



**DRAFT**  
**For comments only**



**Presentation on**

**Challenges of Industrial Safety in the Post-Accord-Alliance Era**  
*Is the Institutionalisation Process Slowing Down?*

Presentation by  
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# Study Team

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# Discussion points

1. Background and Rationale
2. Analytical Frame
3. Methodology
4. **Concerns of Industrial Safety** in the RMG Sector **in the Post-Accord-Alliance Period**
  - 4.1 Industrial accidents occurred in RMG factories during 2019-2021 period
  - 4.2 Comparison of industrial accidents between Accord-Alliance Period and Post-Accord-Alliance Period
5. **Industrial Safety Measures taken** during the Post-Accord-Alliance Period
  - 5.1 Status of Remediation till April, 2018
  - 5.2 Status of Remediation till April, 2021
6. **Review of Institutional and Operational Challenges** of RCC, RSC, Nirapon and DIFE
  - 6.1 Institutional and Operational Challenges of RCC
  - 6.2 Institutional and Operational Challenges of RSC
  - 6.3 Institutional and Operational Challenges of Nirapon
  - 6.4 Institutional and Operational Challenges of DIFE
7. Conclusion and Way Forward

# **1. Background and Rationale of the Study**

# 1. Background and Rationale of the Study

- Bangladesh **RMG sector has made significant progress** in industrial safety through various initiatives undertaken as part of the National Tri-Partite Plan of Action (**NTPA**) (2013-2018)
  - Special contribution has been made by the **Accord** Bangladesh and the **Alliance** for Workers Safety under the National Tri-Partite Committee (NTC)
- The **post-Accord-Alliance period** of industrial safety (2018-) has been monitored under various initiatives
  - *Remediation Coordination Cell (RCC)*: 2017- December, 2021
  - *Transition Accord*: June, 2018-June, 2021
  - *RMG Sustainability Council (RSC)*: May, 2020-onward
  - *Nirapon*: June, 2018- June, 2020 (afterwards through North America Office)
- The key issues of today's discussion is:
  - Under different public and private sector initiatives after 2018 **whether industrial safety** in the RMG sector has been **maintained as per compliance and standard**

# 1. Background and Rationale of the Study

- The issue of **workplace safety in the RMG sector** has come to **public attention** in recent times with the **rise in industrial accidents** in garment and allied factories
  - A total of 222 garment factories caught by fire, of which **66% are export-oriented**– have confronted fire accidents during 2020 (FSCD, 2020)
  - Number of injured workers in factory related incidents increased by almost **24% in 2020** compared to that in 2019 (BILS, 2021)
  - This uptrend indicates a possible **regression of workplace safety** in the RMG sector
- More importantly, **rising number** of accidents **raises question** about the **effectiveness of the institutional process** followed for maintaining industrial safety in the post-Accord-Alliance period
- In this backdrop, this study **examines the state of industrial safety** in the RMG sector in the post-Accord and post-Alliance period. The main purpose of the study is
  - To **review the state of institutional mechanism currently being followed** in the RMG sector for workplace safety, including institutional capacity, level of transparency and accountability and level of effectiveness of those initiatives
  - To **put forward a set of suggestions for strengthening the** institutional mechanism of industrial safety in RMG factories

## **2. Analytical Framework**

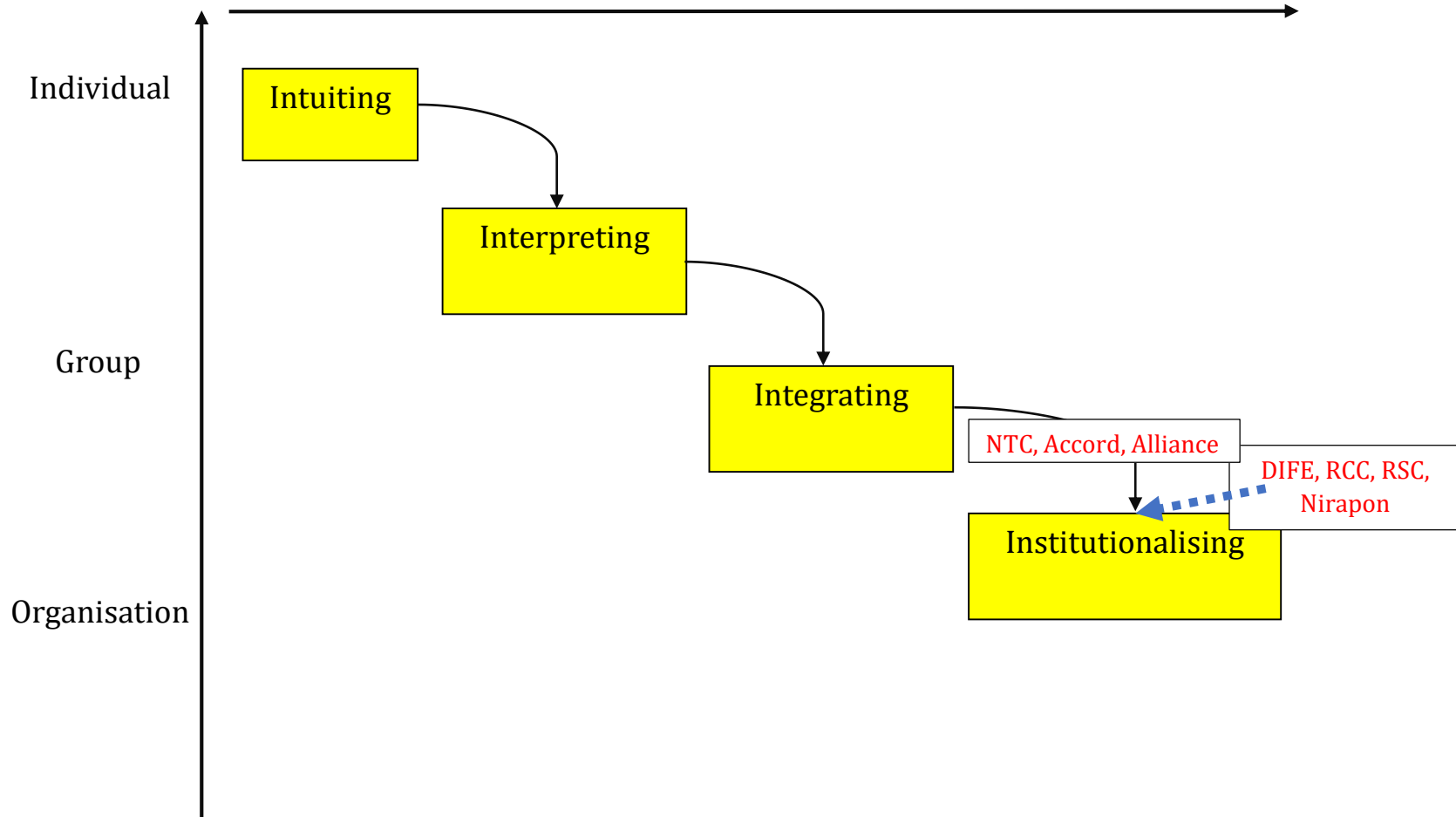
## 2. Analytical Framework

- One of **the main achievements** through the Accord and Alliance initiatives was to initiate **institutionalisation process** of industrial safety in the RMG sector
  - Under the framework of local rules and global standards
- Both the initiatives **ended hastily after five years** (2013-2018)
  - **Without having a clear direction** on institutionalisation of industrial safety
- A **transition period** in industrial safety have been ongoing
  - **New organisations** are expected to contribute to the institutionalisation process
  - Not all factories have been covered under those initiatives
- Analytically, a **4-I framework of institutionalisation** has been considered (Figure)
  - This framework identifies four main processes of organisational learning (4Is) - 'Intuiting', 'Interpreting', 'Integrating', and 'Institutionalising'
  - It is developed by Crossan, Lane, and White (1999)
- This 4-I framework is applied to understand the **organisational learning process** of institutionalisation of industrial safety which was initiated through Accord-Alliance initiatives
  - New **public and private institutions** such as DIFE, RCC and RSC should built on the organizational learning



