
Governance in the Readymade Garments Sector: Promises and Progress

A follow-up Research¹

Executive Summary

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¹ A follow-up on post -Rana Plaza changes in the RMG Sector during 30 April 2013 to 10 April 2014 based on previous TIB study “RMG Sector: Problems of Good Governance and the Way Forward”, released in October 2013.

Good governance in the Readymade Garments Sector: Promises and Progress

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INTRODUCTION

The Rana Plaza accident is considered to be the most visible example of the lack of good governance and corruption in the Readymade Garments (RMG) sector in Bangladesh. After that accident, there were pressures from different national and international quarters regarding establishment of good governance in the RMG sector. According to a TIB research (October 2013) reasons identified for accidents and lack of compliance in this sector include lack of coordination among the stakeholders, negligence in their duties, political influence, corruption and irregularities. The research presented 25 recommendations with an objective to establish good governance in this sector. TIB undertook this follow-up study to assess initiatives and projects taken by national and international bodies after the Rana Plaza incident to prevent accompanying governance challenges in regard to ensuring workers' rights and work safety. TIB's earlier research tried to identify governance challenges in the RMG sector and provide recommendations to overcome them. The objective of current research is to analyze implementation status of initiatives and projects undertaken by various stakeholders at the turn of one year after the Rana Plaza accident (30 April 2013 to 10 April 2014). In regard to methodology mostly conventional research tools and techniques i.e Key Informant Interview (KII) and Group Discussions (GD), were applied to collect information from primary and secondary sources. The primary sources include different government institutions, factory owners, workers, trade union leaders etc. Information from these sources was collected through interviews using checklists. The data collection period was March-April 2014.

Overall assessment of initiatives undertaken by different stakeholders

In the last one year, national and international stakeholders have taken numerous initiatives to improve factory safety and labor rights. Major steps taken by the government include amendment of the labor law; formulation of National Occupational Safety and Health Policy, 2013; formation of taskforce to review inconsistencies in industry-specific laws; increase of minimum wage for garments workers by the Minimum Wage Board (76.7% increase of total wages in lowest grade); formulate labor Code and inspection checklist; a Government Order (GO) not to issue construction approvals by Union Parishad, etc. 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. For example, power and responsibilities of RAJUK and Directorate of Inspection for Factories and Establishments (DIFE) were decentralized to regional offices from central offices; and an online application and approval process was introduced by the RAJUK. The DIFE launched a website through which public access to relevant information are created. At the same time, online application for factories and trade union registration were introduced. Moreover, the Fire service and Civil defense authority formed a one-stop service point in order to make fire safety licensing and certification process easier and more transparent.

With a joint initiative of factory owners, workers and state, a National Tripartite Plan of Action on Fire Safety and Structural Integrity (NTPA) was formed with the assistance of International Labor Organization (ILO). A sustainability Compact was signed. A unified manual for assessing structural integrity and fire and electrical safety under NTPA was introduced. Surveys to assess the fire, electrical and structural safety in factories have been conducted under the coalition of European buyers- Accord on Fire and Building Safety in Bangladesh (Accord) and the alliance of American Buyers- Alliance for Bangladesh Workers' Safety (Alliance). The 'Rana Plaza Donors Trust Fund' was set up to ensure compensation to the victims of Rana Plaza disaster. Moreover, a positive change has been observed with regard to work safety and compliance among the factory owners. Although various initiatives taken under the tripartite plan of action as well as other institutional and legal measures and ongoing activities seem positive in the socio-economic, political and administrative realities in Bangladesh; lack of coordination is still noticed at different stages of implementation. On the other hand, lack of clarity is observed in actions taken by buyers and there have been tendencies to avoid responsibilities.

Status of the initiatives taken by stakeholders over the last one year

In light of the challenges identified by TIB's earlier research, various stakeholders have taken initiatives and made pledges on 63 areas. Through analysis, it is found that 102 initiatives pertain to 54 areas have either been successfully implemented or are in progress. However, no notable progress has been observed in 9 areas. Some of them include establishing a lead ministry for the RMG sector, formulating rules related to trade unions and federation activity; and formation of a Labor Welfare Fund for the RMG workers.

Through an assessment of 102 initiatives, it is found that 31 percent have completely been realized, 60 percent have made considerable progress and hopefully be completed in short, medium and long term timeframe. However, no progress is observed in 9 percent of initiatives (details attached).

Existing Challenges

Although laudable achievements have been made in implementing different initiatives over the last one year, still some governance challenges persist in many areas. This research tries to identify those challenges in the ongoing operations in

line with some governance indicators like transparency, accountability, participation, responsiveness and rule of law.

