

Policy Brief

February 2022



সেন্টার ফর পলিসি ডায়ালগ (সিপিডি)
Centre for Policy Dialogue (CPD)

Highlights

- Since the accident in Narayanganj (from 8 July 2021 to 8 January 2022), a total of 82 industrial accidents are reported in the national dailies; this means an occurrence of one incident in every two days.
- During October 2021–8 January 2022, out of 1,900 selected factories of four major regions, industries, only 766 (40.3 per cent) have been inspected and just 109 (3.5 per cent) out of 3100 factories from the other districts. Overall progress has been slow.
- The BIDA-led initiative should take support of the ILO which is the main international organisation working on industrial safety in Bangladesh.
- Database management is likely to be a major challenge of this initiative, particularly in terms of overall and factory-specific challenges and recommendations.

Industrial Safety of Non-RMG Enterprises and Workers

Perspective on BIDA-led Monitoring Initiative

Khondaker Golam Moazzem, Md. Salay Mostofa and Shah Md. Ahsan Habib

1. INTRODUCTION

Industrial safety in non readymade garments (RMG) enterprises has remained almost unaddressed over the decades. The tragedy occurred at a food-processing factory (Hashem foods Ltd.) in Narayanganj on 8 July 2021, which killed over 52 workers and injured more than 50 workers, has once again highlighted industrial safety issues in the non-RMG enterprises of Bangladesh. However, the non-RMG enterprises did not take lessons from previous incidents that happened and seemingly failed to establish a safe and secure workplace, as the number of incidents and casualties is upsurging over time.

In the last six months, a total of 82 accidents have been reported in the national dailies; in other words, almost one incident occurred in every two days.¹ The majority of these accidents are related to fire (52 accidents); other accidents involve electrical, boiler explosion, and related issues where these incidents caused deaths of 167 workers/people and injury of 256 workers/people. Major industrial zones Dhaka and adjacent areas (29), Narayanganj (10), Gazipur (8), and Chattogram (8) are accident-prone areas. Bangladesh's budding reputation as an industrial hub will be at risk at regional and global levels if the increasing incidents are not addressed.

In view of the occurrence at Hashem foods, the government has announced several initiatives—the most important of which is forming a 24-member committee to detect safety risks and issue and guide responsible agencies to take appropriate action.² Bangladesh Investment Development Authority (BIDA) has been providing the lead role for this initiative.³ Still, despite the initiative,

¹Based on the information collected from the daily newspapers (From 8 July 2021 to 8 January 2022).

²The committee is chaired by the private sector advisor of the prime minister. The members of the committee include representatives of different government offices such as the Department of Inspection for Factories and Establishments (DIFE), Bangladesh Fire Service & Civil Defence (FSCD), Rajdhani Unnayan Kartripakkha (RAJUK) and representatives of different private sector associations including the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

³A nine-member sub-committee has been developed to prepare a standard operating procedure (SOP) for 'combined inspection'. The sub-committee includes senior members of FSCD, DIFE, Ministry of Labour and Employment (MoLE), Department of Environment (DoE), Department of Architecture (DoA), Office of the Chief Inspector of Boilers, FBCCI, Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA),

similar trends of accidents in the non-RMG factories are prevailing. Hence, the government needs to vouch for a strong commitment in order to undertake the monitoring tasks through proper institutional mechanisms by maintaining transparency and accountability.

Considering the above-mentioned context, CPD has initiated a monitoring initiative led by the civil society, on 'Industrial Safety in non-RMG Enterprises and Establishments' with a view to highlighting transparency, accountability, and efficiency in implementing safety measures. This is working as a complementary initiative along with those which have been undertaken by the public and private sectors as remedial measures. In this connection, this policy brief aims to review the BIDA-led initiative conducted on industrial safety in non-RMG enterprises, to identify weaknesses and challenges of the initiative, and to put forward necessary recommendations that will help improve the BIDA-led initiative to ensure workplace safety in non-RMG enterprises.

2. METHODOLOGY OF THE STUDY

The initiative follows the analytical lens of 'impact monitoring' while undertaking the programme. The impact monitoring highlights the way in which the specific activities undertaken by the public agencies make changes to the target groups (Transparency International, n.d.). In this context, the proposed monitoring initiative mainly targets three core areas: (a) policy and institutional change, (b) behavioural change, and (c) outreach and awareness.

