

RE-EMERGING FROM THE RANA PLAZA TRAGEDY
An Account on the Third Anniversary

CPD Dialogue Report 114

Publisher

Centre for Policy Dialogue (CPD)

House - 6/2 (7th & 8th floors), Block - F

Kazi Nazrul Islam Road, Lalmatia Housing Estate

Dhaka - 1207, Bangladesh

Telephone: (+88 02) 9141734, 9141703, 9126402, 9143326 & 8124770

Fax: (+88 02) 8130951

E-mail: info@cpd.org.bd

Website: www.cpd.org.bd

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The **Centre for Policy Dialogue (CPD)**, established in 1993, is a civil society initiative to promote an ongoing dialogue between the principal partners in the decision making and implementing process. The dialogues are designed to address important policy issues and to seek constructive solutions to these problems. Over the past years, CPD has organised a series of such dialogues at local, regional and national levels. CPD has also organised a number of South Asian bilateral and regional dialogues as well as international dialogues to pursue for the LDC interests in various fora including WTO, UN and other multilateral organisations. These dialogues have brought together ministers, opposition frontbenchers, MPs, business leaders, NGOs, donors, professionals and other functional groups in the civil society within a non-confrontational environment to promote focused discussions. CPD seeks to create a national policy consciousness where members of civil society will be made aware of critical policy issues affecting their lives and will come together in support of particular policy agendas which they feel are conducive to the well-being of the country.

In support of the dialogue process the Centre is engaged in research programmes which are both serviced by and are intended to serve as inputs for particular dialogues organised by the Centre throughout the year. Some of the major research areas of CPD include: *Macroeconomic Performance Analysis; Fiscal Policy and Domestic Resource Mobilisation; Poverty, Inequality and Social Justice; Agriculture and Rural Development; Trade, Regional Cooperation and Global Integration; Investment Promotion, Infrastructure and Enterprise Development; Climate Change and Environment; Human Development and Social Protection; and Development Governance, Policies and Institutions*. CPD also conducts periodic public perception surveys on policy issues and issues of developmental concerns. With a view to promote vision and policy awareness amongst the young people of the country, CPD is also implementing a *Youth Leadership Programme*. CPD maintains a broad network with institutions working in common areas of interest, and has partnered with some of these in organising international events both in Bangladesh and abroad.

At present CPD is spearheading two global initiatives. *LDC IV Monitor* is an independent global partnership for monitoring the outcome of the Fourth United Nations Conference on the Least Developed Countries (UN LDC IV). *Southern Voice on Post-MDG International Development Goals* is a network of 48 think tanks from the developing South which seeks to contribute to the ongoing global discourses on post-MDGs. In recognition of its track record in research, dialogue and policy influencing, CPD was selected as one of the awardees of the Think Tank Initiative (TTI) through a globally competitive selection process.

Dissemination of information and knowledge on critical developmental issues continues to remain an important component of CPD's activities. Pursuant to this CPD maintains an active publication programme, both in Bangla and in English. As part of CPD's publication activities, a **CPD Dialogue Report Series** is brought out in order to widely disseminate the summary of the discussions organised by the Centre.

The present report contains the highlights of the dialogue on ***Re-emerging from the Rana Plaza Tragedy: An Account on the Third Anniversary*** held on 23 April 2016, at the BRAC Centre Inn Auditorium, Dhaka. In organising this dialogue CPD has partnered with the International Labour Organization (ILO) Country Office in Bangladesh.

This report was prepared by *Mr Abeer Khandker*, Senior Lecturer, Department of Economics, East West University, Dhaka, Bangladesh.

Executive Editor: *Professor Mustafizur Rahman*, Executive Director, CPD

Series Editor: *Professor Rehman Sobhan*, Chairman, CPD

THE DIALOGUE

A dialogue titled **Re-emerging from the Rana Plaza Tragedy: An Account on the Third Anniversary** was organised by the Centre for Policy Dialogue (CPD) on 23rd of April, 2016 at the BRAC Centre Inn Auditorium, Dhaka. This was the fifth dialogue arranged under CPD's Post-Rana Plaza Monitoring Initiative undertaken in partnership with a number of civil society organisations. *Mr Mikail Shipar*, Secretary, Ministry of Labour and Employment (MoLE), Government of Bangladesh attended the dialogue as the Chief Guest; *Mr Faruque Hassan*, Senior Vice President, Bangladesh Garments Manufacturers and Exporters Association (BGMEA), was the Special Guest and *Mr Srinivas B Reddy*, Country Director, International Labour Organization (ILO) Country Office in Bangladesh was present as the Guest of Honour. *Barrister Sara Hossain*, Honorary Executive Director, Bangladesh Legal Aid and Services Trust (BLAST), *Mr Sukoore Mahmood*, Chairperson, National Coordination Committee on Workers Education (NCCWE), and *Mr Babul Akhter*, Secretary General, IndustriAll Bangladesh Council were the designated discussants at the dialogue. *Dr Debapriya Bhattacharya*, Distinguished Fellow of CPD, moderated the dialogue and *Dr Khondaker Golam Moazzem*, Additional Research Director, CPD presented the keynote paper. The dialogue was chaired by *Professor Rehman Sobhan*, Chairman of CPD. Participants at the dialogue included ambassadors of different countries, members of parliament, government officials, trade union leaders, entrepreneurs, NGO representatives, academia, journalists and other professionals. This report provides a concise summary of the keynote presentation and the exchange of views amongst the participants during the course of the dialogue (a list of participants is annexed at the end of the report).