The government and government institutions

TIB's earlier research observed that (October 2013) lack of compliance, absence of sufficient provision for punishment for fire accidents and delay in judicial process are major obstacles to establish rule of law in this sector. After the Rana Plaza accident, huge pressure to establish rule of law in this sector prompted the government to take some positive initiatives that include bringing factory owners under the purview of prosecution in case of building collapse due to lack of compliance; provision of taking administrative measures against office-bearers for wrongdoing and negligence of duties; forming a legal aid cell for the workers; and fining and filing cases against factory owners for breach of factory compliance (400 cases are pending trial filed by the DIFE) etc. However, not issuing charge-sheet on cases related to Rana Plaza, inordinate delay in settling cases lodged in the Labor Court, collusion between factory owners and prosecuting lawyers in the legal aid cell; slackness of regulatory agencies to take legal measures are posing barriers to establish rule of law in this sector. By analyzing the implementation status of the promises made by different stakeholders – it is observed that there has been a lack of coordination among various government agencies to implement some decisions and failure to accomplish them on time. Particularly, the appointment of Inspectors for the DIFE, RAJUK and Fire Service Department were not done timely. The 'hotline' to give health, safety risks and trade union services to workers (as per the guideline of NTPA Alliance and Accord) was not established within the stipulated time. Delay has also been observed in regard to shifting non-compliance factories to the proposed Garment Village. Although the online trade union registration and certification services have started operation, influences of vested interest groups and payment of extra money are still prevalent.

Factory owners and their association (BGMEA)

Reviewing the initiatives taken by factory owners and their association - the BGMEA, it is observed that factory owners have started 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. However, there have been allegations that in some cases appointment letters were given 3 to 4 months later and salary slips were torn down just after payment. There has been a tendency among some factory owners to get group insurance by reporting lesser number of workers. Although 80-90 percent factories have started giving wages as per the Wage Board, they are creating health risks for workers by increasing their production targets, laying off helper level workers without giving any severance benefits, harassing workers whom they found involved in collective bargain and exhibiting lack of accountability in filing cases against workers and firing them. Some factory owners are found reluctant to establish permanent health center at their factories and appoint a Welfare Officer. Even some factory owners are found to exhibit negative attitude towards workers' rights.

On the other hand, the BGMEA is found more active to ensure accountability of its members by encouraging them to take some measures like getting group insurance for workers, relocating generator(s) at the ground floor, getting soil test report for the factory etc. However, progress has been less visible regarding preparing a comprehensive worker database as promised by the BGMEA.

Workers' association

It is observed that activities of trade union have increased in the last one year. However, a new generation of trade unions has emerged that can be termed as 'laptop trade unions'. They have no visible operation either at field or factory level. Moreover, it is observed that the non-registered trade unions and federations are being increasingly used for political and personal interests. There are allegations against some trade unions to collect subscriptions from the victims of Rana Plaza and deceive them through resorting to many temptations like giving them different benefits, land, flat or opportunities of foreign visits. .

Buyers

Buyers are one of the major stakeholders in this sector. However, there are allegations that they have published inspection reports on the Internet without informing the owners and the coordinating authority, canceled orders or shut down factories by concealing facts in the compliance audit reports or presenting flawed information. More specifically there are allegations that they have canceled orders and also provoked some buyers to do the same in the pretext of compliance gaps. Because of such moves ultimately workers have been the worst victim. According to information from different sources so far 20-50 factories have been shut down due to cancellation of order and closure of few small and medium sized factories in the pretext of compliance gaps for which eventually approximately 50 thousand workers have lost their jobs. It is anticipated if this situation continues, more workers would lose their job. Unless buyers change their attitude, this situation would intensify social unrest and create adverse impact on the economy. There is a tendency among some buyers to avoid their stake and ethical responsibility in the global supply chain to ensure financial security to the workers of the RMG sector. It is to be noted that although 28 buyers were producing products in 5 factories of Rana Plaza, most of them except a few are avoiding their responsibilities.

On the other hand, the safety surveys that buyers' forums have been conducting are found to be too slow to complete within the stipulated time. So far Accord could finish surveys in 80 out of 1626 factories, Alliance could finish 247 out of 626 and BUET (Bangladesh University of Engineering and Technology) could finish 247 out of about 2000 factories.² The delay would not only affect these surveys, but also it would create uncertainties to the longer term initiatives taken to bring sustainability in this sector. Although Accord set a time to publish their findings within six weeks of the survey, they are not doing so regularly. On the other hand, as Alliance does not have any set time to publish their inspection reports, there might be questions of

²www.mole.gov.bd, accessed on 31 March, 2014.

transparency in them. In case of Accord survey, if it is required to shut down any factory for some renovation works, the buyer forum is obliged to continue workers' payments as per agreement. However, in reality there have been breaches in complying with this rule. Moreover, as per contract it is required to continue order for a specified time (at least 2 years) despite being non-compliant. However, some buyers and brands have cut down or stopped their orders once a factory is found non-compliant.

