



Invisible Scars: Five Years After Rana Plaza

April, 2018

ActionAid Bangladesh

Invisible Scars: Five Years After Rana Plaza

April, 2018

Citation

Rahman, A & Jabin, N. 2018. *Invisible Scars: Five Years After Rana Plaza*,

Follow-up with Rana Plaza Survivors: A Quick Assessment

Preliminary Findings

Introduction

ActionAid Bangladesh (AAB) has worked closely with the survivors and families of the deceased since 2013. AAB provided emergency support during the rescue and developed a comprehensive database of approximately 1400 survivors in 2013. Since 2013 AAB has been using the database to periodically collect information to track the progress of the survivors and families of deceased. Additionally, AAB continues to work with survivors on issues of rehabilitation and re-integration.

This report is split into two sections. The first section will focus on the preliminary findings from a follow-up on the survivors and the second will reflect on the current status of the stakeholder initiatives undertaken to address the challenges in the RMG industry post Rana Plaza tragedy.

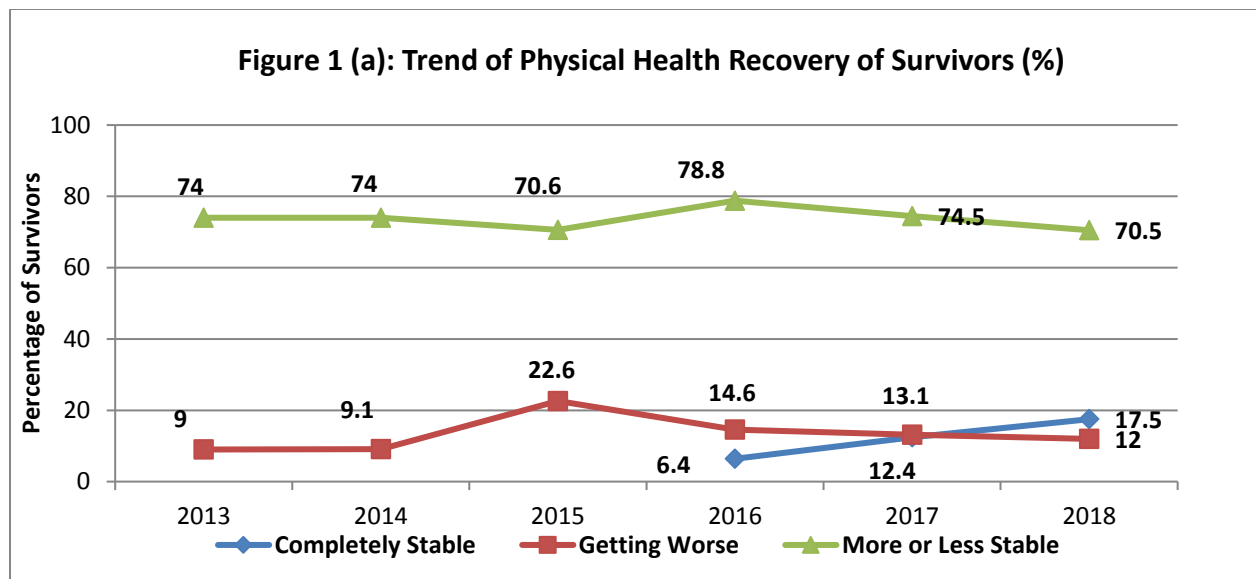
Scope and limitations- This year we used the database of 1400 survivors and followed up with 200 survivors over phone. The findings are based on the perception and acknowledgement of respondents. The percentage referred is that of the survivors reached and not of the total number of survivors. The section on the review of the post-Rana Plaza developments is based on secondary data and it reflects the opinion of the experts of relevant sectors.

Objective- to understand the progress around rehabilitation and reintegration of Rana Plaza survivors and the policy architecture and progressive reforms around workers' rights and safety. For understanding the rehabilitation and reintegration of Rana Plaza survivors, we specifically sought information on

- Survivors' physical and psychosocial well-being and
- Survivors' overall economic condition.

