



RMG Monitoring Brief

Civil Society Monitoring on
Occupational Safety and Health (OSH) in the RMG Sector: 2023-2024



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Abstract

The 'RMG Monitoring Brief' is the first of a series of briefs published as part of the civil society monitoring initiative called 'Civil Society Monitoring on Occupational Safety and Health (OSH) in Bangladesh's RMG Sector' launched by Centre for Policy Dialogue (CPD). The brief identifies the key areas of concern regarding the recent performances of public and private agencies responsible for monitoring and inspecting RMG enterprises. Overall, the brief identifies that despite progress made in recent time, a decrease in inspections (in the latest fiscal year), lower remediation progress and underreporting of accidents are still key concerns for DIFE. More specifically, the brief identifies several concerns about the RMG sustainability council (RSC)—the major private sector inspection body. These include (a) delayed data reporting, (b) irregular BoD meeting updates, (c) inconsistent data reporting, (d) limited collaboration with government agencies, (e) pressure on independent functionality, and (f) lower remediation progress in a few fire-related items.

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Emerging Concerns of Occupational Safety and Health of the RMG Industry

Role of Public and Private Monitoring Agencies

1. Introduction

Bangladesh's readymade garments (RMG) industry has made significant improvements in Occupational Safety and Health (OSH) over the last decade, especially in the years after the Rana Plaza tragedy. Despite the progress, a number of emerging concerns on industrial safety in the RMG industry raised the concern regarding the sustainability of different legal, institutional and operational measures and initiatives undertaken in the industry over the years. Hence, reviewing the existing institutional and operational functionality of different initiatives and measures to appreciate their capacity to ensure OSH and industrial safety has become imperative.

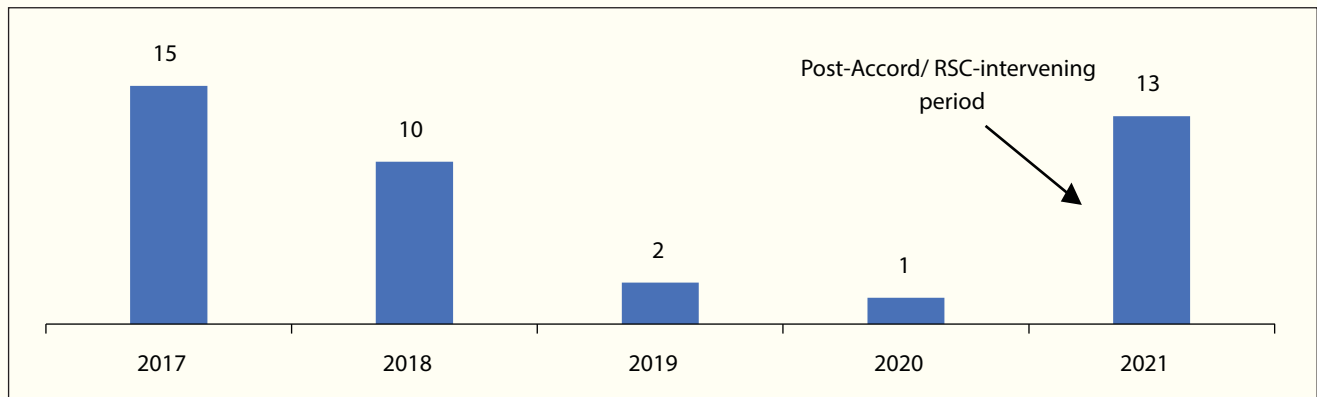
Against this backdrop, the civil society monitoring initiative called 'Civil Society Monitoring on Occupational Safety and Health (OSH) in Bangladesh's RMG Sector' has been launched by Centre for Policy Dialogue (CPD). This initiative is similar to what had been undertaken by civil society organisations to monitor the progress of industrial safety after the Rana Plaza tragedy in 2013. As part of the ongoing initiative, monitoring briefs called 'RMG Monitoring Brief' will be published with updates on the state of compliance with OSH and industrial safety in the RMG industry. This is the first brief in this series.