WELCOME AND INTRODUCTORY REMARKS

Welcoming the guests to this important dialogue, *Professor Mustafizur Rahman*, Executive Director, CPD, discussed the background, objectives and significance of the Post-Rana Plaza Monitoring Initiative. He said, ".....we will not let the victims and the injured be forgotten, we will try to do everything so that this type of tragedy never happens again." He also said that CPD has decided to do everything possible so that the reasons behind such a tragedy and corrective measures are identified, and the issues of accountability of stakeholders are addressed. He expressed his satisfaction over the fact that all the stakeholders, such as the government, entrepreneurs, and various non-state actors have been taking initiatives over the past few years with regards to this issue. He acknowledged the continuing partnership with different stakeholders regarding the Post-Rana Plaza initiative, and stressed that the exercise is about ensuring transparency, accountability and good governance. *Professor Rahman* mentioned that there has been progress regarding the overall environment of the readymade garments (RMG) sector, and also recognised the contribution of Accord, Alliance, National Tripartite Plan of Action etc. However, he added that there are some unfinished agendas, and signaling what is to be done is also very important.

Professor Rehman Sobhan provided a few opening remarks to contextualise this event. He mentioned that the initiative was started such that the 'memory of the event would be preserved' and constructive ideas can be provided on the basis of evidence. He expressed his satisfaction regarding the fact that this event is still part of public and global consciousness after three years, as a consequence of which the stakeholders have been taking corrective

actions. He acknowledged the work of development partners and the civil society. He hoped that historically significant events will be preserved in the domain of public discussion in future, such that accountability becomes part of an institutionalised arrangement. *Professor Sobhan* conveyed his appreciation for the presence of all relevant stakeholders and partners at the dialogue, and commended the efforts of *Dr Khondoker Golam Moazzem* for his efforts as regards the Post-Rana Plaza Initiative.

THE KEYNOTE PRESENTATION

Dr Moazzem's presentation was based on the report titled *Post-Rana Plaza Developments in Bangladesh: Towards Building a Responsible Supply Chain in the Apparels Sector*, fifth report prepared under the Post-Rana Plaza Monitoring Initiative in collaboration with ILO. He explained that the framework of this report is different than the earlier ones, as it is more forward looking, focusing on where we stand in terms of institutionalising all the initiatives undertaken, and how the whole process can be institutionalised in future.

Dr Moazzem started by mentioning that the symbolism of Rana Plaza is evolving, as what had started as poor compliance is now turning into progress towards better compliance.

His initial remarks focused on some unaddressed issues, which include compensation of missing workers, treatment of injured workers, re-employment, financial support, compensation etc. Appreciating the significant improvement in finding the missing workers, he informed that the number of missing workers was 122 last year, which is 55 this year according to some estimates and 10 according to the government. He pointed out that the number of employed among the survivors has increased (from 44 per cent in 2015 to around 52 per cent in 2016), but a large majority of survivors remain unemployed due to various reasons. Health risk among the survivors is still a major concern. However, he mentioned that legal matters concerning the accident and those who are responsible for that accident has made the least progress till date. These activities need to be expedited, he opined.

Dr Moazzem remarked that financial support provided by the buyers through the initiative of Rana Plaza Trust Fund is well appreciated. Till date, USD 34 million has been distributed among 2895 victims and 5171 claimants. However, a large part of the financial support has been spent for consumption and repaying debts, maybe because this support was provided in installments. There should be support, either in the form of treatment, or in the form of financing, for the mentally distressed.

Moving on to the issue of remediation, *Dr Moazzem* mentioned that a total of around 3600 factories have been inspected under three initiatives till date: Accord, Alliance and the National Initiative; however, a good number of factories (900-1100 according to DIFE) are still out of any assessment process. He remarked that the Accord initiative has made considerable progress, but the pace of remediation work completed is different for different categories of problems. Remediation has made better progress in case of electrical both in overall and in changes over time. This is followed by remediation of fire and building safety concerns. Alliance has identified a total of around 49000 issues of which 49 per cent has so far been completed, and 24 factories have been fully remediated. However, the progress of

the National Initiative is slower. The pace of remediation of all initiatives seems to be guided by factors such as costs, non-availability of necessary corrective materials at local market, availability of skilled professionals to undertake the task, etc.