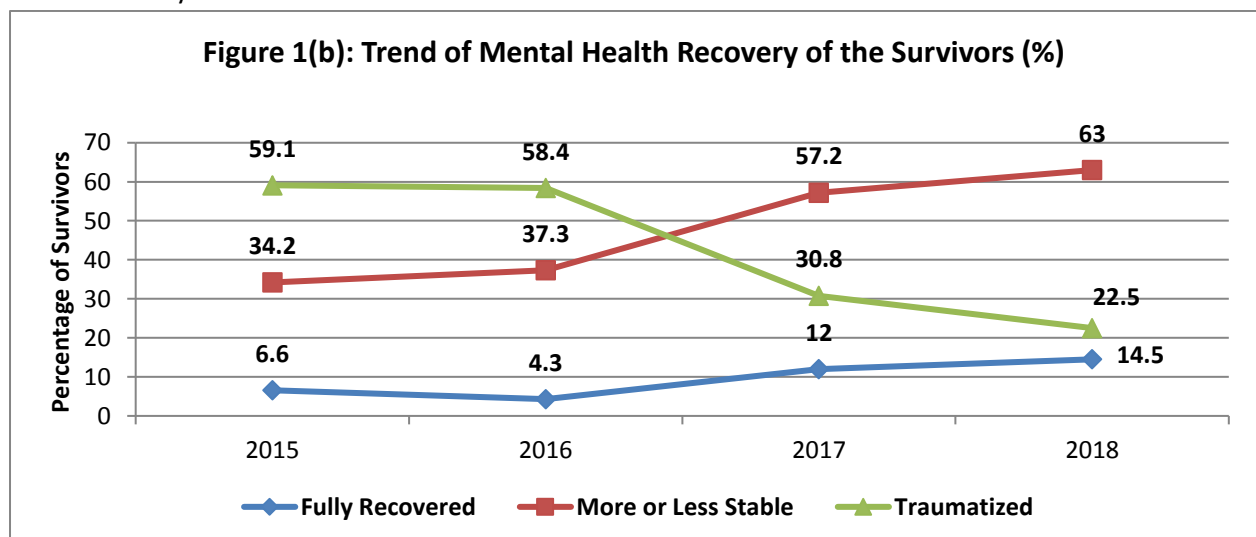
Findings

This year we found that 12 percent said their condition is getting worse, 70.5 percent are more or less stable and 17.5 percent are completely stable.



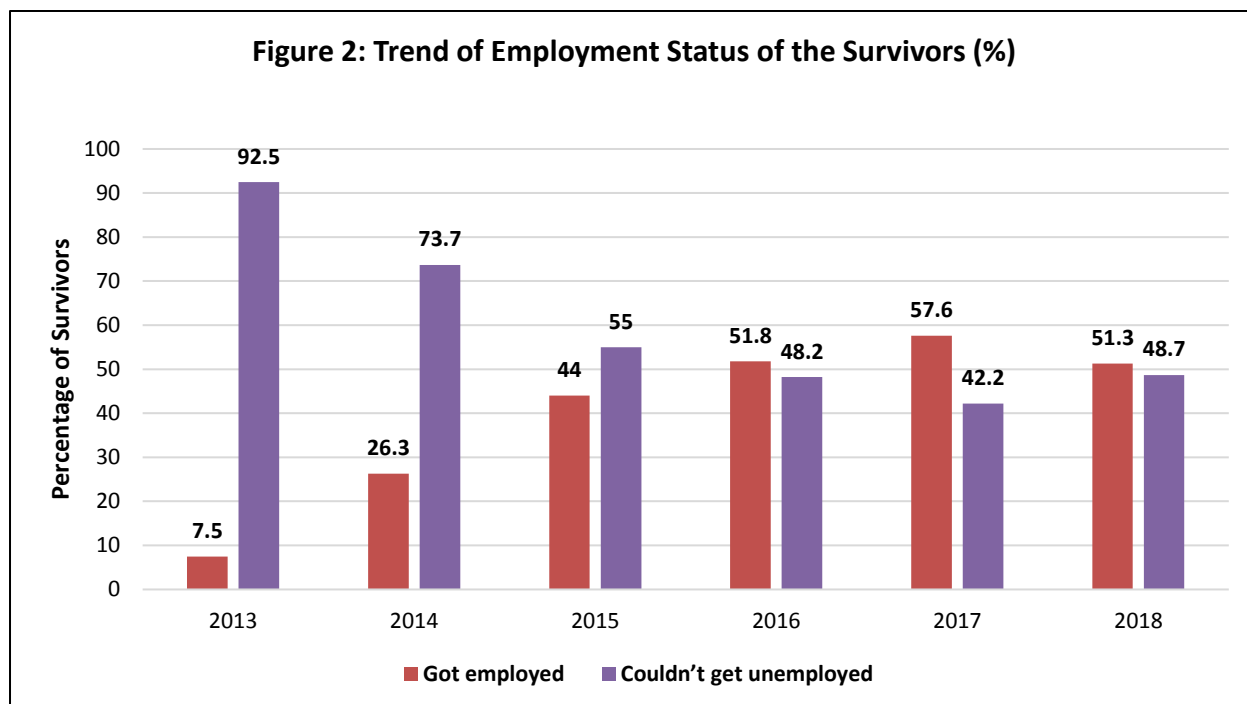
Of the 12 percent who reported that their condition is deteriorating in the current survey listed headache, pain in hand and leg, back pain as some of the major problems. The trend of previous surveys show that physical health status of the survivors is slowly improving and in some cases, it is completely stable.

