Workplaces that are death traps

ZIAUDDIN CHOUDHURY

ONE of the most disposable items in our country is human life. Abroad we read about loss of hundreds of lives from sinking of overloaded motor launches in rivers, from runaway buses driven by half-trained operators that fall into ditches and, as added measures, deaths from fires in factories in premises that never have been inspected for safety. We are used to watching on TV horrific and heart-rending video images of bodies being recovered from sunken vehicles, scorched buildings, and road side ditches.

We have seen and read about righteous indignation of our public officials at these incidents, dire threats of punishment to those responsible for such disasters that are never carried out, and empty promises that the nation will never face such disasters again.

But while the families of the countless victims wail and lament their losses, the people who are primarily responsible for these deaths and disasters, and their facilitators such as our public officials, are quick to point fingers elsewhere and try to absolve themselves of any wrongdoing. It is as though the people who perished in these disasters ended their lives voluntarily.

When will we learn to take ownership for these completely avoidable disasters? When will we learn to treat each human life as an asset that is more valuable than the product it makes? The recent Ashulia disaster is just another addition to the countless incidents of total callousness that prevails in the country over safety and protection of workers from workplace hazards.

We have had fires in garment factories several times before where workers lost their lives. Only a few days ago we had fires in a low income housing area surrounded by unsafe factories where lives were lost.

Close on the heels of the recent Ashulia fire we also had this lightning-like accident where girders fell off a fly over construction project that killed eleven people in Chittagong.

After none of these accidents or disasters in the past did we hear the people who owned the factories or the buildings come out and take ownership for the tragedies or take measures that would prevent repetition of such incidents. We also did not hear of any punitive action against the defaulting owners by the government. Instead, if I recall correctly, there was plenty of talk of deep conspiracies against the garment industry by persons unknown that were labelled as the causes of frequent fires. No one talked about setting up standards of safety for the factories and workers, or their rigid implementation and monitoring by government. Each incident was allowed to pass into oblivion until another happened.

Absent from the reports is any indication or statement whether the factory owner or the flyover construction company had any mechanism in place that would ensure safety of workers or equipment.

As in all disasters or accidents in the past a host of reasons has been cited in the press for the Ashulia and Bahaddar Hat misfortunes.

These include failure to operate fire extinguishers in the building, blocking of exit routes of workers and, in the case of the Chittagong incident, a faulty crane that lifted the girders.

Absent from these reports is any indication or statement whether the factory owner or the flyover construction company had any mechanism in place that would ensure safety of workers or equipment.

It is also not clear what role the owners played during and after the incident besides announcing some gratuities to the victims after the fact.

The Ashulia incident and the incident in Bahaddar Hat in Chittagong would not have happened if we had taken lessons from the past. These would not have not happened had we employed a minimum standard of workplace safety, and held the people who engage workers in factories and construction projects, responsible for providing safe workplace.

The garment factories in Bangladesh today are situated on opposite ends of the safety spectrum.

On one end are those modern facilities that are located in different export processing zones and have rather rigid safety standards.

On the other end we have a series of garment factories that line up the Airport Road, Uttara, and other roads, all with cage-like appearances where it seems accidents are waiting to happen.

Workplace safety is a prime consideration for a government before a business is allowed to operate. In western countries a small departure from the safety codes and standards is cause for suspension of the business. Along with strict building codes and safety standards a practice that is regularly in vogue in most industrial countries is training workers in handling emergencies such as fire through drills.

No amount of fire extinguishers will be of use if the people who work in these buildings do not know how to operate them. Along with that also essential is training in emergency response through mock drills. Many of the buildings that I have seen on the Airport Road and Uttara were perhaps not originally intended to be factories, yet we have hundreds of people sweating their way in these accident prone buildings day after day, without a care either from the owners or from the government.