Taking the above into account, this study employs a mixed (qualitative and quantitative) method to analyse past, present, and future outlooks of industrial safety in the non-RMG sector of Bangladesh. For primary information, the study team conducted a phone call survey. The number of respondents in the survey were 28 and 18 from DoE and FSCD respectively. Major issues covered in the survey include—(a) whether the officials are aware of their engagement in the inspection process; (b) whether the officials receive any training for conducting this special inspection; (c) the number of factories inspected by them till that time; and (d) the number of factories to be inspected by each of the inspectors. Besides, four key informant interviews (KIIs) have been conducted with the

government officials of various departments and international organisations. During the KIIs, the following issues have been addressed: (a) type of weaknesses/challenges mostly faced by the factories; and (b) type of challenges confronted by the inspectors in conducting the inspection.

Through the survey and KIIs, the study attempted to identify the BIDA-led initiative's current status, progress, and challenges. Moreover, secondary data were collected from annual reports of relevant departments, press releases, and websites.

3. BIDA-LED INITIATIVE OF INSPECTING NON-RMG ENTERPRISES

3.1. Inspection Modalities of Various Departments under the BIDA-Led Initiative

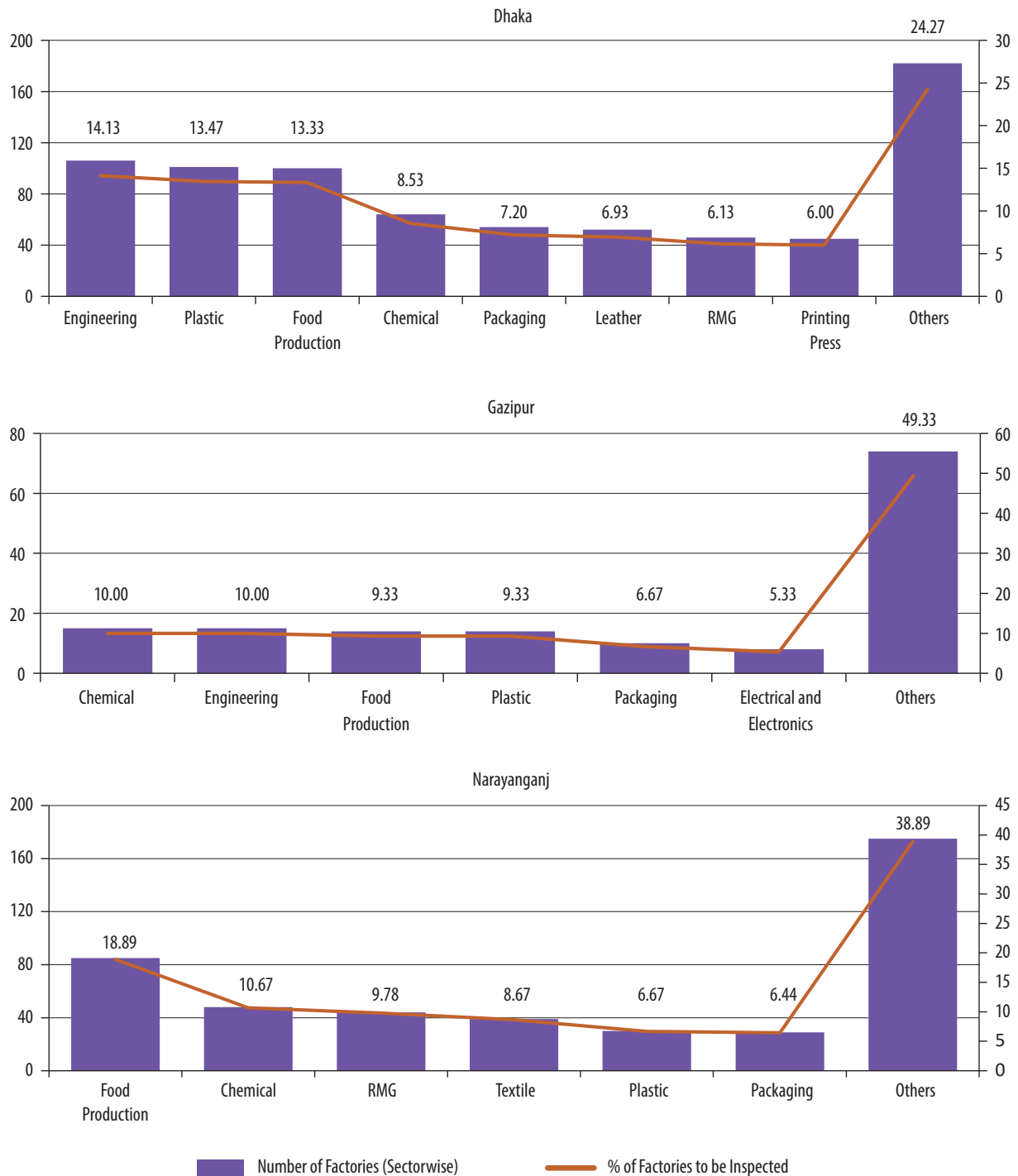
According to a higher official of BIDA, the factory inspection started from the first week of October 2021. To conduct the inspection, the concerned authority developed a detailed inspection checklist which includes 79 issues covering related to the following—building structure (6 issues), fire (28 issues), electrical safety (14 issues), environmental pollution control (5 issues), boiler safety (14 issues), and explosives (7 issues).⁴ However, it is important to note that the checklist does not include labour related concerns.

