

FOUR YEARS AFTER RANA PLAZA

Realities on the ground



THE Rana Plaza collapse that killed around 1,100 people put western retailers at the brink of pulling out their business from Bangladesh. Stronger measures for structural workplace safety were put into place and

implanted through the Accord and Alliance and ties with multiple non-compliant factories were severed.

Nevertheless, we hear often through state representatives that European and American customers are very concerned about what working conditions their clothes are made in. If that concern is valid, how much of a financial hit did the brands take, especially the ones who were involved in Rana Plaza?

Rationally speaking, there should have been a drop in sales or share prices, right? Wrong. In an article in *The Guardian* in 2013 it was stated that Primark, one of the brands involved in the industrial disaster, saw 20 percent rise in sales and that "good weather outweighed the negative publicity".

The catastrophe left behind by Rana Plaza is not the first case where dire working conditions of large clothing retailers were exposed. There are cases of factory collapse or underage workers in competitor countries like India and Cambodia. This ideally should have made the "concerned" customers of Europe and America more reluctant to buy clothes from big brands in business with those factories. Yet owners of fast fashion companies like Zara or H&M are some of the richest individuals on earth. This was possible because these companies have succeeded in selling cheap clothes in bulk.

Even though in the context of Bangladesh we see a lot of pressure on safety and social compliance, our manufacturers often express concerns that they lose orders as the cost of business has become higher due to those measures. That makes perfect capitalistic sense



Brand tags left abandoned at the site of the collapsed Rana Plaza building.

PHOTO: RASHED SHUMON

because our buyers don't come here to boost our economic growth but rather to source clothes at a competitive price and profit from cheap labour and working conditions. If and when cheaper alternatives arise somewhere else they will move their businesses there. Like any other business they just want to maximise profit.

This raises the question about whether the issues of social compliance and sustainability at the core remain a one-sided effort systematically. The upcoming review of the EU Sustainability Compact is on May 18. If the review sees no significant development in regards to workers' rights, the EU might consider revoking the preferential trade facility, Everything but Arms (EBA), for Bangladesh. Undoubtedly, Bangladesh and its RMG industry have benefitted a lot from this duty-

free/quota-free access to the EU. However, concerns about the lack of regard for workers' rights, namely freedom of association, resulted in Bangladesh getting a special paragraph mention in the 2016 International Labor Conference.

Now, let's think for a moment what would happen if Bangladesh actually lost the EBA preference. The cost of doing business would be higher and buyers would move to cheaper destinations. It doesn't necessarily mean that our competitors are better than us in terms of compliance and safety measures. In the end, the single deciding factor is price. In the aforementioned scenario, our competitors would enjoy an increase in business. However, the challenges that are relevant for us most likely will be relevant for them too one day. All these dynamics are reminiscent of

another industry that has historically struggled to get fair prices—the oil industry and OPEC. In the 1960s there was a globalised oil market when the demand for oil was increasing. However, the oil-producing countries were not the ones benefiting as global production and prices were controlled by five western companies, including Shell and BP.

The OPEC then came in to give power back to the oil-producing countries by regulating supply and manipulating prices, thus becoming a cartel. An example of their action is the oil embargo of 1973-74 against the US and other industrial countries which supported Israel in the Yom Kippur War, causing significant rise in oil prices. The context, dynamic and nature of the oil and apparel industries are different but there are definitely things to learn from history about industries

that have faced similar challenges as us when it comes to fair prices.

Although the issue of fair price is important to achieve sustainability, it doesn't however exonerate the local stakeholders from their obligations. Labour representatives and their advocacy partners have rightfully pointed out that employers are yet to show proactive efforts and truly value labour as their business primarily depends on competitive prices. Much of the progress in workers' rights, safety and wellbeing has been achieved through international pressure rather than reforms on our own. Yet, this is nothing new. Historically, labour has always been exploited: slaves of ancient Egypt and America, coal miners working in unsafe conditions during the Industrial Revolution, domestic household workers in our country who have no institutional rights or liberty, etc.

But we have always made progress in terms of improving our conditions through other means. RMG factory workers are constituents of a republic with voting rights. Thus there is a strong incentive for governments to design and firmly implement legislation that caters to their needs. It is important that workers are able to form associations and have a dialogue with their employers and make their voices heard through proper representation. There is a need to work on the growing mistrust between the two parties.