The accidents of this week would not have happened if the employers and our public officials had learnt to take preventive measures from the beginning. The accidents would not have happened if our public officials had strictly enforced the safety rules and taken punitive action against the offenders instead of smelling conspiracies in disasters.

The lives that have been lost at Ashulia or in Chittagong cannot be brought back; nor can the livelihood the victims provided to their families be restored. What can be done is to ensure that such incidents are not repeated.

This can be done by regular inspection of the buildings and the equipment that are used, ensuring that they all meet the minimum standards for safety and operation.

Finding scapegoats for these accidents and finger-pointing will do us no good. I hope and pray that we will not watch and read about such avoidable disasters in the future. I hope and pray that we all learn that human lives are not disposable items.

The writer is a former civil servant and a retired World Bank staff member.

Growth-investment nexus: Lesson for Bangladesh from cross-country experience

MIRZA AZIZUL ISLAM

IN the wake of persistent recessionary economic condition in the developed countries, international development organisations (e.g. IMF, United Nations, World Bank and the regional development banks) have been advising the developing countries to restructure their economies. The suggested direction of restructuring is that developing countries should shift growth strategy away from exports in favour of domestic demand. In an earlier paper (DS. July 8, 2010) I argued that Bangladesh had very little option other than to pursue strong export-oriented growth strategy. This article emphasises the importance of investment as the key determinant of export success as well as overall economic growth.

Apriori rationale

There are several reasons why increased levels of investment can be viewed as a precondition for accelerated growth. First, a country cannot successfully pursue an export-oriented growth strategy without increasing investment.

Exports are after all the difference between production and domestic consumption. To increase exports, therefore, requires that production increase must exceed domestic consumption increase and that would require higher and higher levels of investment.

Second, as a component of aggregate demand, investment is fundamentally different from consumption. The former not only adds to aggregate demand but also enhances production capacity, while the latter simply adds to demand. I may add that the capacity creating effect of investment is formally embedded in Harrod-Domar growth theory. An increase in aggregate demand through the consumption route without additional investment would lead to inflation rather than real growth.

Third, technological progress is, to a great extent, embodied in machinery and equipment. Investment in new machinery and equipment is thus a precondition for adoption of improved technology and thereby realisation of greater productivity.

Cross-country experience amply demonstrates the importance of investment as a key determinant of growth. Bangladesh needs to raise investment/GDP ratio to well over 30% to be able to achieve the growth rate required to attain middle income status by 2021.

Cross-country experience

I have reviewed the long-term growth and investment experience of twelve Asian countries over two periods, namely, 1990-2000 and 2000-2010. The countries chosen had at least 5% GDP growth in one or both of these periods. Seven countries (Cambodia, China, India, Indonesia, Laos, Pakistan and Sri Lanka) experienced higher GDP growth and higher investment growth in the latter period. Four countries (Korea, Malaysia, Singapore and Vietnam) experienced lower GDP growth as well as lower investment growth in the latter period.

The solitary exception was Bangladesh, which recorded somewhat higher GDP growth despite lower investment growth in the latter period. This was probably because in the 1990-2000 period Bangladesh had a very high rate of investment growth which might have created some excess capacity enabling a slightly higher growth during the latter period despite slightly lower investment growth. At any rate, this solitary exception does not undermine a strongly positive correlation (0.74) between GDP growth and investment growth. And the correlation cannot be considered spurious in view of the apriori arguments noted above in support of investment as a key determinant of GDP growth.

Lesson for Bangladesh

The lesson that emerges from cross-country experience, therefore, is that Bangladesh needs to raise investment/GDP ratio substantially (well above 30%) in order to achieve GDP growth required to attain middle-income country status by 2021. It should devote utmost efforts to exploit the opportunities for both domestic and foreign investment offered by the structural characteristics of the economy. Some of these are briefly noted below.

The country has a large population and its GDP has been growing at the rate of about 6% for well over a decade. The resultant size of the domestic market should be an attraction for investors. The proportion of total population who are young and easily trainable is quite high. This allows smooth access to cost-effective labour force.