Dr Moazzem informed that initiatives related to registering new trade unions have been rather slow compared to remediation. Only 13.2 per cent of total inspected factories have one or two trade unions against the rate of remediation of 49-58 per cent. However, there have been positive developments in case of Occupational Safety and Health (OSH) committees, and Rules of the Amended Labour Act 2013 have been officially gazetted in September 2015, he noted. The Department of Inspection for Factories and Establishments (DIFE) of the MoLE has increased its capacity by recruiting new inspectors. Also, Directorate of Fire Service & Civil Defense (FSCD), Rajdhani Unnayan Kartripakkha (RAJUK) and Chittagong Development Authority (CDA) are taking steps to improve their capacities. The MoLE has been working to increase its strength in terms of number of staff, though still at a primary level.

With regards to global value chains, *Dr Moazzem* noted that during post-Rana Plaza period a number of global initiatives were undertaken, agreements signed and commitments made in different platforms at the global level for the improvement of governance system in the value chains. These include the Multi-Donor Vision Zero Fund, the Multi Stakeholder Initiatives, the Social Provision in Public Procurement Policy, UN Guiding Principles on Business and Human Rights, etc.

Dr Moazzem then presented the results of different interviews with the stakeholders. The results showed that workers recommended that there should be a component of compensation on pain and suffering; and there should be complete information and a database about physical condition; support for rehabilitation; training for reemployment and condition of orphans. Entrepreneurs suggested that the progress in remediation activities has been good, while Accord and Alliance suggested that the progress needs to be better. Entrepreneurs consider the parameters of inspection to be quite high, and unrealistic but Accord/Alliance says they're maintaining a minimum standard. Senior government officials said that they would soon be ready to handle the inspection process in the coming days, but Accord/Alliance is not sure about it. Trade union leaders claimed that rule concerning relocation of factories within a 40 sq. km radius (which was previously 25 sq. km) deprived workers getting necessary compensation. With regard to remediation financing, the common view is that there is a need for a lot more financing for the remediation activities. Entrepreneurs mentioned they are not against trade unions per se, but they fear trade unions might disrupt their normal progress, and outsiders would get involved. However, workers disagreed with this view. The progress of OSH committees is good, and most stakeholders think that with proper training, the committees can progress further.

On the basis of the 4-I Model of Organisational Learning, the benchmark situation and perceptions of stakeholders, *Dr Moazzem* commented that most of the initiatives are at phase 1 (Intuiting) and phase 2 (Interpreting) level, and very few reached the third level (Integration). Then he highlighted a few suggestions for developing a decent work environment and a responsible supply chain. Firstly, the huge knowledge and experience

gathered in the process of restructuring, remediation, victim's support and value chain governance could be a treasure of 'organisational learning'. Secondly, changing mindset of a number of stakeholders is essential to contextualize ongoing initiatives beyond 'Rana Plaza' issues. Thirdly, DIFE needs right kinds of structure to deal with multi-faceted issues concerning not only the apparels sector but also other sectors, and the focus should be more on purpose-based, knowledge-led organisation with adequate capacity in terms of IT base and skilled professionals. The Department of Labour (DoL) needs to be upgraded into Directorate of Labour. Fourthly, safety committees and workers' participatory committees (WPCs) should be expanded in order to develop workplace cooperation by sensitising the workers. Some changes are needed on a number of issues concerning rules and labour laws including EPZ laws, trade union registration and others.

Dr Moazzem also remarked that Bangladesh should explore a mechanism in line with ILO's Employment Injury Benefits Convention, 1964 (No. 121) regarding compensation of workers. ILO is currently working on it with the government. An institutional mechanism need to be developed for long term treatment of injured workers. Government may consider introducing 'health card' for the injured to get treatment at free of cost in public clinics and hospitals. There is also a need to build a frame to ensure re-employment of injured workers. He also suggested that there is a need for more flexible, easy to access and low interest financial support for remediation activities. Banks may consider introducing re-financing facilities for remediation related activities on a long term basis.

Dr Moazzem reiterated the fact that current initiatives did not cover a significant number of factories which are not members of any associations, and that the government should prepare a plan of action for handling remediation issues of these large number of factories. Appropriate steps should also be taken by the government to get prepared for post-2018 period. Government is currently working with ILO to establish a Coordination Cell, which would select private engineering firms to conduct remediation monitoring and follow-up. This is supposed to be a temporary structure, but this would ultimately lead to the institutionalisation of the whole process. He concluded by saying that all stakeholders need to take a proactive stance for realising the ultimate goal of institutionalisation of all the initiatives required for establishing a responsible supply chain in the RMG sector.