2. Status of OSH of the RMG Industry since 2018

The Bangladeshi RMG industry has been reaping the benefits of the improvements made in the area of occupational health and safety aftermath of the Rana Plaza disaster, particularly during the tenure of Accord and Alliance. However, concern remains for the RMG industry as recently a small increase in accidents and number of worker deaths in workplace accidents could be observed in the period after Accord handed over the implementation of its program in Bangladesh to the RMG Sustainability Council (RSC).

Moazzem and Mostofa (2021) found an increase in the number of accidents that occurred in the RMG industry in the period of recent three years (May 2018–April 2021) compared to the previous three years (May 2015–April 2018). The slight increase in RMG accidents is also reported by government agencies. According to BFSCD (2022), the number of workplace accidents in the export-oriented RMG export factories increased to 180 in 2021, which was 177 in 2020. However, as per the media monitoring by the Clean Clothes Campaign, the number of publicly reported workplace accidents has declined to 26 in the latest year, 2022, compared to the previous year 2021’s number of reported accidents in the RMG industry, 33.

Figure 1: Number of workers who died due to workplace accidents in the RMG sector



Source: Safety and Rights (2022).

The comparison of the number of workers killed shows a somewhat deteriorating scenario of the RMG industry’s safety status in recent times. As per the data of Safety and Rights Bangladesh (2022), the total number of deaths of workers in the RMG industry due to workplace accidents in 2017 and 2018 was 15 and 10, respectively. In the next two years, i.e., in 2019 and 2020, the same number reduced to only 2 and 1, respectively. However, in the very next year, 2021 (also the latest available year), the number of RMG workers who died due to accidents jumped to 13.

It is unclear what played a key role in increasing the number of deaths by workplace accidents in the RMG industry recently. However, the observations (discussed in preceding sections) and studies (such as Moazzem & Mostofa, 2022) are indicative of a deterioration of the safety inspection functionality and quality in the RMG industry of the inspections authorities-particularly in recent time. Hence, reviewing the institutional initiatives of OSH undertaken in the RMG industry is important.

3. Civil Society Monitoring Initiative and Its Objectives

This launching of the civil society monitoring initiative is, in fact, the continuation of the initiative ‘Post-Rana Plaza Monitoring: A Civil Society Initiative’ undertaken by CPD in the aftermath of Rana Plaza disaster. The monitoring exercise was carried out for two consecutive years, from May 2013 to April 2015. The initiative established accountability on the part of key actors, including the government and major buyers responsible for follow-up actions. The initiative put forward concrete suggestions as to what needed to be done to address the gaps in the implementation of the planned actions. The initiative was also able to engage key stakeholders, including major buyers of apparel from Bangladesh, to discuss possible modalities concerning the distribution of value along the value chain to incentivise investment by entrepreneurs towards better compliance in the country’s apparel sector.

The Accord, with its legally binding and enforceable obligations on signatory brands, contributed to making a significant improvements to safety in the Bangladeshi RMG industry, saving thousands of lives. Ensuring safety is a continuous process that requires persistent monitoring. Hence, previous and newly emerged institutional concerns in the functionality of authorities responsible for safety monitoring and inspection in the Bangladeshi RMG industry need to be addressed. In this connection, the continuation of independent CSO monitoring initiatives can contribute to addressing these concerns by creating scope accountability.

At the moment, a number of safety inspection authorities are in active operation in Bangladesh. However, the limited involvement of CSOs in these authorities created a vacuum in the monitoring of their functioning and the implementation of their effective inspections, and the remediation and functioning of the complaint mechanism. There has been a need for monitoring and transparency reporting of these authorities and the overall safety of factories in the RMG sector to protect the achievements after the Rana Plaza collapse and to foster progress in improving OSH.

In this context, the initiative's main objective is to undertake open, critical, and independent civil society monitoring and reporting of the functioning of Bangladesh's public and private sector monitoring initiatives and measures.