In terms of psychosocial health, 22.5 percent are still in trauma in comparison to 30.8 percent survivors last year. Currently 63 percent reported that they are more or less stable and 14.5 percent have recovered fully.

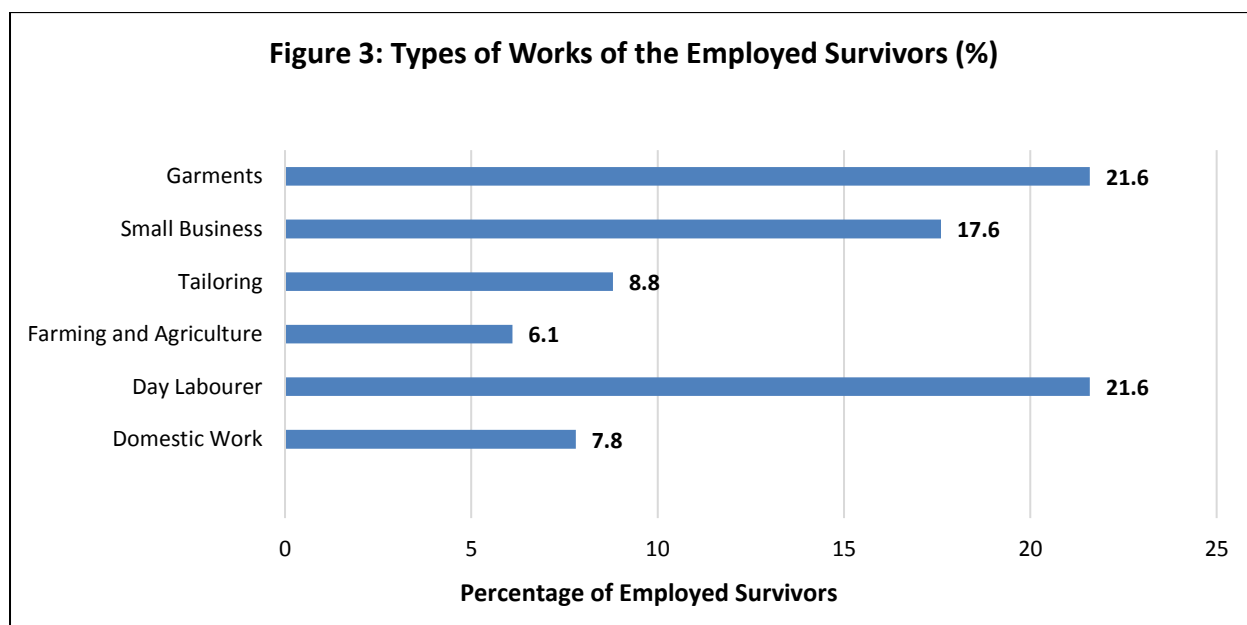


From our follow-up we found that 51.3 percent survivors are engaged in various types of wage and self-employment. 48.7 percent survivors claimed that they are not working. For those who could not

