

CAN RANA PLAZA HAPPEN AGAIN IN BANGLADESH?

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ABSTRACT

Workplace safety has been a great concern in RMG sector in Bangladesh. Due to non-compliance with safety issues, accidents are general phenomena in this sector. Among many of the devastating accidents happened in this sector the collapse of Rana Plaza in 24 April, 2013 is one of the one of the deadliest industrial disasters in the world. After this accident, different diversified national and international initiatives have been taken to improve workplace safety condition in this sector. This paper aims to reveal whether such initiatives could truly ensure workplace safety or can accidents like Rana Plaza collapse happen again. This study found that, the factory building assessment initiative has reached to its target. But there are some further issues which still remained unaddressed. They are: still now there are factories which have not been included in the process due to unwillingness of the factory owners and incomplete list of factories, limited capacity in terms of human resources, technical issues and database management, uncertainty about continuation of the remediation work after termination of international support, huge amount of money required by the factory owners for remediation work, and finally and most importantly lack of cooperation and false information provided by the factory owners during inspection. If these issues cannot be addressed immediately then undoubtedly, Rana Plaza can happen again in Bangladesh.

1. Introduction

The Ready-Made Garment (RMG) industry in Bangladesh has been facing challenges to ensure workplace safety and better working conditions for the millions of garment workers. One of the deadliest fire accidents in RMG sector Bangladesh is Tazreen Fashion fire on November 24, 2012, which resulted in death of 112 workers. Since Tazreen Fashion Factory fire to 22 April 2017, about 133 fire incidents have occurred in the sector leading to at least 38 deaths and 815 injuries (Solidarity Center, 2017). In 2005, the building of Spectrum factory collapsed causing death of 64 garment workers and injury of 80. In 2006, 22 workers died due to collapse of the Phoenix Garments building. In 2012 due to partial collapse of Siams Superior Ltd. factory building in Chittagong Export Processing Zone (CEPZ), five workers received minor injuries. In February 2013, factory building of Envoy Garments Ltd. in Ashulia, Dhaka at least 100 garment workers were injured in a stampede triggered by a false fire alarm and consequent collapse of stair railing. Just months after this accident, Rana Plaza collapsed on 24 April 2013. All these accidents represent poor workplace safety condition in Bangladesh RMG factories. After Rana Plaza accident different diversified national and international initiatives have been taken to improve workplace safety condition in this sector. Five years after the accident the question is now whether these initiatives could truly succeed to ensure workplace safety or can accidents like Rana Plaza collapse happen again.

2. Ins and outs of Rana Plaza collapse

The factory building of Rana Plaza was located in Savar, Dhaka. It housed five garment factories employing around 5,000 people, more than 300 shops, and a bank. It was a 9-storied industrial building with a single basement. Local Municipality (Savar) gave permission to the owner of Rana Plaza to construct a five storey commercial building with one basement in 2005. Though the foundation of the building was for five storey, later the owner was allowed to extend the building up to nine storey without considering the structural design. Moreover, the building was converted from commercial to industrial use, and power generators were placed at the higher floors. As a result of such violations in building construction, on 23

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April 2013, a day prior to the fateful day, cracks developed on some pillars and on few floors of the building following a jolt. After inspection, industrial police requested the building authorities to close the building and to suspend operations of the factories on that day. However, the building owner and top-management of the garment factories ignored the warning and forced the workers to work in the next morning on 24th April, 2013. As a consequence, the collapse resulted in the high death toll of 1,134 and more than 2500 people were badly injured at the end of the rescue operation on 14 May 2013. It was the most fatal industrial accident in RMG sector in Bangladesh, and one of the deadliest industrial disasters in the world, which was the result of the reluctant attitude of the stakeholders towards the compliance issues. This tragic accident received global attention and brought forward diverse issues concerning millions of stakeholders in the RMG sector of Bangladesh (Ansary & Barua, 2015).

