Rana Plaza to Regulation: Rethinking Voluntary CSR in Global Supply Chains

Charley Rice

Abstract

A critical watershed in Corporate Social Responsibility (CSR) and business accountability debates was marked on 24 April 2013 when the Rana Plaza building collapsed, killing over 1,100 garment workers. This is a profound example of a power imbalance driving the prioritisation of profit over human rights. When the weak governance frameworks relying on self-regulation are considered, the disaster should be perceived as foreseeable. The structural limitations of voluntary CSR mechanisms used to prevent systemic labour and safety violations in global supply chains, which persisted within these frameworks, were exposed.

Using the Rana Plaza case study, this article places the conduct of Bangladeshi state authorities within the framework of international human rights law and the UN Guiding Principles on Business and Human Rights (UNGPs) by examining the distribution of responsibility between factory owners and multinational brands. The analysis demonstrates how state regulatory failure, corporate practices, and the suppression of collective labour rights combined to create the conditions in which employers coerced workers into life-threatening environments. It further analyses post-Rana Plaza regulatory developments, including the Bangladesh Accord on Fire and Building Safety and mandatory Human Rights Due Diligence (HRDD) regimes emerging in Europe. Whilst the progress these initiatives represent is acknowledged, for workers' rights to be adequately protected in global supply chains, there must be a decisive shift from voluntary CSR to binding, enforceable legal accountability.

1 Introduction

On 24 April 2013, the collapse of the eight-storey Rana Plaza building, which housed multiple garment factories supplying multinational fashion brands, in Dhaka, Bangladesh, killed over 1,100 garment workers and injured thousands more.[1] The building collapsed due to overlooked structural failures, even though visible warning signs had emerged the day before the disaster. Despite the appearance of large cracks and the evacuation of commercial tenants, garment workers were instructed to return to work under threat of dismissal and wage withholding.[2] Beyond its immediate human cost, Rana Plaza exposed fundamental weaknesses in the governance of global supply chains and prompted renewed scrutiny of the capacity of Corporate Social Responsibility (CSR) to prevent severe human rights violations.

Although previous discussions have often treated the disaster as a discrete regulatory failure within Bangladesh,[3] this article seeks to steer the discussion away from this by reframing Rana Plaza as a systemic critique of voluntarist governance. Part 2 documents the immediate human rights violations in global supply chains, exemplified Rana Plaza, and gaps in state-level protection. Part 3 critiques the fragmented accountability landscape and limitations of voluntary governance and CSR. Part 4 examines the pivot to binding HRDD as a potential regulatory solution, analysing recent legislative efforts. Then, the critical examination of current accountability reform in Part 5 argues that without parent company legal liability and empowered workers, current reforms risk becoming a legal facade. The conclusion reasserts the need for a fundamental re-engineering of global governance to centre binding legal mechanisms over voluntary codes.

2 Human Rights Violations at Rana Plaza

The Rana Plaza collapse revealed an intersection of human rights violations rooted in unsafe working conditions, suppressed collective labour rights, economic coercion and exploitation.

[1] Clean Clothes Campaign, 'Rana Plaza' (Clean Clothes Campaign) <https://cleanclothes.org/campaigns/past/rana-plaza> accessed 8 June 2026.
[2] Ibid.
[3] William Gomes, 'Reason and Responsibility: The Rana Plaza Collapse' *OpenDemocracy* (May 2013) <https://www.opendemocracy.net/en/opensecurity/reason-and-responsibility-rana-plaza-collapse/> accessed 8 June 2026.

