



Inspiring Excellence

INTERNSHIP REPORT

Social Compliance of RMG Sector in Bangladesh

SUBMITTED BY

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MBA PROGRAM

BRAC BUSINESS SCHOOL

BRAC UNIVERSITY

SUBMITTED TO

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BRAC UNIVERSITY

DATE OF SUBMISSION

APRIL 12, 2018



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LETTER OF TRANSMITTAL

Date: 12April, 2018

To

Dr. Salehuddin Ahmed
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Subject: Submission of Internship Report.

Dear Sir,

It gives me great pleasure to submit the internship report on “**Social Compliance of RMG sector in Bangladesh**”. The report consists of the overview of the Current condition of Social Compliance, Activities of Accord & Alliance etc. It’s a great pleasure to let you know that I have tried to make my paper as comprehensive as possible.

I am grateful to you for giving me such an opportunity as well the guidelines that you have invested on me and I appreciate this internship program. I hope that you will cordially receive my internship paper.

Your acceptance of the report will make all the endeavors fruitful.

Thanking You

Mitu Parna Dhar

ID- 1526414
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III

Declaration

I hereby declare that the report entitled, “Social Compliance in RMG sector in Bangladesh” written and submitted by me, Mitu Parna Dhar in the partial fulfillment of the degree of Masters of Business Administration. This is my original work and conclusion drawn are based on the material collected by me.

I also reveal that this work has not been submitted to this or any other university and is prepared for only academic purpose.

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MBA Program

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Acknowledgement

The successful completion of this Internship Report is the result of the contribution from number of people, especially those who have given the effort and their valuable time to share their opinion and suggestions to improve the report. At the very beginning I would like to express my deepest gratitude to Almighty God for giving me the strength and the consistency to finish the task within the scheduled time.

The guideline and preparation of the report was supervised and directed by Dr. Salehuddin Ahmed

Professor, of BRAC Business School, BRAC University. I would like to express my appreciation to him for providing me all the guidance and support that I needed mostly.

I would like to thank,

First of all My Honorable sir Dr. Salehuddin Ahmed for his valuable suggestion, time.

MsParveen Sultana Huda Project Manager of DRFM-B project, CED, BRAC University

MsAfsana Chowdhury, Project Manager of CED, BRAC University.

Mr. Mynul Hasan, Field Coordinator

All members of DRFM-B team for providing me guidance and with proper information that was very much needed in order to successful completion of this report.

Finally, my sincere gratitude goes to my family and friends for supporting me, sharing their thoughts and giving me the moral support during the preparation of this report.

Executive summary

The aim of this report is to focus the area of social compliance of RMG sector in Bangladesh. The Bangladeshi garment sector is a leading garment manufacturing industry in the world that has been growing constantly during the last decades. Along with bringing blessing for the nation, textile and RMG industry also hold the record of experiencing some worst industrial accidents in the country. Taking advantage of poor surveillance of concerned authorities" rules, laws and codes are often violated in construction sector of our country and factory buildings are no exception.

In this report The Compliance authority is committed to the goal of a safe and sustainable Bangladeshi Ready-Made Garment ("RMG") industry in which no worker needs to fear fires, building collapses, or other accidents that could be prevented with reasonable health and safety measures. The signatories to this Agreement agree to establish a fire and building safety program in Bangladesh for a period of five years. The programme will build on the National Action Plan on Fire Safety (NAP), which expressly welcomes the development and implementation by any stakeholder of any other activities that would constitute a meaningful contribution to improving fire safety in Bangladesh. The signatories commit to align this programme and its activities with the NAP and to ensure a close collaboration, including for example by establishing common programme, liaison and advisory structures. This report also cover the activities of Accord Alliance in Bangladesh in RMG factory to ensure the fire and building safety of factory. This report covers the different types of social compliance that should maintain by the RMG factory and accord and alliance activity in Bangladesh.

