

# Industrial villages: prevention for factory accidents

## BEPZA chairman says the country is still a haven for investment

MD FAZLUR RAHMAN

International buyers should not form an opinion of the factory conditions in Bangladesh taking into consideration the collapsed Rana Plaza, which is anomalous of the country's garment industry, a top regulator said.

"Rana Plaza is not representative of the country's 6,000 strong garment industry," K M Mominur Rahman, executive chairman of Bangladesh Export Processing Zones Authority (BEPZA), told The Daily Star in an interview recently.

"We have many compliant companies -- both inside and outside EPZs [export processing zones] -- that can compete with the companies from industrialised, developed nations."

Rahman, however, admitted that there are weaknesses in some factories, which can be fixed gradually. "We can do it."

The disintegration of Rana Plaza, an unauthorised nine-story building in Savar which housed five garment factories, last Wednesday, killing at least 385 and fatally injuring thousands, brought to the fore the issue of working conditions in the 20-billion-dollar industry.

Such incidence of building collapse or factory fires, though, is a rarity in the eight EPZs that Rahman's BEPZA controls, thanks to the number of system-specified compliance adhered to.

"We follow the same system in case of building code -- we ensure everything so that workers' lives are safe."

Rahman, however, admits fire incidents sometimes occur.



K M Mominur Rahman

"But all measures are in place to contain it [fire] right away," he said, adding that both foreign and local investors properly observe all of the compliances inside the EPZs.

"That is the key. It is not the case that we impose everything on them. Buyers as well as investors do this on their own. We supervise them in correcting any weaknesses, if there are any, in their units."

The BEPZA chief said EPZs have some special advantages: they operate in a bonded area and are free from all outside influences.

Workers employed at EPZs receive their salaries regularly and on time, together with all benefits.

Besides, there are many companies inside the EPZs which provide additional facilities to their workers, many of which are not available in factories outside

of the EPZs.

"Thanks to timely payment of salaries and other perks, the workers are very loyal to their employers and are never involved in any unrest."

Rahman said if the garment factories could be given an EPZ-like perimeter it would easily become possible for the government to enforce structural building codes, fire compliances and other requirements, all of which would provide a congenial environment for the workers.

To achieve that, the BEPZA chairman suggested setting up industrial villages to relocate the haphazardly-located garment factories across the country.

"The industrial villages could be set up emulating the EPZs in district towns around Dhaka and Chittagong cities," he said, while calling for the process to start immediately.

The BEPZA chairman said the

government could set up a regulatory body, even if it is not like BEPZA, to ensure that garment owners follow all compliances.

"The regulator will inspect everything at factories often and apprise the government of their weaknesses. Accordingly, the authorities will take action."

Still, Rahman wonders whether such a body would be sufficient to control the industry in an effective manner, given the experience.

"But the factory owners can do this out of their own conscience. But it would be best if the BGMEA [Bangladesh Garment Manufacturers and Exporters Association] takes the initiative."

His comments then put a question mark on the efficacy of some of the government agencies such as factory inspectors, fire department or housing authorities, who give clearance before a factory is set up.

"We have to ensure all compliances, as this is a very, very labour-intensive sector."

He mentioned the role of media following incidents such as the Savar tragedy or the Tazreen fire, which sends out a wrong message and gives ammunition to Bangladesh's competitors to renew their propaganda against the country.

"Incidents like this are broadcast in both the local and foreign media in such a way that it tends to suggest everything is bad here. But that is not the case. Only a handful of companies out of the country's about 6,000 garment companies could be lagging when it comes to compliance."

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## Extreme pricing. At what cost?



An item of clothing with a Joe Fresh label lies in the rubble after Rana Plaza collapsed in Savar on April 24.

CLARE O'CONNOR, *Forbes*

TAKE a few moments to browse fashion retailer Joe Fresh's crisp, minimalist website and you might just succumb to sticker shock. For once, it'll be because you can't remember the last time you saw a pair of jeans this cool for \$19.

Old Navy charges \$34.50 for their incarnation of this season's colourful denim trend, and they do so without Joe Fresh's cachet as the fun new kid on the fast fashion block.

The brand is the brainchild of Joe Mimran, perhaps Canada's best known merchant and the co-founder of Club Monaco, which he sold to Ralph Lauren Corp. in 1999. In 2004, Mimran was hired by Canada's second richest person, department store billionaire Galen Weston, to develop a clothing line for his supermarket chain Loblaw Inc. Since its 2006 debut, Joe Fresh has grown far beyond the confines of supermarket aisles into a household name, with over 300 stores in Canada.

The chain's US presence is also growing exponentially, mainly thanks to a partnership with JC Penney. There are Joe Fresh boutiques inside almost 700 JC Penney outlets across the country. Such is the cross-demographic appeal of the brand that there are also brick and mortar Joe Fresh stores in prime retail territory like Manhattan's Fifth Avenue.

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## Ford revs up to roll into Myanmar car market



AFP

A worker polishes a Ford during an event by US carmaker Ford in Yangon yesterday.

AFP, Yangon

FORD Motor said on Tuesday will open a showroom in Yangon by the end of the year, making it the first US automaker to enter Myanmar after the rollback of sanctions in the once junta-ruled nation.

The firm will sell and service vehicles with a local partner firm, as it seeks to tap demand in a nation where huge import taxes and a US investment ban aimed at the previous regime meant cars were too expensive for many.

However, import regulations have been eased by Myanmar as part of the reform process to allow more vehicles to be brought in from overseas -- for those who can afford them -- while the US last year ended its investment ban.