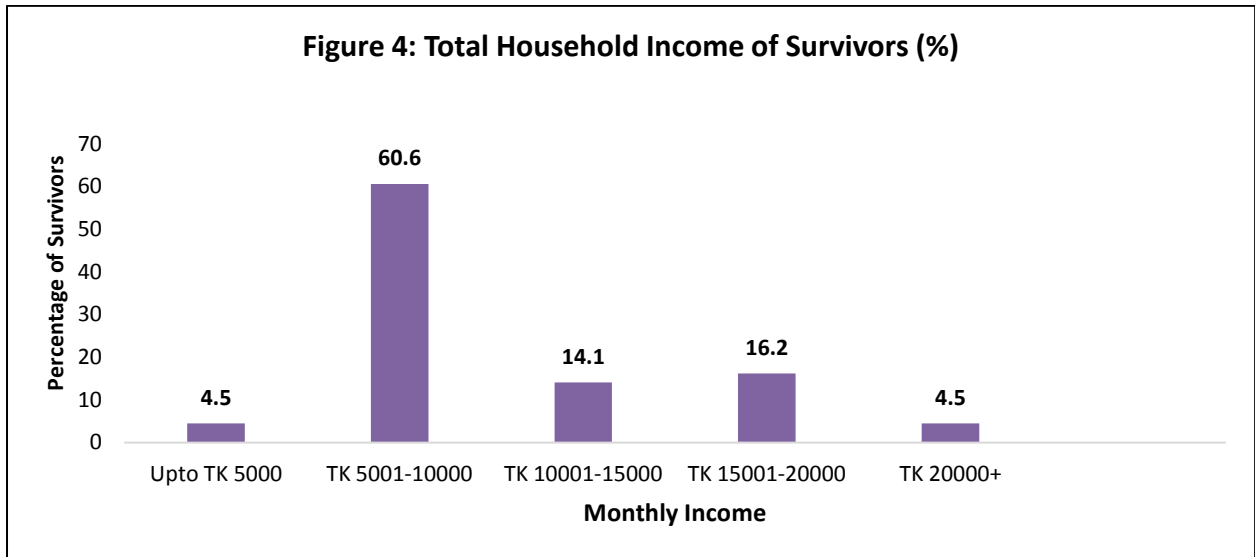
get back to work cited physical weakness (59.6 percent) and mental weakness (13.1 percent) as the main reasons for being unemployed. In the 2017 follow up survey, we found a similar pattern for survivors being unemployed (48.1 percent and 33.4 percent due to physical and mental weakness respectively). Those who are unemployed, majority (97.6 percent) have not worked in the last 6 months.



Within the survivors who are currently employed, they are engaged in different types of activities. 21.6 percent survivors have returned to garments while the same percentage are working as day labors. This is a significant change from last survey where only 2 percent were working as day labors.



When asked about total household income, 4.5 percent said their household income is 5,000 BDT or less where the minimum wage for entry level workers in the ready-made garments factory is 5,300 BDT. For majority (60.6 percent) of survivors the average monthly household income is 5,001- 10,000 BDT and 34.8 percent have a household income of above 10,000 BDT. From previous surveys we have seen that average expenditure for survivors is 10,560 BDT with major costs incurred for food, followed by house-rent, children’s education and treatment.



Major policy and institutional reforms in the RMG industry

The collapse of Rana Plaza prompted immediate response from all key stakeholders that included mitigative measures to preventive measures. The industry has witnessed numerous changes in the years following the collapse addressing the key concerns around workers’ safety and rights. A brief overview of some of the key changes and their status is presented below.

Amendment of the Labour Law

The amendment of the Labour Law – the most immediate response to the tragedy- reflects the Government’s obligation to fully respect the fundamental rights to freedom of association and collective bargaining and to address the critical need to bolster occupational safety and health. In July 2013, The National Parliament passed the Bangladesh Labour Law (Amendment) bill 2013 and on 15th September 2015, the government issued rules of the amended labour law 2013.

