



Collapse at Rana Plaza

In 2013, a garment factory in Dhaka, Bangladesh collapsed, killing more than 1,100 workers and injuring many more. This was the deadliest disaster in the history of the clothing manufacturing industry. The Rana Plaza building was known to have been built with substandard materials under faulty conditions, yet the factory remained very active up until the deadly collapse.

An investigation into the building after the collapse found that the mayor of the city wrongly granted approval for construction and allowed the owner to disregard construction codes. The building's owner, Sohel Rana, illegally constructed the upper floors of the building to house factories with several thousand workers and large power generators that shook the building whenever switched on. The day before the collapse, large cracks appeared in the building and an engineer who was called to inspect the building determined it was unsafe. Rana and the factory owners, however, ordered workers to return the next morning. When the generators were switched on that day, the building collapsed. Murder charges were brought against Rana and 37 others held responsible for the disaster. Three other people were charged with helping Rana flee after the collapse.

This was not the first deadly disaster in a garment factory in Bangladesh—the factory Tazreen Fashions collapsed only five months earlier, killing over 110 people. But the scale of the Rana Plaza collapse brought greater global attention to the unsafe working conditions of many workers in the garment industry. The collapse also raised concerns over the responsibility of American and European companies and governments who employ labor in Bangladesh and other low-wage markets around the world. In efforts to drive down prices for consumers, companies often drive down manufacturing costs. Bangladesh is home to more than 5,000 garment factories, manufacturing clothing for most of the top brands around the world. Garment workers in Bangladesh are among the lowest paid in the world.

Companies that manufactured goods at Rana Plaza included Walmart, the Gap, Adidas, and dozens more. These companies faced growing pressure to take action in the wake of the collapse. Some companies donated money to relief efforts, but many activist groups saw these

measures as inadequate. Liana Foxvog, of the International Labor Rights Forum, stated, "What's important is that the victims receive the full amount that they are owed." Kurt Cavano, vice chairman of supply-chain logistics company GTNexus, said, "From what I've seen, Tazreen and Rana were wake-up calls... Chasing that last nickel of cost has to be done in a way that doesn't put your business at risk."







McCOMBS SCHOOL OF BUSINESS

The University of Texas at Austin

Yet many in the Bangladesh garment industry feared that holding international companies and governments accountable could put them at further financial risk should the companies choose to pull their businesses out of the country. Aleya Akter, union leader and secretary general of the Bangladesh Garment and Industrial Workers Federation, noted, "There are about 4 million garment workers. It's impossible for them to get work anywhere else, because this is what they're skilled to do... Not only are we asking for compensation for the brands, we are also asking them: Do not walk away from us. Do not walk away from Bangladesh."

Concept: Framing

Ethical Insight:

There is often a conflict between profit goals and the goal of worker safety. Virtually every company focuses on making money, but they also have an ethical obligation to provide reasonable safety to workers. When company officials focus upon only profits and ignore worker safety, this unfortunate framing of their decision can lead to unethical and tragic decisions. This was the case of the Rana Plaza collapse in Bangladesh that killed more than 1,100 people in 2013. The garment factory building was built with substandard materials. An engineer inspected the building the day before it collapsed and warned the owners that it was unsafe. But the owners ordered workers to return the next day, which tragically resulted in the loss of many lives. Business decisions such as this almost always affect others and therefore have an ethical dimension that cannot be omitted from the decision maker's frame of reference.

Discussion Questions:

- 1. How did framing contribute to the collapse of Rana Plaza? Explain. If this framing was different, how might the outcome be different? Why?
- 2. The engineer who inspected the Rana Plaza building the day before the collapse determined the building was unsafe, but Sohel Rana and the factory owners ordered their employees to return to work the next day. What factors might have influenced the framing of their decision to do this? Why do you think they did this? Explain.
- 3. Do you think it plausible that Rana and others omitted their moral responsibility to other human beings when they framed the decisions they made that led to the building collapse? Discuss.
- 4. Have clothing sellers in the U.S. and elsewhere also suffered from a similar misframing of issues? Explain.
- 5. How do advertisers for clothing companies such as Adidas and Gap use framing to influence consumers' decisions? Would knowing that a product was produced at Rana Plaza or under other ethically questionable conditions affect your decision to purchase it? Why or why not?
- 6. Do you think the international companies that contract out to the Rana Plaza factories should be responsible for ethical lapses made by Rana and the factory owners? Why or Case Study Collapse at Rana Plaza Page 2 of 3





McCOMBS SCHOOL OF BUSINESS

The University of Texas at Austin

why not? Should these companies continue to work with these factories? Why or why not?

- 7. In 2018, compliancy agreements put together by international companies that contract to factories in Bangladesh are set to expire. After these agreements end, some fear that factory conditions will return to the way they were before the Rana Plaza collapse. If you were part of a third-party regulating body, how would you encourage international businesses to continue their contracts while ensuring that factory employees are safe and properly compensated? Explain.
- 8. Can you think of a situation where you perhaps did not make an ethically optimal decision because you misframed the choice before you? Explain.
- 9. Have you read about a business scandal where misframing may have led to the making of poor moral choices? Discuss.
- 10. Do you have any suggestions for people who wish to act morally about how to keep ethics in their frame of reference when competing factors such as a desire to please the boss, a wish to get along with co-workers, a "need" to hit a production target in order to earn a bonus, or the like can endanger sound moral decision making?
- 11. Studies show that wealthy people are more likely to donate to a cause if the pitch they are given says: "Be the most generous person in your neighborhood!" than if the pitch is: "Join your neighbors in improving our city!" Could this be an example of, among other things, the power of framing in action? Explain.

Bibliography:

The Rana Plaza disaster

https://www.gov.uk/government/case-studies/the-rana-plaza-disaster

Report on Deadly Factory Collapse in Bangladesh Finds Widespread Blame

http://www.nytimes.com/2013/05/23/world/asia/report-on-bangladesh-building-collapse-finds-widespread-blame.html

Two years ago, 1,129 people died in a Bangladesh factory collapse. The problems still haven't been fixed.

 $\frac{https://www.washingtonpost.com/news/wonk/wp/2015/04/23/two-years-ago-1129-people-died-in-a-bangladesh-factory-collapse-the-problems-still-havent-been-$

fixed/?utm term=.b96dcccfc608

Rana Plaza collapse: 38 charged with murder over garment factory disaster

https://www.theguardian.com/world/2016/jul/18/rana-plaza-collapse-murder-charges-garment-factory

A Guide To The Rana Plaza Tragedy, And Its Implications, In Bangladesh

https://www.forbes.com/sites/alyssaayres/2014/04/24/a-guide-to-the-rana-plaza-tragedy-and-its-implications-in-bangladesh/#31e220642c50

Rana Plaza: A look back, and forward

http://www.globallabourrights.org/alerts/rana-plaza-bangladesh-anniversary-a-look-back-and-forward