Dr Debapriya Bhattacharya thanked *Dr Moazzem* for such a substantive and insightful presentation. He observed that this presentation is part of CPD's ongoing Rana Plaza initiative and the ongoing research on responsible value chain in the RMG sector in collaboration with ILO. Thanking the study team for bringing the whole situation under a theoretical framework and preparing the report, *Dr Bhattacharya* invited the designated discussants to share their feelings.

Comments from the Designated Discussants

Barrister Sara Hussain, Honorary Executive Director, BLAST, started her comments by focusing on the background of the four writ petitions related to the compensation of Rana Plaza victims, and that they have been pending now for three years. She mentioned that the committee (sub-committee for compensation of Rana Plaza victims formed by the order of High Court on 30 April 2013, headed by *Professor M M Akash*) submitted its

report last year, which proposed a criteria for compensation. The committee provided an objective criteria which was partially used while disbursing the Rana Plaza Trust Fund. One issue that needs to be addressed is the amount for the pain and suffering component, which was not apparently included in the recommendations by the ILO or the BGMEA. It is not clear why the amount was left out, which was proposed to be around 5 lacs by the Committee. There was also a request from the BGMEA to reduce the amount. As a reason for the slow progress, she mentioned that courts get reconstituted frequently, and this happened with the court that was hearing this case. Also, the judge who was hearing the case throughout, was elevated to the Supreme Court. So there is a search again for a bench.

She expressed concern that the question of who was responsible, whether the owner of the building, factory or the government agencies, has not been resolved yet, and is being contested in the court. But she hoped it would be resolved shortly. There is also the question of responsibility of the companies that carry out social compliance audits: whether they should follow the standards of the buyer countries or the source countries.

Barrister Sara Hossain observed that there are many important proposals in the report regarding compensation, and employment insurance is an important direction that can be chosen to implement. Lessons should be learnt from Rana Plaza incident regarding the value of a workers' life. She emphasised that the life of all workers should be valued equally, which is more than the minimum wage level. She ended by appealing to the BGMEA to help make necessary changes to the Labour Law, 2006 and asked economists to consider the calculations made by *Professor M M Akash* regarding the statistical value of life, as if taken into consideration, it should provide ample funds for all Rana Plaza victims.

Mr Sukoore Mahmood, Chairperson, NCCWE, started by paying respect to the deceased of Rana Plaza tragedy. He expressed his dissatisfaction with the fact that the ones responsible for the tragedy haven't still been brought to justice. He acknowledged the efforts of the Prime Minister, the Army, etc. He emphasised on the determination of compensation package based on the statistical value of life, where the lost income is also calculated. He also stressed on the fact that the buyers who gave orders to such factories need to be made accountable as well. He emphasised that the living standards of the workers need to be improved, non-income benefits such as dormitories, day care centers etc. should be increased, and rights to establish trade union should be ensured according to the ILO conventions. He ended by wishing that the rights of the workers would be ensured in future through the various initiatives currently underway, and the process of capacity building and trainings would be intensified.

Mr Babul Akhter, Secretary General, IndustriAll Bangladesh Council, began by saying that only after the Rana Plaza tragedy, everyone became aware of the safety and compensation issues. So he requested that the initiatives related to these issues be carried into the future. He remarked that the workers injured due to the Rana Plaza tragedy should receive treatment throughout their lives. He also commented that not only is the compensation specified in the law very low. He was also apprehensive whether the workers got the legally specified compensation. According to him, whatever workers received were donations, not compensation; as compensation should be received from

the people liable for the tragedy. He said that it is quite unfortunate that Bangladesh had to rely on Alliance and Accord for the remediation activities. *Mr Akhter* believed that this had happened because the institutional capacity was weak. Also, Accord/Alliance do not receive unanimous support, and the government thinks there is no need for them after 2018. He, however, expressed his doubts about the capacity of different departments of the government in handling the situation after 2018. He commented that unless and until Accord gives hundred per cent clearance, they shouldn't leave the country. He expressed his concern regarding the factories that are not under any initiative, and suggested that a monitoring mechanism of OSH committees should be established. He asked why applications for trade union registration are frequently rejected, why the process is becoming complex, and expressed his suspicion regarding a few of newly formed trade unions. He ended by emphasising the role of ILO in resolving these issues.

