



# **Three years Post Rana Plaza: Changes in the RMG Sector**

Preliminary Report

April 15, 2016

Survey Commissioned by  
**ActionAid Bangladesh**

# **Three years Post Rana Plaza: Changes in the RMG sector**

Preliminary Findings of 3<sup>rd</sup> Follow up Survey on the Status of Rehabilitation and Reintegration of  
the Survivors and Families of Deceased  
and  
A Critical Reflection on the Changes in RMG Sector Post Rana Plaza Collapse

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## Table of Contents

Acknowledgement	ii
<b>Introduction</b>	<b>01</b>
1.1 Background	01
1.2 Scope and limitation	02
1.3 Methodology	02
<b>Section A: Survey on Socio-economic Reintegration of Rana Plaza Survivors and Kin of Deceased</b>	<b>03</b>
2.1 Demographic information of the respondents: Age-Sex-Marital Status	03
2.2 Progress around physical and psychosocial health of the survivors	04
2.3 Change around livelihood restoration and rehabilitation of the survivors	04
2.4 Income security for survivors and kin of the deceased	06
2.5 Expenditure pattern of the survivors and kin of deceased	07
2.6 Pattern of savings of survivors and kin of deceased	08
2.7 Alternative livelihood options of survivors: capacity gained	09
2.8 Survivors' perception on the job market	10
2.9 Career plan of the survivors	10
2.10 Evaluation of post-Rana Plaza development initiatives	11
<b>Section B: A Reflection on Progress Made in RMG Sector Post Rana Plaza Building Collapse</b>	<b>12</b>
3.1 The Compensation arrangement	12
3.2 Amendment to the Labour Law 2006	13
3.3 Setting new minimum wage structure for garment workers	15
3.4 Workplace safety measures	15
3.5 Occupational safety and health	17
<b>Concluding Remarks and Recommendations</b>	<b>18</b>
References	19

**List of Figures**

Figure 1	: Sex of the survivors	03
Figure 2	: Distribution of age of the survivors	03
Figure 3	: Location of the survivors	03
Figure 4	: Location of the kin of deceased	03
Figure 5	: Trend of health recovery of the survivors	04
Figure 6	: Trend of employment of the survivors	05
Figure 7	: Types of works of the employed survivors	05
Figure 8	: Average monthly income of the survivors	06
Figure 9	: Average monthly income of the kin of deceased	06
Figure 10	: Number of dependent family members of survivors	06
Figure 11	: Support of the survivors to dependent family members	06
Figure 12	: Number of wage earner in the kin of deceased	07
Figure 13	: Monthly expenditure pattern of the survivors	07
Figure 14	: Utilization of the money received by survivors	08
Figure 15	: Utilization of the money received by kin of deceased	08
Figure 16	: Savings status of the survivors	09
Figure 17	: Savings status of the kin of the deceased	09
Figure 18	: Training received by the survivors	09
Figure 19	: Effectiveness of trainings received: survivor's evaluation	10
Figure 20	: Application of the trainings received	10
Figure 21	: Career plan of the survivors	10
Figure 22	: Effectiveness of Post-Rana Plaza initiatives: survivor's perception	11
Figure 23	: Effectiveness of Post-Rana Plaza initiatives: perception of the kin of deceased	11

# Introduction

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## 1.1 Background

The collapse of Rana Plaza on the 24<sup>th</sup> of April 2013 is considered one of the worst industrial disasters of recent times. This massive collapse killed more than 1135 garments workers and left 2438 workers who were rescued alive in physical and psychological trauma and thus in miserable condition. The tragic incident prompted responses from national and international stakeholders. These initiatives range from mitigation measures such as rehabilitation, re-integration of survivors to preventive such as amendment of the Labour Law, treaties for factory inspection etc. Initiatives also included a coordinated compensation mechanism and comprehensive inspection at factories to bring about structural changes. These initiatives have prompted many changes in the sector in the last 30 months or so. Notable among these changes is the rise in the number of registered trade unions in the country, issues of building safety and physical integrity as a priority both nationally and internationally. Though commendable, these warrant a closer look to reflect on how effective they have been, how sustainable they are and most importantly how the relevant ones can be institutionalized within the national legal framework.

ActionAid Bangladesh (AAB) aims to reflect on these issues through a comprehensive report using data from a panel survey and existing literature available on these initiatives. This panel survey aims to critically examine on the progress around rehabilitation and reintegration of Rana Plaza survivors and kin of the deceased, and gauge the perception on the effectiveness of the development in the RMG field as pledged by various duty bearers/ stakeholders. This is a follow up of previous surveys<sup>1</sup> conducted by AAB in 2013, 2014 and 2015.

The specific objectives of the study are as follows:

- To capture the progress around socio-economic rehabilitation of the survivors and kin of the deceased through a panel survey.
- To assess the changes in the policy architecture and progressive reforms around labor rights and work place safety.
- To analyze the efficacy and challenges of newly formed trade unions in RMG industries
- To explore way-forward for institutionalizing compensation and safety related measures

The study will comprise of two sections. Section A will focus on the survey findings and the Section B will critically reflect on the stakeholder initiatives undertaken to address the challenges in the RMG industry post Rana Plaza tragedy.

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<sup>1</sup> In response to this tragic incident, ActionAid Bangladesh (AAB) worked with the survivors and the family members of the deceased workers from the very beginning. AAB conducted a Rapid Need Assessment followed by another Comprehensive Assessment on rehabilitation and reintegration of the victims in 2013. The outcomes of the surveys drew attention of national and international communities about compensation and reintegration of the victims. In 2014 and 2015, AAB conducted two consecutive follow-up surveys to assess their status and needs and shared the findings with relevant stakeholders.

## **1.2 Scope and limitation**

The present survey is a reflection of the progress of the socio-economic re-integration of the individuals in the database of survivors and kin of deceased which was first prepared during a comprehensive survey conducted six months post Rana Plaza collapse. The first survey covered total 2297 victims (both survivors and families of the deceased). It was updated in 2014 and 2015 through consecutive follow-up surveys. Therefore the percentage referred in the present survey is that of the respondents reached and not of the total number of survivors or kin of deceased. The survey focuses on the rehabilitation and reintegration scenario, limited to social, economic and physical aspects of the affected people. It is an effort of tracking the development of these people, analytically comparing with the previous panel surveys. The 2016 survey incorporates a new chapter on the utilization status of resources received by the victims and their own initiatives to address the challenges faced.

Hence the information on psychological condition, physical health status, compensation and services received are based on the perception and acknowledgement by the respondents. . The survey does not address the information of the missing claimed. The section that reviews the post-Rana Plaza developments is based on secondary data and it reflects the opinion of the experts of relevant sectors.

## **1.3 Methodology**

The survey was conducted based on primary data collected directly from the respondents. In the present survey all of the respondents were interviewed over phone. The phone interviews were conducted during March 15-31, 2016. Two separate sets of semi-structured questionnaires were used for the survivors and the family members of the deceased. On accumulation of information, the recent data entry helped to create and update a broad database enabling the surveyors to prepare and compare with previous databases.