The most immediate violation was the denial of workers' right to a safe working environment through unsafe conditions.[4] The Rana Plaza building was constructed for commercial use and subsequently modified to accommodate heavy industrial machinery without appropriate authorisation, making it structurally unsound and subsequently falling below safety code standards.[5] Large structural cracks in the building were discovered the day before the collapse, which prompted the evacuation of commercial tenants. Yet, garment workers were heartlessly ordered by the factory owners to return to work the following day.[6] However, the broader context of worker vulnerability in Bangladesh's garment sector (namely sub-living wages, significant debts, and absence of effective social protection) reveals that employees lacked real ability to refuse unsafe work. This coercive environment undermined workers' rights and their autonomy to generate self-regulated decisions about their safety. The collapse, therefore, stemmed from more than structural instability. It was not an unforeseeable accident but the predictable result of systemic disregard for safety, driven by intense production pressures and sustained by weak regulatory oversight. Workers entered the building under these persistent threats of withheld pay, while minimum wages left many trapped in debt, particularly in the expensive city of Dhaka.[7]

Trade union repression further exacerbated these conditions. The structural cracks appeared, workers raised concerns about their safety, but their voices were not heard due to the lack of collective bargaining agents and trade unions. Although most trade union leaders stated freedom of association and collective bargaining are part of company codes of conduct, audits and inspections conducted by company agents prior to the Rana Plaza collapse had regularly overlooked these issues or addressed them only superficially.[8]

Factory owners have historically repressed trade unions, often resulting in the disappearance or

---

[4] Javed Siddiqui, Kenneth McPhail, and Sharmin Shabnam Rahman, 'Private Governance Responsibilisation in Global Supply Chains: The Case of Rana Plaza' (2020) 33(7) AAAJ 1569.

[5] Transparency International Bangladesh, 'The Readymade Garment Sector: Governance Problems and Way Forward – Executive Summary' (2013) <https://ti-bangladesh.org/images/max_file/es_rmg_en_07112013.pdf> accessed 8 June 2026.

[6] Clean Clothes Campaign, 'Rana Plaza' (Clean Clothes Campaign) <https://cleanclothes.org/campaigns/past/rana-plaza> accessed 8 June 2026.

[7] Institute for Human Rights and Business (IHRB), 'Rana Plaza 10 Years On: Lessons for Human Rights and Business' (2023). <https://ihrb-org.files.svdcdn.com/production/assets/uploads/Rana-Plaza-10-Years-on-IHRB_Briefing_v4.pdf> accessed 8 June 2026.

[8] Human Rights Watch, 'Whoever Raises Their Head Suffers Most: Workers' Rights in Bangladesh's Garment Factories' (2015) <https://www.hrw.org/report/2015/04/22/whoever-raises-their-head-suffers-most/workers-rights-bangladeshs-garment> accessed 8 June 2026.

death of leaders advocating for reforms. For instance, the killing and detainment of union leader Aminul Islam occurred while he was working with the Bangladesh Centre for Workers Solidarity to negotiate a national minimum wage for garment workers.[9] This lack of effective collective representation removed a vital mechanism through which safety issues could have been raised and addressed.

3 Fragmented Accountability and State Failure

When exercised properly, accountability requires holding all stakeholders accountable for respecting workers' rights.[10] Although the State must protect its citizens from third parties threatening to abuse their human rights, policymakers are also part of this profit-making business.[11] However, the distribution of responsibility for the Rana Plaza disaster across multiple stakeholders has allowed each to evade effective liability.[12]

Foremost, Bangladesh authorities failed in their positive state-level obligation to protect workers' rights through adequate regulation and enforcement in an exercise of their primary responsibility to enact and enforce robust labour laws.[13] The regulatory bodies responsible for building safety and labour inspection possessed formal authority to intervene, yet these safeguards were rendered ineffective by under-resourcing and corruption. Before Rana Plaza, the Department of Inspection for Factories and Establishment (responsible for labour inspections in Bangladesh and enforcing the Bangladesh Labour Act 2006 provisions)[14] was