A dynamic entrepreneurial class has emerged in the country offering scope for joint venture partnership for foreign investors. The country has a favourable geographical locationa close neighbour of two giant and rapidly growing economies (China and India) and a bridge between the Middle East and South-East Asia.

As a least developed country, it enjoys preferential, duty free market access to many developed countries. The country can thus serve as an export platform for foreign investors.

However, to translate the above opportunities into realised investment on the ground requires policy makers' urgent attention to a number of nagging challenges confronting the country. These relate to access to land, amelioration of infrastructural deficiency, improving the quality of human resources by imparting market relevant education at various levels, ensuring sound governance and removal of regulatory bottlenecks.

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POLITICS OF CLIMATE CHANGE

DEVELOPING COUNTRIES

Financing climate change

SALEEMUL HUQ

THE eighteenth conference of parties (COP18) under the United Nations Framework Convention on Climate Change (UNFCCC) opened on November 26 in Doha, Qatar with over 15,000 participants attending from all over the world.

One of the most important issues to be resolved in Doha over the next two weeks is the amount of funding the developing countries can expect to combat climate change.

Situation so far

In COP16 at Cancun, Mexico, in 2010 the developed countries pledged to provide a total of $30 billion over three years (2010, 2011 and 2012) to initiate activities on both mitigation as well as adaptation (the funds were to be provided in a "balanced" manner between mitigation and adaptation). This fund came to be termed "Fast Start Finance" (FSF). It was also agreed that these funds would be "new and additional" to Official Development Assistance (ODA).

They also promised to provide $100 billion a year starting from 2020 onwards. This would be managed by new "Green Climate Fund" (GCF) with its own Board drawing representatives from the regions and groups.

Delivery of FSF

So far it is clear that the developed countries have in fact made good on their pledge of $30 billion under FSF although not all of it has yet been spent. However, it is much less clear where the money went and in particular how much went for adaptation and how much for mitigation?

A recent study prepared by researchers from Brown University in the United States and the International Institute for Environment and Development in London tried to track the FSF funds. They drew several conclusions from their work.

Firstly, it was very difficult to find out which country had given how much to adaptation and how much to mitigation? Only 10% of the total was found to be clearly earmarked for adaptation. The rest of the FSF was not clearly earmarked, but even with the most generous interpretation of the data provided no more than 30% might be earmarked for adaptation. From the perspective of the developing countries this is far from achieving the "balance" between adaptation and mitigation.

The main issue for Doha is what pledges are to be made between 2013 (when the FSF ends) and 2020. The developing countries are demanding that the amount of funding start from $10 billion in 2013 and ramp up each year by $10 billion

Secondly, the actual disbursement channels for the FSF were very non-transparent with the majority of the funds allocated through multilateral channels (such as the World Bank, UNDP, etc) and bilateral agencies (such as DFID, GIZ, USAID, etc). The developing countries had demanded that funds should be channeled through the funds created under the UNFCC (such as the Adaptation Fund and the Least Developed Countries Fund). However, only a very small proportion of the FSF was channeled through these funds.

Thirdly, all the developed countries double counted the FSF funds (which were for tackling climate change) with their ODA (which is for development purposes), although different countries double counted to different degrees.

Issues for Doha

The main issue for Doha is what pledges are to be made between 2013 (when the FSF ends) and 2020 (when the $100 billion a year starts). The developing countries are demanding that the amount of funding start from $10 billion in 2013 and ramp up each year by $10 billion in order to reach $100 billion in 2020. However, the developed countries, as they are undergoing economic hardships at home, will resist these demands.

Bangladesh's role

Bangladesh has been playing a key role as a member of the Least Developed Countries (LDC) Group and has a member on the Board of the GCF as well as the Adaptation Fund. It will continue to play a key role in Doha. The outcome is still highly uncertain.

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