# 2. Analytical Framework

Figure 1: Analytical Frame of Institutionalization of Industrial Safety

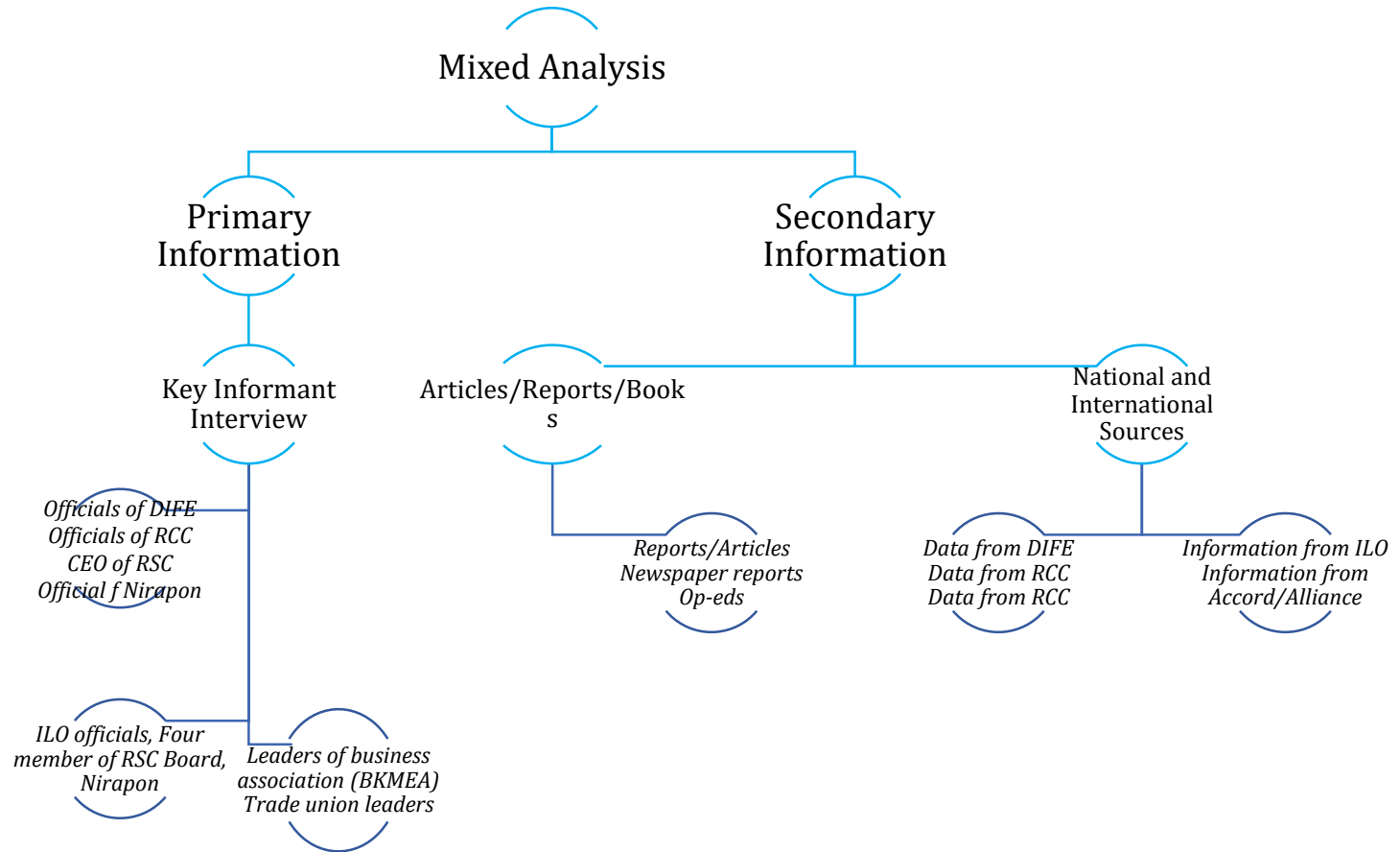


Source: Crossan, Lane and White (1999) as cited by Moazzem and Khandker (2016)

# 3. Methodology

# 3. Methodology

## Methodological Approach of the Study



Source: Authors' illustration

## **4. Concerns of Industrial Safety in the RMG Sector in the Post-Accord-Alliance Period**

## 4. Concerns of Industrial Safety in the RMG Sector in the Post-Accord-Alliance Period

### 4.1 Industrial accidents occurred in RMG factories during 2019-2021 period

- During **May, 2018-April, 2021**, a total of **46 accidents** were reported in the garments factories (based on selected newspaper reports)
  - There is an indication of rising number of incidences over time
  - Number of incidences increased by **100% in FY2020** compared to that in FY2019 followed by a **decline of 20%** in FY2021 (up to April, 2021)
- Accidents took place for different reasons such as **fire, short circuit, structural collapse, boiler explosion** and so on
  - Incidences of **fire and electrical (short-circuit)** were the main reasons (35% of total incidences)
- A considerable number of these factories are **members of BGMEA/BKMEA** (26) or inspected by **Accord/Alliance/NI** (21) etc.

**Concerns of Industrial Safety in RMG Factories: 2018-2021**

Year	Types of incidences						Grand Total
	Accidental	Boiler	Explosion of gas cylinder	Fire	Electrical (short circuit)	Structural	
2018-19*		2	1	7	3		<b>10</b>
2019-20	1	1	1	16	5	1	<b>20</b>
2020-21**			1	12	3	3	<b>16</b>
<b>Grand Total</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>35</b>	<b>11</b>	<b>4</b>	<b>46</b>

Note: \* included incidence reported during May, 2018- June, 2019

\*\* included incidences reported during July, 2020-April, 2021 (ID-FES Study (2021))

Source: Authors' compilation based on newspaper reports

## 4. Concerns of Industrial Safety in the RMG Sector in the Post-Accord-Alliance Period

### 4.1 Industrial accidents occurred in RMG factories during 2019-2021 period

- **Factories are categorised** as per their location, size, membership based on available information (e.g. MiB database)
  - Out of 46 factories, information of 28 factories are retrieved from the MiB
  - Out of 28 factories, 64% factories are medium sized and 25% and 11% are large and small sized factories, respectively
- **Majority of incidences occurred in medium size factories (18)** followed by large (7) and small size factories (3)
  - Fire incidences were higher in knit and woven factories - about 41% and 35%. The sweater factories were also experienced fire attack
  - Boiler explosions and explosions from gas cylinder occurred in sweater and woven factories

**Distribution of incidences (according to categories of factories)**

Factory Size/ Type of Incident	Accidental	Boiler	Explosion of gas cylinder	Fire/short circuit	Structural	Grand Total
Large				4	3	7
<b>Medium</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>13</b>	<b>1</b>	<b>18</b>
Small				3		3
<b>Grand Total</b>	<b>1</b>			<b>20</b>	<b>4</b>	<b>28</b>

Note: Small size factories (<500 workers), Medium (between 501-2500 workers), Large (>2500 workers)

Source: Authors' compilation

# 4. Concerns of Industrial Safety in the RMG Sector in the Post-Accord-Alliance Period

## 4.1 Industrial accidents occurred in RMG factories during 2019-2021 period

- Both knit and woven factories were experienced similar level of incidences of workplace hazards
  - Out of 28 cases, 11 occurred in knit factories and 15 occurred in woven and sweater factories
- Majority of the factories are inspected by Accord, Alliance and few by national initiatives
- Overall, a considerable number of incidences occurred in factories which are supposed to maintain industrial safety standards during the post-Accord-Alliance period

**Distribution of incidences (according to membership of factories)**

Type of Incident/ Factory Type	Accidental	Boiler	Explosion of gas cylinder	Fire/short circuit	Structural	Grand Total
Knit				8	3	11
Sweater		1	1	4		6
Woven	1		1	7		9
Woven & Knit				1	1	2
Grand Total	1	1	2	20	4	28

Source: Authors' compilation & MIB

**Distribution of incidences (according to safety inspection organisations)**

Inspection Institution/ Type of Incidents	Accidental	Boiler	Explosion of gas cylinder	Fire/short circuit	Structural	Grand Total
Accord	1	1	1	6	2	11
Accord, Alliance				4	2	6
Accord, National Initiative				2		2
Alliance				1		1
National Initiative				1		1
Not Reported			1	6		7
Grand Total	1	1	2	20	4	28

Source: Authors' compilation & MIB

## 4. Concerns of Industrial Safety in the RMG Sector in the Post-Accord-Alliance Period

### 4.1 Industrial accidents occurred in RMG factories during 2019-2021 period

- Introduction of **safety committees** was one of the major initiatives under the NTPA
  - About **93% of factories had** safety committees
  - Only 2 factories did not have any safety committee which were never inspected
- This partly points question **to lack of responsibility of the safety committees** of the affected factories
- Overall, the **institutions which are responsible** for monitoring and ensuring workplace safety, **are somewhat not functioning as per expectation**
  - **Covid-19 pandemic may partly** responsible in constraining the institutions to ensuring factory level safety compliances

**Existence of safety committees in the inspected organizations**

Inspected Organizations	No. of factories having safety committees	No. of factories having no safety committees	Grand Total
Accord	11	0	11
Accord, Alliance	6	0	6
Accord, National Initiative	2	0	2
Alliance	1	0	1
National Initiative	1	0	1
Not Reported	5	2	7
Grand Total	26	2	28