According to the SOP, at the initial phase, the inspection team goes for a formal inspection visit and does not take any action against employers. A formal inspection notice is sent to the factories three days before the inspection. A total of 38 combined inspection teams have been formed to inspect 1,900 factories from four main industrial clusters—Dhaka (750 factories), Chattogram (550 factories), Gazipur (150 factories), and Narayanganj (450 factories).⁵ Factories have been selected on the basis of the level of safety related concerns. Out of 1,350

⁴Checklist followed Bangladesh National Building Code (BNBC) code, Bangladesh Labour Act (BLA) 2006, Bangladesh Labour Rule (BLR) 2015, Fire Protection Act 2003, Electricity rules 2020, Boiler Act 1923, Explosives Act, 1884, Bangladesh Environment Conservation Act, 1995 and so on.

⁵The 11-member inspection team formed with the representative from DIFE, Public Works Department (PWD), DoE, Department of Explosive, FSCD, Chief Inspector of Boilers, Office of the Chief Electrical Inspector, and a member of private entities.

Figure 1 Number of Factories Covered at the Initial Phase (Based on Regions)



Source: Authors' illustration based on DIFE document.

factories from these three clusters, the higher share of factories is related to—engineering (11.3 per cent), food processing (18.89 per cent), chemical (10 per cent), and plastic manufacturing (10 per cent) factories (Figure 1). The other selected factories (sharing not more than 5 per cent) include leather, RMG (local and sub-contracted), textile, and packaging industries.

Till 10 January 2022, all the 108-inspection teams have received necessary training; out of 5000 factories to be inspected, only 875 factory-level inspections have been completed, which is 17.5 per cent of the total targeted factories, while the inspection was supposed to be completed by December 2021. In case of inspection in Dhaka, Chattogram, Gazipur, and Narayanganj regions, out of 1900 factories, only 766 factories have been inspected which is only 40.3 per cent of the total targeted factories.

The highest number of factory inspections is completed in Chattogram—450 factories (81.8 per cent of total), followed by Gazipur (99 factories, 66 per cent), Narayanganj (97 factories, 21.6 per cent), and Dhaka (120 factories, 16 per cent). Among the rest 3100 targeted factories, only 109 factories (3.5 per cent of total) from other regions/districts have been inspected.

3.2 Perception of the Field Inspectors

The study team has conducted a phone call survey on the officials from FSCD and DoE who are listed as members of the inspection team. The phone call survey has been conducted in November–December, 2021. A total of 39 officials (fire inspectors, environmental officers and inspectors) have been surveyed, of which 16 officials are from FSCD and 23 officials from DoE. During the interview, officials from FSCD have been found to be less informed and less engaged in the inspection process than those of DoE. About 37.5 per cent of inspectors have reported that each team is supposed to inspect a total of 50 factories, however in some instances, they are required to inspect over 200 factories, even as part four teams in some cases.