There is a dispute between buyers and owners on the terms and conditions of loan available from the Remediation Fund for renovating complaint factories. At same time, the government's position in this regard is not clear as well. . About 15% of the factories that are situated in shared premises are in the risk of closure now. Therefore, if factories are closed considering workers' safety and rights, ultimately workers would be the worst victim of such closures. For this reason, the buyers should have some rational short and long term plans for the interests of the workers and the industry. Moreover, it is observed that there has not been any legitimate compensation to the victims of Rana Plaza from neither from the government, nor factory owners or buyers (except Primark).

Factory owners have shown laudatory attitude in regard to bearing the costs to enhance compliances and increasing the wages of workers. However, participation of different brands and retailers to bear such additional costs of production is negligible. In the past, buyers gave orders to non-compliant factories to make exorbitant profits and workers suffered most if there were any accident (TIB, 2013). At present, instead of extending support buyers are canceling orders of those non-compliant factories in the pretext of lack of fire safety and structural flaws which are ultimately adversely affecting the workers. According to the Workers Associations in Europe, if brands and retailers increase production cost by 3 cent more, these compliance costs can be adequately compensated for. Therefore, buyers and retailers need to be more responsible in order to improve workers' rights and safety.

Conclusion and recommendations

No initiative has been taken from the end of buyer forums and factory owners to create a fund for sustainable development of this sector and workers' welfare. Although according to the Bangladesh Labor (Amendment) Act 2013 there is a provision to create Workers' Welfare Fund, factory owners have created no such fund yet. Although not legally binding, there has been no initiative by buyers to create such fund except for the victims of Rana Plaza. It is to be noted that buyers' contribution to Rana Plaza Trust Fund is voluntary. Thus, it is not considered as a legal compensation, or a sustainable measure for this sector. In fact, callousness of buyers and factory owners in regard to workers' welfare is still highly visible. Therefore, TIB in its research (October 2013) proposed to create a Workers' Welfare Fund for this sector by donating 1 to 1.5 cent from each garment item where buyers and factory owners' share would be 75:25. TIB is also proposing to create the 'Good Governance Authority for RMG Sector' to prevent coordination gaps prevailing among different committees and agencies responsible for implementing different

initiatives and projects taken after the Rana Plaza disaster. The main objectives of this authority would be to enhance coordination among different stakeholders and monitor good governance in their operations. In the long-run, a separate ministry has to be established to oversee the RMG sector.

There is no denying of ensuring workers' rights and compliances and structural safety; at the same time, it is also crucial to ensure workers' job security. Concerted efforts need to be taken by the government, factory owners and buyers to confront emerging risks like cancellation of orders, closure of factories and laying off of workers in implementing various measures to improve compliances. The government has to accelerate its efforts to establish Garments Village to relocate vulnerable factories and ensure timely implementation of initiatives that stakeholders have taken for sustainable development of the RMG sector.

Most important thing is that within just one year 31 percent of the commitments and initiatives for improving fire and structural safety and rights of workers in the RMG sector have been completed and for another 60 percent considerable progress have been made which is very encouraging in the context of a developing country like Bangladesh and reflects positive intent of all stakeholders including the government, factory owners and workers to improve governance challenges in the RMG sector.

Annex – 1

Governance Challenges in the Ready-made Garment Sector: Pledges and Progress

Good governance related commitments made by various stakeholders and the status of progress of their implementation

(April, 2013 – April, 2014)

A follow-up on the TIB research report “Readymade Garments Sector:
Problems of Good Governance and Ways Forward” (published October 2013)

1.1 Government efforts to establish good governance

Serial	Problems, irregularities and corruption	Recommendations/analysis by TIB	Current status	Progress	Comments/Observations
1.	Limitations of the Bangladesh Labor Act	<ul style="list-style-type: none"> Amending the Labor Act to make it consistent with the ILO Convention Filing criminal cases against owners for compliance failures 	1. Bangladesh Labor (Amendment) Act 2013 passed.	Complete	Lack of sufficient penalties and protracted delays in meting out justice, lack of accountability framework for inspectors, insufficient compensations, inconsistency with ILO conventions 29, 87, 98, 105
2.	Ambiguities in the law about health and occupational safety	•Removing the ambiguities in the law	2. Introduction of the National Occupational Safety and Health Policy, 2013	Complete	Not many owners are aware of the policy
3.	Inconsistencies between the National Building Code and fire safety laws	•Removing the inconsistencies among the various laws related to the sector	3. Formation of a taskforce to analyze the various laws and policies related to the sector	Progress made	The deadline was December 31, 2013
4.	Absence of a labor code for the RMG sector	•Prioritizing RMG sector issues in formulating the labor code	4. A labor code for the sector is underway	Progress made	No deadline has been fixed for finalization
5.	No policies for sub-contract factories	•Introducing a policy	5. A guideline (Guideline for Ensuring Transparency and Accountability in Sub-Contracting in the RMG Sector) is underway for sub-contract	Progress made	No deadline has been fixed for finalization