Vehicles will be directly imported from Thailand and the US, the carmaker said, after Washington scrapped investment embargoes last year as a reward for democratic reforms undertaken by the nominally civilian government since 2011.

"We are both excited and proud to support the US government's call to invest in Myanmar and to be at the forefront of the positive change that is taking place here," said Dave Westerman, Asia Pacific Regional Manager of Ford Export and Growth Operations.

As the economy develops "Myanmar's people and businesses will increasingly want and require personal, as well as commercial vehicles to help support their progressing lives, lifestyles and businesses", he added.

Partner firm Capital Automotive said the showroom will hire local people, bringing new skills to a previously limited sector of the economy.

Until the end of junta rule, most of the rusting automobiles on the streets of Yangon came from Japan, although there are also classic Western models dating back to the pre-junta era half a century ago.

## Savar tragedy sheds light on workers' safety

IMTIAZ MOINUL ISLAM

IT has become a common newspaper heading for the last few years that workers have died of some sort of accident to at their workplaces. The epic tragedy of "Rana Plaza" is one of the most unfortunate mass deaths this country has seen.

Before this, the fire break-outs took more than 100 lives in "Tazreen Fashions" factory in Ashulia, 25 lives in "Garib and Garib" garments factory in Gazipur and eight in Shampur, Dhaka.

In most cases, according to various news reports, investigation team(s) has been working to find out the internal malfunctions resulting into such devastations.

The police said charges would be brought against the owners of the factories possibly for manslaughter, which is a form of unlawful killing. But the truth is there is no specific law for punishment of the persons responsible.

Even if punishment is inflicted under the Penal Code, putting a few of the factory owners behind bars is not going to improve the neglecting attitude of the owner class.

The Labour Act 2006 and building codes of Bangladesh specifically prescribed the safety measures that ought to be taken in industrial buildings.

Sadly, the punishment for whittling away from those statutory requirements and more importantly the compensation that is paid for a death resulting from such negligent maneuver is way too inadequate.

The dead workers' families are likely to get around Tk 2 lakh each as compensation money under the Labour Act 2006 and around Tk 1 lakh from group insurance which are inhumanly nominal.

Such compensations, which are not satisfactory at all, will neither adequately recompense



STAR

Cranes clear the debris of Rana Plaza that collapsed on April 24 in the nation's worst industrial disaster.

the families nor put effective financial pressure on the owners.

It is crucial now to introduce preventive and punitive measures for these. It has been long established that corporations/companies being fictional legal entities cannot commit murder.

However, they can commit manslaughter, and recently, a revolutionary enactment has been passed in UK -- the Corporate Manslaughter and Corporate Homicide Act 2007 (CMCHA) -- creating the offence of "corporate manslaughter".

The offence can be committed only by organizations, not by individuals.

The punishment, if a company is held guilty, is severe fines and civil compensation along with remedial orders that would compensate the unfortunate families appropriately and make the company more careful.

According to the famous website [www.workers.org](http://www.workers.org), around 414 workers have been burnt to death in Bangladesh during 2006-

09, which could be, most likely, corporate manslaughters.

Even in 2010, at least 40 garment workers were burnt to death and witnesses in most cases reported that emergency exit doors and stairway gate were locked resulting in such disasters.

The website embodies the worldwide reaction to these mishaps by saying that it would be entirely too simple to blame the conditions of Bangladeshi workers solely on the country's ruling class.

This would be ignoring the reality of imperialist globalisation. Companies and financial institutions in the imperialist world dictate working conditions in the third world countries like Bangladesh.

In every big tragedy in the last few decades where companies and financial institutions were involved, nominal compensations were paid to the deceased workers' families and the owners got off the hook without further accountability.

Most of the times, such com-

pensations range from Tk 1-2 lakh as if human life is that cheap and the companies at fault would not even bother to rectify the actual cause behind the tragedy.

When a factory owner takes in workers numbered in thousands and pushes them into unsafe and unplanned buildings and locks the doors in the name of preventing theft, it seems they only see a thousand working live machine worth a few lakhs.

Even, there is no stringent liability imposed or yardstick set on them by the government.

It has become a must now that a law equivalent to the CMCHA is passed in our country to entail strict statutory liability upon the owner class.

With the law, the court would be able to make a company pay 5 percent of its turnover as fine and civil compensation to be paid separately.

The fine would be designed to punish the company and set examples to other companies running business in potentially risky manners.

Under such law, the judiciary would have the power to make publicity orders by which the company at fault would be required to publish the nature of their offence and the penalties imposed in national media.

Such publicity orders are very effective to punish large corporations, as those will leave adverse impact upon the companies' reputation.

The court will also have the jurisdiction to order for arrest and prosecution of the directors of guilty companies, pass remedial orders and direct them to correct their faults.

Additional to this corporate liability, the directors of such companies would be vulnerable to criminal charges, a combined effect of which would force them to act more sincerely.

At present, the poor workers sit with the employers for negotiation and are compensated at a degrading rate for their invaluable life.

It matters less than nothing to the family of the poor demised souls whether the persons responsible for such atrocity are put behind bars; what can actually conciliate their mourning is a good amount of compensation.

The truth, as it seems, is that there can be no unequivocal settlement between the rich and the poor, between the corporate giants and less than \$2 per day paid workers of a third world country, and hence judicial intervention is duly warranted.

By passing the CMCHA, it was graciously pointed out that no matter what, workers' rights are more important than industrialists making profit.

It is about time that the same sympathetic approach is echoed by us and an act equivalent to CMCHA is passed as a tribute to the underprivileged working class.

The writer is a barrister-at-law.