4. Overview of the Occupational Safety and Health (OSH) Inspection Systems in the Bangladeshi garment industry

As mentioned already, a number of public and private safety inspection authorities are in operation in Bangladesh. Department of Inspection for Factories and Establishments (DIFE) under the Ministry of Labour and Employment (MoLE), Government of Bangladesh (GoB) is responsible for health and safety inspection in all the establishments in Bangladesh.

In view of the Rana Plaza crisis, all the export-oriented RMG factories were targeted for structural, fire and electrical safety inspection and follow-up remediation. As such, The Bangladesh Accord on Fire and Building Safety and the Alliance for Bangladesh Worker Safety were formed. These two buyer-driven groups undertook inspections of approximately 2,230 factories while DIFE, with ILO's support, took responsibility for the rest of the 1,549 factories. In order to manage the remediation of the factories under DIFE, Remediation Coordination Cell (RCC) was established temporarily under DIFE. Later, the RCC was transformed into as Industrial Safety Unit (ISU) as a permanent entity under DIFE to continue the work of RCC.

After the completion of the initial agreement, Accord was transitioned to the 2018 Transition Accord to carry on the work of the former. However, in view of the court's order, it had to stop its operation in Bangladesh and pass over all its responsibilities to Remediation Sustainability Council (RSC). Alliance, on the other hand, ceased their operation in December 2018. However, later a local company 'Nirapon' was formed to build upon the work of the Alliance. This, too, received a ban from the court in continuing its inspection and training activities in Bangladesh.

Besides, different initiatives and certifications also conduct inspections on safety in the RMG industry as part of its audit process in providing initiative membership or certifications. The following part provides an overview of the activities of the key public and private inspection authorities.

4.1 Department of Inspection for Factories and Establishments (DIFE)

DIFE conducts regular and special inspections to implement occupational health, safety, and welfare measures as per the Bangladesh Labour Act, 2006 (including subsequent amendments of 2008, 2009, 2010, 2013 and 2018) and Bangladesh Labour Rules, 2015. Inspections of DIFE are generally conducted in four ways, including a) regular inspection; (b) reactive inspection; (c) inspection on an accident site; and (d) inspection on a complaint basis. The regular inspections are conducted in either an announced or unannounced manner.

Over the years, DIFE has increased its technical and institutional capacity. Although still insufficient, DIFE has now higher number of human resource and more skilled inspectors than before. In the fiscal year FY2021–22, DIFE conducted 43,644 inspections in factories, shops and establishments, of which 3,560 were in the RMG industry. The number of inspections by DIFE has decreased compared to the previous fiscal year, both for the overall and RMG industry – in FY2021, the total number of overall inspections was 47,361, out of which 6,227 was in the RMG industry. It is unclear what caused the decrease in the amount of inspections for the RMG industry, particularly when the scope of inspections remains higher with the introduction of Labour Inspection Management Application (LIMA), a digital inspection application of DIFE.

However, more than the number of inspections, the quality of safety inspection still remains a major barrier – the inspectors allegedly do not perform their inspections as they are mandated to (Moazzem & Ahmed, 2022). On top of that, a recent

concern regarding DIFE's functionality is its increasing tendency to keep the disclosure of information at a minimum. The common concern for DIFE still persists—underreporting of accidents and injured and killed workers for the RMG industry, which mismatches with reported data of other public and private agencies (such as Bangladesh Fire Service & Civil Defence, Bangladesh Institute of Labour Studies etc.). DIFE also does not have any M&E department, which prevents any internal scope of evaluation of its performance and managing data in an organised manner.

4.2 Remediation Coordination Cell (RCC)

In order to put a special focus on and oversee the remediation work of the National Initiative (NI) active factories under DIFE and International Labour Organization (ILO), a specialised temporary unit of DIFE called Remediation Coordination Cell (RCC) was initiated in May 2017. The cell was comprised of external engineers from different public and private entities (such as Bureau Veritas, BFSCD etc.).