Of the 76 sections that were amended and 8 new sections that were added, most notable is right to form associations and the provision of committees to ensure workplace safety. Some of the key issues in the rules published pertained to the clarification in the workers’ welfare fund, outsourcing workers and provision of factory lay-off, certification of the age of a worker and competence for work among

Criticisms of Labour Law (Amendment) 2013

- Exclusionary (e.g., domestic workers), self- contradictory (Weekly holiday), and contradicts with international norms (Night duty of women with consent, pre-requisite of 30 percent workers to form union, 3 years ban on strike in newly established industries and industries established or supported by foreigners)
- Promotes differential law regime in EPZs restricting workers’ right to organize.
- Time-bindings as pre-requisite to get benefit (1 year service for financial benefits due to retrenchment and discharge, and six month service for maternity benefit)
- Facilities subject to pre-requisite number of workers (300 to establish dispensary, three-fourth workers for provident fund, 200 for group Insurance, 100 for canteen facilities, 50 for rest-room facility and 25 female for separate rest-room).
- Unable to protect child labour (light work for 12-14 years)

Source: Presentation made by Dr. Jakir Hossain titled *Bangladesh’s industrial relations after rana plaza: whither reforms and what has changed?* At a Multilogue on Advancing Decent Work Agenda: Departure from Rana Plaza

others.

Since the Labour Law amendment the RMG sector witnessed a sudden increase in the number of trade unions. Currently there are 660¹ registered trade unions in the RMG sector with 430 trade unions

¹DOL

being registered between 2013 and 2016. The hike and subsequent stalled progress of trade union registration both warrants a deeper analysis. While the issue of stalled progress is perhaps an indication of a bigger problem, experts also question the efficacy of the newly formed trade unions in terms of collective bargaining.

Occupational Safety and Health

Occupational Safety and Health (OSH) was a priority in the amendment of the Labour Act and subsequently the National Occupational Safety and Health Policy, 2013 was formulated.

The department of inspection for factories and establishment is given the responsibilities to inspect safety and health conditions of workplaces and conduct on-the-spot inspections. Related to inspection, DIFE has expanded its capacity- both in terms of personnel and ability- in the last 3 years. The work on capacity building of the mid-level management, supervisors and workers on occupational health and safety continues parallelly.

While the rules published in September 2015 stipulate that all factories established before that time must ensure OSH committees are formed within six months of the rules becoming operational- the reality is grim.

An October 2017 report states that about half of the RMG factories have safety committees. However, according to the Department of Inspection of Factories and Establishment, only 909 RMG factories have formed safety committees as per the rules published in 2015, i.e factories forming these committees with representation from participation committee or trade union. Hence more than two years later, less than one-fourth of factories have OSH committees. The quality of the safety committee will be another key issue in the future. During a focused group discussion with workers, the reaction OSH committees was mixed. While some said, the factories where they worked OSH committee was functional and active and they were in fact members of the committee, many others said committees in their factories existed only in paper to meet compliance requirements with chosen people from the management. Perhaps more alarming is that they claim management discourages the more vocal and active people from joining these committees.

Provisions within the Labour (Amendment) 2013

- **Creation of safety committees in factories with more than 50 workers**
- **Establishment of workplace Health centres with over 50000 workers**
- **Safety welfare officers in workplaces with more than 500 employees**
- **Compensation for work-related deaths to provide after two years in employment workplaces of over 500 employers are required to arrange for and cover the cost of treatment of occupational diseases**

Source: Rahman, A & Jabin, N. 2017. Unforgettable and Unforgivable: Rana Plaza,

Workplace Safety Measures

The most visible changes took place in terms of structural and electrical safety with national and international stakeholders acting promptly. Government agencies, including a high-powered committee headed by the Minister for Textiles and Jute undertook the responsibility of the inspecting factories for safety and security. Trade bodies such as Bangladesh Garments Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) also committed to inspecting physical conditions of the factory buildings.