At present, only four percent of workers are represented through unions and most applications for union registrations face considerable bureaucratic challenges and arbitrary rejection. The nature and the quality of social dialogues will evolve and improve over time but we must act now to make meaningful progress. It also makes economic sense as an environment conducive to such progress will prevent catastrophes such as Rana Plaza and unrests like the protest in Ashulia. It will allow the smooth operation of businesses and overall expansion of the RMG sector that still accounts for around 80 percent of our export revenue.

The writer is a development practitioner.

Please stop saying, "I'll be replaced by a robot"



I suppose I could sit here and fret over a day in the not-too-distant future when a robot powered by artificial intelligence (AI) will spit

out newspaper columns like this one, rendering redundant columnists like me. After all, there have been reports that computers can already churn out news reports that read almost as well as those written by journalists, and in a fraction of the time taken.

The thought of being replaced by software is depressing and, I might add, self-defeating.

That is why I disagree with the way technological advances and the future of work are all too often framed in either-or terms: either robot or human worker, either AI or human brain.

Here are a few recent examples of headlines in local media that fall into this category: "AI may replace a third of graduate jobs: Study", published on April 6; "Evidence that robots are winning the race for American jobs", published on March 30; and "Robots may take over 10 million jobs in Britain in 15 years", published on March 25.

Such reports reflect how automation and AI are more often than not viewed - not just in Singapore but in other parts of the world too - as threats to jobs and human well-being. An extreme example of such thinking is exemplified by historian Yuval Noah Harari, author of the best-selling book *Sapiens: A Brief History Of Humankind*.

In an essay for ideas.ted.com bearing the headline "The Rise Of The Useless Class", he writes: "The most

important question in 21st-century economics may well be: What should we do with all the superfluous people, once we have highly intelligent non-conscious algorithms that can do almost everything better than humans?"

He adds that "the idea that humans will always have a unique ability beyond the reach of non-conscious algorithms is just wishful thinking" because "every animal - including Homo sapiens - is an assemblage of organic algorithms shaped by natural selection over millions of years of evolution."

I question if human beings can be reduced to "assemblages of organic algorithms" but even if that view has some basis, it remains unclear what time frame Harari has in mind for his doomsday scenario.

For the foreseeable future, though, I propose a reframing of the challenge, along the lines put forth in a 2015 *Harvard Business Review* (HBR) article by Thomas H Davenport and Julia Kirby entitled "Beyond Automation".

They write: "What if we were to reframe the situation?"

"What if, rather than asking the traditional question - what tasks currently performed by humans will soon be done more cheaply and rapidly by machines? - we ask a new one: what new feats might people achieve if they had better thinking machines to assist them?"

"Instead of seeing work as a zero-sum game with machines taking an ever greater share, we might see growing possibilities for employment."

"We could reframe the threat of automation as an opportunity for augmentation."

New feats, growing possibilities for employment, opportunity for augmentation - such phrases are not

common currency in talk on the future of work. Yet they should be.

A change of focus from automation to augmentation changes the outlook for humans.

The first implies they will be replaced by robots while the second points to them collaborating with robots to achieve that which is impossible today.

Such a paradigm shift has the power to unlock human potential for it encourages people to stop agonising over cost and headcount cuts and imagine instead ways to bring about growth - business growth, economic growth, personal and professional growth.

I take heart that the man championing this paradigm shift from automation to augmentation - Prof Davenport - is considered an expert in information technology and management. A research fellow at the Massachusetts Institute of Technology (MIT) Centre for Digital Business, he penned the article with Kirby, an HBR editor-at-large.

They also quote MIT economist David Autor, who closely tracks the effects of automation on labour markets and points to the immense challenge of applying machines to tasks that call for flexibility, judgment or common sense.

He says: "Tasks that cannot be substituted by computerisation are generally complemented by it", a point that "is as fundamental as it is overlooked".