[9] Human Rights Watch, 'Bangladesh: Investigate Killing of Labor Activist' (2012) <https://www.hrw.org/news/2012/04/11/bangladesh-investigate-killing-labor-activist> accessed 8 June 2026.
[10] Human Rights Watch, 'Whoever Raises Their Head Suffers Most: Workers' Rights in Bangladesh's Garment Factories' (2015) <https://www.hrw.org/report/2015/04/22/whoever-raises-their-head-suffers-most/workers-rights-bangladeshs-garment> accessed 8 June 2026.
[11] William Gomes, 'Reason and Responsibility: The Rana Plaza Collapse' (*OpenDemocracy,* May 2013) <https://www.opendemocracy.net/en/opensecurity/reason-and-responsibility-rana-plaza-collapse/> accessed 8 June 2026.
[12] FIDH, 'One Year After the Rana Plaza Catastrophe: Slow Progress and Insufficient Compensation' (2014) <https://www.fidh.org/en/issues/business-human-rights-environment/15179-one-year-after-the-rana-plaza-catastrophe-slow-progress-and-insufficient> accessed 8 June 2026; William Gomes, 'Reason and Responsibility: The Rana Plaza Collapse' (*OpenDemocracy,* May 2013) <https://www.opendemocracy.net/en/opensecurity/reason-and-responsibility-rana-plaza-collapse/> accessed 8 June 2026.
[13] Islam Channel, 'Rana Plaza Disaster, Ten Years On, Victims Still Wait for Justice' <https://www.islamchannel.tv/blog-posts/rana-plaza-disaster-ten-years-on-victims-still-wait-for-justice> accessed 8 June 2026; United Nations, 'Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework' (2011) UN Doc A/HRC/17/31.
[14] International Labour Organisation, 'Labour Inspection Governance in Bangladesh' (2020).

reported as ‘chronically under-resourced’.[15] For example, in June 2012, the government inspection department was reported to have 18 inspectors and assistant inspectors to monitor an estimated 100,000 factories in Dhaka district.[16] Consequently, unsafe working conditions persisted due to Bangladesh’s weak labour regulations and inadequate enforcement.

The failure of authorities to intervene, despite the building lacking proper construction permits and the unlawful addition of floors to accommodate heavy industrial machinery, illustrates how regulatory gaps translated directly into life-threatening risks. Initially constructed for commercial purposes and without proper permission for expansions, the building was structurally unsound and fell drastically below the safety code standards.[17] Furthermore, the governmental agency Rajdhani Unnayan Kotripokkho (RAJUK) provides that ‘no commercial building may be built in or around Dhaka without its permission’.[18] Although Rana Plaza owners had not received a construction permit, RAJUK did not act on this, making RAJUK one of the government authorities responsible for the collapse. These omissions, which constitute breaches of the state’s duty to protect workers’ rights, exemplify how weak governance structures can convert economic development into systemic human rights harm.

However, contributing private actors must also bear significant responsibility. For instance, the owners of the Rana Plaza building and the garment factories housed in it prioritised profit over human lives. Additionally, the Multi-National Corporations (MNCs) that sourced from these garment factories contributed to the problem through their continuing demand for low-cost production. This put pressure on suppliers to overlook safety standards and reduce wages as much as possible, which was the case at Rana Plaza.[19] Ultimately, corruption and weak governance allowed such unsafe practices to continue unchecked, as evidenced by the local authority’s failure to enforce building codes and labour laws.

---

[15] Human Rights Watch, ‘Bangladesh Tragedy Shows Urgency of Worker Protections’ (2013) <https://www.hrw.org/news/2013/04/25/bangladesh-tragedy-shows-urgency-worker-protections> accessed 8 June 2026.
[16] Ibid.
[17] Transparency International Bangladesh, ‘The Readymade Garment Sector: Governance Problems and Way Forward – Executive Summary’ (2013) <https://ti-bangladesh.org/images/max_file/es_rmg_en_07112013.pdf> accessed 8 June 2026.
[18] FIDH, ‘One Year After the Rana Plaza Catastrophe: Slow Progress and Insufficient Compensation’ (2014) <https://www.fidh.org/en/issues/business-human-rights-environment/15179-one-year-after-the-rana-plaza-catastrophe-slow-progress-and-insufficient> accessed 8 June 2026.
[19] FIDH, ‘Bangladesh: One Year After the Rana Plaza Catastrophe, Slow Progress and Insufficient Reforms’ (April 2014) <https://www.europarl.europa.eu/meetdocs/2014_2019/d,whichocuments/droi/dv/46_fidhbdranaplaza_/46_fidhbdranaplaza_/46_fidhbdranaplaza_en.pdf> accessed 8 June 2026.