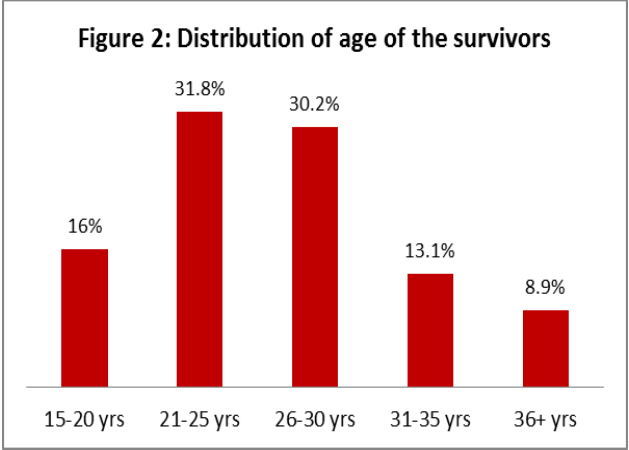
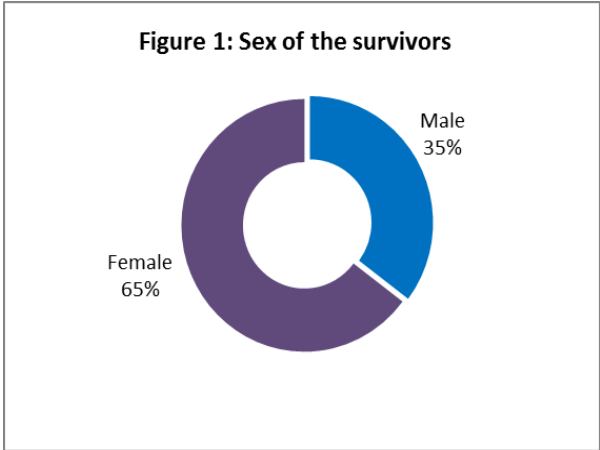
In October 2013, a broad database was developed as an outcome of a comprehensive survey where 2297 victims were covered. The database comprised information of both survivors and families of the deceased. This compiled database was used as a basis of panel survey conducted in 2014 and 2015. In the current survey, a representative sample of 1300 survivors and 500 kin deceased were surveyed. The analysis from the survey findings was complemented by AAB's learning from current intervention in the area with the survivors.

The Section B is mainly based on secondary data. The relevant reports of different government and non-government organizations have been explored, reviewed and analyzed. Besides, expert opinion was sought on different issues for cross-checking and validation of information.

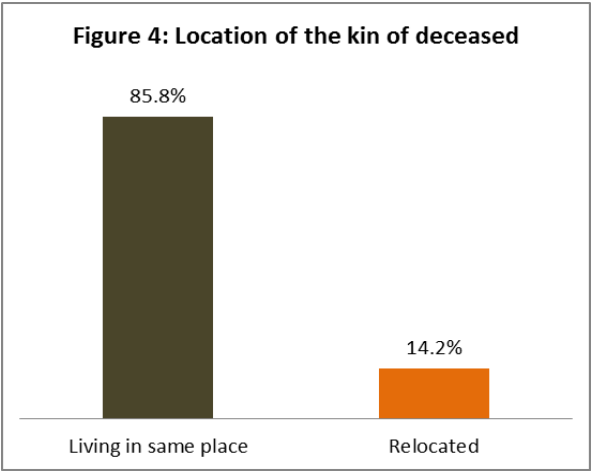
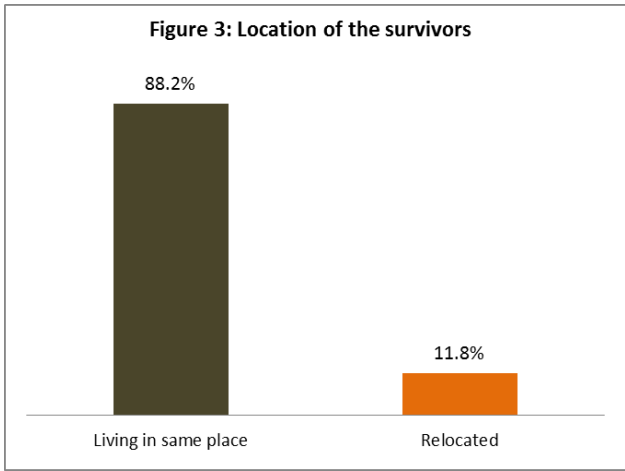
# Section A: Survey on Socio-Economic Reintegration of Rana Plaza Survivors and Kin of Deceased

## 2.1 Demographic information of the respondents: Age-Sex-Marital Status

Most of the respondents among the survivors surveyed are women. Out of the 1300 survivors surveyed, 35 percent were men and 65 percent were women. Majority of the respondents are young with 32 percent aged between 21-25 years and 30 percent between 26-30 years. Of them, 76 percent are married, 17 percent are single, 3 percent are widowed and 4 percent each are divorced and separated.



In the case of families of deceased, of the total sample size of 500, 72.4 percent of the respondents were men and the remaining 27.6 percent were women. Respondents were mostly spouses (32.2 percent), brothers (24.4 percent) and fathers (14.4 percent) of the deceased workers.

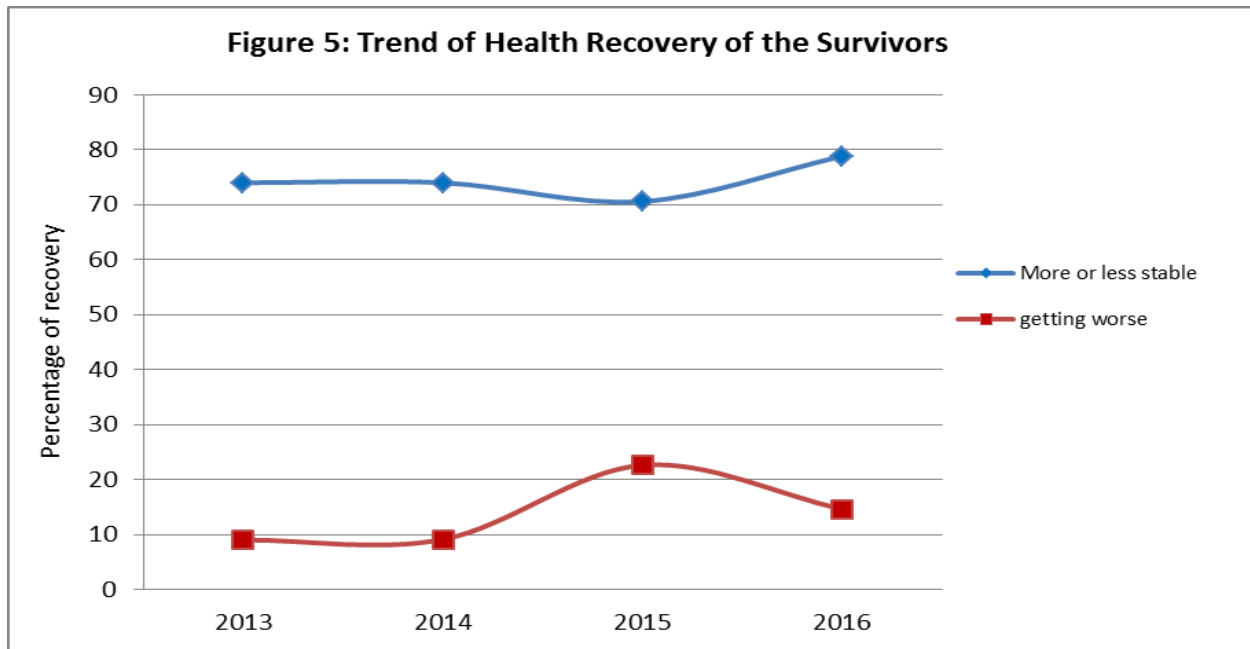


Although most of the survivors are living in the same place where they were 10 months ago, 11.8 percent have been relocated to other areas. In the last 10 months, 88.2 percent of the respondents resided where they had been. In the case of the kin of deceased, relocation is slightly higher, 14.2 %.



**2.2 Progress around physical and psychosocial health of the survivors**

The survey conducted in April 2014 showed, 9 percent had reported that their condition was getting worse and 1.5 percent was at serious risk. The 2015 survey showed that a significant population sustained recurring long-term injuries. Of the 1414 survivors surveyed that year, 70.6 percent people responded that they were somewhat healed, while 22.6 percent reported that their condition was getting worse. In the current survey, 78.8 percent survivors reported that their condition is more or less stable. 14.6 percent who reported that their condition is deteriorating listed headache, difficulty in movement, pain in hand and leg, back pain as some of the major problems.



The trend of 2013, 2014, 2015 and 2016 surveys show that physical health status of the survivors is improving. In some cases, it is completely stable.

In terms of psychosocial health, 58.4 percent of those surveyed are still suffering from long-term psychosocial difficulties, 37.3 percent are more or less stable and only 4.3 percent have recovered fully. Although 57.1 percent respondents acknowledged that they have received counseling support to reduce the trauma, the figure of traumatized survivors is still an issue of in-depth assessment and intervention. After around three years of the incident, trauma in the survivors, though not severe, still exists.

