⁹ From a bit different angle J. Nolan admits that states' responsibility approach is outdated, however, she stresses out that to build a business culture that would respect human rights' values it is necessary to have sufficient labour laws in a country.¹¹⁰ Therefore, from the theoretical perspective, Bangladesh should not be ultimately held responsible for the human rights violations in the country, but to build a sufficient legal system that would incorporate human rights values. The compliance with international labour and human rights standards and the will of the state to do so appears as one of the key factors of successful promotion of human rights.

¹⁰⁸ Human Rights Watch |, "World Report 2018: Rights Trends in Bangladesh," Human Rights Watch, December 14, 2017, Accessed May 10, 2018, <https://www.hrw.org/world-report/2018/country-chapters/bangladesh>.

¹⁰⁹ Bueno, "Corporate Liability for Violations of the Human Right to Just Conditions of Work in Extraterritorial Operations," 575.

¹¹⁰ Baumann-Pauly and Nolan, *Business and Human Rights*. [electronic Resource], 69.

Speaking about the responsibilities of states to respect, protect, fulfill human rights and labour rights in RMG industry in particular, through our observations of the communication between the UN organization and the state, and through annual reports of Human Rights Watch discussed in section 4.2.1, I could conclude that in case of Bangladesh the state has failed to comply with these obligations as the continuous problems with regard to massive violations of workers' rights had led to the Rana Plaza tragedy. The government has chosen to behave in accordance with the Cohen's notion of denial and to avoid responsibilities and also to reject accusations.¹¹¹ In case of Bangladesh, due to the high level of corruption, the government supports business that causes disasters and not willing to prioritize workers' issues.¹¹² However, such a situation has its historical explanation, and the failure of state's responsibility to meet its obligations is derived from the historical context.

5.1.2 Failed responsibility of the state to promote Human Rights

The roots of the state's failure to promote human rights could be seen in the context of the globalization and the history of Bangladesh. The country has always been in the disadvantaged position. Under the British Empire Rule, the government did not carry any significant political or economic decision-making. The country had always been hindered from either industrialization or the economic growth by the dominant states. Also, they had been deprived of the right to dispose of its resources either under the rule of Britain or West Bangladesh. In the post-independence period that I discuss in section 2.1.2, the government had to deal with the consequences of the nine-month war with West Bangladesh. The economy of the country was devastated, and there were no resources or any external assistance. As it has been mentioned, the country appeared to be one of the poorest countries in the world.

Through the lenses of the dependency theory and the history of Bangladesh, we could conclude that for the country it was hard to adjust to the new economic processes and it was challenging to pursue the integration to the economic globalization.¹¹³

¹¹¹ Siddiqui and Uddin, "Human Rights Disasters, Corporate Accountability and the State," 684.

¹¹² Siddiqui and Uddin, 697.

¹¹³ Haque and Azmat, "Corporate Social Responsibility, Economic Globalization and Developing Countries A Case Study of the Ready Made Garments Industry in Bangladesh," 170.

At the current moment when it comes to the question of the promotion of human rights we should not account on the government's responsible behavior, but also we should not only blame the government that it doesn't have a will to change, but rather the position of the state in the context of socio-economic vulnerability and the neoliberal dependency.

Since the beginning of the 1980s the neoliberal philosophy began to prevail in both developed and developing countries. In the periphery, the private sector's agenda with the entries of foreign affiliates had emerged as the superior one over the public. Starting from that time It was not only the state that was able to determine the economic agenda, but mostly the power of trade and therefore MNCs. As the efficiency of market competition is primarily described as the main feature of the neoliberalism that time, Bangladesh had been left with no choice but to accept the new realities.

As it has been mentioned in the discussion on the history in section 2.1, the country had been primarily focused on the industrialization. The government supposed that the adjustments to the international markets' demands could reduce poverty in the country. That is why all the efforts were focused on the development of appropriate economic policies to increase the attractiveness of the country for the international companies. While reducing constraints for the operation of the business in the region, and with the continuous development of new economically competitive policies, the state did not focus on human rights at all. In the situation of the internal chaos and the lack of stability, the state did not even assume that it had some obligations towards its citizens.¹¹⁴ Bangladesh appeared as a weak post-colonial state in which the neoliberal philosophy caused deregulations of different systems in the country, either in the labour sphere or in the governmental institutions in general. In regard to interrelations with more powerful MNCs with their further demands to meet production requirements, Bangladesh had no choice but to remain in the subordinate position.