Serial	Problems, irregularities and corruption	Recommendations/analysis by TIB	Current status	Progress	Comments/Observations
			factories		
6.	The absence of a lead ministry	•Forming a separate ministry	No initiatives taken	-	Unchanged
7.	<ul style="list-style-type: none"> Lack of coordination among various (17) government agencies. Complications, financial irregularities and corruption in obtaining 20 different certificates/ registration from different government agencies. 	<ul style="list-style-type: none"> •Adopting a combined plan of action on safety, work environment and rights •Charging a specific authority with overseeing the coordination and implementation process •Until the ministry is formed, a one-stop cell has to be formed 	6. Extension of the National Tripartite Plan of Action (NTPA)* 7. Signing the sustainability compact 8. Undertaking projects to improve working conditions in the sector 9. High-power 11-member cabinet committee for oversight 10. 3-member secretarial committee and multiple taskforces 11. Single checklist formulated for fire, electrical and structural safety inspections	Complete	Although various legal and administrative process for various activities relating to the Garment sector under NTPA have been completed, their implementation remain at initial level
			12. Taskforce (Task Force on Expansion and Simplification of RMG Industry) to make necessary amendments in factory registration, fire, electric, chemical and environment certification processes	Progress made	The deadline was December 31, 2013
			13. Formation of fire and building safety taskforce for the RMG sector	Progress made	The deadline is May 30, 2013

Serial	Problems, irregularities and corruption	Recommendations/analysis by TIB	Current status	Progress	Comments/Observations
8.	Low salaries (the minimum wage was Tk 3,000)	•Raising wages	14. Wages raised by the minimum wage board (the minimum wage is Tk 5300)	Progress made	Gross salaries did not increase proportionately
9.	Insufficient compensations (deaths 100,000, permanent disability 125,000)	•Increasing and ensuring compensations for workers killed and maimed in the accidents	15. Committee formed to discuss increasing compensations	No progress	No progress in the discussions
10.	Lengthy trials and a culture of failure to carry out justice No public defender to conduct cases for the workers	<ul style="list-style-type: none"> •Completing trials at the labor court within a given time (90 days) •Filing criminal cases against owners for accidents that happen from non-compliance 	16. Formation of a Legal support cell on labor court 17. Office of the Chief Inspector of Factories and Establishment takes initiative to recruit a lawyers' panel	Complete	<ul style="list-style-type: none"> • Collaboration among lawyers appointed by government/NGOs with owners • Large portion of compensation taken as fees by workers' associations and lawyers
			18. Criminal cases filed against factory owners and Rana Plaza owner 19. Office of the Chief Inspector of Factories and Establishment filed 11 cases against the factory owners and Rana Plaza owner at the labor court 20. RAJUK filed a case against Savar municipality 21. Rana Plaza owner, factory owners, engineer who approved building arrested	Progress made	<ul style="list-style-type: none"> • Delay in pressing charges in 4 of the Rana Plaza cases • Sohel Rana gets bail in one case (scrapped by High Court) • Court scraps case against Smart Garments owner
			22. Charges pressed in Tazreen Fashion case, chairman and	Progress made	Bail obtained and later scrapped by High Court

Serial	Problems, irregularities and corruption	Recommendations/analysis by TIB	Current status	Progress	Comments/Observations
			director arrested		
			23. ACC has decided to investigate the owner, Savar municipality and the RAJUK official responsible	No progress	No noticeable progress in investigation
11.	Unplanned factories in residential and commercial buildings	<ul style="list-style-type: none"> Establishing multiple industrial villages 	24. Decision to establish an industrial village in Munshiganj	Progress made	-Acquisition of 532 acres of land and hearing of petition ongoing -Administrative and financial complications and delays in implementation
12.	No regular information on programs adopted and implemented since the disaster	<ul style="list-style-type: none"> Regular publication of all information 	25. Information on programs adopted and implemented by the government is being published regularly	Complete	-No regular publication of Accord surveys -No obligation to publish Alliance surveys

1.2 Initiatives taken by owners in the running of factories

Serial	Problems, irregularities and corruption	Recommendations/analysis by TIB	Current status	Progress	Comments/Observations
13.	No emergency contact address or phone number on ID cards	<ul style="list-style-type: none"> Issuing fireproof ID cards with emergency contact address and phone number 	No initiatives taken	-	Failure to contact the workers' families after the accident
14.	Not maintaining attendance register	<ul style="list-style-type: none"> Maintaining attendance register 	26. Regular submission of workers' monthly attendance and salary sheets to BGMEA	Complete	-----