4 The Limits of the Corporate Social Responsibility Structure

CSR, despite its aim to integrate ethics and human rights, has historically been exploited. Frameworks like Carroll's Pyramid[20] are used to prioritise profit while treating social obligations as secondary. This allows corporations to avoid substantive responsibility for abuses and thus undermining CSR's goal of genuine compliance.

However, Rana Plaza revealed profound limitations to voluntary CSR in preventing systemic labour and safety violations within global supply chains. MNCs sourcing from Rana Plaza heavily relied on self-designed codes of conduct and auditing programs to monitor working conditions.[21] These mechanisms failed to identify or address serious structural and labour risks. Most audits, narrowly based on checklist compliance rather than substantive risk assessment, were pre-announced and mediated by factory management.[22] As a result, they were poorly suited to detecting deeper governance failures, structural defects, coercive labour practices, and collective worker voice suppression.

Again, these drastic corporate failures must be viewed alongside the structural vulnerability of garment workers in Bangladesh. Workers were compelled to continue labour despite visible safety risks due to factors including sub-living-wages, significant debts, and persistent threats of withheld pay. Notably, the key obstacles to Bangladesh's economic development are identified as a dysfunctional political system, family politics and a lack of transparency and accountability.[23] By treating fundamental safety as a technical compliance issue rather than a problem of political economy, voluntary CSR disregarded the conditions that made the disaster foreseeable.

The fragmented application of voluntary CSR practices further undermines CSR's

[20] Archie B Carroll, 'The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organisational Stakeholders' (1991) 34 BH 39.
[21] Mark Anner, Jennifer Bair, and Jeremy Blasi, 'Toward Joint Liability in Global Supply Chains: Addressing the Root Causes of Labour Violations in International Subcontracting Networks' (2013) 35 CLLPJ 1.
[22] Genevieve LeBaron and Jane Lister, 'Ethical Audits and the Supply Chains of Global Corporations' (2015) 24 GN 1.
[23] Javed Siddiqui and Shahzad Uddin, 'Human rights disasters, corporate accountability and the state: Lessons learned from Rana Plaza' (2016) 29(4) AAAJ 679.

effectiveness. As each multinational buyer imposed its own standards and auditing requirements, factories selectively complied with the least demanding standards to conceal violations across audit cycles. This created inconsistent expectations rather than the intended upward pressure on labour and safety conditions as CSR auditing programmes often incentivised superficial compliance and safety document manipulation. The extensive use of subcontracting compounded these failures by creating distance between lead firms and legal responsibility for working conditions.[24] MNCs exercised economic control through pricing and production volumes whilst simultaneously disclaiming liability for labour rights violations in supplier factories. By separating economic power from legal accountability, employers retained the benefits of global sourcing while externalising the risks endured by workers.

Crucially, these corporate governance failures operated within a context of weak state regulation. Enforcement of the Bangladesh Labour Act 2006 was inconsistent, and oversight of building safety was inadequate despite it being one of the state's primary responsibilities to enact and enforce robust labour laws.[25] In such an environment, where neither private codes nor public regulation effectively protected workers, voluntary CSR lacked the coercive force necessary to compensate for institutional fragility.

Thus, Rana Plaza illustrates that voluntary CSR often fails to function as an effective accountability tool, underscoring the need for a system of enforceable accountability. As voluntary commitments remain subordinate to commercial imperatives, they lack the coercive force necessary to prevent harm in contexts characterised by severe worker vulnerability and weak state regulation.