Table of Contents

CHAPTER 1 - INTRODUCTION	1
Origin of the Report	2
Rational of the Study	2
Scope of the Study	3
Objective of the Study	4
General Objective	4
Specific Objective	4
Methodology of the Study	4
Limitations	5
CHAPTER 2–ORGANIZATION OVERVIEW	6
Centre for Entrepreneurship Development (CED)	7
Vision	7
Mission	7
Goals & Objectives	8
Project Handled By CED	8
Digital RMG Factory Mapping in Bangladesh” (DRFM-B) Project	8
Innovation Workshop on “Business Plan Development” organized	8
Boot Camp Organized for the Aspiring Entrepreneurs	9
CED and ILO Organized Training on “Generate Business Idea”	9
CHAPTER 3–PROJECT OVERVIEW	10
Overview of DRFM-B Project	11
Introduction of DRFM-B	11
Opportunity	12
Strategic partnership	13
CHAPTER 4–Social Compliance in RMG sector	14
Background	15
Overview	15
Benefits	16
For Workers -	16
For Business -	16
For Consumers and Investors -	16
Major Focus Areas	16

1. Compliance with Laws and Workplace Regulations	16
2. Prohibition of Forced Labor	17
3. Prohibition of Child Labor	17
4. Prohibition of Harassment or Abuse.....	18
5. Compensation and Benefits.....	18
6. Hours of Work.....	18
7. Prohibition of Discrimination	18
8. Health and Worker Safety	19
9. Freedom of Association and Collective Bargaining	19
10. Environment.....	19
11. Customs Compliance	20
12. Security	20
13. Fire and Building Safety.....	20
CHAPTER 5– SOCIAL COMPLIANCE AUDIT ACCORD & ALLIANCE	21
Social Compliance Audits	22
What is Accord.....	22
Fundamental Goal of Accord	22
Early warning of fire.....	23
Containing the fire	24
Safe and efficient exiting.....	24
What is Alliance.....	24
Fundamental Goal of Alliance.....	24
Worker Empowerment.....	25
Fire and Building Safety Training of Factory Workers and Management	25
Development and Implementation of a Common Standard for Inspections	26
Inspection- ACCORD Vs ALLIANCE	27
CHAPTER 6–CASE STUDY	29
Case Study 1.....	30
Fire Safety - Fire Protection Construction	30
Fire-resistive Rated Construction Barriers	30
Fire Safety - Fire Protection System.....	30
Fire Alarm System	31
Structural and Building Safety – Accord Standard	31

Case Study 2	32
Fire Safety - Fire Protection Construction	32
Fire Safety - Fire Protection System	32
Fire Alarm System	33
Structural and Building Safety – Accord Standard	33
Case Studies Comparison Chart	34
CHAPTER 7–Research Question	39
CHAPTER 8–Conclusion	42
Conclusion	43
CHAPTER 9 – RECOMMENDATION	44
Recommendations	45
CHAPTER 10 – References	46

CHAPTER 1 - INTRODUCTION

Origin of the Report

As a part of the MBA from BRAC Business School, I have joined in the **CED, BRAC University** under the project of **Digital RMG Factory Mapping in Bangladesh (DRFM-B)** as an intern. Therefore as a part of my internship I have selected my research topics titled as **–Social Compliance of RMG Sector in Bangladesh–**. Specifically to illustrate **Fire and Building Safety**(Maintained by Accord) and **Worker Safety**(Maintained by Alliance) compliance in readymade garments sectors of Bangladesh.

Rational of the Study

The readymade garment (RMG) industry of Bangladesh commenced its journey in the late 1970s and within a short period of time emerged as an important player in the economy in terms of export earnings, employment generation and poverty alleviation and empowering of women. Bangladesh exports its RMG products mainly to the United States of America (USA) and the European Union (EU). Garments exports from Bangladesh have been growing at an impressive rate in recent years. In 2007-08 alone, the garment export earned, a record level of US\$10.7 billion in 2007-08. Moreover, it accounts for over 75 percent of the country's total export earnings, provides employment almost 5 million people, accounts for over 10 percent of the country's GDP, and contributes around 40% of its manufacturing output. The prospects of RMG sector, however, in Bangladesh not only depends on availability of cheap labor and government's liberal policy but also depends on compliance with codes of conduct.