15.	Paying less than the minimum wage and irregular pay	<ul style="list-style-type: none"> • Raising wages 	27. Wages fixed by the wage board being paid at 80-90% of factories	Complete	<ul style="list-style-type: none"> • Increasing targets • Creation of health risks • Termination without legal benefits
16.	Daily overtime of 5-8 hours Not paying overtime bills with monthly salary	<ul style="list-style-type: none"> • Implementing the relevant sections of the law 	28. Practice of paying overtime with monthly salary 29. Most factories now try to avoid doing overtime 30. Two hours of overtime in most sections of the factory	Complete	<ul style="list-style-type: none"> • Getting workers to do overtime beyond the stipulated time in some sections of the factory such as finishing and bottoms • Increasing production capacity of labor
17.	Most factories do not have group insurance	<ul style="list-style-type: none"> • Implementing the relevant sections of the law 	31. Most factories who are members of BGMEA and BKMEA have taken group insurance	Complete	Underreporting the number of workers in group insurance
18.	Establishing factories in unapproved buildings (such as residential and commercial buildings)	<ul style="list-style-type: none"> • Transferring factories to an industrial village under a plan 	32. Land acquisition by government ongoing	Progress made	Pressure from Accord and Alliance to remove factories from such buildings
19.	Poor structure of main and alternative stairs, poor standards and misplaced Irregularities in power connections	<ul style="list-style-type: none"> • Implementing the relevant laws 	33. Survey by BUET, Accord and Alliance under NTC ongoing to identify structural and electrical problems	Progress made	Poor structure, risky stairs and unplanned power connections still prevalent Slow progress of surveys
20.	Not giving appointment letters to workers in most cases Not giving salary receipts	<ul style="list-style-type: none"> • Issuing appointment letters and salary receipts 	34. Practice of issuing appointment letters and salary receipts	Complete	Appointment letters given one/two months after joining Tearing up the salary receipt after payout
21.	Absence of health centers and welfare officers	<ul style="list-style-type: none"> • Ensuring benefits mandated by the law 	35. Most factories have begun implementing the rule	Progress made	Workers get no redress when denied rights and health services

22.	Putting more importance on 'participation committees' and discouraging trade unions	<ul style="list-style-type: none"> • Making it mandatory for all factories to form trade unions within stipulated time 	36. Trade unions can be formed with 30% of workers	No progress	Firing workers by taking their signature on blank paper Identifying union/federation members and threatening them with harassment/case
23.	Lack of restrooms, clean drinking water, sufficient toilet facilities, canteen, medical support, fans, moving space, waste processing	<ul style="list-style-type: none"> • Implementing the relevant sections of the law 	37. Positive developments in monitoring on these issues by buyers' representatives and inspectors	Progress made	<ul style="list-style-type: none"> • In 7 group discussion held with workers from various garments factories • No significant initiative was reported in sub-contract factories

1.3 Initiatives adopted and being implemented by owners' association (BGMEA)

Serial	Problems, irregularities and corruption	Recommendations/analysis by TIB	Current status	Progress	Comments/Observations
24.	Practicing state authority despite being a private organization (issuing UD)	<ul style="list-style-type: none"> • Putting the relevant state authorities in charge 	No initiatives taken	-	Unchanged
25.	Member factories ignoring decisions	<ul style="list-style-type: none"> • Stop providing different services (such as UD) if decisions are not followed 	38. Generators moved to ground floor in all factories 39. Instruction to all member factories to submit soil test reports 40. Instruction to all member factories to buy group insurance	Complete	<ul style="list-style-type: none"> • Soil tests not published • Stopping services for noncompliant factories
26.	Insufficient training in fire safety and compliance	<ul style="list-style-type: none"> • Coordinated efforts to train workers, other employees and officials 	41. Crash course introduced for mid-ranking officials and supervisors in factories, 35 trainers appointed	Progress made	Ongoing

27.	Absence of a database of RMG workers	<ul style="list-style-type: none"> Creating a workers' database 	42. BGMEA undertook efforts to create a database	No progress	Work stopped
28.	Political influence on policymaking: (reducing tax at source from 1.2% to 0.8%, BGMEA lobbyists in law and policy reforms)	<ul style="list-style-type: none"> Not using political power for personal or group interests 	No initiatives taken	-	Increased political influence 25% cash subsidy on export price Tax at source reduced to 0.3% from 0.8% Cash subsidy for exports to new markets increased from 2% to 3%
29.	Membership in parliamentary standing committees	<ul style="list-style-type: none"> Not including factory owner MPs in the parliamentary standing committees 	43. No factory owners in the parliamentary standing committee on labor and employment ministry	Complete	There are two MPs with connections to workers' associations, so there is a possibility of conflict of interest
30.	Irregularities in arbitration, suppressing workers' demands through favored workers' leaders	<ul style="list-style-type: none"> Creating arbitration cells in coordination among government, owners and workers 	44. Decision to form arbitration cell at the industries ministry	No progress	Promised by the minister
31.	Bringing the guilty to justice	<ul style="list-style-type: none"> Attempts to protect guilty owners from arrest 	45. Support in arresting the owners responsible	Progress made	-----