Figure 2: An overview of the concerns related to different safety inspecting authorities

DIFE	RCC	ISU
<ul style="list-style-type: none"> • Number of inspections has dropped in FY2021–22 as compared to FY2020–21. • Uncertainty remains regarding the willingness of inspectors in conducting quality safety inspections. • Accident-reporting system needs revision. 	<ul style="list-style-type: none"> • As of October 2022, the remediation progress for active NI factories remained limited to 54% • Non-compliance (NC) related to fire remained as the least progressed area. • New non-compliances are identified after the corrective action plan (CAP) inspection—those are not inspected for correction. 	<ul style="list-style-type: none"> • No recent update found on how ISU is conducting its activities now. • Uncertainty remains regarding ISU will address the challenges faced by RCC in remediating NI factories.

Source: Authors' illustration.

The number of active NI factories reduced to 659 from the initial number of 1549(as of October 2022) as a number of these factories had to stop their operation due to safety non-compliances, the financial crisis in view of COVID 19 etc. However, the remediation progress for the active NI factories was limited to only 54 per cent (Moazzem *et al.*, 2023). The limited success stems from a number of key factors. These include: a) NI factories mainly operate in rented buildings which prevents them from investing in remediation; b) due to their operation in rented buildings and weak financial status, they had very limited access to any credit support for remediation; c) the financial emergency induced by the outbreak of COVID 19, shifted the focus of NI factories towards the survival of their business rather than on investing in remediation; d) lack of self-interest of the NI factory's owners as they were not adequately pressurised by the government, business associations and their buyers who are mostly from non-European and non-North-American countries (Moazzem *et al.*, n.d.).

Concern remains over not only the limited progress of the remediation but also the fact that the progress is based on the original non-compliances identified during the initial Corrective Action Plan (CAP) inspection in 2013–2017. Understandably, a set of new non-compliances will have emerged in these NI factories, which were not taken under consideration for the progress of remediation. Moreover, the 54 per cent progress does not necessarily mean remediation of the most hazardous safety compliances. This means that a NI factory can achieve more than 50 per cent progress in remediation while not addressing the most hazardous non-compliances. In fact, the data shows that the progress of remediation remained the least for Non-Compliances related to fire. These concerns must be considered for RCC's superseding entity (Industrial Safety Unit).

4.3 Industrial Safety Unit (ISU)

After the ceasing of operation of the RCC, the responsibility of overseeing the remediation of NI factories has been shifted to ISU, a newly formed unit of DIFE. Unlike the RCC, the ISU is a permanent unit, and the role of this unit is not limited to monitoring factory remediation in NI factories alone. Rather, along with overseeing remediation, ISU is dedicated to

conducting safety inspections in non-RMG factories as well. However, as of date, it is uncertain how ISU is performing its duty. No distinct information and data could be availed from DIFE in regard to the current status of ISU. It is also not clear yet, how ISU is going to solve the many concerns that DIFE and RCC had. For example, how ISU will ensure that its inspector performs proper inspection; how its approach is different from DIFE's inspectors; how it will address the aforementioned barriers for the NI factory remediation, are still vivid. Overall, sluggish progress can be observed in enabling ISU to full functionality.

4.4 Different Certifications and Initiatives

Along with these authorities, different initiatives and certifications also conduct inspection on safety as part of its audit process in providing initiative membership or certifications. Some of them include Oeko-Tex Step, WRAP, Bluesign, SEDEX, SAI (SA 800), BSCI, FWF etc. However, there has been uncertainty over how effectively these agencies could conduct their safety audit in providing certification, particularly for a number of reasons. These include a) auditing under these initiatives/certifications is a time-bound process. In some cases, even if the auditor senses misrepresentation of documentation by RMG factories, they cannot go for deep investigation due to time constraints and suppliers' reluctance; b) for a number of certifications and initiatives, the suppliers choose a particular audit firm and make the payment. This sometimes causes the auditors to come to terms with the suppliers on certain non-compliance issues; c) certification auditors' goal is to do business more than anything before. As a result, they always work to hold the brand's reputation high, ignoring many important concerns etc. d) these private auditing firms have a limited disclosure of their findings as such workers, unions, and other buyers and remained uninformed of any of the enabling issues (Moazzam and Ahmed, 2022; Clean Clothes Campaign, 2019).