Fig 1: RMG factory in Bangladesh



The Bangladeshi Garment sector is a leading garments manufacturing industry in the world that has been growing constantly during the last decades. Today garments sector represents 80% of the national export. These number describe the sector as the most leading manufacturing industry in Bangladesh. Despite of this I want to explore of both Opportunities and Challenges regarding Social Compliance of RMG Factories in Bangladesh.

Scope of the Study

The scope of the study is to understand the current status quo of the working conditions in the garment sector and to identify the major factors that influence, impact. As a student of BRAC University MBA Program, it is very much necessary for me to know about the formal process of Compliance.

Objective of the Study

General Objective

Focusing on the overall Social Compliance specifically **Fire and Building Safety** (maintained by Accord) and **Worker Safety**(maintained by Alliance) of RMG factory in Bangladesh.

Specific Objective

- To provide an overview of the present social compliance situation in the garment Factories in Dhaka city.
- To illustrates **Fire and Building Safety** and **Worker Safety** compliance in readymade garments sectors of Bangladesh.
- To find out the acceptability of compliance provisions among the existing Employee group.
- To find out the problems and prospects of compliance in garment industry

Methodology of the Study

Both primary and secondary data are used in this report.

Primary Sources

- Collect data or information directly from the officials.
- Interview survey carefully designed and conducted to evaluate the technical Compliance performance of garment industry.

Secondary Sources

- Consulting official documents of garment industries
- Internet
- Industry manuals,

Limitations

- Due to the company's limitations, unable to acquire sufficient information. (Business secrecy and confidentiality);
- Personal barriers like inability to understand some official terms;
- Time was also a limitation. Gathering a huge amount of information during working for only three months was really a difficult job.

CHAPTER 2—ORGANIZATION OVERVIEW

Centre for Entrepreneurship Development (CED)

Centre for Entrepreneurship Development (CED) started its journey in April 2011 with the view to encourage Bangladeshi entrepreneurs and engender entrepreneurial knowledge and skill so that they can develop and grow their own businesses. **CED** provides a platform for new, small and medium – scale enterprise through skills acquisition activities for the development and management of the enterprise. To understand the enterprise better **CED** emphasizes on research that will contribute to entrepreneurial development in Bangladesh, advance education and skill acquisition along this line, and popularize the idea of entrepreneurship. Entrepreneurship plays an essential role in ensuring a strong resource for economic development and it is the key to high growth of economy in a country. It is also considered as the root of our economy. With a growing economy like Bangladesh, having an increasing youth population, entrepreneurs will be a key driving force to meet the needs of the industry and economy. It has the ability to foster growth and alleviate poverty. One of the major problems of entrepreneurship development in our country is the absence of the entrepreneurial skills in majority of the entrepreneurs. In line with this, BRAC University, first time in Bangladesh, came-up with an idea to establish a center for entrepreneurship development with a commitment to contribute to the development of entrepreneurship in Bangladesh.

Vision

To make significant contribution in creating an inclusive entrepreneurial ecosystem in Bangladesh. A commitment to contributing to the qualitative improvement of entrepreneurship in Bangladesh with the view to accelerate business and thereby socio-economic development.

Mission

- To inspire, devise, nurture, develop, and elevate entrepreneurship through innovation, institutional capacity, and leadership
- Unlocking the potential of young entrepreneurs in Bangladesh
- Visibly impacting Bangladeshi entrepreneurs and setting them on the path to sustainability

Goals & Objectives

The goal and objective of CED is to encourage entrepreneurship and engender entrepreneurial knowledge and skills by “helping people help themselves” through innovation, capacity development and leadership.

The key/major functions of CED are as follows:

- Promoting the idea of entrepreneurship in Bangladesh.
- Help build capabilities of our entrepreneurs.
- Address the knowledge gap and skill shortcomings that prevent entrepreneurs (in various sectors) from growing their business and run them effectively.
- Develop academic curricula and introduce courses targeting entrepreneurs and students, who wish to pursue an entrepreneurial path.
- Engage and collaborate with organization which may include educational institutions for improving the entrepreneurial ventures of local and foreign entrepreneurs.
- Run International exchange programs, industry specific seminars.
- Act as project implementer for international donors and agencies.
- Research on the various aspect of entrepreneurship development.