Before opening the session for discussion, *Professor Rehman Sobhan* took the floor and brought up three issues for consideration of the participants while making their comments. Firstly, if proper institutionalisation is to be reached (as suggested by the keynote presenter), such that tragedies like Rana Plaza won't happen in future, the accountability of the total governance process i.e. departments who would oversee the whole process and the people behind it must be ensured; secondly, workers should be given institutional recognition as actual partners of the industries; finally, he suggested that the global market dynamics, which demands that garments exporters constantly need to keep their costs down, need to be broken down so that severe distortions in equities in the global value chains are addressed.

OPEN DISCUSSION

Compensation is not equivalent to Humanitarian Assistance:

Mr Sirajul Islam Rony, President of Bangladesh National Garment Workers Employees League (BNGWEL), pointed out that the donations received by Rana Plaza victims cannot be called compensation- this is humanitarian assistance. He opined that the buyers should also have a role in providing compensation, and he expressed his dissatisfaction regarding the slow progress of justice to be brought to those responsible for the tragedy. *Dr Wajedul Islam Khan*, General Secretary, Bangladesh Trade Union Kendra, stressed on the fact that getting compensation directly from the owners wasn't possible; BGMEA and others donated to the Prime Minister's fund only.

Statistical Value of Life has to be Considered

Ms Shamima Nasrin, President, Shadhin Bangla Garments Shramik Federation remarked that there is a need for a mechanism to determine the compensation on the basis of lost earnings; she also commented that Rana Plaza victims got funds in installments, which didn't help. She observed that too much emphasis on cheap labor has caused the Rana Plaza tragedy and also highlighted the problem of proper long term treatment of victims, problem of missing people, orphaned children etc. *Ms Nasrin Ahmed*, Bangladesh Mohila Parishad, suggested that buyers should also play their part in compensating the victims. *Ms Kalpana Akhter*, General Secretary, Bangladesh Center for Workers' Solidarity suggested that laws

should be changed such that compensation is higher, while *Ms Rokeya Rafique* remarked that the salary of the workers could be provided through bank accounts to reduce complexities, and the issue of providing child care facility should not be neglected.

Long term Treatment of Rana Plaza victims needs to be Ensured

Mr Golam Mustafa Dulal, Executive Director, Gonoshasthya Kendra, reiterated the importance of continuous treatment of injured workers. He pointed out the weak coordination among all the initiatives related to treatment. He also suggested that health insurance is a good option for the future, especially for the female workers. *Mr Shirajul Islam Rony* also emphasised on the issue of long term treatment of the victims and that Rana Plaza workers need to be reemployed in the garments sector.

Corruption, Political Patronage and Lack of Monitoring are Main Problems

Dr Hameeda Hossain mentioned about three main reasons that are responsible for the Rana Plaza tragedy; which were corruption, political patronage and lack of monitoring capabilities. She suggested that the workers should be more involved in the monitoring process. She further stressed on implementing the suggestions of the report of *Professor M M Akash* as regards compensation. Data on compensation should more readily be available, and the long term needs of the victims need to be addressed, she added.

Progress in Remediation has been good, but needs to be better:

H E Leoni Margaretha Cuelenaere, Ambassador, Royal Netherlands Embassy, suggested that the progress of Bangladesh in terms of remediation and workplace safety is often not reflected in its image, and the country is often regarded as a basket case of cheap production cost. She believed that the RMG industry of Bangladesh has the potential to be one of the most compliant industries in the world, and Netherlands will partner with Bangladesh all the way. She suggested that Accord and Alliance should continue their work until buyers are satisfied with the situation. She also informed that an initiative with regard to fair prices is starting in Netherlands.

Dr Wazedul Islam pointed out that the systems in Bangladesh are reactive, and dependence on Accord/Alliance will not help in future. He observed that the relevant departments of the government need to be capacitated to take change. *Ms Nasrin Ahmed* said that all buildings need to be tested before giving permission to establish factories, and the issue of accountability also needs to be resolved. Fire exits should be ensured, factories which are still outside the three initiatives (Accord, Alliance, National Initiative) should be brought under monitoring, and good governance needs to be ensured. *Ms Kalpana Akhter* also talked about good governance, proper monitoring. Although DIFE has progressed a lot, it needs to be free of influence, she added.

Accord and Alliance should stay as long as required

The *Swedish Ambassador* stressed that brands will not keep Accord and Alliance in Bangladesh longer than necessary, and it will be good for Bangladesh if they stay here until

buyers are completely satisfied and side by side the capabilities of the concerned departments and ministries need to be enhanced. However, *Mr Arshad Jamal*, Chairman, Tusuka Group, mentioned that the coordination between Accord and Alliance is still not there; and it is being difficult to get financing for remediation because of high interest rates. He observed that the inspectors of Accord and Alliance might be serving the commercial interests of some suppliers, as the package requires the factories to buy equipment and hire consultants from specified companies. *Mr Jamal* suggested that the government should steer the activities of Accord/Alliance. He noted that due to difficulties posed by Accord/Alliance entrepreneurs are losing interest in the RMG sector.