5 The Pivot towards Binding Due Diligence

The dangerous limitations of voluntary CSR, as exposed by the Rana Plaza disaster, must be positioned within the broader framework of international business and human rights law. The UNGPs articulates the duty of the state to protect human rights, the corporate responsibility to

[24] John Ruggie, *Just Business: Multinational Corporations and Human Rights* (Norton, 2013), Ch. 3.
[25] Institute for Human Rights and Business (IHRB), 'Rana Plaza 10 Years On: Lessons for Human Rights and Business' (2023) <https://ihrb-org.files.svdcdn.com/production/assets/uploads/Rana-Plaza-10-Years-on-IHRB_Briefing_v4.pdf> accessed 8 June 2026.

respect human rights, and the victims' access to remedy.[26] These principles intersect with foundational instruments such as the Universal Declaration of Human Rights (UDHR) and core ILO Conventions, which protect freedom of association,[27] prohibit forced labour,[28] and affirm the right to just and favourable remuneration.[29] However, the UNGPs operate as soft law. This means their guidance, although authoritative, does not impose any legally binding obligations on corporations.

While the UNGPs marked a normative advance by clarifying corporate human rights responsibilities, their reliance on voluntary corporate implementation has proven inadequate. The discretionary nature of HRDD has led to inconsistent and reactive practices. Many brands sourcing from Bangladesh formally endorsed the UNGPs while failing to conduct meaningful assessments of structural safety risks or to adjust purchasing practices that incentivised excessive production demands. This divergence between formal commitments and actual operational conduct highlights the limitations of voluntary standards within inherently high-risk supply chains.

The regulatory and contractual models that emerged departed from traditional CSR soft-law commitments towards binding obligations. Most notably, the Bangladesh Accord on Fire and Building Safety represented a legally binding, transnational regulation between MNCs, global trade unions, and civil society organisations.[30] Unlike the previous voluntary frameworks, the Accord imposed enforceable obligations on participating companies to finance independent inspections, publicly disclose safety findings, and remediate identified hazards.[31] Geographic and economic differences within global supply chains suggest moving towards working collaboratively and moving away from unilateral approaches.[32] Its geographic scope did not

[26] UN Human Rights Council, 'Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework' UN Doc A/HRC/17/31 (21 March 2011).
[27] Universal Declaration of Human Rights (adopted 10 December 1948), Art. 23; Freedom of Association and Protection of the Right to Organise Convention 1948 (No 87) & Right to Organise and Collective Bargaining Convention 1949 (No 98).
[28] Universal Declaration of Human Rights (adopted 10 December 1948), Art. 4; Forced Labour Convention 1930 (No 29) & Abolition of Forced Labour Convention 1957 (No 105).
[30] Universal Declaration of Human Rights (adopted 10 December 1948), Art. 23; Equal Remuneration Convention 1951 (No 100).
[29] Ibid.
[30] International Labour Organization, Report on the Rana Plaza Accident and Follow-up (ILO 2013).
[31] ACCORD, 'Bangladesh Accord on Fire and Building Safety' (2013) <https://bangladeshaccord.org> accessed 8 June 2026.
[32] Juliane Reinecke and Jimmy Donaghey, 'After Rana Plaza: Building Coalitional Power for Labour Rights Between Unions and (Consumption-Based) Social Movement Organisations' (2015) 22 O 720.

limit the legally binding Accord's ability to demonstrate that enforceable mechanisms could operate across borders and generate tangible improvements in factory safety. To address the silencing of labour voices that had negatively characterised governance prior to the collapse, the Bangladesh government fostered worker participation and complaint mechanisms. These incentives materialised through increased factory inspections, a strengthened labour inspectorate, improved fire services, enhanced occupational health and safety, the 'Better Work' programme, an employee injury insurance scheme, and enhanced workers' rights.

The Rana Plaza disaster also accelerated momentum beyond Bangladesh toward mandatory HRDD legislation at national and regional levels. This growing recognition is evidenced by Western legal instruments, including early major legislation such as the UK Modern Slavery Act 2015 and, more recently, Germany's Supply Chain Due Diligence Act 2021. Nevertheless, many due diligence frameworks focus primarily on reporting obligations rather than substantive liability. Without robust enforcement mechanisms, meaningful sanctions and access to remedies for affected workers, mandatory due diligence risks replicating the procedural limitations of CSR under a legal facade.