Project Handled By CED

Digital RMG Factory Mapping in Bangladesh” (DRFM-B) Project

Bangladesh to Lead in Garment Industry Transparency, new mapping project that discloses location and data on garment factories operating in Bangladesh signals push for transformative industry change.

Innovation Workshop on “Business Plan Development” organized

Centre for Entrepreneurship Development (CED), BRAC University (BRACU) organized a day-long workshop on “Business Plan Development” as a part of the “CED Entrepreneurs‘ Den” program on 29 September 2016 at the Business Incubation Centre (BIC) of BRACU. The program is funded by the sub-project titled “Establishing a Business Incubation Centre for Graduate Students” under the Higher Education Quality

Enhancement Project (HEQEP) by the Government of Bangladesh. The workshop aimed at providing necessary support for developing the business plans/ideas submitted by the BRACU students who intend to become successful entrepreneurs.

Boot Camp Organized for the Aspiring Entrepreneurs

CED-BRACU has taken an initiative to encourage entrepreneurship among the students of BRAC University for developing their potentials through a package of entrepreneurship development program titled –CED Entrepreneurs‘ Den”, which is open for all registered students and alumni of BRAC University to participate. The program is intended to simulate the real world situations where entrepreneurs have to organize and develop their business ideas through innovation workshop, boot camp, business plan development to market their visions, create a strategy for executing plans, and deal with rejections; finally, by participating to the Business Plan Competition (Round 3, 2015-16). In accordance to this, a 3-day –Boot Camp” under –CED Entrepreneurs‘ Den” was organized during 1-3 September 2016 with day-long sessions.

CED and ILO Organized Training on “Generate Business Idea”

Centre for Entrepreneurship Development (CED), BRAC University (BRACU) and International Labor Organization (ILO) jointly organized a 3-day training titled –Generate Your Business Idea” (GYB) as a part of the –Start and Improve Your Business (SIYB) Programme” under the –Bangladesh Skills for Employment and Productivity” (B-SEP) project being implemented by the Government of Bangladesh and ILO. The training was organized during 19-21 May 2016 at CED premises in BRAC University with the aim to provide the aspiring Bangladeshi youths and/or potential entrepreneurs.

CHAPTER 3—PROJECT OVERVIEW

Overview of DRFM-B Project

Introduction of DRFM-B

DRFM-B is aimed at mapping of the ready-made garment (RMG) factories in Bangladesh. According to the nation's "Digital Bangladesh Vision 2021", the Bangladeshi RMG sector also needs to align itself to the mandated digitization of every sector.

The goal of DRFM-B is to provide industry stakeholders with real-time, credible RMG factory data through an interactive online platform (like Google Maps). The project will also work to enable greater accountability, transparency in supply chains, and enhancing confidence in the ability of the sector to contribute to equitable development in Bangladesh.

The project will be implemented by BRAC University's Centre for Entrepreneurship Development (CED), and coordinated by BRAC USA, and with C&A Foundation as the lead funder with potential additional co-funding. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) is the strategic partner of this project.

The DRFM-B project builds on the initial pilot conducted in 2015 which mapped two clusters (Mirpur and Kaliakair). With the pilot data, BRAC University developed a prototype map (similar to the Google Map) on a global platform consisting of various factory information. Three (3) workshop with different sector stakeholders were also organized to showcase the map and to obtain feedback from the key stakeholders.

With the success of the pilot project, DRFM-B would like to broaden the project beyond the pilot phase. At present, DRFM-B will cover the entire garment industry, i.e. to find out the actual number of factories as well as workers involved in this sector.

DRFM-B would cover various factory information like factory name/address/GPS location, operational status of factories (active/inactive/shut down, etc.), registration status (member of BGMEA/BKMEA/EPB), type of production, factory building structure, number of workers, zone/countries where products are exported, major buyers/brands working with a particular factory, distance of the nearest hospitals and fire service stations, information on Workers Participatory Committee (WPC) and Safety Committee, affiliation with and information on

having trade unions, and certifications [National Action Plan (NAP), Accord, Alliance, ISO, OEKO-TEX, LEED, WRAP, SEDEX, etc.]

