

EFFICIENCY IN RMG SECTOR

The key to unlocking our potential

FOUNDER EDITOR
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DHAKA SUNDAY JANUARY 12, 2020, POUSH 28, 1426 BS

Near-routine cost escalation of govt projects

The burden eventually falls on the taxpayers

We are concerned at the reported cost escalation of the project of a rail bridge to be built over Jamuna river. According to The Daily Star, the cost of the project has increased by 33 percent (amounting to Tk 3,216 crore) even before the start of the physical work. Although the Executive Committee of the National Economic Council (Ecenec) approved the Development Project Proforma (DPP) in December 2016 and the project was supposed to be implemented between January 2016 and December 2023, until now the consultants appointed by the Japan International Cooperation Agency (Jica) have been able to only carry out some studies, review feasibility and prepare the design of the project.

Reportedly, the project budget has increased because of the decision to use "new technologies". So now the railways ministry will have to place a revised DPP before Ecenec for approval again and the work order will be issued once the Ecenec approves it. This means more time will be wasted before the project work starts.

Unfortunately, in Bangladesh, such cost escalations and time extensions of development projects have become like a norm these days. Often projects are passed with a certain budget and after a few years we get to learn about moves to increase their cost and duration. Over the past few years, this has been the case for all the important infrastructure development projects in the country. For example, the cost of the much-hyped Padma Bridge project has been increased several times. The same is the case for the Dhaka Metro Rail Project which was supposed to be completed by the end of 2020 but has been delayed by one year.

Apart from that, the project cost of Khulna-Mongla rail track had also been increased several times because of the delay in implementation, modification of components and extension of the services of consultants. Only in November 2019, *The Daily Star* reported that the estimated cost of constructing a third terminal at Hazrat Shahjalal International Airport has been increased by 40 percent!

While corruption, inefficiency and a lack of foresight are generally the reasons for such cost increases, nobody is ever held responsible for this. This is unacceptable. It is time the government took a strong stance to stop this disturbing trend because when the time for a certain project is extended and the cost goes up, the burden always falls on the taxpayers.

Iran's welcome admission

Flight safety must be an urgent priority

THAT Iran has finally admitted to unintentionally shooting down a Ukrainian jetliner is a welcome move, as heart-breaking as the accident has been. Iran has termed the incident a "disastrous mistake", where the doomed Flight 752 had been mistaken for a "hostile target" as a result of "human error". Iran should now come forth with detailed reports of its investigations into the accident and what we can learn from it.

This incident brings to light a universal truth—that it is always the civilians who have to pay the ultimate price for the warmongering of powerful nations. While both the USA and Iran can keep blaming each other for the circumstances of this accident, these are not going to right the wrong that has been committed. This also further shows that war always comes at a terrible price.

The US' attempts at de-escalation is also visible as it has decided not to retaliate after the Iranian attacks on its bases in Iraq. However, the US must realise that imposing additional economic sanctions against Iran—which is already bearing the burden of crippling sanctions imposed by the US earlier—does not help its calls for dialogue. The US, in order to really fulfil its goal of engaging in constructive dialogue with Iran, must demonstrate their openness to such a move through actions. Crippling Iran through stricter sanctions is likely to only force the country to be more belligerent.

As a result of the Ukrainian jetliner crash, other airlines are considering if it would be safe to fly over the Gulf in the current situation. And a war in the Middle East will not only be disastrous for the region, it will also create widespread reverberations that will be felt in the far corners of the world. In the wake of Qassem Soleimani's assassination, oil prices had gone up by four percent, and its consequences have been felt in as far as Bangladesh, too.

While Bangladesh needs to prepare itself to face the repercussions should tensions continue to rise in the Middle East, especially in ensuring the safety of our migrant workers, the world—especially the US, Iran and the United Nations, along with other world powers—must do everything they can to diffuse the tensions. Let the Flight 752 crash serve as a reminder and a warning for all that it is ultimately the innocent who fall victim to power jostling between irresponsible nations, and that war must be avoided at all costs.



RMG NOTES



MOSTAFIZ UDDIN

IT is widely agreed that boosting efficiency is vital to the long-term health and well-being of Bangladesh's RMG industry. Our efficiency rates are low compared to those of rivals in

Pakistan, Vietnam and China. Boosting efficiency and optimising productivity levels will make us more competitive globally and ultimately boost profitability. So what do we need to do to make this happen?

Here I offer ten points that we need to consider to address this critical issue:

Too many helpers

The main reason buyers moved into Bangladesh in the first place was because labour costs here were generally extremely low. The resulting boost to manpower led to an increase in production and was hailed as an increase in productivity. But this is wrong.

Factories used more helpers—unmeasured workers—to increase productivity. To begin with, this worked because of the exceptionally low cost of labour. But things have changed, and in Bangladesh, the cost of labour is often as high as in rival countries; indeed, it is even higher than in the likes of Ethiopia.

