

It was a day of death and despair three years ago when the Rana Plaza building collapse on the outskirts of Dhaka shook the world, taking the lives of more than 1,130. The deadliest industrial disaster also came as an opportunity for Bangladesh to fix the faults in its factories. Refayet Ullah Mirdha, senior staff reporter at The Daily Star, spoke to three experts to gauge the progress made in workplace safety.

# A journey toward safe workplace

*Srinivas Reddy, country director of the ILO, talks about the progress in ensuring factory safety*

*The Daily Star (TDS): Do you think workplace safety has improved since the Rana Plaza building collapse?*

**Reddy:** Yes, workplace safety has improved since the disaster. Key steps have been taken such as the inspection of virtually all export oriented garment factories for structural, fire and electrical safety. In all, 3,632 factories have been inspected, of which 1,549 were assessed by the National Initiative supported by the ILO. To date, 39 have been closed and a similar number partially shut down, potentially saving the lives of many thousands of workers. Besides this, a large number of factories have been either closed or relocated to safer buildings. This is a major achievement.

However, the apparel industry can only be considered fully safe once each and every factory has carried out the process of remediation to fix faults identified by the inspectors. While a number of large factories, on their own and in collaboration with the Accord and Alliance, are taking up laudable work to complete the remediation, little remediation work in respect of National Initiative factories is a concern that needs to be addressed on a priority basis.

Undoubtedly Bangladesh's garment sector is going through a major change and all of this work helps create a far firmer foundation upon which future actions to ensure safety in the garment sector and beyond can be based.

It is important to recognise that the reforms being undertaken by the government with the support of the ILO in this regard are not simply trying to bring about change, but also seeking to institutionalise change, so that once external support ends local stakeholders such as the government, employers and workers organisations are able to sustain and build upon the work undertaken.

An example is the continual reform of the Department of Inspection for Factories and Establishments, which plays a major frontline role relating to workplace safety. The labour inspectorate today is far better resourced, effective and credible than it was at the time of the Rana Plaza disaster. Key steps include development of a labour inspection strategy, inspection checklists for various industries, standard operating procedures for inspectors, and comprehensive training for inspectors. Likewise the Fire Service and Civil Defence department has also been considerably

strengthened. There has also been progress to build a culture of occupational safety and health in Bangladesh. A good step is the upcoming National Occupational Safety and Health Day on April 28, being observed for the first time.

Over the past three years a large number of workers, managers and trade unionists have been trained by the ILO in collaboration with partners. While much has been achieved, it is important that the momentum is maintained and those efforts continue to ensure that all workplaces are safe and remain safe.

*TDS: Have all the victims of the Rana Plaza building collapse received compensation? Was the entire \$30-million compensation fund disbursed among the victims?*

**Reddy:** Compensation has now been disbursed to all Rana Plaza claimants by the Rana Plaza Coordination Committee. I wish to clarify that the compensation was disbursed by the multi stakeholder Rana Plaza Coordination Committee that established the Rana Plaza Voluntary Trust Fund, besides the compensation paid from the Prime Minister's Relief Fund and Primark. The ILO acted as the neutral chair and trustee to the fund and provided technical support to its administration but the actual decisions with regard to disbursement and all related matters were taken by the multi stakeholder coordination committee.

*TDS: Are you satisfied with the progress in the implementation of safety measures in garment factories, since three agencies -- Accord, Alliance and National Initiative -- have already inspected around 3,800 factories?*

**Reddy:** Undoubtedly there has been good progress and I would like to recognise and congratulate the government of Bangladesh, BGMEA, BKMEA, workers' organisations and Accord and Alliance and other relevant stakeholders that have contributed to this progress and change. What is important now is to complete remediation as a matter of priority. While a large number of employers are taking action to complete the remediation with the support of Accord and Alliance, I would like to call upon all the employers under the National Initiative to undertake remediation as a matter of urgency to make their workplaces safer and instil confidence in



**Srinivas Reddy**

buyers. I would also like to encourage the buyers and brands sourcing from these factories to engage in a partnership, to enable those factories to complete remediation. The issue of remediation should be dealt with a sense of urgency to address the residual risks in the sector.