Source: Authors' compilation & MIB



# 4. Industrial Accidents Occurred in RMG Factories since 2018

## 4.2 Comparison of industrial accidents between Accord-Alliance Period and Post-Accord-Alliance Period

- **A comparison has been made** to understand nature and extent of changes in industrial accidents during the post-Accord-Alliance period vis-à-vis the Accord-Alliance period
  - Time periods: Accord-Alliance Period (2015-2018) and Post-Accord-Alliance period (2018-2021)
  - **No major difference observed** in total number of incidences between the two periods
- **Nature of incidences have started to change** during the post-Accord-Alliance period
  - Majority of incidence in **Accord-Alliance period was related to fire**
  - The incidences are getting diversified **from fire to electrical and structural** in post-Accord-Alliance period
  - **New types of incidences are also observed:** boiler and explosion of gas cylinder

Comparison on industrial accidents between Accord-Alliance Period and Post-Accord-Alliance Period

Type of Incidents	Accord-Alliance Period (May'15- April'18)		Post Accord-Alliance Period (May'18- April'21)	
	Count of Incidents	% of Incidents	Count of Incidents	% of Incidents
Accidental			1	2.2
Boiler	2	4.4	3	6.5
Explosion of gas cylinder			3	6.5
Fire	43	93.3	35	76.18
Electrical (short circuit)	1	2.2	11	23.9
Structural			4	8.7
Grand Total	45	100	46	100

Source: Authors' compilation

# 4. Industrial Accidents Occurred in RMG Factories since 2018

## 4.2 Comparison of industrial accidents between Accord-Alliance Period and Post-Accord-Alliance Period

Incidences happened in different types of factories

- Detailed data of 31 factories have been gathered (out of 45 factories)
  - Both **medium and large enterprises** experienced more incidences during Accord-Alliance period
  - Incidences are particularly evident in **medium size factories** in the post Accord-Alliance period
  - Of these, 17 factories were inspected by Accord, 6 factories by jointly Accord-Alliance and 5 factories were not reported any inspection
  - Most of these factories (23) were member of BGMEA

Type of Incident/ Factory Type	Boiler	Fire	Short circuit	Grand Total
Knit	1	14	1	16
Sweater		5		5
Woven		7		7
Woven & Knit		3		3
Grand Total	1	29	1	31

Source: Authors' compilation & MIB

### Incidences happened in factories inspected by different institutions

Inspection Institution/ Type of Incidents	Boiler	Fire	Short circuit	Grand Total
Accord	1	15	1	17
Accord, Alliance		6		6
Accord, Alliance, National Initiative		1		1
Alliance		1		1
National Initiative		1		1
Not Reported		5		5
Grand Total	1	29	1	31

Source: Authors' compilation & MIB

### Comparison of Incidences happened in factories under different periods

Type of Incident /Factory Size	Accidental	Boiler	Explosion of gas cylinder	Fire	Short circuit	Structural	Grand Total
Accord-Alliance Period (May'15- April'18)	Large		1 (7.1%)	13 (92.9%)			14 (100%)
	Medium			15 (100%)			15 (100%)
	Small			1 (50%)	1 (50%)		2 (100%)
	Grand Total		1 (3.2%)		29 (93.6%)	1 (3.2%)	31 (100%)
Post-Accord-Alliance Period (May'18- April'21)	Large			4 (57.1%)		3 (42.9%)	7 (100%)
	Medium	1 (5.6%)	1 (5.6%)	2 (11.1%)	10 (55.6%)	3 (16.7%)	18 (100%)
	Small			3 (100%)			3 (100%)
	Grand Total	1 (3.6%)	1 (3.6%)	2 (7.1%)	17 (60.7%)	3 (10.7%)	28 (100%)

Source: Authors' compilation & MIB

# 4. Industrial Accidents Occurred in RMG Factories since 2018

## 4.2 Comparison of industrial accidents between Accord-Alliance Period and Post-Accord-Alliance Period

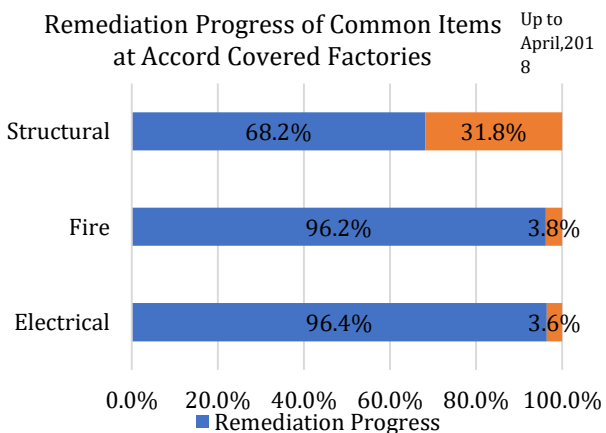
- Over all, a number of concerning issues are observed in the post-Accord-Alliance period
  - Incidences spread to fire, electrical and structural aspects of the factory
  - Medium size factories are more affected
  - Majority of factories were under the inspection of Accord/Alliance
  - Safety committees exists in these factories despite that accidents occurred - meaning a part of responsibility goes to these committee
  - Multiple incidences occurred in same factories
  - Incidences such as boiler explosion and gas explosion have been increasing

## **5. Industrial Safety Measures taken during the Post-Accord-Alliance Period**

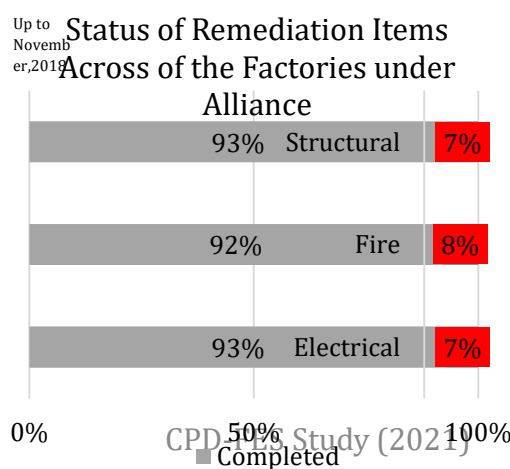
# 5. Industrial Safety Measures taken during the Post-Accord-Alliance Period

## 5.1 Status of Remediation till April, 2018

- Factory related safety measures made considerable progress till end-2018
  - Mainly in Accord-Alliance factories
  - NI which started operation lately (in 2017) have completed preparing CAPs for its factories – only 809 factories out of 1549 were in operation
- Neither Accord-nor Alliance had been able to complete 100% remediation of all their member factories till 2018
  - 428 (out of 714 Alliance inspected factories) made 100% completion till Nov., 2018
  - 270 (out of 1600 Accord inspected factories) completed 100% remediation
  - Electrical and fire related problems were mostly resolved (96% & 93%) by the end 2018
  - Structural problems in Accord-inspected factories were remain incomplete (32%)
- Overall, completing the remaining remediation works of all export-oriented factories should be the prime focus of the post-Accord-Alliance period



Source: Based on Accord website



Source: Alliance Fifth Annual Report 2018

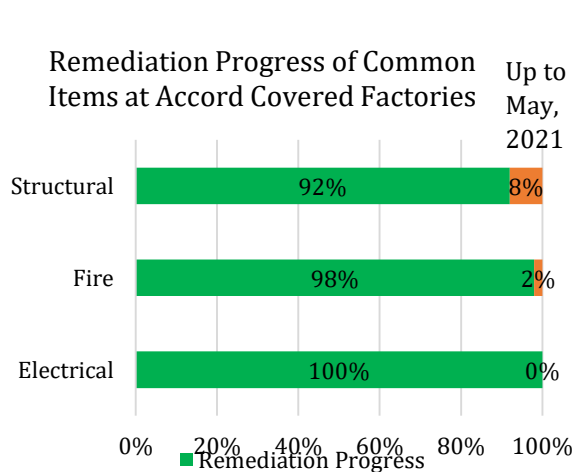
Assessment done under NI			Status of Factory under NI, March 2018				
Type of Assessment	CAPs Developed under NI	No of Factories Covered	Closed	Relocated	Under EPZ	Jointly Accord-Alliance	Currently Active
Structural	1379	1549	531	68	12	129	809
Fire	1517						
Electrical	1517						

Source: Based on RCC

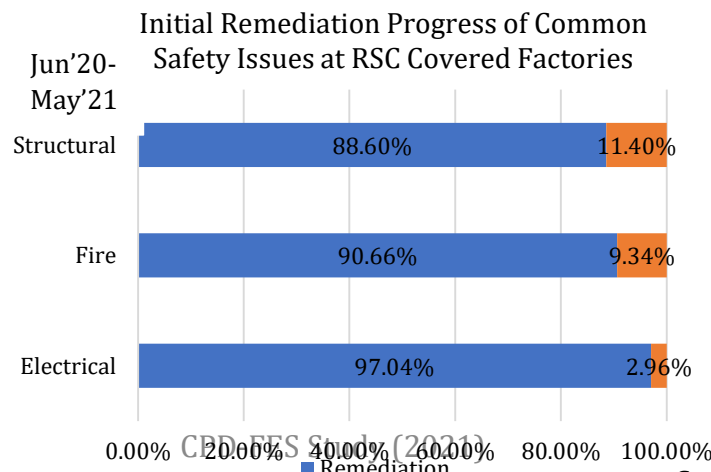
# 5. Industrial Safety Measures taken during the Post-Accord-Alliance Period