**2.3 Change around livelihood restoration and rehabilitation of the survivors**

With regard to the current employment status, the present study found that 52 percent survivors got engaged in various types of wage and self-employment. 48 percent survivors claimed that they are currently unemployed. The previous (2015) survey found that 55 percent survivors were unemployed during the survey conducted, while 44 percent survivors were engaged in various types of wage and self-employment, and only 0.6 percent survivors claimed that they were not able to work.

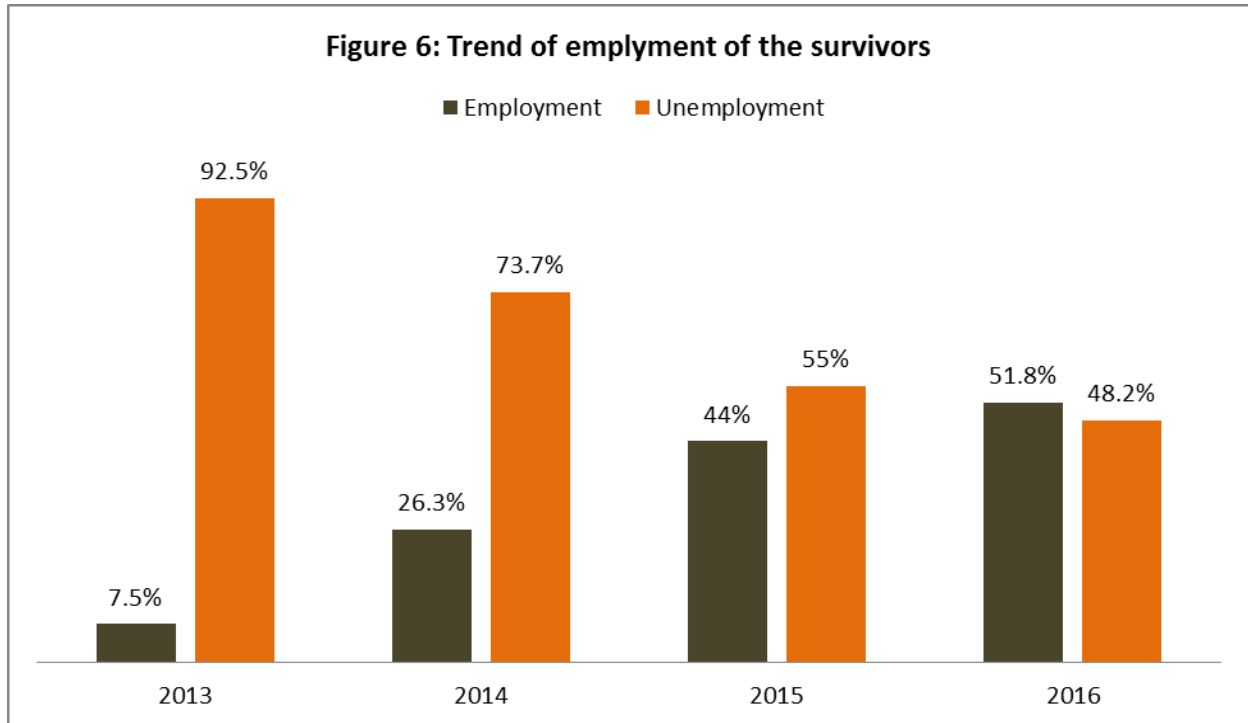
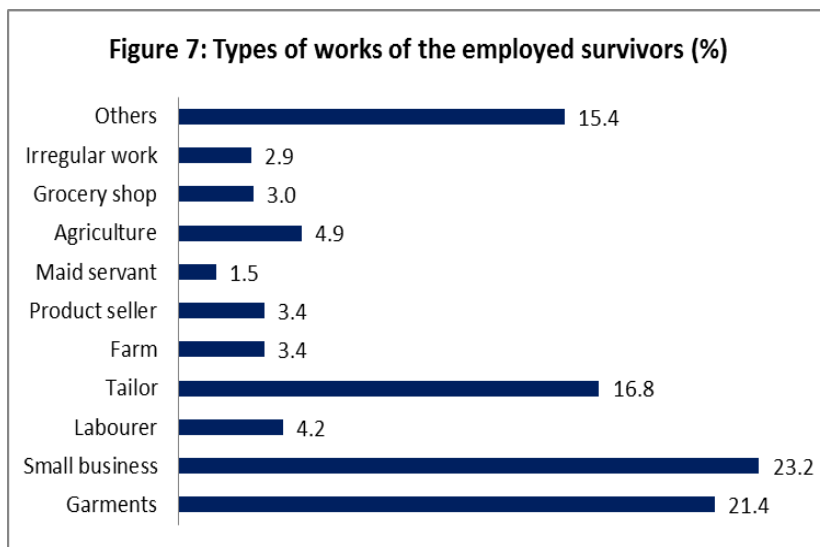


Figure 6 shows that unemployment rate has decreased in the last three years, while employment rate has been steadily increasing. Although the trend shows that the status of employment is improving, temporary unemployment is challenge that could be addressed through scoping further opportunities. It is noteworthy that the survivors are changing their jobs and shifting from one factory to another frequently.



Among the currently employed (shown in figure 7), 21.4 percent are found to be working in garments factories, 23.2 percent are involved in petty business, while 16.8 percent are working as tailors. Additionally, 3.0 percent are running grocery shop, 4.2 percent are engaged in wage labor and 4.9 percent are engaged in agriculture. 2.9 percent are engaged in irregular works. Aside from

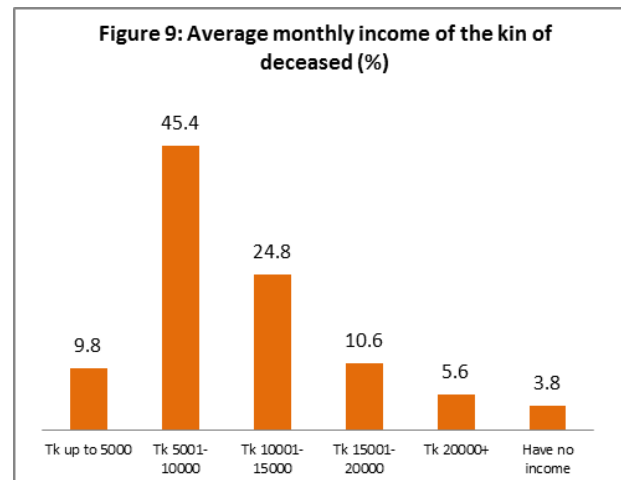
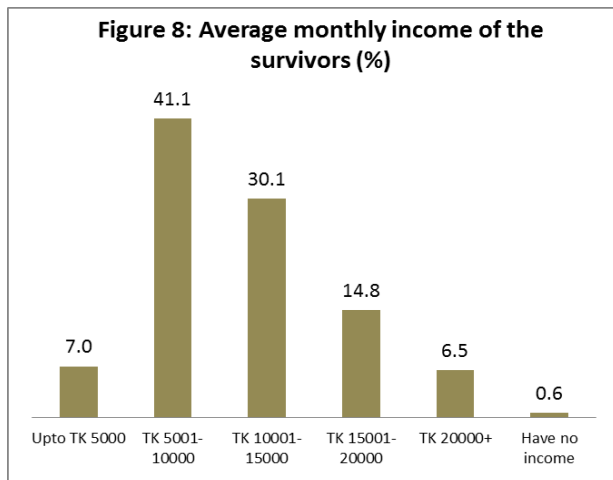
these, survivors are engaged in other types of income generating activities as household help, salesperson, auto rickshaw driver, mobile phone repairing work etc. Therefore, large majority of the

survivors are self-employed. Although the Rana Plaza collapse has compelled many survivors to seek employment in other sectors, still there is a flow of workers resuming garment factories for work.