The factory data and the developed map are expected to create credibility and accountability in the sector with a shared value and responsibility approach for all sector stakeholders. This will help clear out the debates and misconceptions about the sector.

BRAC University hopes that through this project, the world will be more aware of the genuine progresses made by the Bangladeshi apparel producers in bringing more transparency to this vital export earning sector, and respectability in the global community. Thus, with the enhanced credibility of the sector, we will be able to lead the sector towards the BGMEA's envisioned \$50 billion industry and the government's mandated "Digital Bangladesh".

Update as January 2018

- DRFM-B has officially on-boarded its key technical service provider, Source mapInc to design the project's database and online mapping platform.
- Strategic partnership with the Bangladesh Garment Manufacturers and Export Association (BGMEA) and the Department of inspection for Factories and Establishments (DIFE) have become more refined. These partnership will ensure necessary legislative support as enumerator visit every factory in the country.
- Maintaining a collective action approach, the project held its first multi-stakeholder Project Advisory Committee meeting.
- External baseline consultants are in the final stages of producing a report on what other RMG databases currently exist in the RMG sector in Bangladesh.

Opportunity

Bangladesh is experiencing an unparalleled period of development, with its GDP growing at an average of six percent annually. The RMG sector itself is growing at an average of seven percent per year, becoming the world's second largest garment exporter. Valued at \$25 billion, the garment industry comprises nearly 80% of the country's total exports, supports the livelihoods of about four million garment workers, and is two-thirds of the labor force, 85% of whom are women from rural areas.

By using DRFM-B's mapping platform, brands and buyers can increase their vigilance and understanding within the sector through periodic monitoring and updates from their suppliers. The data on the platform can also generate reports which can be used to augment internal business audits and ultimately mitigate high risks in supply chains. Brands and buyer can become more adept at tracking where their labels are produced and have the ability to make more informed business decisions. The platform can also inform parallel chain of other brands, buyer, suppliers, sub-contractor and proactively provides insights into new business or investment opportunities. DRFM-B can also serve as a useful directory tool when strategizing with which factories to work.

Factory owner can gain access to a free, globally accessible tool to features their work. Owners can highlight the specialized product of their factories, key features, including international certificates and promote their best practices to gain new business in a competitive sector. At the same time, factory owner can improve their business models by building greater relationships within other tiers of their own supply chains. Private financiers can also use the platform to develop context specific financial products for employees or strategize where their branches and ATM should be located.

Strategic partnership

DRFM-B is cultivating strategic partnership with key public and private governance bodies in Bangladesh's garment sector to collect information from factory owners with greater efficiency and ease. Partners play a role in DRFM-B's Project Advisory Committee, share feedback on the factory survey questionnaire, provide authorization documents for factory entry, and provide personnel who will directly support the project's field survey staff. DRFM-B has also importantly gained the support of the Department of Inspection for Factories and Establishment (DIFE), a department under the Ministry of Labor and Employment and is in the process of drafting. DIFE is normalizing and facilitating the development of a safety and healthy work culture, while improving working condition and ensuring dignified work opportunities.

CHAPTER 4–Social Compliance in RMG sector

Background

Social Compliance / Social Accountability is an important parameter in international business today and specially in RMG sector, buyers from major global markets, are increasingly insisting on adherence to social compliance norms to ensure the organization's verifiable commitment to certain factors such as

- Willing compliance with employment, health and hygiene, safety, and environment laws,
- Respect for basic civil & human rights, and
- Betterment of community and surroundings.

Social Compliance is the result of conformance to the rules of social accountability by the extended organization including not only the organization's own policies and practices but also those of its supply and distribution chains. It is a continuing process in which the involved parties keep on looking for better ways to protect the health, safety, and fundamental rights of their employees, and to protect and enhance the community and environment in which they operate.

