

# TOWARDS BUILDING A MODERN ECONOMY



## RMG sector: Lessons for the future

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committees at the enterprise levels as well as introducing hotline for workers. These initiatives have provided a strong supplementary role in addressing the safety concerns at the factories.

### INSTITUTIONALISATION OF ORGANISATIONAL LEARNING THROUGH ACCORD AND ALLIANCE

Such detailed organisational learning through the initiatives of Accord and Alliance has strong elements that can be institutionalised with a view to make them sustainable. Theoretically, organisational learning is a cyclical process through which knowledge that is learned on an individual or group level is objectified on the organisational level, institutionalised and embedded in the organisational memory (Wiseman, 2007). There is a 4-I Framework of organisational learning (developed by Crossan, Lane and White, 1999) which identifies four main processes including 'intuiting', 'interpreting', 'integrating' and 'institutionalising'. Figure 1 presents different steps of organisational learning and role of stakeholders in different steps.

Analysis of the activities of Accord and Alliance reveals that their completed work resembles the first two phases of institutionalisation—'initiation' and 'interpretation'. The third phase of this process, i.e. 'integration' needs to be initiated which will be followed by the final phase i.e. 'institutionalisation'. With the end of the initial commitment period of Accord and Alliance and thereafter, initiation of the work of Remediation Coordination Cell (RCC)



Given the remediation work that remains in factories, both Accord and Alliance will extend their timeline to complete their work. Accord is willing to extend their operation beyond the limited time period but Alliance is not willing to extend their contract.

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under the DIFE of the MoLE, the process of integration has been started. This specialised cell will work in the transition phase and meet the requirement. The objective of this Cell initially would be to monitor and inspect and review the progress of remediation-related activities of factories earlier inspected under National Initiatives. The Cell will gradually take over the responsibility of factories under Accord and Alliance-led initiatives and ultimately take charge of

inspection-related activities of all industrial enterprises in Bangladesh.

In this context, a number of issues need to be taken into due consideration with regard to the capacity of the public agency to inspect and monitor factories as per the standards set by private initiatives: a) Is there adequate technical human resource, and organisational capacity to monitor, inspect, review and ensure compliance according to global standard by public agencies? b) Will buyers/brands accept the inspection

reports to be prepared by the local agencies and continue their businesses with local suppliers? c) Should the private agencies (such as Accord or other private agencies) be involved in facilitating the monitoring work of the public agencies, and what kind of arrangements would work well in this regard? d) In case of a transition period, what should be the arrangement between public and private agencies in dealing with the current and future safety concerns of RMG factories?

### ARRANGEMENT FOR TRANSITION PERIOD

The ultimate objective should be to strengthen the monitoring and inspection capacity of public agencies. Given the limited capacity in terms of human resources, technical issues and database management, public agencies need to prepare themselves under a targeted timeline with specific objectives and action plans. The RCC has been formed with the long-term objective to inspect factories maintaining global standards. Hence RCC needs to be equipped with competent human resources, technologies, skills, logistics, testing facilities, adequate resources and database management system.

Despite strengthening RCC, it is not technically feasible to monitor and inspect all factories by this lone agency as this would require large-scale investment in RCC. Considering the level of competency available at the private sector, it would be better to undertake their services under the arrangement of public-private partnership (PPP) where a public agency would be in charge of overall supervision of the monitoring process and private agencies accredited by the public agency would undertake monitoring and inspection-related work. Such an arrangement will ensure quick monitoring, better reporting and more transparency.

Besides, it is important to integrate the brands and buyers in the process of compliance assurance. The ultimate objective is to ensure workers' safety and security initially in export-oriented sectors and gradually in other sectors which have jobs with a degree of risk.

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