## 5.2 Status of Remediation till April, 2021

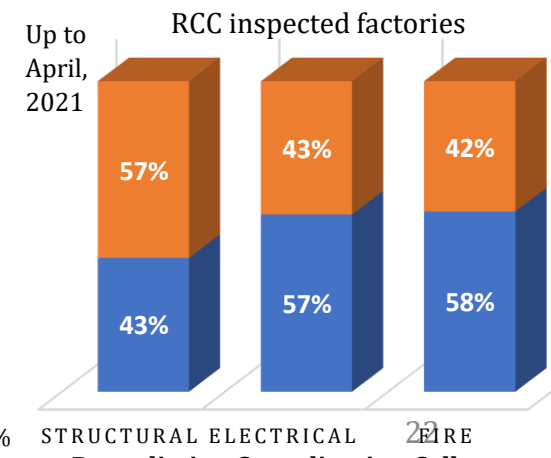
- Since 2018, progress of factory inspection was rather **slow or off-track**
  - **Accord-led factories** have only completed 100% electrical problems; still **2% fire** related and **8% structural** problems remain
  - NI led factories have made slow progress - **58% of fire related**, 57% of electrical and **43% of structural problems** have been solved so far
- **RSC** has started operation **since May, 2020**. Within one year, RSC made noticeable progress
  - RSC inspection **covered 1266 out of 1700** according to RSC
  - Accord inspection covered 1632 factories out of 2280 factories where 60 factories were recently listed and scheduled for initial inspections



Source: Based on Accord website



Source: Based on RSC



Source: Remediation Co-ordination Cell

# 5. Industrial Safety Measures taken during the Post-Accord-Alliance Period

## 5.2 Status of Remediation till April, 2021

- Nirapon is currently working with 397 factories
- It is following Nirapon 2.0: Risk-based approach to safety monitoring
  - Safety monitoring: Elevate; Helpline: Phulki and Training: Brac

### Status of Nirapon Factories (till July, 2021)

Issues	Factory Numbers
Total Active CAP Closed Factories Number	342
Total Active CAP In Progress Factories Number	38
Total Active New Factories Number	17
<b>Total Active Factory under Nirapon Matrix</b>	<b>397</b>
CAP Closed Factories Through Technical Support Visit (TSV) During Nirapon 2.0	12
CAP Closed Expansion/Extension Through Technical Support Visit (TSV) During Nirapon 2.0	3
Number of Factories Submitted 1st Cycle 90-Day Report (In Percentage)	86%
Number of Factories Submitted 2nd Cycle 90-Day Report (In Percentage)	92%
Number of Factories Submitted 3rd Cycle (On Going) 90-Day Report (In Percentage)**	50%
Expansion/Extension Found Through 90-Day Reports (In Percentage)	24%
Safety Support Visit Conducted Percentage (Till Date) (In Percentage)	39%
Expansion/Extensions Found through SSV (Till Date) (In Percentage)	21%

Source: Nirapon, 2021

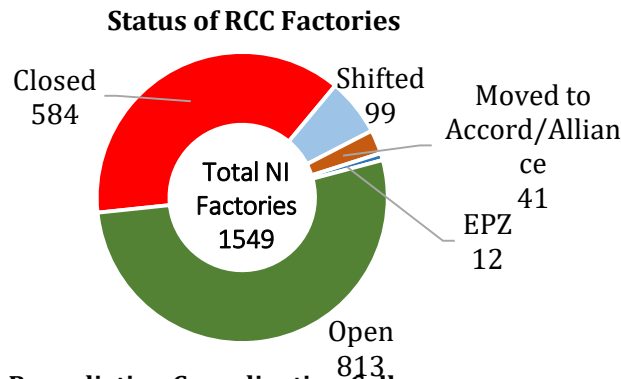
## **6. Review of Institutional and Operational Challenges of RCC, RSC and DIFE**



# 6. Review of Institutional and Operational Challenges of RCC, RSC and DIFE

## 6.1 Institutional and Operational Challenges of RCC

- RCC's targeted factories **does not include NI factories** only. It includes factories of different types
  - Included factories that are 'Accord handed over'; 'Accord terminated'; 'Alliance remediated'; and 'Alliance suspended' factories
  - RCC factories have in regular inclusion and exclusion issue – 'moved to Accord/Alliance'; 'shifted'; 'moved to EPZ'
  - Number of factories would rise further when 'visited' factories will be included
- A section of factories **are still outside the purview of any inspection** (both RCC and RSC)
  - A large share of factories (e.g. closed, newly set up and terminated by accord/alliance) (about **22.5% of total approx. 4000 factories**)
  - About **39% factories where accidents took place** could not be tracked from the MiB dataset – indicating unreported factories



Source: Remediation Co-ordination Cell

Different types of factories under RCC

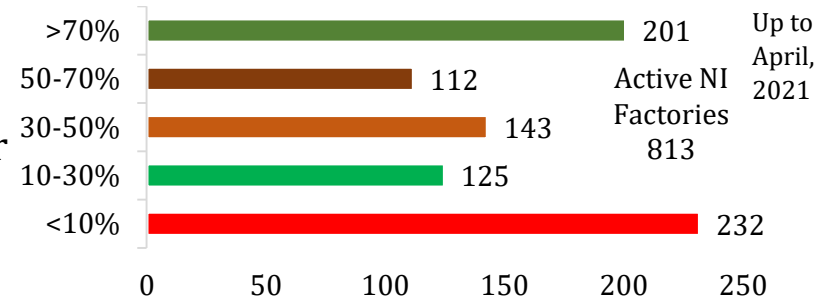
	Factories	Closed	EPZ	Visited	Open	Fully remediated	Under no inspection authority	Overall progress
Accord handed over	100	16	3	0	81	100	0	90%
Accord terminated	123	52	0	105	53	0	0	22%
Alliance remediated	463			32		22	34 (397)	88%
Alliance suspended	180	35	0	60	25		95	41%
NI factories	154	9	584	12			140*	47%
Total	866	156	3	144	813	22	25	

# 6. Review of Institutional and Operational Challenges of RCC, RSC and DIFE

## 6.1 Institutional and Operational Challenges of RCC

- Such exclusion from the inspection process and inclusion of factories in export market without proper inspection raised risks in ensuring workplace safety
- A part of recent incidences are attributed to these categories of factories

Figure: Status of Remediation of RCC Factories



Source: Remediation Co-ordination Cell

- Despite passing over four years, RCC's progress of remediation activities are disappointing (Figure)
  - Only 24.7% factories reached remediation level above 70%
  - Over 75% factories are below the level of 70% and about 28% factories are below the level of 10%
- Majority of RCC factories are remain in vulnerable state with limited progress in remediation
  - The risk and vulnerability are much higher in case of factories which are not under the purview of any monitoring authority
- A number of reasons/weaknesses have been identified for slow/lack of progress in remediation
  - Lack of pressure/less interest from buyers for safety related compliances of RCC factories
  - Factories located in shared building where building owners are not interested to invest
  - Lack of low-cost financing, easy terms for repayment and less bureaucratic process
  - Lack of magistracy power of factory inspectors to ensure maintaining compliances
  - Lack of long-term funding for RCC to continue its operation
  - Limited fund availability constrain assessing new factories which require high assessment cost
  - Lack of modern IT infrastructure at RCC; updating of LIMA database has stalled
  - Non-functional RCC website with lack of factory level data – lack of transparency

# 6. Review of Institutional and Operational Challenges of RCC, RSC and DIFE

## 6.1 Institutional and Operational Challenges of RCC

- Shortages of skilled and efficient professionals and engineers in the RCC including drawing designers (only 5 Firms undertook for almost 80% of design drawings)
- Difficulty in publishing inspection reports due to external pressure which made it difficult to ensure RCC's transparency. There is no data disclosure policy of RCC.
- Non-cooperation from shared/rented building owners made it difficult to work for the inspectors. Since 70% of NI factories are located in rented factories (91% of closed factories), it is difficult to work by RCC. Lack of awareness regarding workplace safety among the owners
- Working with non-branded factories or with third parties made RCC factories difficult to get credit to remediate the factories
- Escalation protocol could not be fully enforced as factory closure is a complex process and not under the jurisdiction of RCC/DIFE