3. Initiatives after Rana Plaza collapse

Considering the potential of RMG industry in Bangladesh, several and diverse national and international commitments and initiatives resulted as part of the reform and restructuring of the RMG sector after Rana Plaza accident. The National Tripartite Plan of Action (NTPA) on Fire Safety was first outlined on March 2013 after Tazreen Fashion fire accident. Upon NTPA, tripartite partners (GoB, RMG workers, and RMG employers) signed a Joint Statement on May, 2013. Afterwards, without altering the content, the NTPA on Fire Safety was merged with the Joint Statement to form the NTPA on Fire Safety and Structural Integrity in the RMG Sector of Bangladesh in July 2013. It included 25 commitments divided into three categories: legislation and policy, administration, and practical activities. To ensure and monitor its implementation the National Tripartite Committee (NTC) was established at the same time under NTPA commitment. The committee is chaired by Labour Secretary and includes Government agencies, employers (Bangladesh Employer's Federation (BEF), Bangladesh Garment Manufactures & Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA)), and trade unions. Based on NTPA, the EU, GoB and ILO issued an agreement of time-bound actions, "The Sustainability Compact: Compact for Continuous Improvements in Labour Rights and Factory Safety in the Ready-Made Garment and Knitwear Industry in Bangladesh" in July 2013 to promote improved labour standards and responsible business conduct in the RMG and knitwear industry in Bangladesh. A total of twenty-nine activities were listed in the EU Sustainability Compact. In addition, the United States Trade Representative (USTR) requested GoB to implement a sixteen-point action plan within one year in order to reinstate Bangladesh's GSP status in the US market. The USTR Action Plan endorsed the EU Sustainability Compact particularly for trade union related activities (Moazzem & Islam, 2015).

In addition to these initiatives, two different factory inspection programmes were established to make work place safer in Bangladesh where ILO fulfils the role of neutral chair. They are: the Bangladesh Accord on Fire and Building Safety in Bangladesh (the Accord), and the Alliance for Bangladesh (the Alliance). The Accord was initiated by over 190 apparel companies from over 20 countries in Europe, North America, Asia and Australia; two global trade unions, IndustriALL and UNI Global; and eight Bangladeshi trade unions on May 15th 2013. It is a five-year independent and legally binding agreement designed to build a safe and healthy Bangladeshi RMG Industry (Bangladesh Accord, 2015). The Alliance officially launched its local operation in Dhaka on December 9, 2013, which is also a five-year independent and legally binding agreement initiated by a group of North American apparel companies and retailers and brands (26 North American retailers and brands) to develop and launch the Bangladesh Worker Safety Initiative (Alliance for Bangladesh, 2013).

The targets and objectives of these initiatives are the same and they share some common courses of action aiming at improvement of workplace safety to safeguard the lives of over four million RMG workers and to retain the confidence of global buyers following the Rana Plaza accident (Barua & Ansary, 2017; Moazzem & Islam, 2015). Among the common actions considered in these initiatives, improving fire, electrical and structural safety of RMG factory buildings is significant to ensure a safe working environment.

4. Actions regarding structural safety of RMG factory buildings

Considering work-place safety as one of the most important challenges to sustain RMG industry in Bangladesh, actions regarding structural, fire and electrical safety assessment of all active export-oriented RMG factories were addressed in all the action plans. The supporting actions included upgrading and strengthening of the Chief Inspector of Factories and Establishment office to a “department”, recruitment of additional labour, fire and building inspectors, arrangement of training programs to increase capacity of the inspectors, development of plan in consultation with the ILO to conduct effective inspections, initiation of remedial actions or close or relocate factories as appropriate, and creation of a publicly accessible database of all RMG/knitwear factories as a platform for reporting labour, fire and building inspections. All of these actions are either fully or partially completed (Barua & Ansary, 2017).

Bangladesh University of Engineering and Technology (BUET) and two private engineering firms TUV SUD Bangladesh (Pvt.) Ltd and Veritas Engineering & Consultant on behalf of the NTC, the Accord, and the Alliance are responsible for conducting the assessments of the structural integrity and fire safety of RMG factory buildings. A Review Panel along with a review mechanism was established under DIFE to handle urgent safety issues in garment factories. Finally, in November 2013, assessments of the structural integrity and fire safety of RMG factory buildings officially commenced, led by engineers from BUET. The BGMEA and BKMEA agreed to share necessary documents related to factory design and layout with the Committee to facilitate a smooth assessment process.