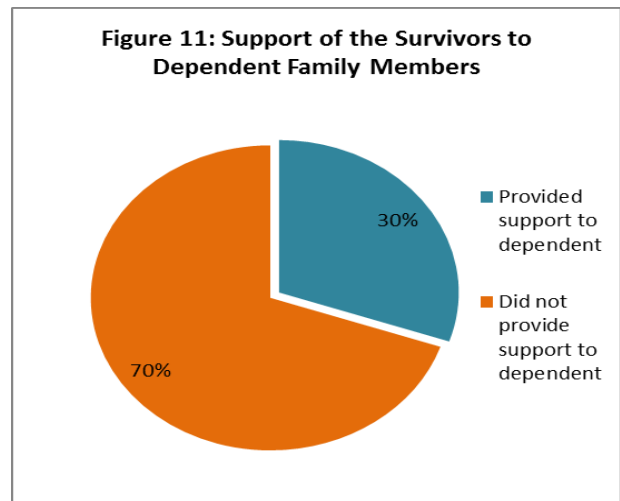
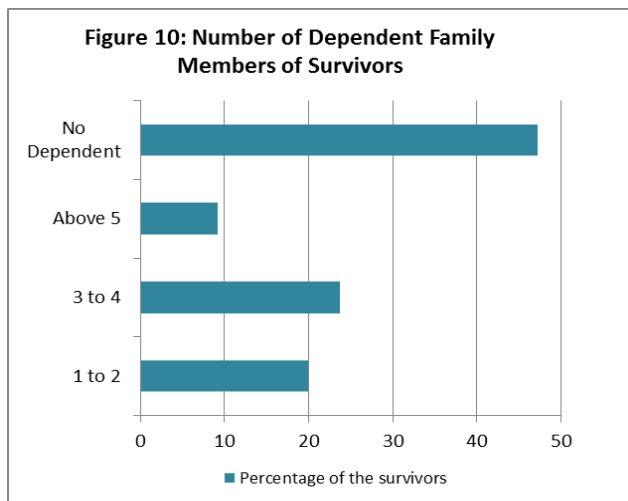
Those who are unemployed cited physical weakness (56.5 percent) and mental weakness (34.1 percent) as the main reasons for being unemployed.

**2.4 Income security for survivors and kin of the deceased**

According to the survey, the average family income for 91 survivors (7 percent) is less than BDT 5000, mainly from employment/ petty businesses. For 41.1 percent the income is between 5001 and 10000, 30.1 percent with income between 10,001 and 15,000, 14.8% with income between 15,001 and 20,000. 6.5 percent have income above BDT 20,000. In 2015, the average income of 76% survivors was less than BDT 5300. Evidence shows that overall income of the survivor is increasing compared to their income in 2013, 2014 and 2015. Figures 8 and 9 show the status of income for both survivors and the kin of deceased.

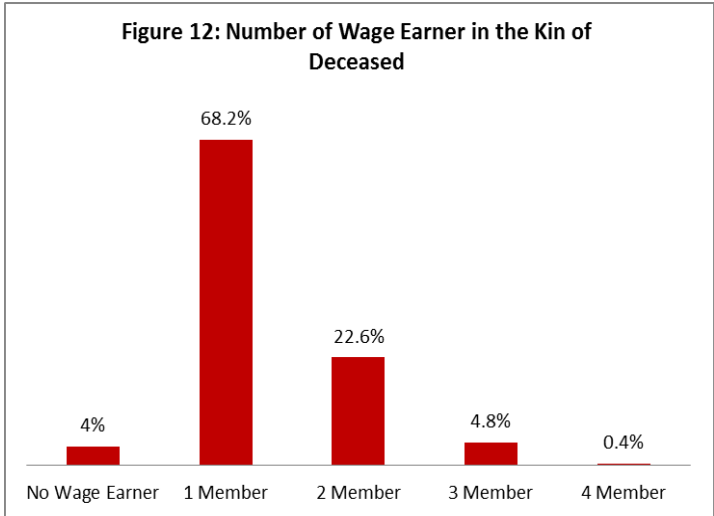


In the case of the kin of deceased, the percentage of respondents with monthly income up to 10,000 BDT like that of the survivors may be observed. The difference becomes somewhat significant (almost 10 percent more in the case of survivors) in the range of 10,001- 20,000 BDT between the two groups.



Before the incident, these families belonged to the same socio-economic status, however the incident where an earning member was lost, caused this income disparity.

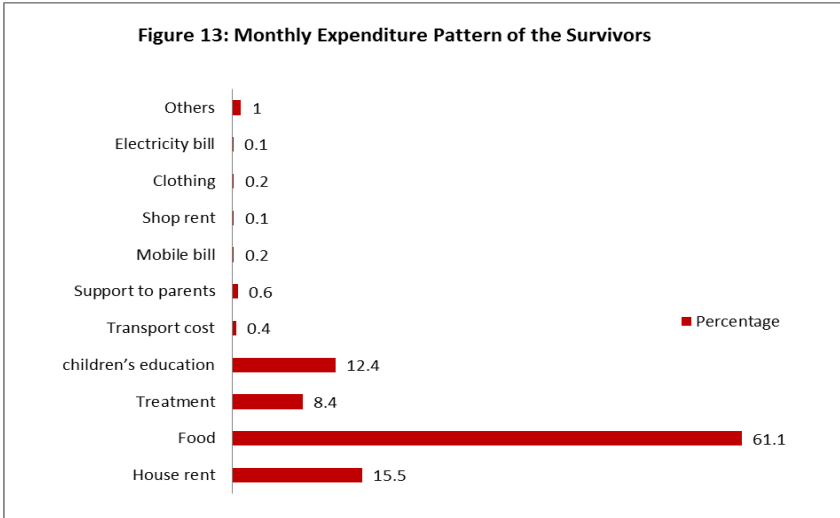
In most of the cases, the workers at Rana Plaza factories were the sole bread winners of their families. 20 percent survivors have 1-2 dependent members in their family, 23 percent have 3-4 dependent members, 8.8 percent have above 5 dependent members, while 48.8 percent do not have any dependent member. While 30 percent could manage to support their families/dependents in limited capacity, it is a clear indication that an incident like this has put not only the individual but the entire family of that individual at risk in the longer-run and caused suffering from the loss of income and pushed the family to further hardship.



For majority (68.2 percent) of the kin of the deceased, there is a single earning member and about 22.6 percent have two earning members in the household.

The average income for the households surveyed is approximately BDT 11,000 with 45.4 percent having a monthly income between BDT 5001 and 10,000, and another 35.4 percent with total monthly income between BDT 10,001 and 20,000. It is noteworthy that 3.8 percent of the respondents have no income.

**2.5 Expenditure pattern of the survivors and kin of deceased**

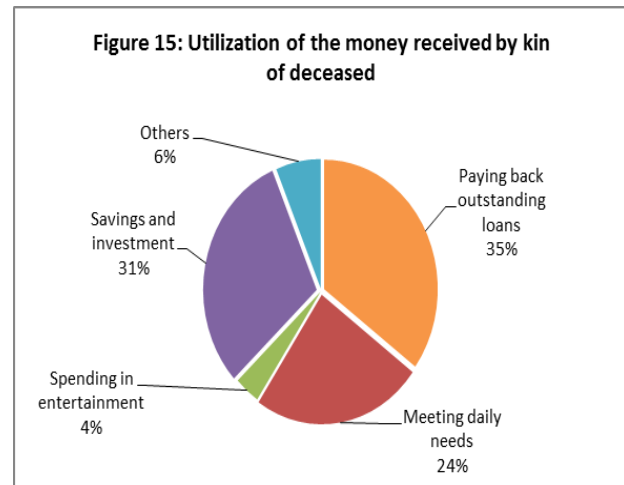
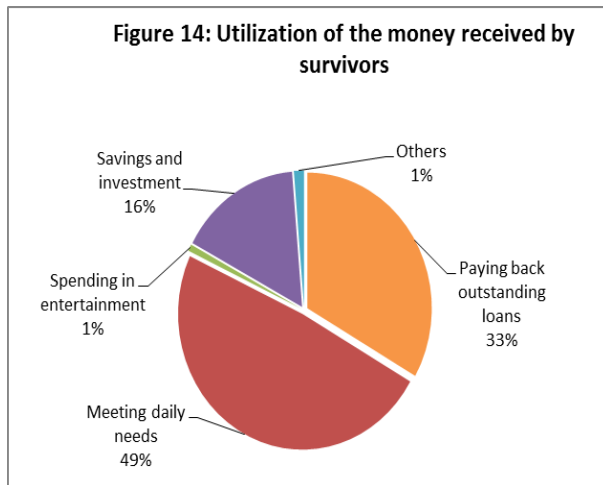


As regards monthly expenditure of the respondents, on average 61.1 percent is spent for food, 15.5 percent is spent for house rent, 12.4 percent for children's education and 8.4 percent for treatment. Therefore, food is the major area of family expenditure of the survivors. As observed in the previous surveys, there is no such change in the regular expenditure pattern.