4.5 RMG Sustainability Council (RSC)

After the Rana Plaza tragedy in 2013, pressure (from global media and consumers) was building on global clothing brands to work with their Bangladeshi suppliers to drastically improve safety compliance to prevent the repetition of such a disastrous incident. As such, the Accord on Fire and Building Safety in Bangladesh (the Accord) – a legally binding agreement between brands and trader unions designed to work towards a safe and healthy Bangladesh Ready-Made Garments Industry – came into existence in May 2013. The agreement was signed by over 200 major brands and opened their supplier factories for independent inspections and remediation programmes under Accord.

The Accord listed around 1,700 factories for the remediation programmes, which worked to make them structurally safe and established a complaint mechanism with international standards. After five years with the completion of the initial agreement, a new agreement called the 2018 Transition Accord started on 1 June 2018. The objective of this agreement was to fulfil the same purposes as the 2013 Accord and maintain the progress made during the initial agreement.

As a result of the 2019 court proceedings against the Bangladesh Accord, the negotiation between Global Union Federations (GUFs), Accord signatory brands and employers created the RMG Sustainability Council (RSC), a registered company in Bangladesh, to conduct Accord operations in Bangladesh. The RSC pledged to implement all Accord standards, policies, and procedures. The Accord signatory brands remained bound to ensure the implementation of Accord principles and follow through on corrective action plans, including the remediation of any further safety hazards identified through RSC inspections. In 2021, brands and unions signed the new legally binding International Accord for Health and Safety in the Textile and Garment Industry agreement, which continued these brands' obligations.

The actual handover to the RSC happened in June 2020. It was rushed, as the pandemic had unsettled the industry, and the pandemic continued to overshadow the Accord's work for time to come. The RSC was constituted with unequal power between company representatives and labour groups with a board of directors with 6 union representatives (2 Global Unions and 4 Bangladesh Unions), 6 brand representatives, and 6 factory owners. This power shifts from 50-50 unions and brands to 1/3 representation of unions created challenges in making decisions and maintaining the Accord's international standards, independence and transparency.