To undertake the structural assessment of factory buildings with common approach, Guidelines for Assessment of Structural Integrity and Fire and Safety including harmonized standards were developed by the technical experts (structural engineers, fire safety experts, etc.) from the BUET on behalf of the NTC, the Accord, and the Alliance in 2013 (NTPA, 2013). In 2014, Accord and Alliance consolidated national rules and regulation related to fire and electrical, and building integrity (Bangladesh National Building Code Act, Bangladesh Labour Act 2006, and others) and prepared a comprehensive document. In case of insufficiency in local rules, the initiatives took support from international rules/guideline which further strengthened overall safety standards.

A Remediation Coordination Cell (RCC) was formed in 2017 comprising of four teams to take over charge in transition phase by public agency. The teams include: the core body, field monitoring committee (to monitor remediation activities in field level), task force, and case handler and co-case handler. The activities of the cell include oversee the progress of remediation related activities (of factories initially under national initiative and later other factories under Accord and Alliance) and Detailed Engineering Assessment (DEA). The safety assessment and remediation process for the factory buildings under national initiative is composed of six main steps.

- Firstly, preliminary assessment reports are prepared after each preliminary inspection including the findings and required recommendations for the building owner and users according to the assessment results. Whether DEA recommended or not is also included in the assessment report. Issues triggering DEA are: concerns with structural issues, i.e. extensions, lateral system, flat plate punching capacity and slender columns, and state of documentation and approvals.
- Secondly, if any factory is assessed as vulnerable, then they are referred to the review panel to order the closure and evacuation of the factories until undertaking additional strength testing or taking immediate remedial measures. Assessment alone is not enough to ensure a safe working environment for all in the sector. The weak factory buildings are required to be strengthened to ensure resilience. So, after inspection of each factory, the inspection reports are shared with factory owners, the active brands and worker representatives. Then factory owner and the brands are tasked to develop a detail Corrective Action Plan (CAP) as per recommendation and to submit for approval with a clear timeline and a financial plan. Additionally, they propose firm for DEA (from the DEA firms short-listed by the DIFE Task Force) within a maximum of two weeks.

- Thirdly, the outline of the CAP is approved within two weeks through joint meeting between Factory Technical Team and the Initial Assessment Team.
- Fourthly, the approved firm conducts DEA and prepares report containing detail remediation scheme within six to twelve weeks and submit it for review and comments by the DIFE Task Force. DEA of the buildings involve soil investigation, other non-destructive tests and 3D building modeling. Fifthly, the DIFE Task Force review the DEA along with remediation scheme and send comments to the factory owner within two weeks after receiving the DEA report.
- Fifthly, after revision of DEA and remediation scheme by the approved firm, it is submitted to DIFE Task Force for final approval within maximum two weeks.
- Finally, after approval of CAP, remediation work is initiated under supervision of RCC. After successful completion of remediation work approved by the task force, safety clearance certificate is provided to the factory to continue business as usual. If the factory owners do not start remediation work after 3rd escalation then DIFE or BGMEA would take legal action to cancel license of the factory.

5. Progress of inspection initiative

As per DIFE website, assessment of 3582 RMG factories have been completed till March 2016, including NTC 1549, Accord 1204, Alliance 656, and common by Accord and Alliance 164 (DIFE, 2016). A total 150 factories were referred to Review Panel, out of which 39 factories were closed, 42 factories were partially closed, and 69 factories were allowed to operate, whereas decisions for five factories are pending. Among 1549 factories assessed under NTC, 24 are highly vulnerable (open 12, closed 10 and relocated 2), 219 are moderately vulnerable, 560 are low vulnerable, 449 are structurally safe, 282 are vulnerable for fire and electrical issues and owners of 15 factories did not allow to enter and assess their factories. Among these factories 745 factories are under follow-up.

Till January 2018, 83% overall remediation works have been carried out in garment factories under the Accord. Among these factories, a total of 138 factories have completed initial remediation works (Bangladesh Accord, 2018). Furthermore, till November 2017, 85% overall remediation works have been carried out in garment factories under the Alliance. Among these factories, a total of 234 factories have completed initial remediation works (Alliance for Bangladesh, 2018). The assessment reports and CAPs for the factories under Accord and Alliance have been made public through their websites. Both initiatives made timely review of remediation activities and based on the progress put necessary pressure for timely completion of remaining works. In extreme cases where the factories were unable to comply, business ties with those factories ended. On the other hand, factories which successfully completed the remediation works received “letter of recognition” from the initiatives. In contrast, 33% and 19% remediation works have been carried out in garment factories under NTC in case of owned and rented factories respectively. Factories which successfully completed the remediation works or are found to be okay after the DEA, received a “Business As Usual Certificate” from DIFE.