In response to *Mr Jamal's* comment, *Mr Rob Wayss* informed that the standards of inspection were set right at the beginning, and there were discussions with engineers of Bangladesh as well. The Accord also coordinates with the Alliance regularly. However, allegations of the entrepreneurs can be brought up to them and they will investigate each of them with due importance. He went on to say that Accord is the only one to disclose all data concerning remediation progress, and that Bangladesh can boost its image by declaring itself to be the only developing country where factories are inspected by independent inspectors.

H E Ms Sophie Aubert, Ambassador, Embassy of France suggested that while Accord is a representative of the foreign consumers, the labor standards of factories who serve the domestic market only, need to be addressed as well.

H E Ms Marcia Stephens Bloom Bernicat, Ambassador, Embassy of the USA suggested that the scope of remediation is huge, so Accord and Alliance needs to continue its activities in Bangladesh until all the factories are remediated, even if it takes more time than 2018, because even one risky factory is bad for the industry. She also said that it is now proved that remediation measures have a positive effect on productivity.

Freedom of Association of Workers needs to be ensured

Dr Wajedul Islam Khan stressed on the importance of active trade unions. *Ms Shamima Nasrin* commented that until and unless trade union rights are established, tragedies like Rana Plaza will continue to happen. *Ms Ahmed*, also noted that had there been a strong trade union, Rana Plaza tragedy wouldn't have happened, so trade union rights should be ensured and rules restricting trade union registration should be changed. *Ms Kalpana Akhter* suggested that trade unions are in fact the only way out. *Mr Golam Moinuddin*, Bangladesh Employers Federation suggested that the mind set of new entrepreneurs as regards trade union is changing. *Dr Hameeda Hossain* reiterated the importance of active trade unions, and stressed the need for training workers on this issue. The Ambassadors of Netherlands and Sweden also stressed on ensuring trade union rights also stressed the importance of trade union rights and dialogue with them. The *Ms Bernicat* suggested that it is critically important that workers have a strong and powerful voice, be it in the form of trade unions or other forms. There should also be a transparent database on trade unions and issues related to it.

Components of the Value Chain should be Disclosed:

Ms Rokeya Rafique, Executive Director, Karmojibi Nari suggested that there should be full disclosure of the whole difference between production cost and ultimate price of the product, so that the gap between them can be identified. *Mr Golam Moinuddin*, Bangladesh Employers Federation, also suggested that the whole supply chain should be made fully transparent to entrepreneurs as well.

H E Mr Johan Frisell, Ambassador, Embassy of Sweden suggested that there have been instances of breach of legislation in the buyer countries by brands as regards ethical standards. There is a need to regulate the companies; legal situation in the source country (Bangladesh) also needs to be improved, and national legislation has to be in line with international conventions. He observed that the market dynamics should be kept intact without distorting it too much through government interventions, and if the minimum standards are kept, the value chain shouldn't be broken down too much, as there are profitability issues related to it. *Ms Christine Hunter*, Country Representative, UN Women Bangladesh remarked that if the application of laws and rules, and proper governance is not ensured inside Bangladesh, then negotiating for fair prices at the global level will be difficult.

Other Issues:

Ms Christine Hunter, suggested that the role of women in the value chain of the RMG industry is important, so their interests need to be addressed as well. She suggested that OSH committees could also address the issues of harassment related to gender. *Mr Golam Mustofa Dulal* suggested that there should be a plan of establishing OSH committees in all factories, as it is very important. *Ms Ila Saxena*, Editor, Apparel Online Bangladesh, felt that the media should play a responsible role in this case, and should highlight positive news as well, instead of focusing on only negative news.

CONCLUDING REMARKS

Mr Faruque Hassan, Senior Vice President, BGMEA, mentioned that several important steps as regards remediation have been taken recently by the government, ILO, Accord/Alliance, etc. and it should be reflected in the media. There has been progress in legal measures and workers' rights as well, he said. There are, however, challenges as regards establishment of factories in the shared buildings, problems of gas connections etc. In this context he also mentioned about the existence of 28 platinum certified factories in Bangladesh. BGMEA exercises zero tolerance about firms with low remediation progress, and membership of those firms are cancelled. Life insurance policies have been made mandatory for workers in all factories. However, he added that there is virtually no soft loan for remediation financing, and almost no company gets those funds due to complexities. Buyers also have a responsibility with regard to fair prices.