For most of the kin of deceased, the major items of expenditure are food and children's education. On

average, households spend 58.3 percent of income on food, 17.8 percent of income on children’s education, 10.5 percent of income on treatment and 9.3 percent of income on house-rent.

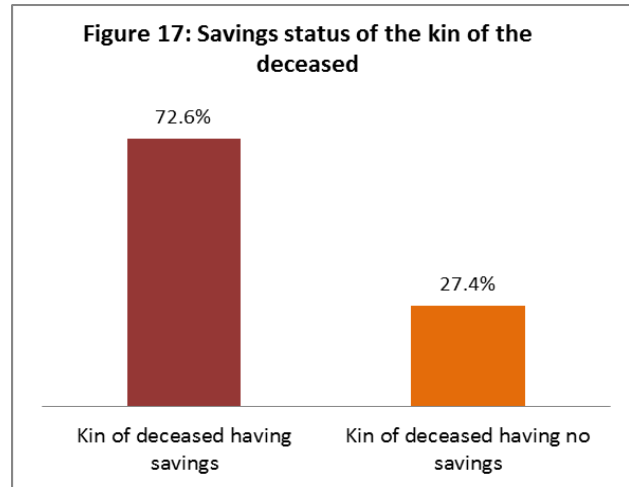
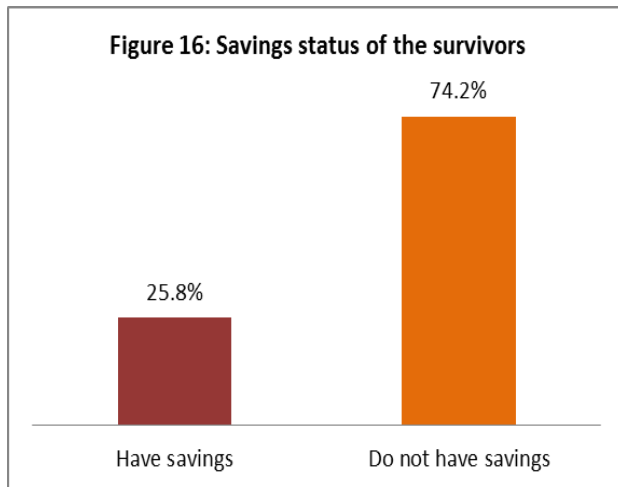
In terms of utilization of the monetary support received by the survivors, 33 percent of the received money is spent on average for paying back outstanding loan/debt., maximum 49 percent is spent in food and other household essentials including treatment, These also include paying back due amount to grocers, house rent and children’s education cost. It is notable that 16 percent of the received money goes to savings and investments, particularly in small business, purchasing land and cattle. Although, it indicates that the money they received from various sources is mainly utilized in meeting daily needs and paying back loans, there is a trend of investment as well.



In terms of utilization of monetary support, for kin of deceased, 24 percent is spent in meeting daily needs and 35 percent in paying back outstanding loans and debt. 10 percent is used in other purposes, including entertainment at 4%. As in the case of the kin of deceased, it is clear that savings and investment was a priority in terms of utilizing the monetary support and it was higher than that of the survivors.

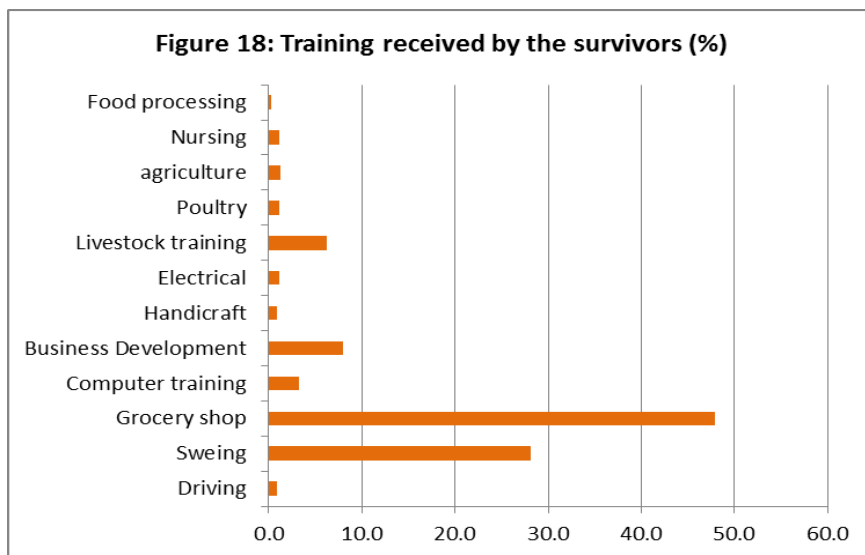
**2.6 Pattern of savings of survivors and kin of deceased**

In terms of savings, 15.3 percent of the respondents among the survivors acknowledged that they have savings in the bank or post office. Among these respondents a large majority (47.3 percent) have savings between 50001-100000 BDT and 20.6 percent with over 100000 BDT. The minimum savings reported as savings in bank and post office is 3000 BDT. Only 1.2 percent respondents have savings in the form of prize bond. Among them, the majority (37.5 percent) has savings between 50001-100000 BDT and another 25 percent have over 100000 BDT. 4.84 percent respondents reported to having savings in the form of cash in hand. Of them, majority (15.9 percent) has savings between 45001-50000 BDT and 14.3 percent have savings between 7001-10000 BDT. A further 4.46 percent reported to having savings in other forms. 17.2 percent each reported to having up to 3000 BDT and 50001-100000 BDT. On average in total the mean savings for this group of respondents in 102,915 BDT.



From the monetary support that kin of deceased received, 72.6 percent of the respondents acknowledged that they have savings in the form of cash, prize bond, savings in post office/ bank and other sources. Savings in bank/ post office seems to be the preferred method of keeping the savings. The minimum savings reported was 2000 BDT and a maximum of 5,145,000 BDT. It should be noted that only person reported to a savings of over 50 lacs BDT as the respondent’s spouse was part of the management and he reported to receiving monetary support for their two children separately.

**2.7 Alternative livelihood options of survivors: capacity gained**

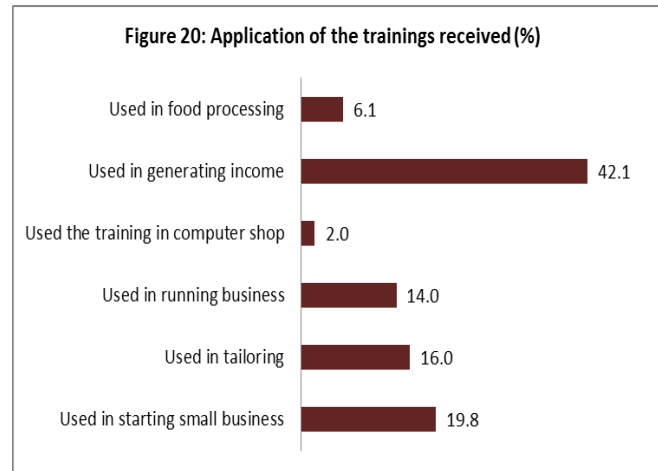
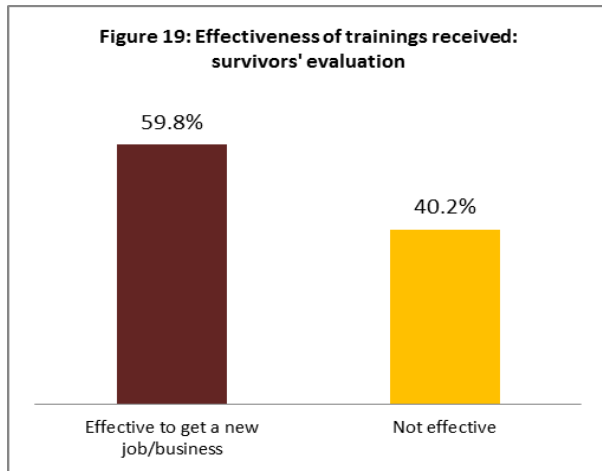


It is notable that 35.8 percent of the respondents received different kinds of training from various stakeholders such as CRP, BRAC, Caritas, Gonoshastho Kendra, National Skills Development Council among others.