# 6. Review of Institutional and Operational Challenges of RCC, RSC and DIFE

## 6.2 Institutional and Operational Challenges of RSC

- RSC is formed as a private **non-profit company registered** under RJC. Its shareholders include Shondhi Limited, brands/buyers, IndustriAll and UniGlobal
  - The Shondhi Limited included local business bodies (BGMEA), brands and buyers related to textiles and apparels (member of ‘Transition Accord’).
  - It is **accredited by the Ministry of Commerce (MoC)**
  - The RSC has a **Board of Directors consisting of 18** representatives, 6 from each RSC member organization
  - RCC’s core objective is to **“deliver a world-class sustainable workplace safety programme”**
- Given its mandate on workplace safety, labour management and environmental safety, **RSC should have legal relationship with MoLE**
  - According to the RSC document, **a government coordination council (GCC)** will be formed. This may not be the same like **National Tripartite Committee (NTC)** as operated during Accord-Alliance period
  - **GCC will include representatives of MoLE, MoF, MoI, MoC** – a high level policy forum. **GCC’s activities** do not limit **direct engagement of DIFE in RSC monitoring process**
  - **RSC should get accredited from the DIFE** and should be **operated under the oversight of the DIFE**

# 6. Review of Institutional and Operational Challenges of RCC, RSC and DIFE

## 6.2 Institutional and Operational Challenges of RSC

- RSC covers Accord-inspected factories and factories suggested by the members of RSC signatory-brands-buyers (170+) – a total of 1709 factories are currently under its monitoring purview
  - RSC follows most of Accord SOP, protocol and other monitoring and enforcement mechanism. RSC has revised a number of protocols – instead of following the shutdown mechanism followed by Accord, RSC took a method of problem-solving mechanism
  - Since inception, RSC could work 7 out of 12 months due to COVID related difficulties in physical inspection. Lack of Chief Safety Officer (CSO) is constraining its activities
  - Among 1709 factories, overall remediation progress is as follows: electrical- 97%, fire: 90.7%; structural: 88.6%
  - RSC has increased number of monthly inspection from 10 to 20
  - A total of 98 factories have remediated 100% under RSC inspection period (out of 362 accord-inspected factories completed 100% remediation so far)
  - Another 1179 factories have made progress over 93%
  - It has included new issues under inspection such as boiler safety and has a plan to include environmental safety issues
  - In case of boiler related inspection, it should take the accreditation from the Boiler Authority and should work under the overall oversight of the authority

# 6. Review of Institutional and Operational Challenges of RCC, RSC and DIFE

## 6.2 Institutional and Operational Challenges of RSC

- Despite progress in factory inspection activities a number of limitations are observed in RSC operation
  - RSC uses escalation protocol to warn factories and in extreme cases, it tears the business relationship with factories. This does not ensure workplace safety of the concerned factories. This also necessitates proper operational relationship with DIFE to deal with such factories
  - It is alleged that factories with major structural and physical weaknesses are not handled by the RSC and those factories were just terminated from the businesses with Accord brands/buyers
  - There should have a formal structure and protocol about how these factories to be dealt with under the DIFE's overall industrial safety structure
  - RSC has recently started public disclosure of its inspection related activities. It is expected that its technical team will ensure transparency and data disclosure issues as mentioned in its agreement
  - It is alleged that there is lack of willingness of some of the members of the board in case of public disclosure of data of RSC inspected factories

# 6. Review of Institutional and Operational Challenges of RCC, RSC and DIFE

## 6.2 Institutional and Operational Challenges of RSC

- RSC is confronting the challenges of limited workforce to ensure its smooth operation. However, it should not appoint past employees of Accord who had been sacked
- It is alleged that inspectional procedure of RSC is not free from internal and external pressure. RSC needs to ensure its neutrality, transparency and accountability
- RSC should give priority to all the undone inspection of Accord factories and follow-ups immediately
- RSC need to work on green industry to ensure the better industry situation
- RSC should start to work with governmental bodies and materialize the Government coordination cell (GCC) as early as possible

# 6. Review of Institutional and Operational Challenges of RCC, RSC and DIFE

## 6.3 Institutional and Operational Challenges of Nirapon

- Nirapon seems to have no formal correspondence with any government offices at present. Hence, a distance has been created between each other
  - This has made it difficult to jointly working Nirapon collectively in industrial safety process
  - The relationship with BGMEA and BKMEA is also not so smooth although its brand members have maintained relationship with the association
  - It is important to close the gap between Nirapon and government agencies as well as with private sector agencies (BGMEA/BKMEA)
- It is also important to have exchanges of information between RSC and Nirapon on related activities
- Nirapon follows a model (Nirapon 2.0) in work-place safety which is different from that of RSC.
  - How to align this different work-method is also an issue of understanding and initiative?



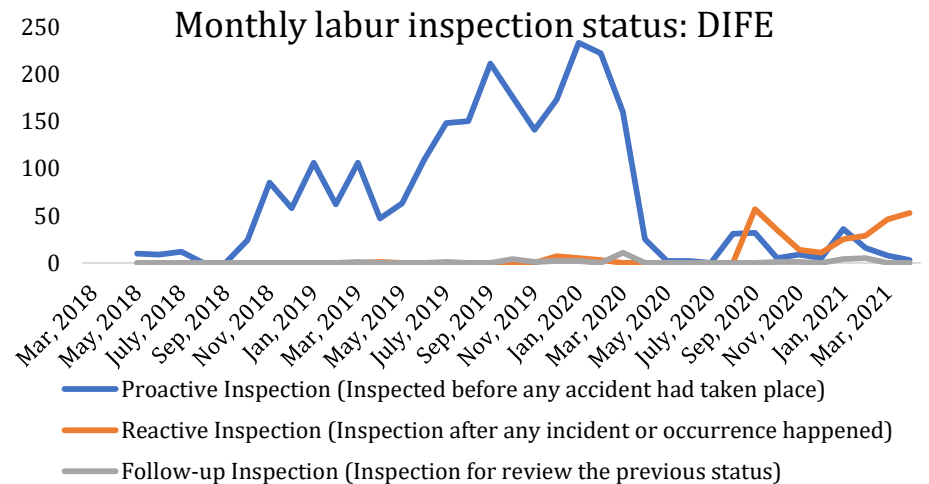
# 6. Review of Institutional and Operational Challenges of RCC, RSC and DIFE

## 6.3 Review of Institutional and Operational Challenges of DIFE

- DIFE, at present, is not focusing on workplace safety related issues of RMG factories
  - It is perceived that safety related issues have been monitored by specific organisations (i.e. RCC, RSC)
  - DIFE’s inspection, at present, is largely focusing on worker related issues including workers’ health, wage, working hour and other issues (Table)
  - DIFE’s inspection severely interrupted since May, 2020 when Bangladesh has been experiencing with COVID pandemic related adversities (Figure)
- Factories which are not under the purview of RCC and RSC are supposed to be with the responsibility of DIFE
  - Those factories are not being monitored and inspected now

Labour inspectional status of DIFE up to April, 2021

Year	Proactive Inspection (Inspected before any accident had taken place)	Reactive Inspection (Inspection after any incident or occurrence happened)	Follow-up Inspection (Inspection for review the previous status)
2018*-19	519	1	1
2019-20	1811	14	21
2020-21**	149	277	11
<b>Grand Total</b>	<b>2479</b>	<b>292</b>	<b>33</b>



Source: LIMA; Department of Inspection for Factories and Establishments (DIFE)

Source: LIMA; Department of Inspection for Factories and Establishments (DIFE)

# 6. Review of Institutional and Operational Challenges of RCC, RSC and DIFE

## 6.3 Institutional and Operational Challenges of DIFE

- Being the official focal point to ensure industrial safety, **DIFE is supposed to be in the core of all kinds of industrial safety** related activities
  - Existing **safety related activities carried out by different entities does not** indicate DIFE is in control of all these activities
  - There is **no official understanding between RSC and DIFE** which made it difficult for DIFE to get understanding about RSC activities
  - COVID-pandemic is likely to cause adverse effect in establishing official connection with DIFE
- **DIFE is also not sure what kinds of official jurisdiction** will it possess to regulate the activities of RSC at operational level
  - There is **no official protocol how DIFE would decide which organisation** would monitor which factories and how it report back to DIFE
  - **Would RSC's intention to monitor all export-oriented factories** (including those of RCC, Alliance/Nirapon/other non-member factories) bypass DIFE's authority in industrial safety in factory and establishments?
  - It is also **not clear whether Alliance/Nirapon intends to register locally** in the future and expresses interest to do the same what RSC is doing?