1.4 Initiatives adopted and being implemented by the chief inspector's office

Serial	Problems, irregularities and corruption	Recommendations/analysis by TIB	Current status	Progress	Comments/Observations
32.	Insufficient administrative structure (department) Insufficient manpower – 314 (of 103 sanctioned factory	<ul style="list-style-type: none"> Increasing efficiency, manpower, funding and capacity 	46. Appointment to vacant inspector positions 47. Upgraded to directorate Jan 15, 2014	Complete	Directorate formed with fewer employees than what the standing committee recommended

	inspectors, only 56 working) 22 inspectors in Dhaka zone		Total manpower 922 (sanctioned inspectors 575, 135 currently working)		
			48. Appointment of 200 inspectors underway	Progress made	Only 25 appointed by the deadline March 31, 2013
			49. Raising academic qualification levels in inspector appointment (masters/BCS engineering/MBBS)	Progress made	Appointment from BCS waiting list
33.	Qualification of the inspectors (among existing inspectors there are some with only a SSC degree)				
34.	32 offices, including the HQ, all over the country No office in many areas with a lot of factories/many heavily industrialized areas		50. 72 offices, including the HQ 51. 5 new offices in Dhaka, which has a high density of factories	Progress made	23 offices operational in the first phase
35.	Absence of a factory database Traditional information management	<ul style="list-style-type: none"> • Compilation of public database containing information from compliance, fire and building safety inspections • Computerizing offices and preserving inspection reports digitally 	52. Directorate launches website 53. Public database on factories	Complete	Launched last week No information on fire and building safety
			54. Donor-aided ILO program ongoing for the directorate's capacity building, training, infrastructure upgrading and office automation	Progress made	A firm has been given the work order
			55. A hotline for compliance-related complaints	Progress made	The deadline was June 30, 2013
36.	Lack of own training facilities	• Adopting combined training	56. ILO's training on workers' rights,	Progress	Practical implementation of

	Limited logistics	programs and increasing logistics	work environment and safety 57. Transportation for inspectors	made	these programs has not begun
37.	No accountability of inspection work (all inspectors are on the same rank)	<ul style="list-style-type: none"> With the objective of establishing accountability providing incentive to the officers by giving them promotions 	58. Decentralization of power and authority to zonal offices from central office 59. Creation of three levels among inspectors to create an effective accountability structure (Deputy inspector general. Assistant inspector general and Inspector)	Progress made	At primary stage
			60. Departmental action against seven accused inspectors and temporary suspension	Progress made	Accused inspectors have joined work again
38.	Factory registration and renewal for additional money Irregularities in in issuing floor setup certificate	<ul style="list-style-type: none"> Effective steps to prevent corruption and irregularities 	61. Online applications for factory registration and renewal underway	Complete	Work started in primary stage
39.	Often the directorate does not take legal action against owners Failure to present evidence and arguments in cases	<ul style="list-style-type: none"> Taking legal action without influence and forming lawyers' panel 	62. 400 cases against different factories ongoing 63. Lawyer appointment under discussion	Progress made	Taking advice from law ministry for quick resolution of cases

1.5 Initiatives adopted and being implemented by Fire Service and Civil Defense

Serial	Problems, irregularities and corruption	Recommendations/analysis by TIB	Current status	Progress	Comments/Observations
40.	Insufficient manpower (15 inspectors in Dhaka division) and lack of capacity and advanced equipment	<ul style="list-style-type: none"> Increasing efficiency, manpower, funding and capacity 	64. Appointment of 218 new warehouse inspectors	Progress made	The deadline was September 30, 2013
			65. Tk 1.62 billion project tabled at home ministry 66. Tk 1.5 billion project taken under disaster management ministry	Progress made	Implementation of the projects has not started yet
41.	No fire stations in areas where there are many factories	<ul style="list-style-type: none"> Establishing fire stations with adequate manpower and modern technology in areas with many factories 	67. Decision to build 9 new fire stations in Dhaka region where garments factories are concentrated	Progress made (primary stage)	trying to communicate different department /agencies for land acquisition
42.	Fire safety certificates issued to faulty buildings in exchange for personal benefits Ignoring the absence of fire extinguishers or water reservoirs, tin roof, absence of alternative stairs, insufficient exits during inspection in exchange for money	<ul style="list-style-type: none"> Effective steps to prevent corruption and irregularities 	68. Inspection at 1,100 factories (ongoing) since the Tazreen Fashions accident and fining unsafe factories	No progress	Letter sent to owner of faulty factory, no response
			69. One stop service for fire safety certificates and registration	Complete	There is little progress in eradicating corrupt practices (as mentioned in earlier TIB report)
			70. Introducing a fire safety hotline	Complete	
43.	Absence of capacity and awareness at the factory level in ensuring fire safety	<ul style="list-style-type: none"> Adopting combined training programs 	71. Capacity building program for owners, workers and union representatives to improve self-monitoring on fire safety and prevention 72. Fire safety training for trade union leaders	Progress made	The deadline to begin the programs was December 31, 2013