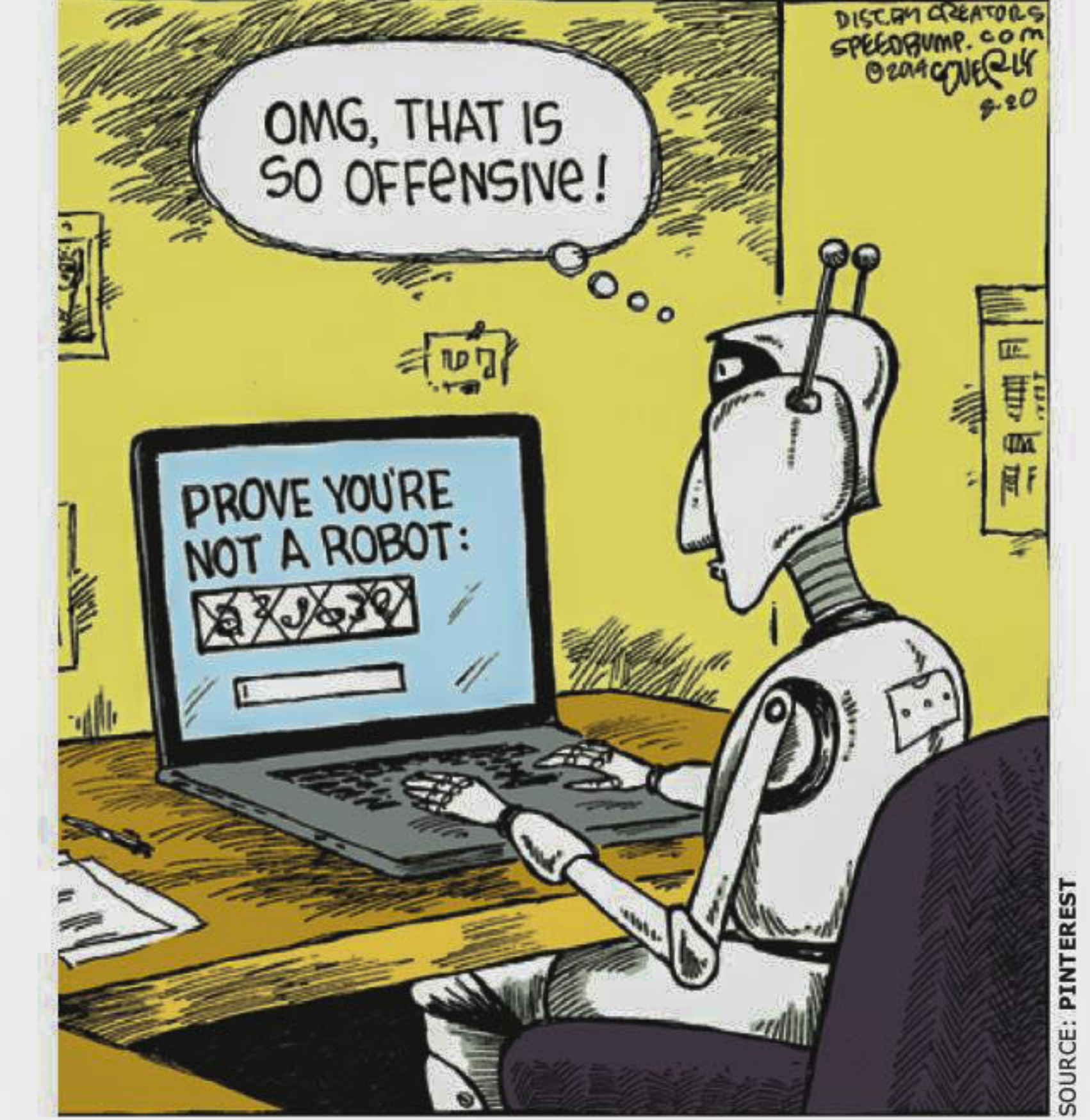
So what to make of those dire forecasts of millions of jobs - including graduate jobs - being lost to robots and AI? My sense is they are unhelpful. The impact of technology differs from place to place, depending on context and local circumstances. The rise of robots is much less of a concern for a small, labour-scarce

country like Singapore than it is for a large, labour-rich one like China.

Worries about mass unemployment may in fact be overblown, the McKinsey Global Institute concludes in a report issued in January - *A Future That Works: Automation, Employment And*

robots, to overcome demographic ageing trends in both developed and developing economies.

"In other words, a surplus of human labour is much less likely to occur than a deficit of human labour, unless automation is deployed widely," the McKinsey team writes.



Productivity. "While much of the current debate about automation has focused on the potential for mass unemployment, predicated on a surplus of human labour, the world's economy will actually need every erg of human labour working, in addition to the

Yes, the nature of work will change. As processes are transformed by automation of certain tasks, "people will perform activities that are complementary to the work that machines do (and vice versa)". The key word here is complementary, that is, humans and robots working

together.

There will also be changes in how companies are organised, the bases of industry competition and business models. So yes, there will be disruption and humans will have to adapt. But the McKinsey report presents a more nuanced picture of what will happen to jobs by breaking them down into activities.