## 6. Review of Institutional and Operational Challenges of RCC, RSC and DIFE

### 6.3 Institutional and Operational Challenges of DIFE

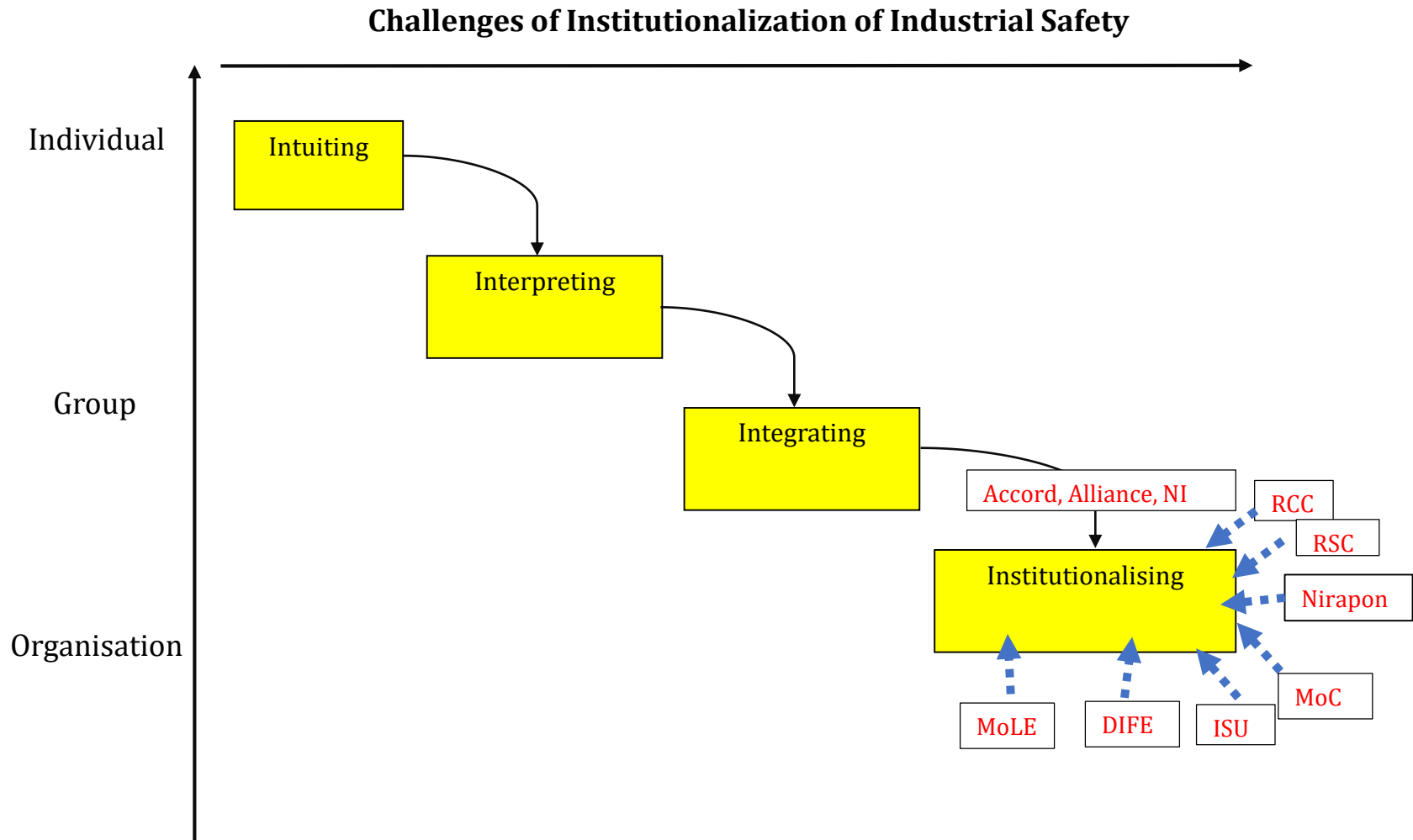
- DIFE's jurisdiction according to the Labour Act is not very specific in terms of monitoring building related safety standards
  - It is important to make it clear how building related safety in industrial activities will be monitored by DIFE. **What kinds of official understanding will be required with the City Corporation or other local government authority in these regards according to the BNBC?**
- **DIFE acknowledges its limited human resource to** cover all minoring activities duly and timely
  - It has recently working **on further expansion of its human resources**
  - **DIFE is working with ILO targeting to develop** an industrial safety unit (ISU) for all major sectors

## **7. Conclusion and Way Forward**

## 7. Conclusion and Way Forward

- Industrial safety in the RMG sector has been passing a critical stage with lack of proper coordination and proper monitoring and enforcement which are likely to be the reasons behind rising industrial accidents
  - The post-Accord-Alliance period of safety related activities in the RMG sector could not maintain the standards of that of accord-alliance period
  - The rising accidents in the RMG sector observed in earlier inspected factories as well as not registered factories
  - Reasons for accidents has been spread in the post-Accord-Alliance period - from fire related issues to electrical, fire, short circuit and structural issues.
  - The accidents are observed mainly in medium and large-scale factories
  - Weak maintenance of safety standards and lack of regular monitoring would be the reasons behind industrial accidents in the RMG factories.
  - Boiler related and gas related explosions are other reasons which are also becoming important
- A major focus of the post-Accord-Alliance period should be complete the institutionalization process of industrial safety in the RMG sector and give it a shape of sustainability
  - A two-pronged approach will be needed in order to address these challenges
    - First, strengthening the monitoring and enforcement capacity of existing organisations with maintaining transparency and accountability
    - Second, overall coordination of industrial safety to be set under 'one umbrella'

# 7. Conclusion and Way Forward



Source: Authors' illustration based on Crossan, Lane and White (1999) as cited by Moazzem and Khandker (2016)

# 7. Conclusion and Way Forward

## RCC related proposed measures

- **RCC should boost up its inspection and acceleration** protocol - it should visit every factory once in every 3 months
- **RCC should be made more accountable** –its officials should work unbiased way and each activity of its officials need to be monitored regularly
- **Process of closing down factories under** the RCC protocol need to be compatible with other protocols and thereby application of these processes need to be increased
- **Awareness raising programmes** among the senior or top management of small and medium scale factories are required in order to encourage quick implementation of safety related measures
- **All building owners of factories need** to take necessary ‘no-objection certificate’ from the DIFE if it is partially or fully used for industrial purposes
- If building owners fail to produce that the DIFE will have authority to close down the building (either partially or fully)
- **Low-cost financing needs** to be ensured for remediation of factories with flexible terms and conditions.
- **Building owners would invest for** necessary structural remediation on a ‘cost-sharing’ basis with RMG owners

# 7. Conclusion and Way Forward

## RCC related proposed measures

- **Necessary magistracy authority** should be given to the DIFE (at the senior official level) to take decision and enforce the legal actions in non-compliant factories
- **RCC needs long term finance** to complete remediation works and to monitor day-to-day activities of remediated factories. It needs fund to do necessary assessment of new factories
- **RCC need strong IT related infrastructure** to deliver its activities on time. It needs to invest on IT professionals in order to ensure public reporting of its activities through its website
- **RCC needs to recruit** more firms which would be able to deliver technical works including designing works
- **RCC should prepare a data disclosure policy** and regularly disclose inspection related information through its website
- **RCC should ensure follow-up visit** in every 3 months and inspection and follow-up reports should be published
- **RCC must be functioned as an unbiased organization** and has to be regulated by neutral people



# 7. Conclusion and Way Forward

## RSC related proposed measures

- RSC must ensure its legal linkage with MoLE/DIFE where the latter is suppose to be the lead authority in monitoring and inspection
  - RSC should prioritise 100% completion of its Accord inspected factories. It should set timeline accordingly
  - RSC must ensure transparency in disclosure of data for public consumption. It has started to upload data of individual factories; however, most of the data were inspection reports prepared by Accord and very few reports prepared by RSC
  - RSC should report to the DIFE regarding its activities. It should meet every three months with DIFE with status of quarterly progress report
  - The monitoring of factories and their regular inspection and supervision should be decided by the DIFE. In case, RSC or RCC or other private entity has any request, DIFE will take into consideration of it
  - Data accountability is an important issue- This data should be jointly accountable to three parties who are in the board. Overall status of data need to be made public
  - RSC board should not be interfered by the decision/expectation of a single party

# 7. Conclusion and Way Forward

## RSC related proposed measures

- RSC should quickly appoint its chief safety officer (CSO) who will work from Dhaka. It should also increase its other professionals.
- RSC should gradually put focus on green industry as a follow up of other factories. In that case it should get accredited with the Department of Labour, MoE
- In case of boiler related inspection, it should take the accreditation from the Boiler Authority and should work under the overall oversight of the authority
- There should have a formal structure and protocol about how these factories to be deal with under the DIFE's overall industrial safety structure
- RSC has recently started public disclosure of its inspection related activities. It is expected that its technical team will ensure the transparency and data disclose issues as mentioned in its agreement
- RSC should made it clear how it will ensure transparency in public access to data through its technical capacities
  - It should also made it clear how the data management will be carried out – between RSC headquarters and Dhaka office
  - How the different board members are playing role either facilitating transparency or creating blocks in the transparency process?

