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Spectrum Workers Receive First Payments from Compensation Fund: Carrefour still Refusing to Participate

April 10, 2007

SPECTRUM/SHAHRIYAR UPDATE #12,

■ Days before the second anniversary of the Spectrum garment factory collapse, which killed 64 and injured 80 (54 seriously), 22 workers received the first distribution of a US\$ 60,000 advance from the fund.



Zarina's husband was one of the 64 workers killed when the Spectrum garment factory collapsed in 2005. Since that time Zarina, shown here with her seven-year-old son, has had to take out loans to provide the most basic necessities for her family.

At an April 1st meeting in Dhaka, Inditex (Zara), initiator of the fund, distributed about US\$ 3,000 to the workers and has pledged that the rest of the \$60,000 advance will reach the remaining families shortly. Present also were representatives of the fund's co-initiator, the International Textile Garment and Leather Workers Federation (ITGLWF), local organizations, and trade unions.

The launch of the fund, originally scheduled for September 2006, has been eagerly awaited. The

fund is intended to provide compensation for loss of income and follows previous efforts to provide medical care and other types of emergency relief. Many survivors were unable to provide for their families due to the injuries they sustained in the April 2005 building collapse; those who lost family members in the collapse were often left without their main source of income. Many of the Spectrum families have plunged further into poverty and debt as they struggled to keep their families afloat.

"Every month I have to take out a loan to

More info:

[Background to the fund](#)

[Irresponsible buyers](#)

[Take action now to support the Spectrum workers](#)

PRESSRELEASE - [European companies compensate Bangladesh workers two years after factory collapse](#)
[Notable exception is Carrefour](#)

Background info:

[More on the Spectrum sweater factory disaster](#)

maintain my family," said 40-year-old Zarina, whose husband Solaiman was killed in the factory collapse. She and her three children only have her daughter's meagre income from another garment factory job, which does not cover their basic needs. "I cannot repay the loans, the amount is increasing day by day ... I feel sick while thinking about all this."

Several companies producing at Spectrum and the adjoining Shahriyar Fabric - **Inditex** (Spain), **KarstadtQuelle** (Germany), **New Wave Group** (Sweden), **Scapino** (Netherlands), and **Solo Invest** (France) have agreed to participate in the fund, which will provide a monthly income to survivors and families of those who died at the factory that produced their garments, built on a swamp and not up to standard.

Those who have not committed to the compensation trust fund include: **Carrefour** (France), **Cotton Group** (Belgium), **New Yorker**, **Steilmann**, **Kirsten Mode**, and **Bluhmod** (Germany).

The CCC is extremely pleased that the fund will now become a reality for the workers and wishes to thank all those who have contributed to making this happen. The CCC will continue to monitor the progress of the fund and will continue to call upon Carrefour and the other companies who have so far refused to participate in the initiative to contribute to the fund.

[Take action now to support the Spectrum workers >>](#)

For more information on the Spectrum disaster and the health and safety conditions in the garment industry in Bangladesh, please see the report launched by the Belgian (French speaking) CCC on the occasion of the second anniversary of the collapse at www.vetementspropres.be

Background to the fund



Nur-E-Alam , right, lost his left arm after waiting 17 hours to be rescued from the rubble at the Spectrum factory on April 11, 2005. E-Alam, here with his wife and two sons, visited Europe in 2006 to push companies to contribute to a compensation fund and to raise awareness of the desperate situation the Spectrum families are forced to live in.



Though they produced their garments at the factory, French retail giant Carrefour has refused to pay into the fund to compensate the Spectrum families.

Following a period of intense campaigning by Bangladeshi and international NGOs and trade unions to push companies sourcing at Spectrum to take action, in July last year one of the buyers at Spectrum, the Spanish retailer Inditex, circulated the final proposal for the Spectrum voluntary relief scheme, which would set up a trust to provide an income for the families of the victims and workers injured.

An initial proposal had been circulated for comments in early 2006, and a number of

roundtable meetings for former Spectrum buyers and other stakeholders were convened by Inditex and the ITGLWF. The relief scheme took over a year to put together, and is based on extensive and detailed research (conducted by the NGO Incidin Bangladesh and others) to compile information on the victims, their families, and those injured in the collapse. The total amount required is pegged at 533,323 euros. The trust will be governed by a board of trustees involving representatives of all contributing stakeholder groups. In addition to contributions from the brands and retailers sourcing from Spectrum it is envisaged that funding would come from Spectrum, the government of Bangladesh, and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), as well as public subscriptions from civil society organizations and from individuals.