Box 1 Key Observations or Opinions of the FSCD Inspectors

- Textiles and garments factories have better fire safety plans compared to other factories including plastic factories.
- Majority of non-RMG factories are unable to ensure fire safety related compliances, and a few factories have fire detectors and emergency alarm systems.
- Factories do not have enough fire resistance systems (e.g., decoration, false ceiling) to prevent fire spread after accidents.
- Due to the lack of logistic support (e.g., vehicles), FSCD officials face difficulty in completing the inspection timely, although they have adequate human resources.

DOE inspectors, on the other hand, were pre-informed about their inclusion in the inspection team, and about 96 per cent of the interviewed inspectors attended the training programme at the BIDA.

Box 2 Key Observations or Opinions of the DoE Inspection Team

- The factories of old Dhaka are desperate to repair their factories as the workplace environment was not conducive to running the production.
- Majority of the factories have no appropriate channel for the treatment of liquid and solid wastes.
- The plastic factories (e.g., pipe fittings and other toiletry fittings) tried to address the industrial waste-related treatment.
- Most factories are not aware of the carbon emission caused by industrial activities of their factories.
- No factory has fulfilled all the criteria of environmental clearance.
- Vehicle shortage and inadequate human resources caused an inability to conduct comprehensive inspections.

3.3 Engagement of FBCCI in the Inspection Process

One representative of FBCCI is involved in each inspection team. FBCCI has set up a 'safety council' to support the industries to become safe. The council provides technical support to the inspection team. Besides, members of different associations are involved in the national-level advisory committee. While their engagement is appreciated, their views regarding the inspection drive have to be well-diverged.⁶

⁶The Bangladesh Plastic Goods Manufacturers & Exporters Association (BPGMEA) arranged two separate awareness and discussion meetings on 11 Nov and 25 Nov 2021 on fire prevention in industrial factories'. The programmes were presided over by BPGMEA President (11 November) and FBCCI president (25 November), respectively.

3.4 Keeping ILO at 'Arm's Length' in the Inspection Process

International Labour Organization (ILO) has strangely been kept outside the whole initiative despite ILO's explicit willingness to be engaged in the process. In fact, immediately after the incident of Narayananj in July 2021, the ILO Geneva office expressed its willingness to work with the government. Besides, ILO team met with the private sector advisor of the Prime Minister, secretary of MoLE, and inspector general of DIFE and expressed its interest to be involved in the overall inspection and remediation process of non-RMG factories. ILO Country Director met with the FBCCI President in November 2021 and expressed willingness to work with the apex body to collaborate for the remedial process.

Needless to mention, ILO has a long track record of working with different ministries/departments particularly related to workers' safety and workers' rights under a tri-partite framework. For example, the successful remediation initiative in the RMG sector during post-Rana Plaza period has been carried out by employers, brands, and workers where ILO provided important coordination and technical support.

Despite having the preparedness regarding technical issues and remedial measures, keeping ILO at 'arm's length' is a major concern. A number of questions may arise from such a stance of the government. Firstly, it questions the government's non-inclusive approach and points at the political intention to undertake the inspection process excluding the intergovernmental organisations' support. Secondly, it poses question whether existing institutional setup, operational modalities, and process of undertaking different activities ensure an efficient way of operational execution given the sign of sluggishness in the inspection process.

4. CONCLUSIONS AND RECOMMENDATIONS

Non-RMG enterprises and establishments have been rising because of growing economic activities targeting local and export markets. On the other side, industrial safety in the non-RMG sector has been passing a critical stage as the number of incidents are gradually increasing due to the lack of proper monitoring and enforcement system and century-old laws and acts.

Most non-RMG enterprises—engaged with the domestic supply chains—often do not follow any code of conduct on workplace safety and workers' rights issues. There is also no such pressure from other stakeholders, including consumers, workers, and civil society organisations (CSOs), to ensure compliance standards, and workers are also not fully aware of the safety concerns. Factory management is also not concerned with punishment and retaliation issue as the administrative authorities neither play their due role nor apply the provision of penalty based on the age-old laws.

The BIDA-led initiative to identify the safety concerns in non-RMG factories is positive. However, the initiative has yet to deliver the expected results. The study has identified a number of weaknesses which include—(a) lack of leadership at BIDA's end; (b) problem of coordination between various public agencies; (c) limited capacity to handle generated data for the identification of problems; and (d) limited technical expertise. Given the sluggish progress of the overall activities, it is doubtful whether the initiative ultimately delivers the expected outcome.