Using more helpers has become a culture in our garment industry. This might provide the right product—but without implementing the right method, standard or the right technique. Excess staffing has masked underlying issues within factories. It has also hidden the fact that in many cases, these workers are not adding any overall value.

Another issue with the use of too many helpers is that it creates a mentality where no single person takes responsibility. There is no ownership and this can hamper productivity and efficiency.

The presence of too many people also creates an unnecessary hierarchy on the production floor with too many tiers of lower-to-middle management. This simply creates an excess of bureaucratic layers and a slower decision-making process.

Lack of skilled workers

Another issue related to the above is the lack of skilled workers in the industry. There is a tendency to assume that an industry of more than 20 years' maturity like that of Bangladeshi RMG will have an abundance of skilled workers. However,

there is a lack of understanding among the mid-to-senior management in terms of uplifting efficiency in critical production areas such as sewing efficiency. Perhaps there is a fear among some factory owners that workers who are trained up will leave once that initial investment in training has been made.

Too much front-end focus

Most of the time, front-end or pre-production activities are killing 70 percent of the lead time. This is mainly because of the merchandising handling by the owners and often the owners' relatives, many of whom have a limited educational background or qualification to work in these areas.

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Poor research and development (R&D) process

Bangladesh lags behind its competitors in the area of R&D. Less investment in R&D is hampering the industry as it means that factories are engaging in trial and error on the production floor. This leads to operational inefficiencies and factories ultimately pay a high price for their use of incorrect production methods. This could

lead to operational efficiency.

Traditional quality system creates inefficiency

Bangladesh continues to use an inefficient quality checking system. This system creates higher quality cost and inefficiencies and also demotivates the operations team.

Bangladesh needs to alter its quality assurance system, not its checking system. To achieve this, we need to improve front-end R&D and implement a continuous training programme. A rival garment producing country is now achieving Zero checker system by giving the ownership to the operator—reducing quality costs and creating a smoother production flow. Some factories in Bangladesh are already implementing this system, with promising results.

We need to consider the role of buyers also. They need to understand that there will always be a trade-off between quality checking and efficiency levels. They need

to be solved by investing more in R&D up front.

Use of fixed salary system

The use of a fixed salary system in Bangladesh is not motivating workers to improve their efficiency. In Pakistan, Vietnam and China, they use a piece-rate pay system and this provides a vital incentive for workers to improve their skill and efficiency levels so that they can earn more.

Bangladesh should consider a system similar to Vietnam to boost motivation and productivity. In a non-incentivised environment, it is unlikely that you will see individual performance rates above 75 percent, and this restricts overall



Bangladeshi women working in a garment factory in Dhaka.

PHOTO: AFP

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to work with the factories to achieve the right balance between these two.

Investment in machinery

There are some world-class factories in Bangladesh but most are still using basic machinery and techniques. Investment in better machinery across the board could improve efficiency by 20 percent or more. This does not mean moving towards automation; it means more optimised, sophisticated equipment which can be bought at a competitive price but which will provide a return on investment often within 18 months.

Too much overtime and absenteeism

We need to change the current culture from one where overtime is the norm to one where workers are incentivised to work hard to achieve bonuses. Give workers greater recognition and provide more sophisticated and intelligent incentive schemes so that they are motivated to work hard to achieve realistic targets. This is better than the current overtime culture, which has become more of a habit in the industry, and will help reduce absenteeism.

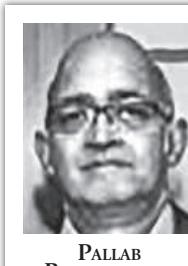
Lose monitoring mechanism

On many occasions, production managers evaluate KPIs reactively, which means they see the outcome rather than the root causes. Proactive measures are seriously lacking in Bangladesh's RMG industry and this impacts both efficiency and the cost of production. For example, lots of quality defects are identified at the end of the process and this means re-working the process, directly impacting hourly output and efficiency. Indeed, the defect rate at the end of lines has become a major issue for us and this has been neglected heavily due to the wrong KPI measures.

Lack of planning visibility and accuracy

Master planning and production planning functions are not properly connected to each other in order to see the loading visibility. According to a few analyses done at factories, planning changes are recurrent. Every planning change has a bullwhip effect which leads to a change of the entire set-up of the production facility. Sewing operators idling due to production plan changes kills efficiency. Most factories are struggling to freeze the production plan at least one per day. Planning stability for the manufacturing facility is vital to increase efficiency in the long run.

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CAA/NRC IN INDIA
Maverick Mamata and a disunited opposition camp

PALLAB BHATTACHARYA

BY deciding to boycott a meeting of about a dozen opposition parties in New Delhi, India on January 13—when they will try to firm up a strategy to take forward the movement against

the controversial Citizenship Amendment Act (CAA) and the proposed NRC—West Bengal Chief Minister Mamata Banerjee has set the proverbial cat among the pigeons. And the knives are finally out in the open in the opposition camp.