As the country has always seen the opportunities to growth only in the cooperation with international companies, the government has never placed the human rights issues high priority. Therefore, at the current moment of time, we should put only part of the blame for the failure of the compliance with international human rights standards on the Bangladeshi government with regard to the incorporation of the human rights principles in their national legislation.¹¹⁵

¹¹⁴ Rahman, *Broken Promises of Globalization*, 2.

¹¹⁵ Rahman, 251.

5.2 CSR and responsibilities of MNCs

5.2.1 Expected behavior

Multinational corporations while outsourcing their productions to the global South and to Bangladesh, in particular, has not always been accountable for their extraterritorial operations. While back in the 1970s the main responsibility of business was to maximize profits the issue of workers rights did not seem to be that valuable. An agenda for developments of the promotion and protection of workers' rights became an important part of the core of business practices by the end of the 20th century.

The reason for that was a reconciling of MNCs economic and a social orientation due to the emergence of the precise definition of CSR in the 1990s. The four-part concept of the CSR, which has been discussed in section 3.1, includes the whole range of responsibilities business has to society: not only economic and legal as it was before, but also ethical and philanthropic.¹¹⁶ The latter two responsibilities are at the more advanced level of the CSR Carroll's pyramid and are not obligatory, but either highly expected or even desired by the society in the country of origin of a certain MNC.¹¹⁷

The attitude of MNCs to the CSR has changed significantly because of those clear identifications of ethical and philanthropic responsibilities. The society's expectation is one of the key factors of the widespread implementation of CSR principles. That is why MNCs in the RMG industry such as H&M¹¹⁸ or Adidas¹¹⁹ direct a lot of resources towards sustainability programs and to the satisfaction of the consumers' expectations, associated with the ethical labour practices that have been discussed in section 3.1.1. It is important to note that a lot of MNCs in the RMG industry are implementing the CSR principles not only due to their good will, but also because of the risk of being boycotted by the consumers and the threat of the decline in profits.¹²⁰

¹¹⁶ Carroll, "The Pyramid of Corporate Social Responsibility," 40.

¹¹⁷ Carroll and Shabana, "The Business Case for Corporate Social Responsibility," 102.

¹¹⁸ H&M Group, "Sustainability," accessed May 21, 2018, <http://about.hm.com/en/sustainability.html>.

¹¹⁹ Adidas Group, "Sustainability History," accessed May 21, 2018, <http://www.adidas-group.com/en/sustainability/managing-sustainability/sustainability-history/>.

¹²⁰ Brooks, *Clothing Poverty*, 216.

5.2.2 The CSR on practice

In the 21st century in the West, the practices of CSR appear as a conceptual framework that MNCs are incorporated in their business activities. While in Bangladesh the commitment to the CSR principles has only been put in place, there has been done a lot of work for the widespread integration of them. MNCs' business practices in Bangladesh, to date, have seen various initiatives to support the enhancement of workers' rights that have been launched as a response to the Rana Plaza disaster. Individually or in cooperation with one another through different agreements such as the Accord and ILO 'Improving Working Conditions in the Ready-Made Garment Sector' programme have achieved some improvements in the protection of the workplace safety.

The CSR effectiveness of MNCs operating in the region could be assessed through the examination of different CSR practices with the use of its compliance procedures and compiled reports. *According* to the annual reports of the Accord that has been presented in section 4.1, the safety committee with its safety training programs have been in over than thousands factories in the country, providing better understanding of the rights of workers, giving lectures to the managers on the workplace safety as well as there has been conducted lots of work in relation to the complaints system. As a result, through the report "Workers rights' voice" we could observe that with the advent of such a program more employees in the RMG sector have experienced the better working environment in relation to the workplace safety and the interrelations with managers.