Following issues remain unclear about how those will be addressed under the BIDA-led initiative: (a) how the inspection related outcome will be used; (b) who will guide factories in identifying their weaknesses and how firms will address those; (c) which organisations will take the responsibility to monitor the enforcement of the remedial measures; and (d) if the remedial measures are not done properly, then what measures should be undertaken.

BIDA-led process confronted several operational challenges: (a) difficulty in coordination between different offices responsible for the inspection; (b) problem of managing time by the officials of DC offices in different districts for inspection; (c) failure in maintaining inspection schedule due to other departmental engagement of the officials of DoE and PWD; (d) excessive work pressure on the officials of the department of explosives and office of chief boiler authority owing to shortage of human resources; and (e) frequent transfers of the officials from related departments. Finally, database management is likely to be a major challenge particularly in terms of overall and factory-specific challenges and recommendations.

Considering the above-mentioned drawbacks and challenges, the following initiatives need to be undertaken.

- i) BIDA needs to provide a strong leadership role in implementing the measures in a time-bound manner;
- ii) There should be arrangement of necessary resources, logistic support and human resources for concerned public offices and inspection teams for the timely implementation of inspection;
- iii) Simplified operational modalities and small-sized inspection teams are urgently needed to complete the inspection quickly;
- iv) BIDA should start designing the next phase of the initiative, i.e., undertaking remedial measures;
- v) BIDA should ensure that inspection of factories under different sectors would be on the same page in maintaining the quality of inspection, which include providing necessary support for inspection, and extending cooperation in implementing suggested measures;
- vi) BIDA should immediately invite ILO in providing necessary technical support for effective implementation of the monitoring process; and
- vii) As part of transparency and accountability, BIDA should develop a common digital platform to store data, disclose data and publish inspection progress quarterly, half-yearly, or annually.

REFERENCES

BBS. (2006). *Report on Survey of Manufacturing Industries 2005-06*. Retrieved from http://203.112.218.65:8008/WebTestApplication/userfiles/Image/LatestReports/report_CMI.pdf

BBS. (2020). *Survey of Manufacturing Industries 2019 (SMI-2019)*. Dhaka: Bangladesh Bureau of Statistics (BBS).

Transparency International. (n.d.). *Impact monitoring*. Retrieved from <https://www.transparency.org/en/the-organisation/impact-monitoring>

ACRONYMS

BGMEA	Bangladesh Garment Manufacturers and Exporters Association	FBCCI	Federation of Bangladesh Chambers of Commerce and Industry
BIDA	Bangladesh Investment Development Authority	FSCD	Fire Service and Civil Defence
BKMEA	Bangladesh Knitwear Manufacturers and Exporters Association	ILO	International Labour Organization
BLA	Bangladesh Labour Act	KII	Key Informant Interview
BLR	Bangladesh Labour Rule	MoLE	Ministry of Labour and Employment
BPGMEA	Bangladesh Plastic Goods Manufacturers & Exporters Association	PWD	Public Works Department
CPD	Centre for Policy Dialogue	RAJUK	Rajdhani Unnayan Kartripakkha
CSO	Civil Society Organisation	RMG	Readymade Garment
DIFE	Department of Inspection of Factory and Establishment	SOP	Standard Operating Procedure
DoA	Department of Architecture		
DoE	Department of Environment		

ABOUT THE STUDY

This study is a part of the project “Industrial Safety of Non-RMG Enterprises and Workers: Monitoring Transparency, Accountability and Efficiency of Public Actions” undertaken by Centre for Policy Dialogue (CPD) in collaboration with Christian Aid.

ABOUT THE AUTHORS

Dr Khondaker Golam Moazzem is the Research Director of the Centre for Policy Dialogue (CPD). *Mr Md. Salay Mostofa* is a Programme Associate at CPD; and *Dr Shah Md. Ahsan Habib* is Professor and Director (Training), Bangladesh Institute of Bank Management (BIBM).



Centre for Policy Dialogue (CPD)

House 40/C, Road 11 (new), Dhanmondi, Dhaka-1209, Bangladesh
Telephone: (+88 02) 48118090, 55001185, 58156979 Fax: (+88 02) 48110414
E-mail: info@cpd.org.bd Website: www.cpd.org.bd