1.6 Initiatives adopted and being implemented by RAJUK

Serial	Problems, irregularities and corruption	Recommendations/analysis by TIB	Current status	Progress	Comments/Observations
44.	The practice of central approval and monitoring	<ul style="list-style-type: none"> Taking effective steps to stop corruption, irregularities and harassment during the approval process 	73. Decentralization of RAJUK's work, dividing the agency into eight zones and 24 sub-zones 74. 8 BC committees and 2 special BC committees for high rise buildings	Progress made	Provision for including Civil society members, Environment lawyers/planners not there in BC Committee
45.	Manpower shortage- Total number of Authorized Officers -4; No post of Assistant Authorized Officer post; Chief Building Inspector-8; Building Inspectors -60 ; No post of Assistant City Planner	<ul style="list-style-type: none"> Increasing manpower and capacity 	75. New appointments for design approval and supervision – Authorized Officers -20 Assistant Authorized Officers-30 Chief Building Inspectors-22 Building Inspectors-122 Assistant City Planners -17	Progress made	Written exam for appointment held
46.	Limited logistics and traditional office management	-----	76. Office automation under consideration Vehicle purchase in process	Progress made	Upper level decisions not taken yet
47.	Problems in issuing user certificates and special development project clearance certificates for industrial and commercial buildings	<ul style="list-style-type: none"> Ensuring everyone takes user certificates 	77. Only about a hundred applications to obtain user certificates	No progress	Negligence in getting user certificates
48.	Corruption in land use approval Bribe and lobbying at various stages of design approval	<ul style="list-style-type: none"> Effective measures to prevent irregularities and corruption 	78. Authorizing zonal offices to approve and monitor 79. Taking online applications 80. Appointment of experts to scrutinize building plan	Progress made	Practical implementation has not started yet

	Land use and building approval without even inspecting the land harassment, delay, intentionally hiding files or putting objections on files				
49.	Failure to control violations of the Building Code	<ul style="list-style-type: none"> Effective measures to carry out duties 	81. RAJUK inspected only 650 factories and asked BUET to do additional inspection on 150	No progress	<ul style="list-style-type: none"> Work stopped There are over 2,000 factories within the RAJUK-governed area
50.	Few magistrates for conducting mobile courts	<ul style="list-style-type: none"> Providing necessary support to RAJUK for conducting mobile courts 	82. 7 magistrates requested for mobile courts	Progress made	Under consideration at the ministry

1.7 Initiatives adopted and being implemented by local government and Industrial Police

Serial	Problems, irregularities and corruption	Recommendations/analysis by TIB	Current status	Progress	Comments/Observations
51.	Conflict between RAJUK and local government institutions in the area in approving building designs Local government bodies approving buildings despite not having an officer capable of approving designs (engineer)	<ul style="list-style-type: none"> Annulment of the power of Union <i>Parishads</i> (Union Councils) to approve construction and design in areas under the local development authorities 	83. Only local development authorities can approve buildings in their areas now 84. Circular issued ordering Union <i>Parishads</i> not to issue building clearance	Complete	No guideline for municipalities outside the scope of any development authority
		<ul style="list-style-type: none"> Charging public works division at the district level to issue building construction related certificates 	85. 7-member committee formed with the public works department at Upzila level to approve building construction outside the scope of the	Complete	Risk of harassment and complications as committee formed without charging specific authority with duty

			authorities		
52.	Using the police/industrial police to suppress workers' movements in exchange for money	<ul style="list-style-type: none"> Ensuring neutral role of law enforcement and increasing the capacity of industrial police 	86. Addition of 2 trucks and a motorcycle in the Dhaka zone	No progress	<ul style="list-style-type: none"> Rules & regulations for Industrial Police not formulated yet No initiative taken to increase the capacity of industrial police