Among those who received training, 48 percent received training on running grocery shop, 28.2 percent received training on sewing, 6.2 percent on livestock rearing

and 3.2 percent on basic computing. The other types of trainings include driving automobile, electrical work, nursing, poultry rearing, beauty parlor management, handicrafts production and food processing. This indicates that the participants received training on diverse courses, beyond the typical garment-oriented trades, which have created opportunities for alternative employment and income generation.

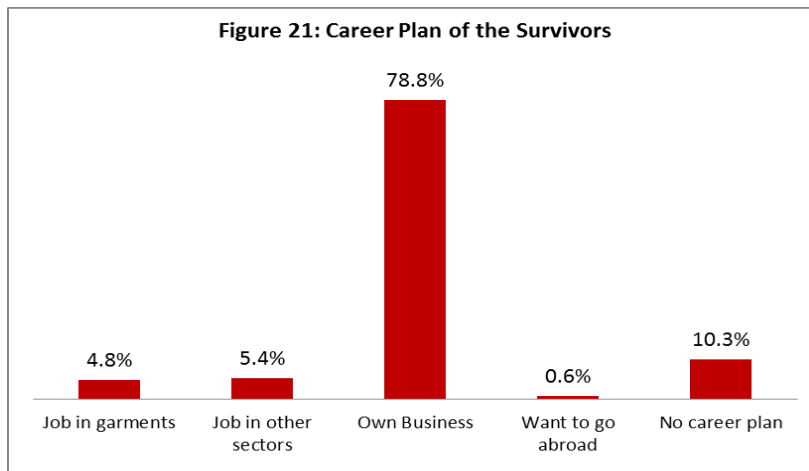
Among those who received training, 59.78 percent acknowledged that the training helped them to get a new job or run a business. As shown in the figure 20, 42.1 percent of those who acknowledged the trainings to be effective opined that they used the training for generating income, 19.8 percent applied the training in starting business, 14 percent in running business and doing tailoring for income generation. It refers to a realization that the training provided to the survivors so far has market value, especially in running small business and enterprises. Among those (40.2 percent) who considered the trainings to be ineffective, mentioned absence of seed money to apply the training as the main reason for the uselessness.



**2.8 Survivors' perception on the job market**

In terms of perception on the job market, 34 percent respondents opined that opportunity in garments factory has increased, while 23.4 percent said that opportunity in garments factory has been decreased. 7.8 percent reported that it has become difficult to go back to garments factory. 19.3 percent think that opportunity in any other sectors, except for garments factory, has increased, while 3.9 percent think the opposite. It is important to note that most of the respondents keep themselves updated about the job market. Only a handful of respondents said that they have no idea about the job market.

**2.9 Career plan of the survivors**

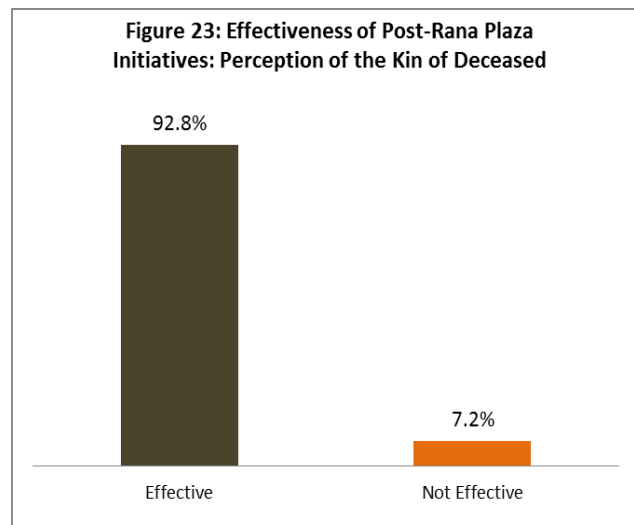
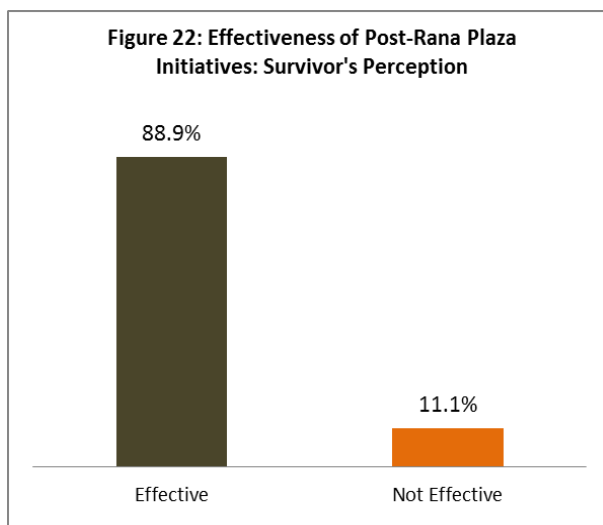


As regards career plan, most of the respondents intend to get involved in small business in the future. The percentage of such respondent is 78.8. Only 4.8 percent of the respondents have plans to work in garment factory, while further 5.4 percent intend to do jobs in other sectors. 10.3% of them have no career plan so far.

In terms of initiatives of the survivors for career development, 46.4 percent have taken regular counseling, 26.5 percent have prepared them through receiving training and 21 percent improved their mental strength for getting involved in market.

**2.10 Evaluation of post-Rana Plaza development initiatives**

Most of the respondents are aware about the post-Rana Plaza initiatives undertaken to address challenges in the RMG industry. As shown in figure 22, 88.9 percent survivors think that the steps taken by different stakeholders post Rana Plaza are effective. This means the survivors acknowledge the steps of Government and private actors undertaken so far, which is an important feedback to the supply end. Among those who do not think the measures are effective, 47.2 percent reported that they did not get adequate support and 23.6 percent demanded further support.



In the case of kin of deceased, 92.8 percent opined that the initiatives undertaken by the Government and other stakeholders are effective (shown in figure 23). Of the 7.2 percent who thought these initiatives were not effective, majority (41.7 percent) thought that the support was inadequate, and 19.4 percent thought that measures are not being implemented. It may be concluded that most respondents from both categories, considered monetary support as the key initiative and monetary support provided was more 'acceptable' for the kin of the deceased.

While the loss of a family member is irreplaceable, when asked how far they feel they have been compensated, 34.8 percent opined that demands have been somewhat compensated, 14.6 percent opined that loss was compensated and 32.2 percent said that loss was uncompensated. Overall, 49.4 percent of the respondents opined that they are doing well now as compared to the time soon after the incident.



## **Section B: A Reflection on Progress Made in RMG Sector Post Rana Plaza Building Collapse**

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### **3.1 The Compensation Arrangement**

The establishment of the 'Rana Plaza Donors Trust Fund' was a milestone with regards to compensation disbursement. In the absence of legal provisions that was realistic, reasonable and adequate to address the needs, culmination of numerous spontaneous and sporadic initiatives shaped the formation of the trust fund. The Donors Trust Fund was set up in January 2014 to receive voluntary donations from donors from around the world. It collected funds from external sources, mainly the foreign buyers and brands that represent the European retailers. The Donors Trust Fund had set US \$ 30 million to compensate all survivors and kin of deceased. Through the formation of a multi-stakeholder body 'Rana Plaza Coordination Committee', the scope of a much-needed coordinated mechanism was created by adopting the "Rana Plaza Arrangement". It established the 'Rana Plaza Claims Administration' to facilitate the entire claims process. As a neutral chair of the Coordination Committee, International Labour Organization (ILO) played a key role in the entire process.