# 7. Conclusion and Way Forward

## RSC related proposed measures

- RSC needs to ensure its **neutrality, transparency and accountability**
- RSC should give priority to **all the undone inspection of Accord factories** and follow-ups immediately
- RSC should start to **work with governmental bodies** and materialize the Government coordination cell (GCC) as early as possible.

# 7. Conclusion and Way Forward

## Nirapon related proposed measures

- It is **important to close the gap between Nirapon and government** agencies as well as with private sector agencies (BGMEA, BKMEA)
  - It is also important to **have exchanges of information between RSC** and Nirapon on related activities
  - It is important to **take into cognisance of the Nirapon-based** safety monitoring mechanism in the overall safety process

# 7. Conclusion and Way Forward

## DIFE related proposed measures

- DIFE, with the support of the MoLE, should **make sure that all kinds of industrial safety should be under its control** - MoLE will maintain that
- DIFE will **delegate responsibility of which factory to be inspected** by whom
- DIFE's **technical and human resource capacity need** to be upgraded
- DIFE and ILO should work closely with the objective of **ensuring industrial/workplace safety** in all industrial and economic activities

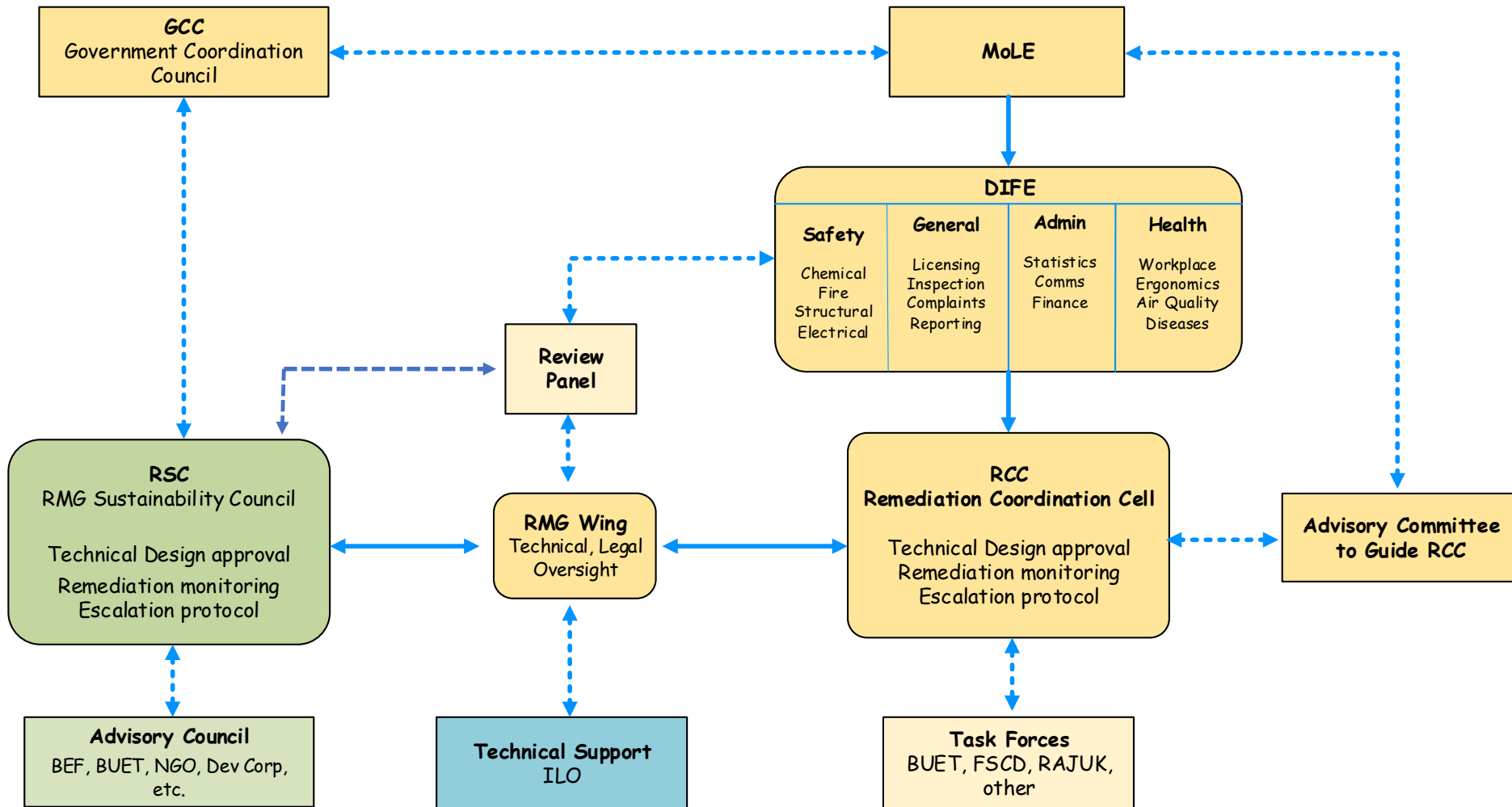
# 7. Conclusion and Way Forward

## DIFE related proposed measures

- As part of coordination of different organizations related to Industrial safety, following activities need to be carried out:
  - **Ensure proper work of RCC with** a view to effectively preventing workplace accidents
  - **DIFE remains fully responsible** for safety in all factories and establishments
- DIFE remains **responsible for regulation of BLA in all sectors**, including exporting RMG
  - DIFE can take advantage of RSC private sector entity, for optimising resources and more effective regulation
  - DIFE may **think of accommodating other** private entities
- Finally, ILO may consider **undertaking a study** about how to integrate different organizational measures more effectively in order to develop a sustainable institutionalization model.

# 7. Conclusion and Way Forward

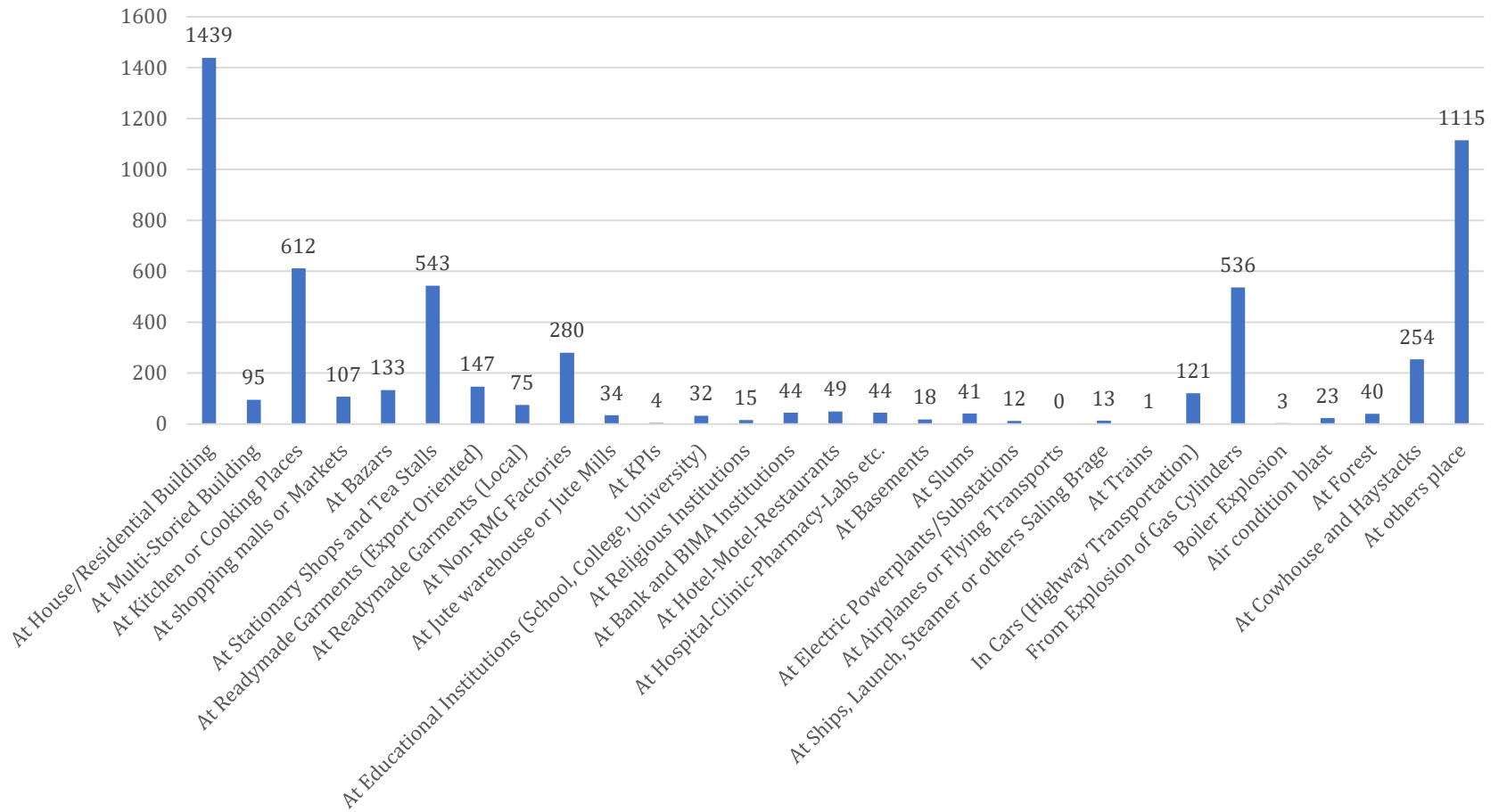
## Industrial Safety Governance in RMG – Coordination