*TDS: How will we handle the workplace safety issue after the departure of Accord and Alliance in June 2018?*

**Reddy:** Bangladesh's regularity authorities and relevant agencies need to be ready for whatever date the Accord, Alliance and eventually the ILO and other development partners complete their support. The comprehensive efforts to strengthen the regulatory bodies have in mind the day when external assistance ends. The ongoing issue of remediation needs to be addressed. For this reason, the ILO is working with the government and other stakeholders to establish a Remediation Coordination Cell (RCC). Staffed by members of the key regulators as well as by specialist private sector engineers, the RCC would oversee the process of remediation. On a long term basis, the government of

Bangladesh needs to set up an effective regulatory regime which would assure effective monitoring of factory buildings and issuance of building fitness certificates that would assure buyers and brands about the structural integrity and fire safety in these buildings.

*TDS: Can you tell us something about the progress of the workers' injuries insurance scheme?*

**Reddy:** Following the Rana Plaza building collapse, an unprecedented effort took place to provide compensation to survivors and families of the dead. However, it is neither realistic nor beneficial to repeat such a complex exercise whenever accidents occur. The government of Bangladesh is, therefore, working with the ILO and Germany to establish a Universal Employment Injury Social Protection Scheme. Workers would receive compensation in the event of any industrial accident while employers would also benefit as such a scheme would spread the risks arising from accidents across all enterprises. A feasibility study for the scheme has been undertaken while a number of study visits have also taken place to see how similar

schemes operate in other countries in the region such as Cambodia and Malaysia. Further consultations will be held with the government, Bangladesh Employers' Federation, BGMEA, BKMEA and the workers organisations to design and operationalise the scheme.

*TDS: What do you think about workers' rights and trade unionism in Bangladesh after the Rana Plaza building collapse?*

**Reddy:** The development of safety and workers' rights need to go hand in hand. There cannot be one without the other. While progress has been achieved in many areas considerable efforts still need to be made to ensure that international labour standards are respected and workers are able to fully enjoy their rights. There remains a widespread distrust between employers and workers organisations. Such distrust poses barriers to the formation of new unions and for existing labour unions to operate effectively. Better understanding and appreciation of the positive role trade unions can play as well as the business case of respecting the rights of workers, particularly the rights relating to freedom of association and collective bargaining, would go a long way in making the industry sustainable. I would like to stress that workers and their organisations need to be active partners in progress.

The trade union registration process needs to be a formality, in accordance with objective and transparent criteria. Further efforts are needed to ensure that alleged anti-union discrimination and unfair labour practices are investigated and if necessary prosecuted in a timely and transparent manner. For this reason it is important that the Directorate of Labour has the necessary staff and resources to carry out its role effectively. There needs to be ongoing efforts to help workers, managers and owners alike, to better understand their rights and obligations relating to the Bangladesh Labour Act. Meanwhile consultations are needed on further amendments to Bangladesh's labour related legal framework towards ensuring full compliance with core ILO Conventions and to address the conclusions and recommendations of the ILO supervisory bodies, including with regard to freedom of association.

## Progress significant, but more still to be done

*Says Mesbah Rabin, managing director of Alliance for Bangladesh Worker Safety*

*The Daily Star (TDS): What's your take on progress in workplace safety in Bangladesh after three years of factory inspections?*