The payment of award from the 'Donors Trust Fund' followed a system recognizing the direct payments to beneficiaries from the Prime Minister's Fund and Primark under a coordinated scheme and was harmonized with the existing banking system. Following a series of campaigns to raise funds, on 8<sup>th</sup> June 2015, the Rana Plaza Coordination Committee announced that sufficient funds had been collected to complete payments under the Rana Plaza arrangement.

The key questions in terms of the compensation mechanism were related to the 'structure' and 'standard' of compensation and the roles of the stakeholders to ensure that. There were dilemma around role of government, owners and buyers (like- 'who will pay?', 'how much will be the share of each stakeholder?', 'what modality will be followed?', 'what mechanism will be adopted?' etc.). Although government is primarily responsible to address such issues, the role of factory owners and the buyers cannot be undermined as they are the key players in the business. These debates were formally addressed by 'Rana Plaza Arrangement' and each beneficiary was set to receive payments based on their individual circumstances and needs. Each claim was set to be independently assessed and calculated, based on a formula developed by actuarial experts in line with standards embedded in the ILO Convention No. 121. The assessment considered both financial and medical needs, both of which were covered in the final award.<sup>2</sup> However workers are not aware of this calculation. The Trust Fund took into cognizance of the proceedings of the high level committee formed on honorable High Court order which put forward a set of recommendations<sup>3</sup> around the compensation structure, classifying the amount for those of the dead and missing workers, the permanently disabled ones, those who have lost one limb, workers needing long-term treatment and the traumatized survivors. It also indicated that the

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<sup>2</sup> Rana Plaza Arrangement. Accessed on February 12, 2015 (<http://www.ranaplaza-arrangement.org/>)

victims who had already received a certain sum from the Prime Minister's Fund would receive the balance of their respective package.

The collection of estimated fund for 'Rana Plaza Donors Trust Fund' was a practical challenge which involved extensive negotiations among the retailers, factory owners, ILO and the workers. Despite methodical strength, the step-by-step mechanism has taken much time leaving effectiveness of the awarded money in question. Hence, the utilization of the awarded money warrants in-depth assessment.

The overall dynamics around compensation indicates a shift from a charity approach to an institutional mechanism that recognizes the rights of the workers. The challenge now is how a mechanism such as this can be incorporated into the national legal framework towards long-term social security of the workers.

### **3.2 Amendment to the Labour Law 2006**

The amendment of Labour Law was an immediate response post Rana Plaza disaster. In July 2013, The National Parliament passed the Bangladesh Labour Law (Amendment) bill 2013. It was a giant step towards fulfilling 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. The Act stipulates that safety and health committees including members of the workforce must be established in every factory with over 50 workers. Meanwhile, other mandatory measures include the setting up of dispensaries and clinics in factories. According to the government, the new law was a major advancement in establishing workers' rights and bringing more stability in the industrial sector.

Despite being considered as a key advancement, the amended law is not beyond criticism. Many workers' leaders, trade unions and national and international organization opined that the new law is still inadequate for protecting rights of workers. Sections 12, S.13, S.23 (3) and S.4 of the amended law have no clear definition of the terms 'closure of institution' and 'misconduct of worker.' There is a potential danger of this being abused by employers or owners as workers may be dismissed on grounds of misconduct for participating in strikes or procession. The amendment retained the provision of 30% membership for forming new unions, which practically negates the idea of free trade unionism (Chowdhury, Hasan Tarique: 2013).

Since 1968, there was a provision for workers to get 5% share of profit of the company. Through amendment of Section: 232(3) and 233 of the law, this provision was abolished permanently. The amended labour law does not provide any provision to allow 6 months maternity benefit for the women workers. In the amended law, there is a lack of consistency with ILO conventions 29, 87, 98, 105, accountability framework for inspectors and sufficient compensations.

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<sup>3</sup> The Daily Star, January 29, 2014. Accessed on January 2, 2015 (<http://www.thedailystar.net/business/rana-plaza-funds-get-closer-8878>)

On 15<sup>th</sup> September 2015, the government issued rules of the amended labour law 2013. 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 others. The rules state that 0.03 percent from all exports would be deposited in the workers' welfare fund and any contract firm that works as an outsourcing company and wants to supply workers to a factory will need to apply to the inspector general of factories with the required documents, according to the rules<sup>4</sup>. It also states that the factory owners will have to provide appointment letters to the workers within 15 days of completion of probation. In case a factory declares lay-off, the owners will have to send a notice to the factory inspectors, mentioning the number of laid-off workers.

Since the Labour Law amendment the RMG sector witnessed an exponential increase in the number of trade unions. By the end of August 2015 there were 464<sup>5</sup> trade unions in the RMG sector compared to just 131 at the beginning of 2013. In 2013, 96 new trade unions in the RMG sector have been registered with the Bangladesh Department of Labour (DoL). In contrast, only two trade unions in the RMG sector registered with DoL during the previous two years.

With the amendment of the Labor Law in 2013, the number of registered trade unions in the RMG sector almost tripled. The dramatic increase warrants a closer look on how effective these trade unions are. In a focused group discussion (FGD) with RMG workers the question on how effective the trade unions were elicited mixed reactions. Visible positive contributions of trade unions were that they can deal with issues such as getting salary on time and negotiations with factory owners. Although generally workers have trust and confidence on trade unions they are often reluctant to join the trade unions for fear of losing their jobs.

Perhaps the biggest challenge that the respondents identified is that the newly registered trade unions are not adequately empowered as they cannot make any difference until the owners wish to do so. The perception is that owners do not want a trade union and that is too 'powerful' to make a significant change. The owners are still too powerful and have the authority to fire workers which trade unions cannot stop. Common problems that still persist within factories and are outside the power of trade unions are owners threatening union workers to fire them for trivial mistakes and taking signatures on blank pages and threatening to file cases if they deny.

In the true sense "freedom of association" is not mainstreamed at RMG sector and challenges in every step from forming a trade union to exercising trade unions. Firstly, owners are not always supportive, secondly, registration takes a long time and finally there are cases of unjust behavior even after forming a union.

Jahanara, worker in a Dhaka- based factory said, *"We are the hard working factory workers and owners have made 4 factories from one factory's profit. So are we harmful for them? Then why do they torture us in several ways? We just want a good environment and working place. We want salary on time, reduced excessive pressure on production and no misbehavior."*

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<sup>4</sup> The Daily Star, September 17, 2015 (accessed on March 20, 2016)

<sup>5</sup> Dhaka Tribune, August 31, 2015 (accessed on March 20, 2016)

### **3.3 Setting New Minimum Wage Structure for Garment Workers**

Following the Rana Plaza disaster, the garment workers strongly pushed forward the demand of increasing minimum wage. Before the recent raise, the minimum wage of the workers was equivalent to only \$ 38 as set in 2010. Considering the increasing living expenses, the garments workers demanded around \$ 100 a month as their minimum wage. After several meetings of the official Wage Board and long negotiations between government and owners' associations, on November 13, 2013 the ready-made garment factory owners agreed to pay BDT 5,300 in minimum wage for entry-level workers as anything beyond this as proposed by the Official Wage Board would increase the cost of production significantly. The minimum wage became operational despite concerns and the practice of paying overtime payments with monthly salary, sending attendance and salary sheets to the BGMEA and providing appointment letters and salary slips to workers was prevalent (TIB, 2014).

### **3.4 Workplace Safety Measures**

As immediate response, there were commitments from national and international actors related to matters of building safety. These initiatives though pursued under legal obligations were undertaken with a certain degree of efficiency. 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. The US Department of Labor's International Labor Affairs committed 2.5 million USD to improve the safety standards of factories. JICA committed to redirecting a further 12 million USD from its SME funds for improving the conditions of the apparel industries.