Mr Srinival B Reddy, Country Director, ILO Country Office in Bangladesh emphasised on the fact that the RMG sector of Bangladesh is now safer than before. Over 3600 factories have been inspected by the three initiatives, and the progress in remediation has been remarkable; however, factories that specifically serve local consumption aren't under any

initiative. He congratulated the government and industry partners for the completion of inspections and remediation progress. However, the process would be successful if all factories complete remediation. ILO is looking forward to establish a Remediation Coordination Cell (RCC), which will work with government and private sector to monitor remediation in the near future. The institutionalisation process is slow, and a lot needs to be done; however, DIFE has made some progress in terms of improvement in this regard. There has also been progress regarding OSH committees with regards to government recognition, training, etc. Workers will still receive compensation if required; and universal social protection scheme would help workers in future. BRAC is implementing long term medical support for Rana Plaza victims. The progress in trade union registration, anti-trade union discrimination reporting, registration complexities, distrust between employers and workers etc. have been challenging. There is a need for constructive dialogue between workers and entrepreneurs to improve industrial relations. Consultation is needed to further change the laws and rules of Bangladesh according to ILO conventions.

Mr Mikhail Shipar, Secretary, MoLE gave a presentation on the progress of different departments of the government, such as DIFE, DoL, etc. which showed initiatives regarding the laws and rules, welfare fund, formation of OSH council, trade union registration, administrative reform of DIFE (manpower, branch office increase), training of inspectors with help of ILO, development of publicly accessible database, development of help line on pilot basis, budget allocations, inspection plans, etc. He mentioned that shared buildings, rented buildings, insufficient technical assistance, continuous monitoring and financing to be the main challenges of remediation. He added that the government is observing the progress of Accord/Alliance activities, and working with stakeholders regarding RCC. The MoLE has also established a Worker's Welfare Fund. However, he mentioned about the key challenges he faces as labor secretary, that include building a harmonious relationship between entrepreneurs, workers, trade unions, OSH committees etc. and accelerating the remediation progress.

Mr Israfil Alam, MP, began by mentioning the challenges the government had to face to stabilise the RMG sector. The impact of Rana Plaza incident was huge regarding the improvement of this sector. With regard to compensation, the latest amendments of labour law have established a national standard of compensation. There has been good progress in this sector; and as the sector is more profitable wages and compensation of workers of their sector shouldn't be compared with other sectors. He urged the entrepreneurs of the sector to give special treatment to their workers, i.e concessions regarding taxation. With regard to workers' compensation, he informed that the government has given full support for the writ petitions filed. He added that those who are responsible for the Rana Plaza incident should be punished and the process should be expedited, even if it means forming a special tribunal. He urged that all stakeholders should carry out their responsibilities towards establishing rights of workers. *Mr Alam* felt that detailed terms of references with regard to the scope of work of Accord/Alliance should have been fixed initially, and the difference of opinion on their role is not helpful for the sector. He opined that the new rules and regulations are more entrepreneur oriented, and are conflicting with the fundamental principles of labour law, so the issue needs to be addressed. He ended by calling on all not to allow any more deprivation, exploitation or discrimination in the garments sector.

Dr Debapriya Bhattacharya thanked everyone present and remarked that the legacy of Rana Plaza will be embodied in a decent, safe working environment in the industries of Bangladesh which will be quite competitive and modern in the coming days.

LIST OF PARTICIPANTS
(in alphabetical order)

Ms Nasima Ahamed

Member of Central Committee of Bangladesh Mahila Parishad

Mr Md Babul Akhter

Secretary General
Industrial Bangladesh
President
Bangladesh Garments & Industrial Federation

Ms Kalpona Akter

Executive Director
Bangladesh Center for Workers Solidarity (BCWS)

Dr Rezwan Ul Alam

Director (Communication)
Transparency International Bangladesh (TIB)

Ms Paula Albertson

Labor Attaché
Embassy of the United States of America

H E Ms Sophie Aubert

Ambassador
Embassy of France

H E Ms Marcia Stephens Bloom Bernicat

Ambassador
Embassy of the United States of America

Ms Balmi Chisim

Solidarity Center
American Center for International Labour Solidarity

H E Ms Leoni Margaretha Cuelenaere

Ambassador
Royal Netherlands Embassy

Mr Uttam Kumar Das

Programme Officer
ILO

H E Mr Johan Frisell

Ambassador
Embassy of Sweden

Ms Anne-Laure Gerard

Senior Programme Support Officer
ILO Country Office, Dhaka

Ms Jana Goswami

Advocacy Director
Bangladesh Mahila Parishad (BMP)

Mr Shubhomoy Haque

Senior Programme Officer
Monitoring Expert-“Socio-economic Reintegration & Rehabilitation for Rana Plaza Survivors” Project
ActionAid Bangladesh

