

The Rana Plaza Experience:

# Ensuring Wellbeing and Transforming The RMG Industry



# **The Rana Plaza Experience: Ensuring Wellbeing and Transforming the RMG Industry**

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# **THE RANA PLAZA EXPERIENCE: ENSURING WELLBEING AND TRANSFORMING THE RMG INDUSTRY**

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*Dedicated to*

*All the lost lives  
and the injured in the Rana Plaza accident*



## Preface

In this book, we have tried to capture the rapid growth of the RMG industry of Bangladesh and its transformation after the Rana Plaza tragedy. The book contains the history of RMG industry, turmoil during Rana plaza accident, recovery, and the transformation of the RMG industry afterward. A total of 27 depth interviews were conducted for this research. The book analyzed the responses of various stakeholders including buyers, foreign brands, journalists, labor unions, RMG workers, government agencies, press media, witnesses, photojournalists, and victims. IBA has interviewed 36 injured ranging up to 70% of disability according to a list made by Trust for Injured Workers' Medical Care Including Rana Plaza Workers (TIWMC) and the families of two deceased. There were 26 females and 12 males. Other than that, all of them received an average compensation of Tk. 2,84,240. Government, non government organizations (NGOs), Factory owners and other associations helped them with compensation and to get back to normal life as much as possible. They shared their grief and also mentioned that there were more that could have been done for them. It was an expensive learning for the RMG industry.

IBA also has surveyed 500 industry workers at different level using stratified sampling technique from 100 factories. The garment factories were selected from the MiB (Mapped in Bangladesh) database, spread over five major industrial zones around the country: Dhaka, Mymensingh, Narayanganj, Gazipur and Chittagong from where 180, 13, 108, 159 and 40 workers were interviewed respectively. Workers were approached randomly for the survey during their lunch breaks or after their work. Candidates with at least an experience of over 6 months in the RMG industry were selected for the survey. Among these 500 workers, 335 were chosen from BGMEA member factories and others were from non-

BGMEA member factories. Among them 93% of the workers intend on working in the industry for at least a minimum of 5 years. 91.2% of workers mentioned that they receive bonus timely. 94.4% of workers are satisfied with their job. 80% of workers are satisfied with their salary. Around 95% of workers have a neutral to high satisfaction level regarding workplace facilities like toilet sanitation, lunch hour and canteen, pure drinking water, transportation facilities. 94% of workers have not faced any workplace injury. 84.2% of workers feel safe at their workplaces. On an average, 75% of workers receive paid maternity and sick leaves. 69.4% receive fire drill training from their workplaces.

Through the research, we also gathered data where the industry could aspire to bring improvements. The most common reason for the workers wanting to switch from their current jobs, was for a higher salary- 27.3%. Currently, 13.6% of the workers from the sample space is not eligible for bonuses and of those who do receive bonuses, only 54.5% receive it in full. Of the 500 workers we interviewed, 20% are somewhat dissatisfied to very dissatisfied with their income. 30.2% of workers do not have access to any canteen facilities and 87.4% do not receive any form of free refreshments from at their workplace. When it came to on-site medical care, 9.4% were somewhat dissatisfied to very dissatisfied and 11.6% claimed to not have this facility available to them. 35.4% of the total workers interviewed do not have childcare facilities at their workplaces. 71.4% do not have any transportation facility provided from their workplaces. A significant percentage of workers, 39%, did not sign any contract during employment; 23.6% did not receive any experience certificate from their workplaces and 52.2% are not even made aware of their right to receive this certificate from their employers. 32.2% of the workers have not received any formal training at their workplaces and subsequently, 30.6% did not receive any fire-drill training from their factories. Staggering 70.6% of the workers did not receive any



training on their labor rights and 94.6% of the 500 workers are not associated with any labor union. The factories and the concerned trade associations can collaborate to bring down these numbers and in turn, welcome an even brighter future for the RMG industry of Bangladesh and its workers.

The researcher found that Labor Law was amended in 2013 and 2018 and Labor Rules promulgated in 2015 made these more favorable for workers. From 2013 to December 2021, a total of 49 complaints on unfair labor practices were submitted to the Department of Labor. Of all the complaints, 10 have been settled and the hearing is under process for the remaining 39. An interesting finding is that 90 women RMG workers are pursuing higher studies in a multicultural global environment at the Asian University for Women. Their salaries are being paid by their respective entrepreneurs.

The researchers also found that Bangladesh is the home of the highest number of green factories. Currently, the country has 193 LEED Green garments factories certified by the U.S. Green Building Council (USGBC) of which 69 are platinum. 550 more factories are in the process of getting LEED certification. None of the entrepreneurs said that buyers pushed them to establish green factories. They themselves have taken initiatives to establish green factories. The researchers also reported that Danish International Development Agency (DANIDA) supported a 5 year-long research project, CREATE, to investigate the Circular Economy transition in global garment value chains related to Bangladesh's apparel industry. The researchers also found that BGMEA joined the Fashion Industry Charter with an ambition to reduce greenhouse gas (GHG) emissions by 30%, reduce blue water footprint by 50%, ensure gender equity by 100%, and many more. They want to achieve all of these by 2030 under the umbrella of the Sustainable Strategic Vision 2030 for the RMG industry.

The researchers suggest that 10 years after Rana plaza, the RMG industry has made commendable accomplishments, yet more needs to be done to ensure a sustainable ecosystem in the industry. As far as compensation to workplace injuries is concerned, a legal framework to compensate workers is required. The ongoing initiative of the employment injury scheme is expected to drive this long pending agenda to a resolution which must set forth a national employee injury insurance framework across the board with the roles and responsibilities of the insurance authorities clarified. Though much progress has been made to ensure workers empowerment, there are quite a few ongoing issues urging further amendments to BLA and Rules which is currently in progress. More efforts are required to create an enabling environment for social dialogue and create a proper culture of safety. The researcher further suggested that industry safety monitoring and remediation momentum has to continue while a holistic approach is required to ensure befitting administrative and enforcement mechanisms and capacity at the national level and thus reduce external intervention. Transparency and traceability are not only a global urge but this is important to ensure responsible business across global supply chain. Fair and equitable share across the value chain, especially for the downstream, has to be ensured which includes fair price, sustainable trading terms and ethical sourcing practices. Researchers further emphasized on the grievance-handling mechanism, which has been digitized by the government yet further actions are required to reduce the trust gap. Earning the confidence of the critical stakeholders and social partners will be crucial to change the overall industry narrative in the longer term.

The researchers strongly recommend that while pursuing the musts, workers wellbeing i.e. nutrition, health, education and housing have to be paid more attention. Here public private partnerships can play a greater role to ensure a social safety net for the working class. A critical lesson from Rana Plaza is the unity

across the global supply chain which made Accord-Alliance, and national initiative to carry out such a gigantic task of industry safety overhaul possible in just a few years. Such unity and collaboration are required to ensure a proper industrial ecosystem having bigger objectives like reducing audit fatigue and pursuing emerging due diligence requirements. All these require more support, commitment, and partnership from global partners like buyers, development partners, and foreign governments; not through punitive measures but through handholding.

Professor Mohammad A. Momen

Dr. Syed Ferhat Anwar



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