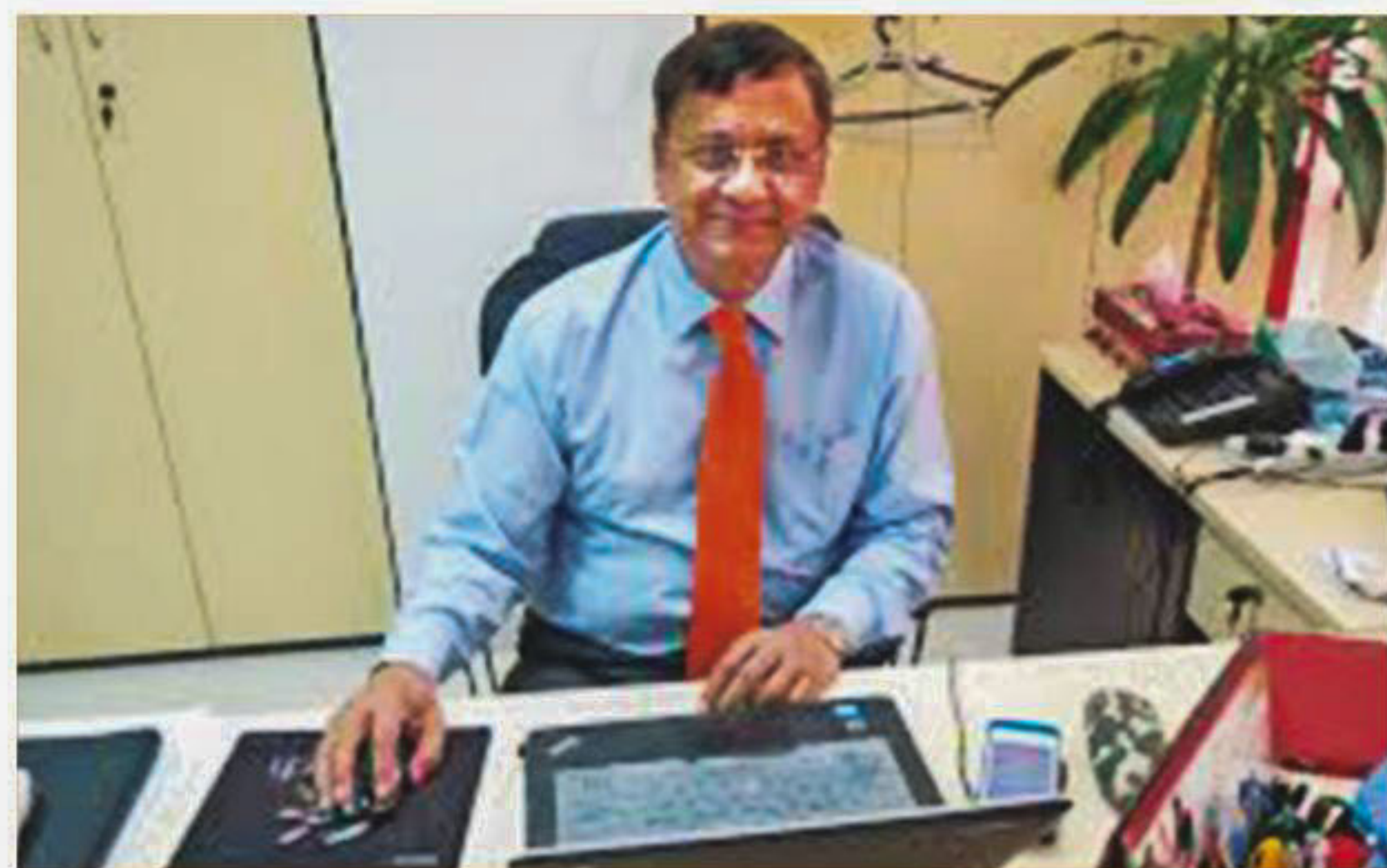
**Rabin:** We are proud to report that our factories are safer now than they were three years ago, and they get safer every day as we continue to work with factory owners through the remediation process. At the halfway point of our five-year initiative, 50 percent of required repairs have been remediated, and the remaining 50 percent are underway. Factory workers tell us they feel safer and more empowered, and factory owners report that they have greater confidence in the safety and management of their facilities.

There's still much to be done, but we've come a long way since our initiative began in 2013. The Bangladesh Fire Service and Civil Defence reports that fires in Bangladesh's garment factories have dropped by nearly 90 percent in recent years -- from 250 in 2012 to just 30 in 2015, none of which resulted in death.

*TDS: How many factories has the Alliance inspected? Comment on the progress in remediation as per the recommendations by the inspectors?*

**Rabin:** The Alliance has completed inspections in 100 percent of our nearly 700 factories, and we have been working closely with factory owners throughout the remediation process. Overall, our factories have completed half of required repairs, and a majority of factories have fewer than five high priority safety risks left to address -- and these are the items we are working with factories to prioritise.