# 7. Conclusion and Way Forward

## Fire incidences occurred in different places

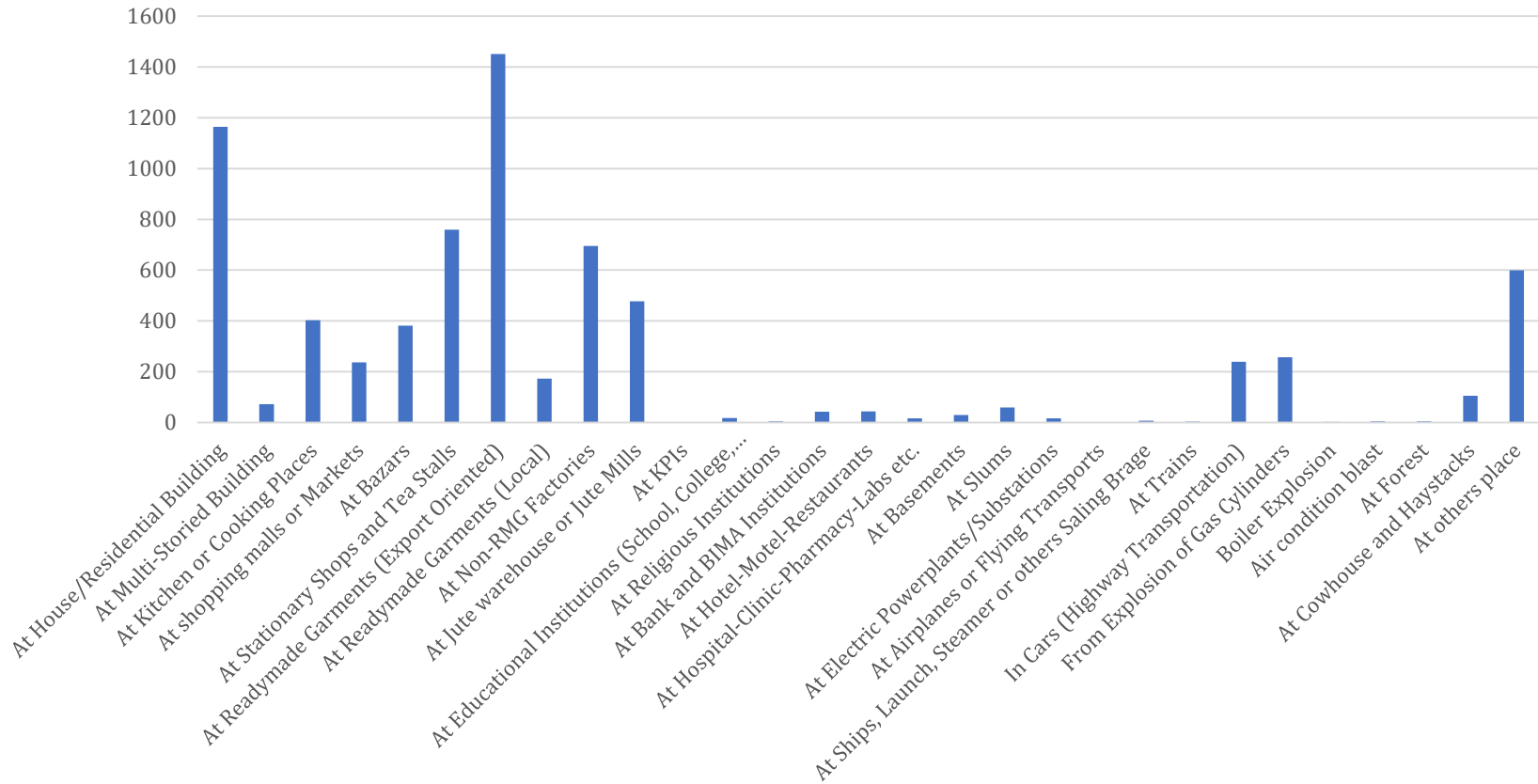
No of Fire Incidences in 2020





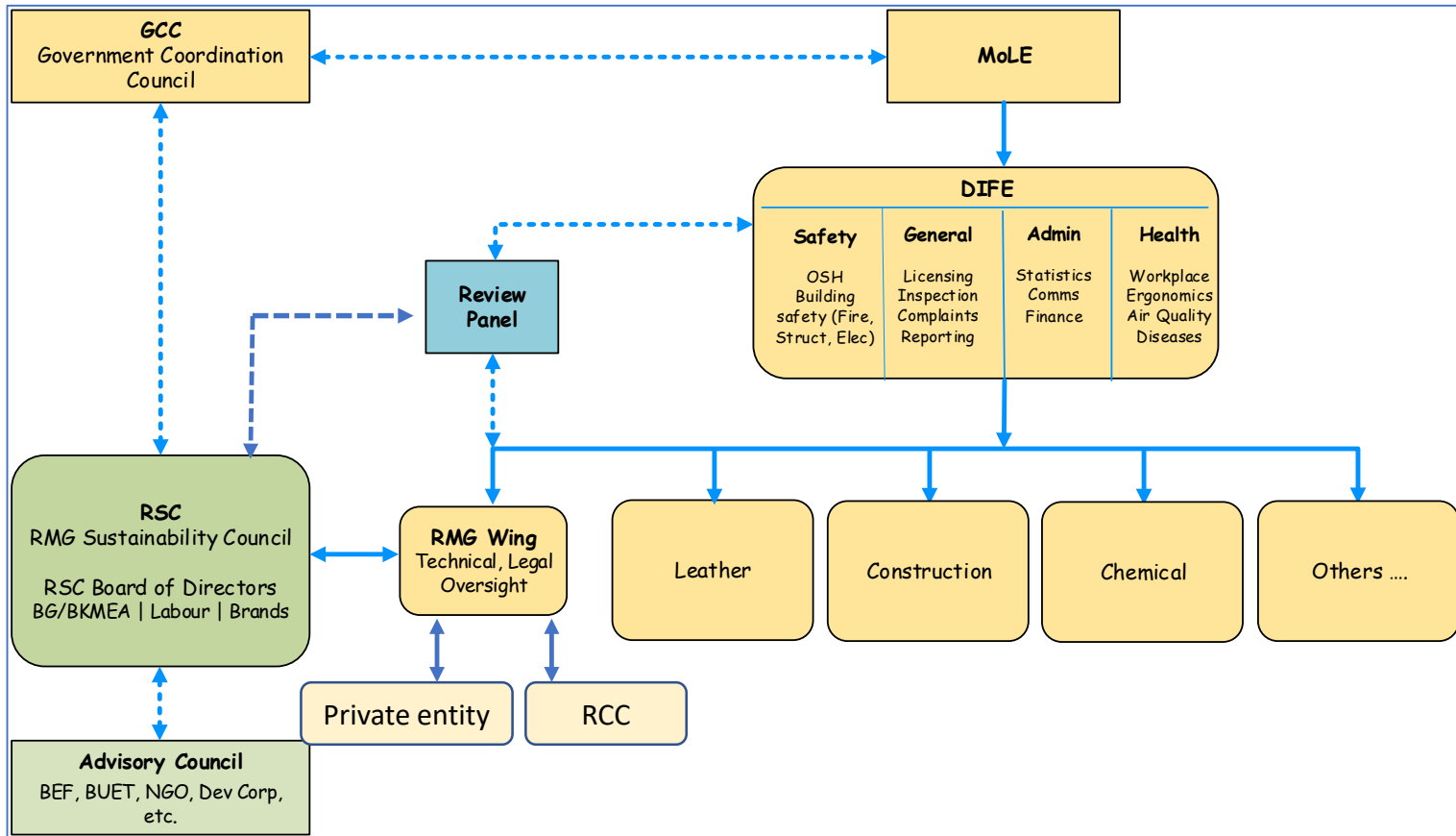
# 7. Conclusion and Way Forward

**Economic loss caused due to fire incidences, 2020 (in lac taka)**



# 7. Conclusion and Way Forward

## Industrial Safety Governance – Coordination (All)



**Thank you.**