

# TOWARDS BUILDING A MODERN ECONOMY



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## RMG sector: Lessons for the future

*Adapting to organisational learning through Accord and Alliance-led initiatives*



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The formation of Accord and Alliance in 2013 and their activities for workplace safety in the RMG sector have led to important organisational learning for Bangladesh. For the first time, stakeholders of the RMG value chain have experienced new forms of compliance assurance. First, brands/retailers/buyers and international trade unions are involved in ensuring workplace safety at the manufacturers' end; second, local entrepreneurs now have as a requirement high level of safety standards and maintenance at their own factories; third, local public agencies have appreciated the gaps in monitoring and enforcement mechanism that they follow and also the requirement of improvement of their process; fourth, workers of RMG enterprises have been able to understand the safety-related issues and concerns and how to respond in case of emergencies in the factories.

Such organisational learning in



Both Accord and Alliance made timely review of remediation-related work and, based on the progress, put necessary pressure on factories for timely completion of their remaining work.

PHOTO: AMRAN HOSSAIN

Bangladesh's RMG industry has encouraged global brands/buyers to replicate those in other apparel manufacturing countries. The key issue is, how do we institutionalise such learning with a view to develop an effective monitoring and inspection mechanism in the future?

After five years of operation, both the initiatives have entered into a transitional phase as the initiatives of Accord and Alliance are going to end in 2018. Given the remediation works that remain in factories, both Accord and Alliance will extend

their timeline to complete their work; however, Accord is willing to extend their operation beyond the limited time period but Alliance is not willing to extend their contract. In 2017, a new body was formed under the Directorate of Inspection of Factory Establishments (DIFE) of the Ministry of Labour and Employment (MoLE) with a view to oversee the progress of remediation-related activities of, initially, factories under the National Initiatives and later other factories including those under Accord and

Alliance. The creation of a Remediation Coordination Cell (RCC) is important in order for a public agency to take over charge; at the same time, this set-up is expected to deliver the services maintaining the quality and standards.

The point is, how quickly can the newly formed RCC adapt to the organisational learning accrued through Accord and Alliance? And will it be able to deliver the expected level of services and thereby become an effective monitoring

Accord and Alliance have led to the formation of private entities with the participation of major brands, retailers, buyers and international trade unions for monitoring safety standards.

agency in Bangladesh?  
**LESSONS LEARNT FROM  
ACCORD AND ALLIANCE-LED  
INITIATIVES**

During the last five years, a number of unique features have been revealed through the private sector led initiatives of Accord and Alliance. These include, among others, formation of the private entities with the participation of major brands, retailers, buyers and international trade unions for monitoring safety standards of a major sourcing country, harmonising national rules and regulations concerning workplace safety of Bangladesh within a short time, setting up

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