*TDS: Give details on financial assistance available for the factory owners who are seeking to upgrade their production units.*



**Mesbah Rabin**

**Rabin:** Our member companies have made more than \$100 million in funds available for low-cost loans to factory owners seeking financial assistance with remediation. We've also established a worker support fund through which we have fulfilled 100 percent of requests from factory owners, providing compensation to more than 6,500 workers displaced by factory remediation to date.

*TDS: What's your experience of working with the factory owners for remediation and inspections?*

**Rabin:** We are proud of the work we've been able to accomplish with factory owners through the remediation and worker empowerment process, and we continue to communicate with factories daily. We take our mission very seriously and hold factories accountable to our strict requirements. While the majority of our factories have been very engaged and responsive on these important issues, we've unfortunately needed to suspend operations with 77 factories that have

failed to make progress toward remediation.

*TDS: What are the challenges to factory remediation in Bangladesh?*

**Rabin:** Progress in remedying factory safety issues is significant, but it takes time. Factors such as political unrest, a lack of qualified engineers, the time consuming yet required import of vital safety equipment not available in Bangladesh, and natural disasters such as the 2014 earthquake in neighbouring Nepal have all delayed remediation. Despite this, the work of the Alliance and our member companies to improve factory safety in Bangladesh presses forward, and our measurable progress is saving lives.

Overall, our factories have completed 50 percent of their required repairs, and a majority of factories have fewer than five high priority safety risks left to address. We are redoubling our efforts to stress the importance of factories prioritising progress on these and other issues that are most critical to life safety.

## The aim is to complete remediation in time

*Says Rob Wayss, executive director of Accord on Fire and Building Safety in Bangladesh*

*The Daily Star (TDS): Has workplace safety really improved?*

**Wayss:** Safety in garment factories improved in the past three years but still there remains a lot of work to do. Accord has inspected almost 1,600 factories and at the overwhelming majority of these, remediation work is being done. The pace of remediation, however, is too slow and remediation is behind schedule in the large majority of the inspected factories. About 60 percent of safety hazards identified from our initial inspections are reported as corrected. At this time, however, almost all remediation from initial inspections should have been completed. Accord has redoubled its efforts to see remediation completed through a combination of measures -- hiring more engineers, getting to factories for more frequent follow-ups, and providing additional support to factories on the remediation issues.

*TDS: How many factories have you inspected so far?*

**Wayss:** We have inspected 1,552 factories and we have an additional 97 newly listed factories we will start inspecting from next month.

*TDS: Has Accord provided any fund to factory owners for remediation?*

**Wayss:** Several factories have received different types of commercial and financial support from the signatory companies of Accord. These include: commitments to increase order volumes, long-term commitments to business with the factories, and prepayment or accelerated payment of orders so that remediation inputs and services can be purchased. Accord has also worked with the IFC in setting up a \$50 million



**Rob Wayss**

remediation loan fund. Several Accord suppliers have taken loans from this fund. We continue our work with the IFC and their local partner banks so that loans are offered to factories that need this support. The information we have gathered from factory owners since July 2014 -- through our work with owners and our signatory companies in confirming that a finance plan is in place to pay for remediation -- indicates that financing for remediation is not one of the major obstacles to completing the remediation. Accord works with the signatory companies and the listed factories in all cases where factory owners have indicated they need financial or commercial support to complete remediation.

*TDS: Are you happy about the cooperation from factory owners in remediation and inspection?*

**Wayss:** We receive varying levels of cooperation from our listed suppliers regarding remediation. Many

are 75 percent or more completed with remediation of safety hazards from initial inspections. Seven have completed all remediation from initial inspections. We have a large number of factories, however, who are moving far too slowly in completing remediation from initial inspections. The biggest issue right now is to simply achieve the will and commitment to complete the remediation at inspected factories. Almost all of the technical and capacity challenges faced earlier in the execution of the Accord with the inspected factories have now been overcome. Accord is working intensively with the signatories and the inspected factories to finish the initial remediation. We are working very hard to see this initial remediation work completed by early 2017.

*TDS: What is the biggest challenge you face right now?*

**Wayss:** The biggest issue right now is to simply achieve the will and commitment to complete the remediation at the inspected factories.