Safety Initiatives at a glance

- Accord and Alliance, mandated to conduct inspections of factories around fire, electrical, and structural concerns, have gathered more than 250 brands and retailers from over 20 countries.
- Factory remediation progress in fixing identified safety issues (Accord 77%, Alliance 79.5%, and National Action Plan 20%)
- Government of Bangladesh with support from the ILO and other stakeholders has set up a platform—Remediation Coordination Cell (RCC) to oversee the process of remediation for some 1500 non-accord and Alliance factories
- ‘Sustainability Compact’ aims at promoting continuous improvements in labour rights and factory safety in the RMG industry in Bangladesh.
- Global brands/retailers are concentrated on workplace safety issues. The workers’ rights to organize and collective bargaining, and social protection as well as to wages to lift workers and their families out of poverty has not been adequately covered by the initiatives of the brands/buyers.

Source: Presentation made by Dr. Jakir Hossain titled *Bangladesh’s industrial relations after rana plaza: whither reforms and what has changed?* At a Multilogue on Advancing Decent Work Agenda: Departure from Rana Plaza

There is no clear indication on how the structural deficiencies identified would be financed or whose responsibility is it to ensure that the safety measures are undertaken and the timeframe to complete these. A study undertaken on remediation showed that of the 33 factories surveyed, the average cost of remediation is 4.9 crore BDT². Shortage of funds was cited as a major challenge by smaller and even some relatively larger factories (in terms of revenue) to implement the remediation. Although there was some commitment for soft loans for remediation action, these are still not feasible for small factories. Accord and Alliance inspections have identified thousands of deficiencies in the factories that fall within their inspection programs with no financing plans.

² Remediation costs a factory Tk. 4.9 crore: Survey, The Daily Star, February 26, 2017, Accessed on 16, April 2017

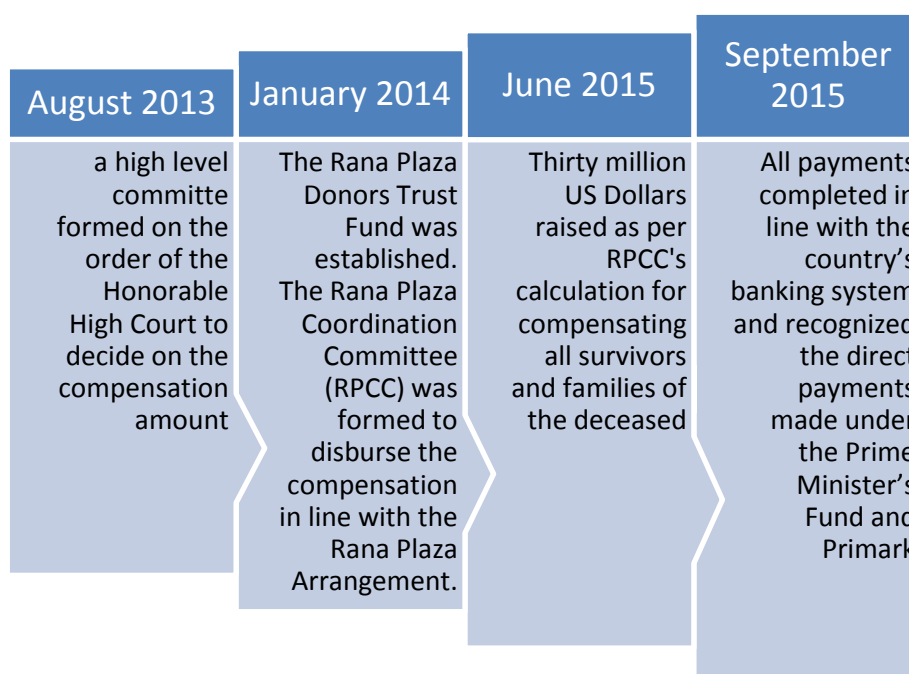
Inspection has also resulted in the permanent closure of some factories and this further pushes the workers to a vulnerable state where job security is a big question.

The formation of the Remediation Coordination Cell (RCC)³ is an important milestone in terms of addressing safety concerns. Post 2018, it is expected that the RCC will be an industrial safety agency that will be responsible for long-term coordinated approach to safety and a one-stop centre for licenses and permits for factories.