Overview

Whether it is large or small manufacturer, a traditional retailer or a supplier/sub-contractor – social accountability is the order of the day. Increasingly, the public and more importantly your consumer has become sensitive to how _business houses' demonstrate accountability for social compliance along their supply chain. Almost all buyers located in US & Europe are looking for social compliance because this again their local statutory and regulatory requirement. Walmart, K mart, Disney, JC Penny are some famous & big groups that want to ensure social compliance before placing any order.

Benefits

For Workers -

- Enhanced opportunities to organize trade unions and bargain collectively.
- A tool to educate workers about core labor rights.
- An opportunity to work directly with business on labor rights issues.
- A way to generate public awareness of companies committed to assuring humane working conditions.

For Business -

- Drives company values into action.
- Enhances company and brand reputation.
- Improves employee recruitment, retention and productivity.
- Supports better supply chain management and performance.

For Consumers and Investors -

- Clear and credible assurance for ethical purchasing decisions.
- Identification of ethically made products and companies committed to ethical sourcing.
- Broad coverage of product categories and production geography.

Major Focus Areas

1. Compliance with Laws and Workplace Regulations

Facilities will comply with laws and regulations in all locations where they conduct business.

All facilities will comply with the legal requirements and standards of their industry under the local and national laws of the jurisdictions in which the facilities are doing business, along with any applicable international laws. This will cover all labor and employment laws of those jurisdictions, as well as laws governing the conduct of business in general, including rules and standards of ethics dealing with corruption and transparency, and any relevant environmental laws.

2. Prohibition of Forced Labor

Facilities will not use involuntary, forced or trafficked labor.

Facilities will maintain employment strictly on a voluntary basis. Facilities will not use any forced, prison, indentured, bonded or trafficked labor. This will include ensuring that any workers they hire will be under labor contracts that fully comply with all relevant legal requirements and do not impose any form of coercion (including imposing substantial fines or loss of residency papers by workers leaving employment or restricting a worker's ability to voluntarily end his/her employment). In addition, when hiring workers through an employment broker or agency, facilities will ensure that the workers' passports are not withheld, all written contracts are in the native language of the workers, and recruitment fees are not borne by the workers themselves.

3. Prohibition of Child Labor

Facilities will not hire any employee under the age of 14 or under the minimum age established by law for employment, whichever is greater, or any employee whose employment would interfere with compulsory schooling.

Facilities will ensure they do not engage in any form of child labor, including, but not limited to, the internationally recognized worst forms of child labor. Facilities may not employ any person at an age younger than the law of the jurisdiction allows and in any case not below the age of 14, even if permitted by local law. In addition, facilities will adhere to local legal requirements regarding mandatory schooling. Further, if, where permitted by local law, a facility employs young workers (defined as workers whose age is between the minimum age of employment and 18 years), the facility will also comply with any applicable legal restrictions on the nature and volume of work performed by such young workers, as well as any other requirements imposed by law, including ensuring that such young workers do not perform any hazardous work (e.g., chemical handling or operating heavy machinery).

4. Prohibition of Harassment or Abuse

Facilities will provide a work environment free of supervisory or co-worker harassment or abuse, and free of corporal punishment in any form.

Facilities will ensure a workplace that is respectful of a worker's rights and dignity. This includes ensuring that no corporal punishment or physical coercion be used. Facilities will not engage in or tolerate sexual harassment, indecent or threatening gestures, abusive tone or language or any other kind of undesired physical or verbal contact, such as bullying. In particular, facilities will ensure proper training at all levels - including management, supervisors and workers - to secure a workplace free of harassment or abuse.

5. Compensation and Benefits

Facilities will pay at least the minimum total compensation required by local law, including all mandated wages, allowances & benefits.

Facilities will ensure proper compensation for their employees for all the work done, by providing in a timely manner all the wages and benefits that are in compliance with the local and national laws of the jurisdiction in which they are located. This will include any premiums for overtime work or work done during holidays, as well as any other allowances or benefits, including any mandatory social insurance, required by local law.

6. Hours of Work

Hours worked each day, and days worked each week, should not exceed the limitations of the country's law. Facilities will provide at least one day off in every seven-day period, except as required to meet urgent business needs.

Facilities are required by local law to adhere to any limits set on regular working hours as well as any limits set on overtime work. Long term participation is contingent upon meeting the limitations set by local law.