The meeting in Delhi has been called by Congress President Sonia Gandhi to frame a joint action plan against the CAA/NRC and the National Population Register (NPR). Leaders of opposition parties like Samajwadi Party, Left parties, Dravida Munnetra Kazhagam, Rashtriya Janata Dal and Nationalist Congress Party are likely to attend the meeting, which is also likely to discuss the political response to keep up the heat of street protests on the government and meet the Bharatiya Janata Party-led governments' sustained campaign in favour of the CAA/NRC/NPR and a push to update the NPR. One has to wait and see if Mayawati-led Bahujan Samaj Party and Delhi Chief Minister Arvind Kejriwal's Aam Aadmi Party, which is in the midst of a campaign for the forthcoming assembly poll in the Indian capital, will attend the January 13 meeting. The BSP and the AAP have of late been skipping the opposition gatherings.

Mamata's decision to stay away from the meeting has come as a setback to efforts to unite the opposition parties against the CAA and violence on university campuses. The decision brings to the fore the simmering one-upmanship among the Left and the Trinamool Congress over the CAA-NPR issues. Mamata has always squirmed at the prospect of sharing the dais with the Left parties who, along with the Congress, are her known detractors in West Bengal politics. Mamata has, however, reiterated her vow to carry on the battle against the CAA/NRC/NPR independent of any other opposition party. This reinforces how Mamata's political compulsions in West Bengal are not in sync with the imperatives of a national-level united front against the Modi government on the issue. The same holds true for all other key regional parties. This precisely is the most serious challenge for a

pan-India anti-BJP unity whose limitations were all too visible in the run-up to last year's Lok Sabha polls that saw the Modi-led party returning to power with even a bigger mandate than in 2014.

During the last one month of agitation against the CAA/NPR/NRC, both Mamata and Kerala's Marxist Chief Minister Pinarayi Vijayan were engaged in a race for putting themselves in key positions in the anti-BJP agitation. It was Mamata who first shot off a letter to nine non-BJP chief ministers of states underlining the need for a pan-India opposition unity against the amended citizenship law. Later, a similar letter was sent by Vijayan. Again, it

suggestion to pass a similar resolution against CAA/NRC at a one-day special session of West Bengal Assembly, citing that the House had passed a resolution against NRC in September.

The Left-Congress argument was that a fresh resolution was needed since the CAA was passed by parliament in December. Legally speaking, these assembly resolutions cannot obstruct the implementation of a law passed by parliament and at best serve to highlight a political message.

That Mamata sought to make herself the central figure in the anti-CAA/NRC campaign was also evident from the fact



Mamata Banerjee and her party supporters attend a protest march against India's new citizenship law and the National Register of Citizens, in Kolkata on December 16, 2019.

PHOTO: REUTERS

that she was the only opposition chief minister to lead the highest number of street marches (10), and she announced monetary compensation for the families of those killed in police firing on anti-CAA protesters in Karnataka and Uttar Pradesh. Mamata also had sent her party delegations to Karnataka and Uttar Pradesh to sympathise with the families of those killed.

If there were similarities, there was also one important divergence. Vijayan and senior Congress leaders shared the dais at two separate public rallies against the CAA/NRC in Kerala despite their state-level adversarial positions; Mamata's party has not so far gone for any joint programme with the Congress and the Left in West Bengal on the issue.

Secondly, the day Mamata announced her decision to boycott the January 13 meeting, she opposed the Left-Congress

that she was the only opposition chief minister to lead the highest number of street marches (10), and she announced monetary compensation for the families of those killed in police firing on anti-CAA protesters in Karnataka and Uttar Pradesh. Mamata also had sent her party delegations to Karnataka and Uttar Pradesh to sympathise with the families of those killed.

In staying away from the opposition parties' January 13 meeting in New Delhi, Mamata sought to take the moral high ground of non-violence, as she accused the Left and the Congress supporters of unleashing violence in West Bengal during the 24-hour strike called by India's major trade unions to protest the Modi government's economic policies.

Mamata, alleging, along with the state Congress leaders, that she was trying to please the top BJP leadership.

The unity in the opposition camp on the CAA-NRC issue has always appeared to be skin-deep. For instance, when leaders of a number of opposition parties, including Mamata, gathered at the December swearing-in ceremony of Jharkhand Chief Minister Hemant Soren at the helm of an anti-BJP coalition, the list of absentees was longer than that of those present. The exercise failed to attract any party that has reservations about NRC, outside the BJP-NDA and the non-Congress-UPA formations.

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LETTERS TO THE EDITOR

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Parental favouritism

Favouritism is a common phenomenon in many households. It may not represent a difference in the love parents feel, but it can look and feel that way to a child. A study titled "Mothers' Differentiation and Depressive Symptoms Among Adult Children" found that siblings who sensed that their mother consistently favoured or rejected one child over another were more likely to exhibit depression in middle age. True, it may not be possible to treat every child equally because they are all different. But what parents can, and must, do is treat their children with compassion and fairness, by meeting all of their requirements.

Rabeya Hashmi, by email