Two global unions (IndustriALL, UNI Global) and 189 European international brands and retailers signed the Accord on Fire and Building Safety in Bangladesh. The ILO acts as neutral Chair of the Accord. The Alliance for Bangladesh Worker Safety was launched by 26 North American retailers and brands.<sup>6</sup> Both of these initiatives are five-year programmes under which companies committed to ensure the implementation of health and safety measures. With a joint initiative of factory owners, workers and state, a National Tripartite Plan of Action (NTPA) was formed with the assistance of International Labor Organization (ILO) to ensure Fire Safety and Structural Integrity in the Ready-Made Garment Sector of Bangladesh. The NTPA was initially launched in March 2013 following the fire in the Tazreen garment factory and subsequently re-launched in July 2013 with necessary additions with the Accord and Alliance. The NTPA consists of twenty-five commitments which may be split under policy and legislation, administration and practical activities. Besides, the European Union, Bangladesh Government and ILO issued the Global Sustainability Compact to promote improved labour standards, the structural integrity

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<sup>6</sup> ILO, 2014. Chronology of recent events in the Bangladesh Ready Made Garment (RMG) sector. Accessed on March 31, 2016 ([http://www.ilo.org/dhaka/Informationresources/WCMS\\_226541/lang--en/index.htm](http://www.ilo.org/dhaka/Informationresources/WCMS_226541/lang--en/index.htm))

of buildings and occupational safety and health, and responsible business conduct in the RMG and knitwear industry in Bangladesh.<sup>7</sup>

In November 2013, the three parallel safety pacts- Accord, the Alliance and the government's own National Tripartite Plan of Action- agreed on common standards for plant inspections in the country. A unified manual for assessing structural integrity and fire and electrical safety under NTPA was introduced (TIB, 2014). Following that the Government, Accord and Alliance have completed factory inspections, a major step toward advancing factory safety in Bangladesh. As per the deadline of 31<sup>st</sup> October 2015, 1475<sup>8</sup> factories had been assessed through government efforts, supported by the International Labour Organization (ILO). A further 2185 factories had been inspected by the Bangladesh Accord on Building Safety and the Alliance for Bangladesh Worker Safety. Since the completion of joint inspection the priority has now been shifted to remedial actions. However there is no stipulated timeframe for the recommended upgradations.

While the progress made in workplace safety measures in the last 36 months is commendable, there are certain concerns around the initiatives taken. 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. Accord and Alliance inspections have identified thousands of deficiencies in the factories that fall within their inspection programs. But to date, none of the major brands or retailers has made a public commitment to fund the upgrades and repairs that are needed.<sup>9</sup> There are allegations inspection reports were published on the Internet without informing the owners and the coordinating authority. Lack of remedial actions resulted in cancellation of orders or factory shut down. This further pushes the workers to a vulnerable state where job security is a big question (TIB, 2014).

Apart from the factory inspection measures, recruitment of factory inspectors was an important step towards the implementation of one of the commitments agreed by the Government in the NTPA and the EU Sustainability Compact. The Government of Bangladesh upgraded the Chief Inspector of Factories and Establishments office to a Department, sanctioning 679 new staff positions in the Directorate, including 392 new inspectors. In January 2014, capacity building training of the first batch of the newly recruited Labour Inspectors started in Dhaka.<sup>10</sup> By May 2015, 199<sup>11</sup> new inspectors (51 female) were recruited bringing the total to 284. Capacity building of the recruited inspectors is a priority now and ILO is implementing a comprehensive labour inspection training programme since August 2015 aiming 160<sup>12</sup> labour inspectors gain the skills needed to boost working conditions and worker safety in Bangladesh.

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<sup>7</sup> ibid

<sup>8</sup> ILO – December 2015.

<sup>9</sup> ibid

<sup>10</sup> ibid

<sup>11</sup> ILO – January 2016.

<sup>12</sup> ibid

### 3.5 Occupational Safety and Health

Following the Tazreen and Rana Plaza disasters, the issue of Occupational Safety and Health (OSH) has been prioritized in all the development initiatives of the stakeholders. The Labour (Amendment) Act 2013 introduced several provisions to improve workplace safety in Bangladesh Garment Factories. 'Creation of Safety Committees in factories with 50 workers or more' is one of those provisions that address the workplace safety issues at factory level. The amended act also includes the relevant provisions: the establishment of workplace Health Centres in workplaces with over 5000 employees; 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; the labour inspectorate is given new responsibilities to inspect safety and health conditions of workplaces and conduct on-the-spot inspections.

The work on capacity building of the mid-level management, supervisors and workers on occupational health and safety is in progress. ILO trained a group of master-trainers who are now providing training to mid-level managers and supervisors of 400 factories, with the aim to train up to 8000 workers.

Along with skills and capacity of the safety committee members, effective leadership plays an important role in protecting health rights of workers and in improving working conditions in the workplace. Strong leadership can influence and also raise awareness and motivate workers and management to participate in the decision making process. Communication and negotiation skill is very important to building relation among workers, forming associations, networking and also building effective worker-employer relations. The members of safety committee can introduce the exercise of collective bargains on different issues like development of safety and health management systems, strategy development and monitoring the performance of those systems within the scope of amended Labour Law 2013.

**Among the other steps, formulation** of the National Occupational Safety and Health Policy, 2013; formation of taskforce to review inconsistencies in industry-specific laws; formulation of labor Code and inspection checklist; a Government Order (GO) not to issue construction approvals by Union Parishad are mentionable. Two high level committees, a Cabinet Committee on RMG sector and a Secretary Committee were also formed by the government to ensure accountability and oversee all initiatives centrally. On the other hand, changes have been brought in institutional structures and human resources to improve oversight capacity and reduce various administrative irregularities and problems (TIB, 2014).

## Concluding Remarks and Recommendations

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The collapse of Rana Plaza drove the necessary reforms in the sector which was a pending agenda for decades and it served as a wake-up call to the stakeholders concerned and all responded to this call with due importance. As we approach the third year Rana Plaza, through this report we tried to critically analyse the responses to the tragic incident and also raise the crucial questions on how to institutionalize them within the national legal framework and the broader international accountability framework. While the spontaneous emergency response is commendable and the efforts taken by the governments, international buyers, apex bodies, non-governmental organizations is a step towards ensuring workers' rights and safety, issues continue to persist around job security of workers from factories that do not meet safety requirements, extent of economic reintegration and physical and psychosocial well-being.

On the brink of three years of the tragedy, the scenario of the Bangladesh RMG sector has started to change. But in order to sustain the developments, shape the RMG sector towards a safer, responsive and accountable sector, development efforts need to be continued. Responsible partnership of stakeholders is still important to address the challenges.

From the panel survey, the socio-economic reintegration shows an upward trend. While a large number of survivors have opted for self-employment, the growing flow re-joining the garments sector cannot be ignored. While the personal loss of survivors and kin of deceased is irreplaceable, majority of respondents from the survey considered the initiatives taken by the multiple stakeholders as effective.

While the compensation issue has been resolved to a large extent, the long-drawn out process undermines the usefulness of the support. The factory inspection poses multiple challenges. On one hand, once the buyer driven initiatives phase out; would the government be in a position to continue; whose responsibility is it to upgrade the safety requirements, the timeframe for these upgrades and how would they be financed; and finally what happens to the workers who lose their jobs due to factory shut-downs resulting from safety deficiencies. Though the law now allows trade unions to operate, their effectiveness in terms of increasing workers' collective bargaining power is one of concern.

Bangladesh is currently at the take-off stage towards graduating from LDC and it has set an ambitious goal of socio-economic and technological development to reach by 2021. By 2021, a sectoral goal/target has also been set up by the leaders of RMG industry (garment factory owners). By this period, the garment leaders intend to double the production and export of garment products, which is currently worth 25 Bn USD. In order to achieve the target of production and export, a trained, aware and organized labour force will play a vital role. Hence, there should be incentive for the RMG workers, the main production agent. It would not be irrational that Bangladesh garment sector introduces living wage for the workers in the next few years. This may be a potential branding point of a world's leading garment exporter country.

Keeping the above in mind, this report proposes the following recommendations:

- Incorporating a compensation mechanism that clarifies the calculation criteria and reflects the prevailing socio-economic reality within the national legal framework.
- Strengthening the designated government department to continue the factory inspection and streamline the process of providing permits for setting up factories.
- Ensuring the 'true spirit' of 'freedom of association' prevails by adequately empowering the trade unions to collectively bargain for their rights.
- Minimizing the loopholes in the labour law to make it worker-friendly.
- Continuing the social dialogue for broader accountability framework for the global fashion brands need 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.

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