5. A Short Review of the Progress of RMG Sustainability Council (RSC)

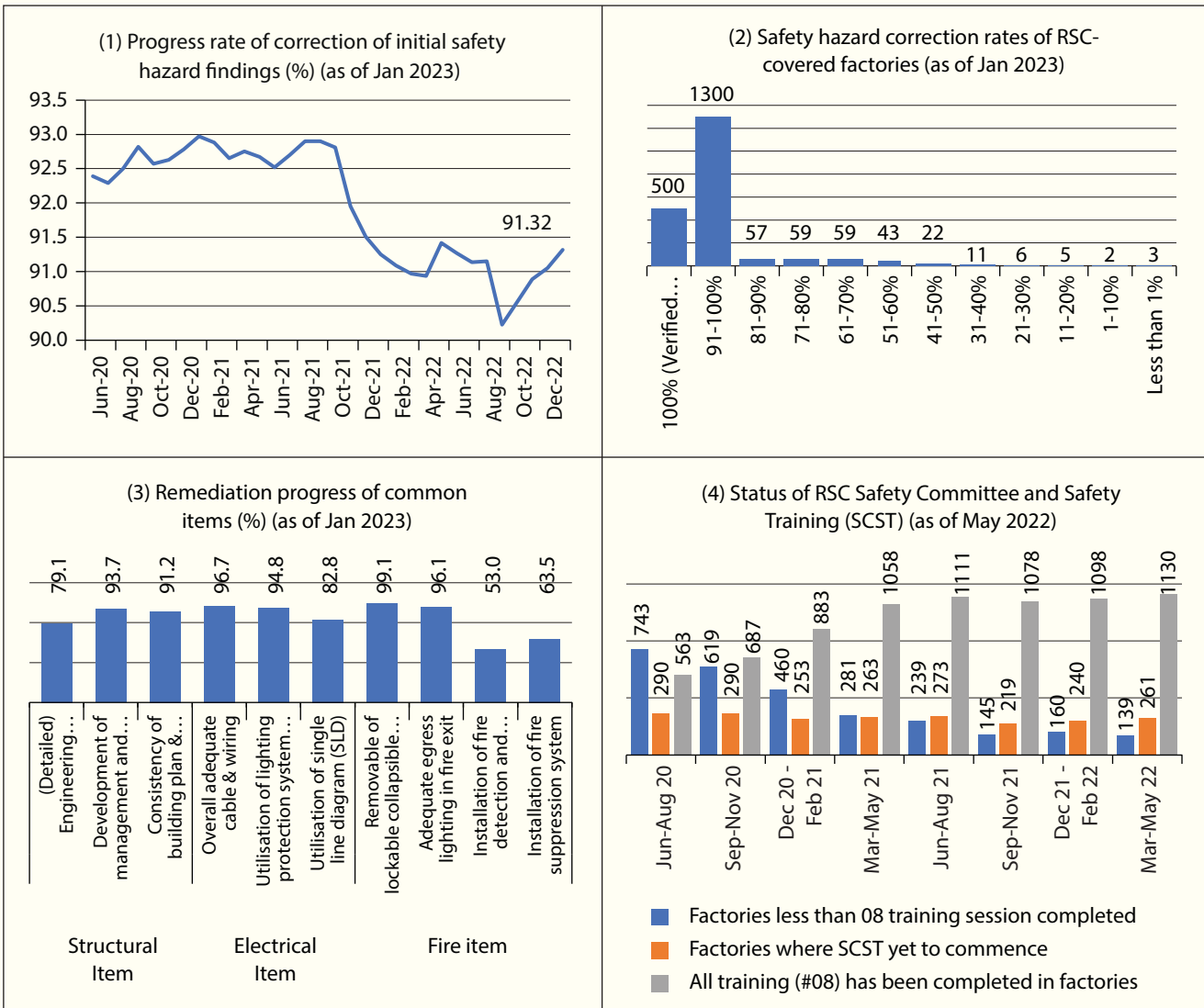
RSC has a key role to play in ensuring effective safety inspection in the Bangladeshi RMG industry. Particularly because it is bestowed with the tasks of taking over the responsibilities and maintaining the significant success that Accord achieved

during its operation in Bangladesh. Also, the RSC targets to gradually cover all the RMG factories of Bangladesh under its inspection coverage. As a result, monitoring of RSC's progress requires distinct attention, particularly in view of the recent increase in accidents in the RMG industry. Against this backdrop, the civil society monitoring initiative, by ensuring the CSO's involvement in monitoring the RSC performance, is expected to enhance the accountability of the RSC's operation. This, in turn, should contribute to improving safety compliance in the Bangladeshi RMG industry.

As per the agreement, the RSC is mandated to undertake a number of activities. These include conducting factory safety inspections, managing safety remediation, conducting follow-up safety inspections, conducting safety and health training of safety committee members, conducting safety and health sessions with RMG factory employees; managing safety and health complaint mechanism; and ensuring public reporting of the available information.