In September 2006 the German company Karstadt Quelle agreed to participate in the fund, and in subsequent meetings in October and November confirmed their participation for an amount of at least 100,000 euros. This agreement followed efforts from many organizations and individuals in Germany, and the CCC wishes to thank all who participated, in particular the German Protestant church. Small buyer Solo (based in France) has also agreed to participate, pledging 5,000 euros, as has Dutch company Scapino and Swedish New Wave Group.

Following the collapse, the families of the dead (with the exception of three) received 100,000 taka each (approx. 1,084 euros) from the factory owner and the government, as has become standard practice in recent years. The owner of Spectrum-Shariyar occasionally has provided some income for some families, and some emergency money has been paid out of the initial 25,000 euros that Inditex put up in June 2005 for medical care and other relief. When the fund was presented to the buyers in July 2006, the total of these payments was calculated at 85,000 euros, to be subtracted from the sum that workers would eventually receive. For more details on past efforts to provide support to the Spectrum families [please visit our page on the Spectrum disaster](#). None of this support should in any way be confused with the outstanding need to provide long-term compensation for the loss of income.



Spanish retailer Inditex, initiators of the fund, is providing US\$60,000 for advance payments from the fund to the Spectrum families.

Irresponsible buyers

Despite claiming to be among the forefront of socially responsible companies, French-based giant Carrefour continues to refuse participation, claiming that compensation is an issue for government. In the CCC's view, their actions (or more accurately lack of action) has earned them the label of "most irresponsible buyer" among the entire Spectrum buyers group. While workers have lost their health or their lives, Carrefour, is content to hide behind the Bangladeshi government, knowing full well that they will not provide these workers or their families with the income they so desperately need.



After initial resistance, German company KarstadtQuelle agreed to

"I don't know how I can arrange money to buy milk for my six-year-old son, pay his school fees, or get the money that my mother needs for her medical treatment," said 30-year-old Nur-E-Alam, who lost his left arm after waiting 17 hours to be rescued from the rubble at the Spectrum factory. Like Zarina, his family survives on loans, explained E-Alam, who visited Europe in 2006 to push companies into action and to raise awareness of the desperate situation the Spectrum families are forced to live in. Recent interviews with survivors of the Spectrum collapse and families of the dead revealed that they are struggling to meet their most basic needs, having trouble paying for food and rent for simple housing, medical treatment (including ongoing treatment for injuries sustained in the collapse), and for the education of their children.

contribute 100,000 euros to the fund to help support the families of their former workers.

For years Carrefour as well as Cotton Group, Steilmann, New Yorker, Bluhmod, and Kirsten Mode profited from the low prices of the clothes made by these workers, turning a blind eye to the extremely bad and unsafe conditions in the Spectrum factory. It is high time that they pay up.

Action request

The French and Belgian CCC will contact Carrefour in the coming weeks about their responsibility to participate in the Spectrum fund. For more information on these efforts please see: www.vetementspropres.be.

Please contact Cotton Group, Steilmann, Kirsten Mode, Bluhmod, and New Yorker today to voice your concerns about the lack of sufficient compensation provided to the survivors and families of the dead.

You can use this form to mail the following letter directly to:

Cotton Group, Steilmann, Kirsten Mode, Bluhmod, and New Yorker
Full addresses can be found [below](#)

Your name:	<input type="text"/>
City	<input type="text"/>
Country	<input type="text"/>
Subject:	<input type="text"/>
Email:	<input type="text"/>

Fill in all the fields!

Dear Sir / Madam

Two years have now passed since the Spectrum garment factory, one of your suppliers in Bangladesh, collapsed, killing 64 and injuring dozens of workers.

I am contacting you with regard to the desperate situation that the survivors and families of the dead now find themselves in. I have been informed by the Clean Clothes Campaign that since many of these families have lost their main breadwinner, they are struggling to put food on the table, pay the rent on their extremely modest accommodations, pay school fees for their children or for

medical care, including for those who sustained serious injuries in the Spectrum collapse. Simply to survive many families have had to take loans which are barely sustaining them in extreme poverty and have also now plunged them into serious debt. I am saddened to learn that while there has been some agreement among companies who produced their garments at Spectrum, to pay into a fund to ensure an income for these devastated families, your company has not agreed to take part in this initiative. How can you turn your back on these families and not take responsibility for the events that took place and landed them in this situation?

I am writing to you today to request that without further delay your company immediately commits to paying into the fund that other Spectrum clients have been working to set up. I hope that you will take the lead of other European retailers sourcing in Bangladesh and agree to provide support to the Spectrum families by making this fund operational.

I urge you to make a public statement today committing to the Spectrum fund and the further steps you will take to demonstrate responsible action in the aftermath of this terrible tragedy. Your company has a role to play in ensuring that the Spectrum families are able to carry on with their lives.

Sincerely,

[insert name]

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TOP



TELL A FRIEND



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