"We consider work activities a more relevant and useful measure since occupations are made up of a range of activities with different potential for automation."

"For example, a retail salesperson will spend some time interacting with customers, stocking shelves, or ringing up sales. Each of these activities is distinct and requires different capabilities to perform successfully," the McKinsey team explains.

Its research shows that based on current technology, the three types of activities most susceptible to automation are: physical activity or operating machinery in a predictable environment, collecting data and processing data.

It estimates that "less than 5 percent of occupations can be fully automated" and "about 60 percent have at least 30 percent of activities that can technically be automated".

"Workers", it concludes, "will need to work more closely with technology, freeing up more time to focus on intrinsically human capabilities that machines cannot yet match."

It would be sweet irony if the entry of robots into the workplace helps us become more fully human. I certainly look forward to that day, and to a machine helping me write better columns.

The writer is Associate Opinion Editor, *The Straits Times*. Copyright: The Straits Times/Asia News Network

A WORD A DAY

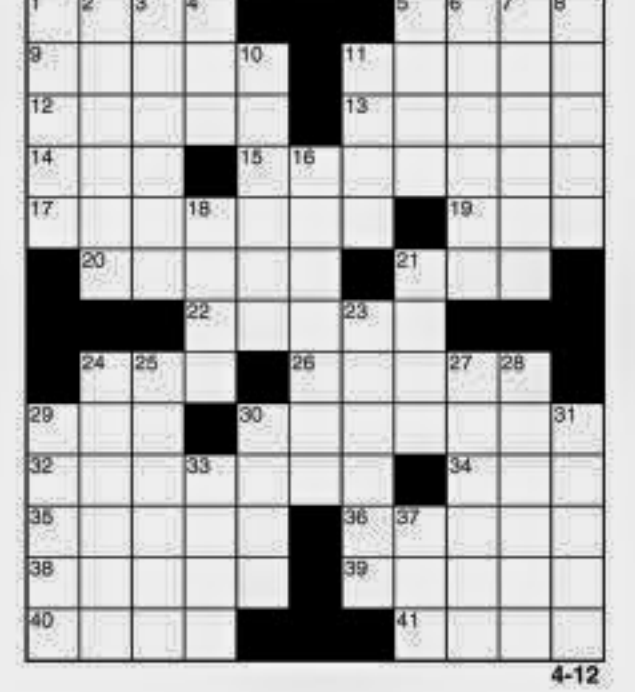


CYNOSURE
noun

A person or thing that is the centre of attention

CROSSWORD BY THOMAS JOSEPH

- | | | |
|-----------------------|--------------------------------|--------------------------------|
| ACROSS | 34 Pickle holder | keyboard |
| 1 Edinburgh native | 35 Turn red, maybe | 11 Diving bird |
| 5 Historian's subject | 36 Switzerland neighbor | 16 Look-alikes |
| 9 Unsaid | 38 Thai or Korean | 18 Bender |
| 11 Slow tempo | 39 "Cave—" (beware of the dog) | 21 Yank's ally |
| 12 Foe | 40 Some votes | 23 Strangely different |
| 13 Heart, for one | 41 Stood | 24 Red shade |
| 14 Snaky fish | | 25 Perfect place |
| 15 Mentor's charge | DOWN | 27 Selena's music style |
| 17 Nutritional need | 1 Exorbitant | 28 Justice symbol |
| 19 Set the pace | 2 Chair fixers | 29 Aerosol output |
| 20 Beer mug | 3 Spotted cat | 30 Ivy League school |
| 21 Naughty | 4 Director Burton | 31 Response to "You wouldn't!" |
| 22 Infuriate | 5 Saucy | 33 Pekoe and oolong |
| 24 Nasty dog | 6 Germany's Merkel | 37 Salt |
| 26 Some doors | 7 Put on, as a play | |
| 29 Match part | 8 Muscularly fit | |
| 30 Guard | 10 Enter, with a | |
| 32 March, perhaps | | |



YESTERDAY'S ANSWER
TAMERS AWAY
APACHE RACE
CRAZY EIGHTS
EMPTY
CAME ALPS
DADA SLEEPS
ODD WHY ROE
SELFIE NICE
TERM WALK
OPART
CRAZYQUILTS
AIDE UNVEIL
TOON AGENCY

BEETLE BAILEY



BABY BLUES



BY MORT WALKER



BY KIRKMAN & SCOTT