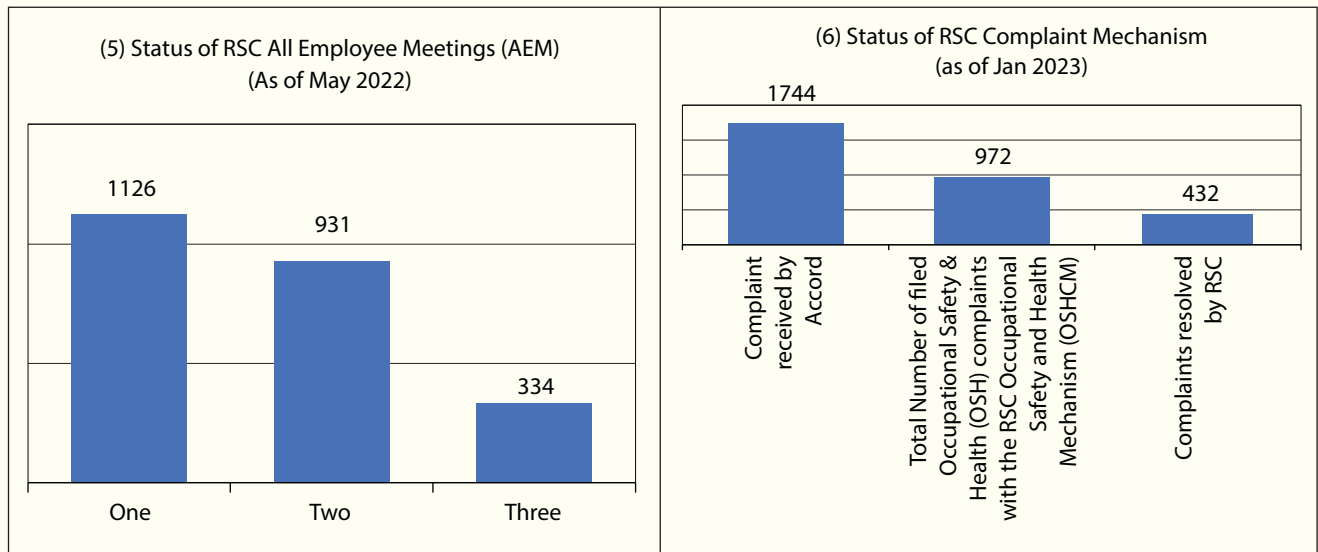
Figure 3 presents the overview of RSC-related activities. As of January 2023, RSC covered a total of 1828 factories. As per RSC data, the progress rate for correction of the initial findings was 91.32 per cent in January 2023. Of its 1828 covered factories, 500 have already completed 100 per cent initial safety hazard remediation. Additional 1300 factories also have a progress rate of 91 to less than 100 per cent. However, item-wise progress shows that the progress rate is lower for a few common fire-related items (such as fire detection and alarm system, installation of fire suppression system). On the other hand, RSC is also responsible for the training of the safety committee (8 sessions per factory). As of the latest quarter, RSC has conducted

Figure 3: Overview of RSC's progress against selected indicators



(Figure 3 contd.)

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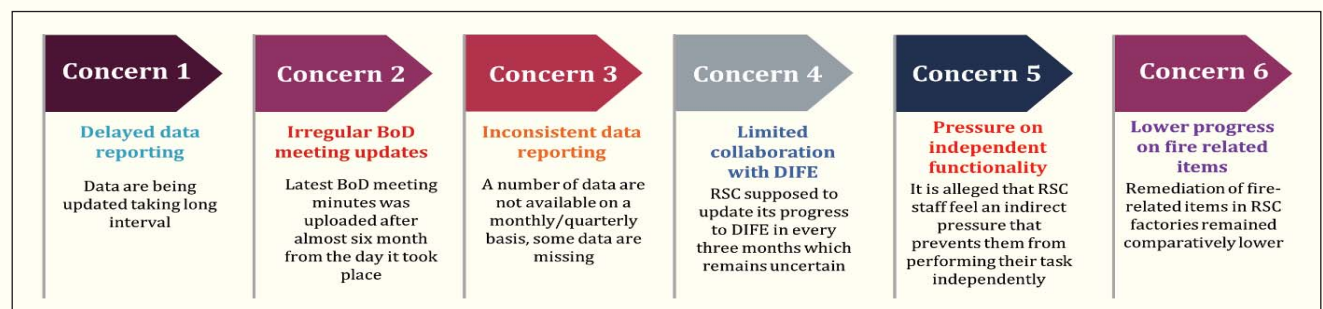