Mr Faruque Hassan

Senior Vice President, BGMEA
& Managing Director, Giant Group
Giant Business Tower (GBT)

Dr Hameeda Hossain

Eminent Researcher and
Human Rights Activist

Mr Md Sabbir Hossain

Program Officer
Solidarity Center

Barrister Sara Hossain

Advocate
Dr Kamal Hossain and Associates

Ms Christine Susan Hunter

Country Representative
UN Women Bangladesh Country Office

Mr Md Rafiqul Islam

Senior Assistant Secretary
Labour Cell
Bangladesh Garment Manufacturers & Exporters
Association (BGMEA)

Mr Md Ariful Islam

Senior Officer- Legal Service
Bangladesh National Woman Lawyers Association

Mr Saidul Islam

Programme Officer
ILO Country Office, Dhaka

Mr Sharif Islam

Country Manager
Impactt Bangladesh Private Limited

Mr Sirajul Islam Rony

President
Bangladesh Jatiyo Garments Sramik Kormochari League

Ms Rounaq Jahan

Distinguished Fellow, CPD

Mr Arshad Jamal (Dipu)

Former Director
BGMEA &
Chairman, Tusuka Fashions Ltd

Dr Omar Farooq Khan
Senior Development Advisor
CIDA
Canadian High Commission

Dr Wajedul Islam Khan
General Secretary
Bangladesh Trade Union Kendra

Ms Khadija Khondker
Programme Officer
ILO Country Office, Dhaka

Mr Sukkur Mahmud
Chairperson
National Coordination Committee for Workers'
Education (NCCWE)

Mr Golam Mainuddin
Director, FBCCI
Chairman
British American Tobacco
Bangladesh Co. Ltd

Ms Heather McBride
Deputy Director Planning (Development)
Canadian High Commission

Dr Khondaker Golam Moazzem
Additional Research Director
Centre for Policy Dialogue (CPD)

Ms Renu Mohindra
Managing Director
Apparel Online Bangladesh

Ms Shamima Nasreen
President
Shadhin Bangla Garments Sramik-Karmachari Federation
(SBGSKF)

Mr Steven James Needham
Senior Communication Officer
ILO

Ms Rokeya Rafique
Executive Director
Karmojibi Nari

Ms Munira Rahman
Senior Policy Advisor
German Development Co-operation (GIZ)

Professor Mustafizur Rahman
Executive Director, CPD

Mr Jens Rise Rasmussen
Growth Counsellor
RMG, CSR & Occupational Safety and Health
Royal Danish Embassy

Mr Srinivas B Reddy
Country Director
ILO Country Office, Dhaka

Ms Dilara Rekha
Coordinator (Advocacy)
Bangladesh Nari Progoti Sangha

Ms Ila Sane
Managing Director
Apparel Online Banglades

Mr Mikail Shipar
Secretary
Ministry of Labour and Employment
Government of Bangladesh

Professor Rehman Sobhan
Chairman
Centre for Policy Dialogue (CPD)

Mr Pieter de Vries
First Secretary Economic Affairs and RMG
Royal Netherlands Embassy

Mr Henrik Width
Deputy Head of the Mission
Royal Norwegian Embassy

LIST OF JOURNALISTS
(in alphabetical order)

Mr Rajib Ahmed
Senior Reporter
The Prothom Alo

Mr Riyad Ahsan
Senior Reporter
SA TV

Mr Jahangir Alam
Senior Reporter
Mohona Television Limited

Mr Md Morshed Alam
Special Correspondent
ATN Bangla Ltd

Mr Alamin
Journalist
Channel 24

Mr Divesh Dixit Biplob
Photo Journalist
Jagonews24.com

Mr Jubayer Faisal
Reporter
Somoy TV

Mr Mehedy Hasan
Staff Reporter
ETV

Mr Shawon Hasnat
Senior Broadcast Journalist
Independent TV

Mr Farhad Hossain
Senior Reporter
Channel 9

Mr Monir Hossain
Senior Reporter (Business)
The Daily Jugantor

Ms Sangida Juthi
Staff Reporter
Radio Today

Mr Zulhas Kabir
Staff Reporter
RTV

Mr Neel Mahbub
Journalist
Channel 24

Mr Mosharrof
Journalist
Asian TV

Mr Abu Hena Muhib
Staff Reporter
The Daily Samakal

Mr Nasir
Journalist
Asian TV

Ms Noor
Photojournalist
Banglanews24.com

Mr Rahamotullah
Journalist
Radio Dhoni

Mr M A R Rahman
Managing Editor
BLITZ

Mr Remon Rahman
Journalist
Jamuna TV

Mr Sayeed Shapon
Staff Reporter
The report24.com

Mr M Syfullah
Reporter
United News of Bangladesh (UNB)