6. Way forward

The assessment initiative has reached its target. Yet there also are factories that have not been included in the process due to unwillingness of the factory owners, and incomplete and improper list of factories provided by BGMEA and BKMEA. Moreover, there remain a number of factories which are not member of any organizations such as BGMEA and BKMEA. So, the list of factories needs to be updated and verified including the remaining factories to ensure quick completion of the assessment. Additionally, the safety concerns of backward linkage activities of RMG enterprises (e.g. textiles, accessories, etc.) had been excluded from monitoring and inspection which also need to be taken into consideration.

Due to limited capacity in terms of human resources, technical issues and database management, the

process of remediation under national initiative is getting hampered. Additionally, due to non-co-operation of rented/ shared building owners, remediation works cannot be progressed.

The assessment initiatives for workplace safety in the Bangladesh RMG sector have led to important organizational learning for Bangladesh as well as for other apparel manufacturing countries. Furthermore, both the initiatives of Accord and Alliance have entered into a transition phase after five years' operation which are going to end in 2018. Considering the status of remediation works of the remaining factories under this initiative, both the initiatives will extend their timeline to complete the works. Accord is willing to extend their operation beyond the limited time frame but Alliance is not willing to extend their contract. So, the key issue is now to institutionalize this learning to develop and continue an effective monitoring and inspection mechanism in the future even after completion of the assessments.

Another challenge is the huge amount of money required by the factory owners, which are insolvent but willing to remedy factory safety. For that purpose, the RMG factory owners have requested for the establishment of long-term loan instruments. In response to such request, different organizations, e.g., International Finance Corporation (IFC) US, Agence Française de Développement (AFD), the Accord, the Alliance, and Japan International Cooperation Agency (JICA) provided loans to the local banks. These banks will disseminate the loans to the factory owners to improve their structural, electrical and fire safety infrastructure. The GoB has vowed to set up a specialized bank for the garment industry to provide easy loans. Though it is potentially an effective initiative, but the challenge lies in the fact that these financial supports are not sufficient compared to the requirement. Although the lenders have provided Bangladesh Bank (BB) with almost zero percentage interest, BB and other private Banks while disbursing the fund (around 300 million USD) to the RMG factories are asking an interest rate of 7 to 9%. Also, Public Works Department (PWD) under Bangladesh Government is entrusted to find out the deficiency of those RMG factories, which is hindering the process of fund disbursement. So far, only two RMG factories have received fund from this source.

7. Can RANA Plaza Happen Again?

From the above discussion it can be said that even though the assessment initiative has largely reached its target of inspection and remediation of factories, there is still a long way forward to reach the goal of workplace safety in Bangladesh RMG factories. In addition to these limitations, there are many cases where factory owners are doing wrong deeds to get positive report from the assessment. We have one recent experience with a factory during training of the DIFE inspectors regarding factory assessment and follow up. This particular factory located at Dhaka has been assessed under National initiative in December 2013. Basically, there are two buildings under the factory: one is a 6-storied and the other is an 8-storied building having a basement. Two factories namely AL and PR are located there. The ground floor of the two buildings are housing several shops and go-downs, the basement of the 8-storied building has been used as the fabric store for one of the factories (factory A). This factory is occupying both buildings up to 3rd floor (connected internally) and up to 5th floor of the 6-storied building, while the other factory (factory B) is occupying 4th to 7th floor of the 8-storied building. In early 2015, factory A moved under Accord. While applying for the Accord, they have only used the 8-storied building which has larger columns and smaller spans and can be considered safe. The 6-storied building which has smaller columns and larger cantilevers is not fully safe but has not been assessed under Accord. During a recent visit to the factory, the DIFE inspectors have found several cracks in the top floor beams of the 6-storied factory, which we have had already observed during our 2013 visit and for which we required the factory to make remediation. The owner of factory A has intentionally kept the 6-storied building outside the Accord assessment. So, as a result, the safe 8-storied building has been assessed and certified by Accord, while the 6-storied building under the same factory has never been assessed by Accord. But when DIFE inspectors were checking the factories, the owners told them that the whole factory is under Accord and has been fully assessed.

This is just a case among many. If these conditions cannot be taken care of then it is sure that Rana Plaza can happen again.

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