Source: RSC website (accessed in February and March 2023).

safety committee training (all 8 sessions) in 1130 (69% of total) factories. In addition, as of May 2022, RSC has conducted all three All Employee Meetings (AEM) & Informational Sessions (for the factory management) in 334 factories. However, at least one AEM has been conducted in 1126 RSC covered factories.

Although the expectations of the RSC were to play a similar role as played by Accord, in reality, the functionality of the RSC yet remained below par in many accounts (Figure 4). A number of revisions have been made to the method of work. For example, unlike Accord, RSC follows a problem-solving mechanism instead of following a shutdown mechanism (Moazzem & Mostofa; 2022). It is alleged in the interviews there has been a lack of coordination between RSC and other government agencies (like DIFE, and Ministry of Commerce), resulting in delayed functionality. In addition, according to interviewed respondents of RSC, there is indirect pressure (from employers and government agencies) on the staff of RSC that prevents them from conducting an independent assessment and resolving complaints actively as they used to do during the Accord period. It is claimed that this is leading to a decrease in the interest among workers in reporting complaints through RSC.

Figure 4: Key flags raised based on the initial monitoring brief



Source: Authors' illustration.

Although one of the key mandated works of the RSC is public reporting, a downgrade could be observed in terms of the disclosure of information by the RSC. There was no continuous update of information on its progress after May 2022 until recently; it updated all the information together up to January 2023 in March 2023. It remained unclear what caused this long delay in updating the information. On top of that, the extent of data publishing by RSC appears to be decreasing if its annual reports are compared—unlike in the initial year's report, the latest report neither reported data to a similar extent nor included a detailed breakdown of information regarding its performance.

In addition, an inconsistency is observed in the regular reporting format of RSC data on its website. These include the disappearance of data for certain indicators, inconsistency in terms of reporting period (some monthly, some yearly), absence

of a detailed breakdown, etc. For example, the data for the number of All Employee Meetings (AEM) was previously available on the RSC website. However, after the recent update of information, the data is not available anymore. Similarly, the status of safety committee and safety training (SCST) was previously available in a detailed breakdown, which is not available in the new update. Besides, the number of complaints received by RSC is given on an annual basis and only the cumulative number of complaints it resolved is available—while both of this information should have been reported on a monthly basis given their higher sensitivity. Similarly, only the cumulative number of inspections conducted by RSC is available on the website. It should also be noted that there is no reporting on remediation progress in the boiler safety scope. Moreover, though the meeting of its Board of Directors (BoD) is to be held at regular intervals and its minutes to be updated on the website on a regular basis, the minutes of the latest meeting, held in September 2022, was uploaded in March 2023 on the website—almost after six months the meeting held.

There is also doubt over the coordination process between the RSC and DIFE. As per the licence of the RSC, it must report its update every three months to DIFE. However, given the irregular data reporting of RSC on its website, it remains uncertain to what extent it really is maintaining this responsibility. Rather, a sense of disappointment was noticed in DIFE over the activities of RSC during the conduction of interviews. This is also partly reflected in RSC's latest available BoD's meeting minutes.

6. Way Forward for the Civil Society Monitoring Initiative

The civil society monitoring initiative observes that ongoing monitoring of industrial safety and OSH in the RMG industry is not adequate to ensure long-term sustainability. Hence, an institutional and operational review of key monitoring authority and initiatives needs to be carried out. Against this backdrop, upcoming activities of civil society monitoring initiative will highlight on the institutional and operational performance of major public and private authorities responsible for inspecting safety in the Bangladeshi RMG sector. All the resources prepared under the monitoring initiatives will be shared with the media and uploaded to the dedicated website of CPD.

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