The Compensation Arrangement

The establishment of the ‘Rana Plaza Donors Trust Fund’ in January 2014 was the result of numerous spontaneous and sporadic initiatives in the absence of legal provisions that was realistic, reasonable and adequate to address the needs⁴. A multi-stakeholder body ‘Rana Plaza Coordination Committee’ (RPCC) stepped in to fill the role to provide a coordinated mechanism by adopting the “Rana Plaza Arrangement” and establishing the ‘Rana Plaza Claims Administration’ to facilitate the entire claims process. International Labour Organization (ILO) played a key role in the entire process as a neutral chair of the Coordination Committee.

Figure 5: Major timeline of the Compensation Arrangement



The RPCC was the final authority in settling key questions such as ‘structure’ and ‘standard’ of compensation and the roles of the stakeholders to ensure that pertaining to the compensation mechanism. Each claim was independently assessed and calculated, based on a formula developed by actuarial experts. The assessment considered both financial and medical needs, both of which were

³ ILO 2017, Towards safer working conditions in ready-made garment sector

⁴ Rahman, A & Jabin, N. 2017. Unforgettable and Unforgivable: Rana Plaza, ActionAid Bangladesh. Dhaka

covered in the final award.⁵ The Trust Fund also took into cognizance of the proceedings of the high-level committee formed on the order of the honorable High Court.

Challenges persist as the High Court's decision on the compensation issue is yet to be resolved and some argue that the payment made so far is monetary support and not compensation in real terms. Additionally, the long-drawn out process of raising funds and then disbursing took more than two years leaving the effectiveness in question. Even after five years, standards are yet to be set on compensation- therefore in the unfortunate circumstance of another tragedy such as this, yet another ad-hoc mechanism will have to be adopted.

Setting New Minimum Wage Structure for Garment Workers

Over the last two decades, the minimum wage was revised several times, the most recent one being in 2013. Post Rana Plaza, the workers demanded for a minimum wage of 8000 BDT (a little under 100 USD) as opposed to the then prevailing minimum wage of 3000 BDT (approximately 35 USD). The current minimum wage proposed by the Official Wage Board which became operational in November 2013 was set at 5300 BDT for entry-level workers as anything beyond this would increase the cost of production significantly⁶. This is still about 33 percent less than what is demanded by the workers and less than half of independent estimates of living wage. A new wage board was established in January 2018 which will revise the minimum wage upon separate proposals from owners and workers⁷. The question of how workers may be ensured a fair share in a multi-billion-dollar industry remains a challenge.

Concluding remarks

In light of the above, this report proposes the following recommendations:

- State intervention in negotiation with international buyers and brands as part of foreign policy and economic diplomacy.
- Strengthening the designated government departments and ministries to continue to inspect and streamline the process by ensuring greater coordination among the department of inspection of factories and establishment, department of environment, city development authorities and other relevant authorities to provide permits for setting up factories.
- Reducing the gaps in Bangladesh labour policy and labour law to make it more worker-friendly.
- Development of a compensation mechanism at national and global level that clarifies the assessment criteria and reflects the prevailing socio-economic reality at the sourcing countries.
- Ensure a labour movement that will play a strong role in collective bargaining.

⁵ Rana Plaza Arrangement. Accessed on April 19, 2018 (<http://www.ranaplaza-arrangement.org/>)

⁶ Aaman, A. R, Jabin, N and Haque, S. 2016. Three years Post Rana Plaza: Changes in the RMG sector, ActionAid Bangladesh. Dhaka

⁷ Minimum wage board representatives to submit Separate Proposals, The New Age 20 March 2018.

In conclusion, we reaffirm the need to continue the social dialogue for broader accountability framework for the global fashion brands that should to be in place to ensure workers safety and basic rights. This framework would ensure accountability of major stakeholder throughout the value chain. In the absence of any specific law/ framework the scope for monitoring the compliance is limited. This framework may be in the form of an association with the government, international buyers, factory owners, trader unions and civil society organizations who could work together to promote compliance to international standards.