1.8 Initiatives adopted and being implemented by labor directorate

Serial	Problems, irregularities and corruption	Recommendations/analysis by TIB	Current status	Progress	Comments/Observations
53.	Administrative delays and legal complications in trade union registration	<ul style="list-style-type: none"> Making it mandatory for every factory to form trade unions within stipulated time Labor Directorate website must publish information on its website on the time taken to register trade unions, whether they were registered or not and if not then the reasons for doing so. 	87. Relative increase in trade union registration (112 registered from January 2013 to February 2014)	Progress made	<ul style="list-style-type: none"> Taking Tk 15-20,000 simply to accept the registration application No unions in big factories No separate website yet Increased influence of interest group
			88. Online submission of trade union registration and renewal applications and unions' annual reports 89. Trade union registration with the support of ILO and USDOL and training for workers and labor inspectors on union activities		
			90. Hotline for complaints about trade union related activities	No progress	The deadline was June 30, 2013
54.	Trade union formation and registration under political consideration	<ul style="list-style-type: none"> Removing political influence from the registration process 	No initiatives taken	-	Trade unions associated with vested interests registered

55.	Lack of training and collective bargaining skills of workers in trade unions	<ul style="list-style-type: none"> • Providing training 	91. Project to train 50,000 workers and others to build capacity	Progress made	1,246 trained so far
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1.9 Initiatives adopted and being implemented by workers' associations

Serial	Problems, irregularities and corruption	Recommendations/analysis by TIB	Current status	Progress	Comments/Observations
56.	Only 40-50 of 157 trade unions in RMG sector active	<ul style="list-style-type: none"> • Making trade unions effective 	92. Trade union activities have increased	Progress made	Post-Rana Plaza, an increase in "laptop trade unions"
57.	Trade unions in BGMEA's pocket, working in owners' interests	<ul style="list-style-type: none"> • Trade unions and federations have to abandon political and BGMEA affiliations and work in workers' interests 	No initiatives taken	-	Unchanged
58.	<ul style="list-style-type: none"> • Absence of legal guidelines/policies on trade unions and federations • Unions associated with national politics • Personal and political interests pursued by the leaders of unregistered federations 	<ul style="list-style-type: none"> • Introducing clear guidelines for trade union and federation activities • Electing leadership democratically under the law 	No initiatives taken	-	<ul style="list-style-type: none"> • A growth in activities of unregistered trade unions and federations after Rana Plaza • Defrauding workers • Getting involved in politics

1.10 Initiatives adopted and being implemented by buyers

Serial	Problems, irregularities and corruption	Recommendations/analysis by TIB	Current status	Progress	Comments/Observations
59.	Different codes of conduct followed	<ul style="list-style-type: none"> Introducing a single code of conduct 	93. Single code of conduct being introduced by BGMEA	Progress made	Not implemented yet
60.	Buyers' representatives, compliance auditors and owners collude to cover up the real factory safety situation in audit reports to meet conditions of importing countries	<ul style="list-style-type: none"> Buyers' accountability has to be ensured in accordance with international obligations to ensure proper work environment, safety and workers' rights 	94. Evaluation program on factory fire, electric and building safety 95. Combined checklist from BNBC and international standards to conduct surveys 96. National evaluation committee formed to shut down unsafe factories 97. Survey program under the national action plan (NTPA) to evaluate fire, electrical and infrastructural safety in all running factories 98. 247 surveyed (out of 500) by Alliance (12/3/14), 80 (out of 1500) by Accord (10/3/14) and 247 (out of 2000) by BUET (15/3/14)	Progress made	<ul style="list-style-type: none"> No affiliation and lack of coordination among Alliance, Accord and relevant government bodies (RAJUK, DIFE, FSCD) Possibility of future risk in case of Alliance because of its volunteer agreements Delay in surveys Indecision of BUET and Alliance about in-depth surveys
61.	Providing orders to noncompliant factories instead at a lower price by Buyers despite commitments to compliant factories; in some Buyers aware that production taking place at non-compliant factories	<ul style="list-style-type: none"> Ensuring compliance and accountability in the supply chain as per international trade norms and UN guidelines 	99. Buyers' tendency to give orders to non-compliant factories reduced	Progress made	<ul style="list-style-type: none"> Failure of the government to ensure responsible behavior of buyers Avoiding rather than supporting compliance Influencing other buyers not to give orders

62.	Buyers often have more interest in cheap, good quality products than labor rights and quality work environment		100. A handful of buyers pay better production costs (for example Tk 24 to Tk 30-32 for pants)	Progress made	<ul style="list-style-type: none"> • Most buyers have not raised production costs • Taking orders to competing countries
			101. Buyers monitor compliance at their source factories		
			102. Formation of Rana Plaza trust fund (\$ 42 million)	Progress made	About \$ 8 million collected, uncertainty in forming the fund
63.	Absence of a worker's welfare fund	<ul style="list-style-type: none"> • Paying 1-1.5 cents per piece to form a fund with buyers and owners at 75:25 ratio of contribution 	No initiatives taken	-	<ul style="list-style-type: none"> • Rules & regulations for Worker welfare fund according to labor act not formulated yet