The actions of MNCs in Bangladesh in the aftermath of the Rana Plaza factory collapse appears as a remarkable example of the promotion of labour rights on practice and the role of CSR in that respect. There are numerous challenges such as corrupted government and a limited amount of resources, but also the unwillingness of the state to implement CSR principles in their legislation.¹²¹ Nevertheless, the multi-stakeholder initiative Accord on Fire and Building Safety in Bangladesh has resulted in the improvements of the workplace safety of employees. As it has been discussed, the Accord agreement is a five-year initiative and the date of expiry is in 2018. Currently many MNCs - participants of the agreement, have decided to prolong their participation in the Accord and have already signed the new Accord that would continue to promote better workplace safety standards further.

¹²¹ Brown, "Bangladesh," 471.

In case of the protection of workers rights in the RMG industry, MNCs, and the ILO, have been primarily focused on the workplace safety. The reason for that is that the basis for the launching of the agreement were the consequences of the Rana Plaza collapse. The tragedy has raised MNCs' and public awareness to the state's failure to comply with different international obligations as with the ICESCR convention and the UNGP. *As a result, the responsibilities to promote human rights of workers' in the RMG industry in Bangladesh has been addressed to the MNCs instead of the state.* And as the influence of MNCs has started to grow significantly, the demand for change in the existing corporate behavior towards greater respect for workers' rights is constantly increasing.

6. Conclusions

The Rana Plaza factory collapse in Bangladesh appears as a remarkable example of non-compliance with different international labour standards and regulations. Furthermore, the tragedy has shed light on various inhuman labour practices and human rights violations in the Ready Made Garment industry.

Speaking about the responsibilities to ensure human rights, it turns out that the state is not in a position to meet all the obligations set forth in the international conventions due to its vulnerable history and the dependent position in the era of globalization. We should not fully blame the state for the failure of their obligations, however, the legal basis for the operations of MNCs in the region in respect to international human rights standards have to be developed by state parties.

As Bangladesh has failed to promote human rights of workers due to the deregulations caused by the globalization, within the last two decades, the burden of responsibility to do that has been primarily addressed to MNCs operating in the region and to their CSR policies. MNCs have taken charge of the promotion of human rights because of the state's failure to do that.

The demand for doing so also comes from the consumers of the end-products in the global West. The awareness of consumers of unethical business practices poses a threat of boycotts and the significant decline in sales. Through the implementation of different CSR policies, MNCs have shown some improvements regarding workers' rights in order to meet the consumers' expectations.

It could be observed that in the case of the Rana Plaza the mutual cooperation between companies and other stakeholders and the Accord agreement, in particular, has led to improvements of the situation with labour rights in the region. According to different international bodies such as the UN and the Human Rights Watch, problems other than those that have been addressed by MNCs still remain in the industry.

In the circumstances when the state doesn't reach progress in relation to the promotion of human rights either in the post-dependency period or after the Rana Plaza tragedy, the MNCs' CSR activities and even mutual cooperation between different stakeholders seem to be the main opportunity for the promotion of human rights in the RMG industry in Bangladesh. However, that could be done only through the interdependent responsibility both of the state with the provision of the legal basis for the ethical business operations and the MNCs with their CSR policies.

7.Future Research

There is still a lot to be done in the business/human rights nexus and the topic of responsibilities in particular. The lacking areas of the CSR concept have to be investigated as it would give more

evidence on the need of the implementation of CSR principles in the RMG industry and therefore more extensive protection of the rights of workers and not only the workplace safety. And here is the call for further research on the interrelations between government, political leaders, factory owners and international partners.¹²²

The examination of different kinds of suppliers could also contribute to the more effective implementation of CSR principles. On the issue of compliance, it is also recommended to conduct some research on the suppliers in the developing countries with poor or very limited resources, as some of them are not capable of implement already existing principles due to the high costs and other obstacles. The study could be beneficial for the development of more adequate standards that would be more plausible for a wider range of companies.¹²³

There has also been suggested that different dimensions of the just environment of workers could be examined in the ready-made garments factories in different regions as it would benefit the elaboration on more adequate compliance practices.

As the majority of employees in the RMG industry are women, the research on the roots of the harsh position of workers could have another perspective, through feminist theories that would contribute better research on the labour market's situation in the region and the difficulties in relation to workers' rights.

¹²² Haque and Azmat, "Corporate Social Responsibility, Economic Globalization and Developing Countries A Case Study of the Ready Made Garments Industry in Bangladesh," 182.

¹²³ Siddiqui and Uddin, "Human Rights Disasters, Corporate Accountability and the State."698

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