In this light, Rana Plaza serves as both a catalyst for reform and a warning against inadequate reforms. Corporate economic power must be aligned with binding legal accountability, effective state enforcement, and genuine worker empowerment.

6 Limits of Accountability Reform

While post-Rana Plaza initiatives represent genuine progress, they also reveal the limits of reform efforts that focus predominantly on procedural compliance. Binding due diligence obligations are necessary but not sufficient if the underlying power asymmetries within global supply chains are not addressed.

To ensure effective accountability, mechanisms must be introduced to redistribute power within supply chains. Economic coercion persists and is perpetuated by minimum wages in Bangladesh remaining far below living-wage benchmarks, stripping workers of their practical ability to refuse unsafe work.[33] Multinational buyers sourcing from garment factories continue to demand low-cost production, which puts pressure on suppliers to overlook safety standards and reduce wages as much as possible, as was the case at Rana Plaza. Recalibrating these dynamics is necessary to address the underlying structural causes of the problem, rather than just treating the symptoms.

Despite formal prohibitions,[34] union repression and the capacity to escalate grievances persist, as legal reforms expanding unionisation, collective bargaining, and protection against retaliation have been inadequate. Voluntary initiatives rarely address these power imbalances or advocate for robust worker rights. Accountability mechanisms must therefore extend to multinational brand parent companies, moving beyond inspections to incorporate legally protected worker participation and worker-centric metrics. The criticism that current audits are insufficient invites a shift to unannounced, worker-centred audits that incorporate employee feedback rather than relying solely on management-provided information.

Furthermore, to prioritise impartiality, audits should require third-party oversight by independent organisations to enhance the current superficial compliance. A new worker-centric framework, prioritising worker empowerment is essential because ethical supply chain management now requires corporations to establish fair wages, protect union rights, and implement grievance mechanisms. Thus, worker well-being is increasingly being viewed as integral to business sustainability and performance metrics. Furthermore, the rise of ethical consumerism and ESG investing compels companies to adopt responsible practices. Furthermore, the rise of ethical consumerism and ESG investing compels companies to adopt responsible practices. Legal responsibility should be conferred on parent companies due to their capacity to redistribute power, regardless of subcontracting arrangements. Thus, human rights protection fundamentally requires enforcing labour rights and empowering workers, not just focusing on corporate processes.

Ultimately, sustainable reform depends on global collaborative governance of all stakeholders. To prevent tragedies assimilated to the Rana Plaza collapse, factory owners in developing countries must receive appropriate funding, training, and technical assistance to adopt safer

[33] Human Rights Watch, "Whoever Raises their Head Suffers the Most": Workers' Rights in Bangladesh's Garment Factories (HRW 2015).
[34] International Trade Union Confederation, Bangladesh: Workers' Rights Under Threat (ITUC 2023).

working practices. Effective ongoing monitoring requires reforms to be flexible and responsive, evolving global dynamics, technological progress, and emerging supply chain risks. Producer country states must strengthen their capacity for labour law enforcement, while consumer-market regulators must impose unambiguous extraterritorial obligations. Overall, accountability is maximised when legal mandates, market incentives, and worker empowerment operate in alignment rather than in isolation.

7 Conclusion

The Rana Plaza disaster exposed the structural inadequacy of voluntary CSR, revealing deeper misalignment between corporate economic power and legal responsibility. This was a predictable outcome of production pressures, weak enforcement, and fragmented accountability, not an isolated incident. Garment workers faced unsafe conditions, economic coercion, and suppressed labour rights without meaningful protection.

To prevent such harm, supply chain accountability must transition from voluntary measures, which were inadequate due to power imbalances, to binding obligations. When the fundamental mechanisms that rebalance power within supply chains (such as living wages and legally protected worker participation) operate together, global supply chains can move beyond mere symbolic responsibility toward the effective protection of workers' human rights.