7. Prohibition of Discrimination

Facilities will employ, pay, promote, and terminate workers on the basis of their ability to do the job, rather than on the basis of personal characteristics or beliefs.

Facilities will ensure that all terms and conditions of employment are based on an individual's ability to do the job, and not on the basis of any personal characteristics or beliefs. Facilities will ensure that any employment decision - involving hiring, firing, assigning work, paying or promoting - is made without discriminating against the employees on the basis of race, color, national origin, gender, sexual orientation, religion, disability, or other similar factors (pregnancy, political opinion or affiliation, social status, etc.).

8. Health and Worker Safety

Facilities will provide a safe and healthy work environment. Where residential housing is provided for workers, facilities will provide safe and healthy housing.

Facilities will provide a safe, clean, healthy and productive workplace for their employees. Facilities shall prioritize worker health and safety above all else, and proactively address any safety issues that could arise. This will include a wide variety of requirements, such as, ensuring, among other things, the availability of clean drinking water (at no charge to workers), adequate medical resources, fire exits and safety equipment, well-lighted and comfortable workstations, clean restrooms. Further, facilities shall adequately train all their workers on how to perform their jobs safely.

9. Freedom of Association and Collective Bargaining

Facilities will recognize and respect the right of employees to exercise their lawful rights of free association and collective bargaining.

Facilities will respect the freedom of each employee to choose for him- or her-self whether or not to join a workers' association. Facilities cannot discriminate against workers based on whether or not they choose to associate. Both the facility and the workers shall ensure they conduct themselves in accordance with all relevant laws in this regard. Facilities will ensure an effective mechanism is in place to address any workplace grievances.

10. Environment

Facilities will comply with environmental rules, regulations and standards applicable to their operations, and will observe environmentally conscious practices in all locations where they operate.

Facilities will ensure compliance with all applicable legally mandated environmental standards, and should demonstrate a commitment to protecting the environment by actively monitoring their environmental practices. In particular, facilities will ensure proper waste management, including monitoring the disposal of any waste material - whether solid, liquid or gaseous - to ensure such disposal is done safely and in a manner consistent with all relevant laws.

11. Customs Compliance

Facilities will comply with applicable customs laws, and in particular, will establish and maintain programs to comply with customs laws regarding illegal transshipment of finished products. Facilities will ensure that all merchandise is accurately marked or labeled in compliance with all applicable laws. In addition, facilities will keep records for all materials and orders, as well as maintain detailed production records.

12. Security

Facilities will maintain facility security procedures to guard against the introduction of non-manifested cargo into outbound shipments (i.e. drugs, explosives biohazards and/or other contraband).

Facilities will ensure adequate controls are in place to safeguard against introduction of any non-manifested cargo.

13. Fire and Building Safety

Facilities will maintain fire and building safety security procedures to guard against the introduction of unwanted accidental fire situations (i.e. fire explosion, and other).

Facilities will ensure adequate controls are in place to safeguard against introduction of any accidental fire case.

**CHAPTER 5—
SOCIAL COMPLIANCE AUDIT
ACCORD & ALLIANCE**

Social Compliance Audits

There are many local and international social compliance audits currently covers the whole RMG sector. But mainly two big ‘safety assurance programs’ has been taken by seeing two streams divided among Europe based and America based brands. EU based buyers’ forum has taken an integrated program incorporating labor union representatives, trade bodies, government and donor agencies and declared the program as ‘**Accord**’ with a clear commitment to improve the industries fire & building safety conditions. On the other hand another group of retailers lead by Walmart & Gap under the supervision of US government formed the program as ‘**Alliance**’ with a clear commitment to ensure worker safety.

Both ‘**Accord**’ and ‘**Alliance**’ on **Fire, Building Safety and Worker Safety** to coordinate their efforts to help improve safety in Bangladesh’s current RMG factories which supply big brands to European and American market.

What is Accord

The Accord is a binding agreement between companies and unions, governed jointly. Worker representation is essential if the effort to protect workers is to succeed. Under the Accord, all unsafe factories will be renovated and repaired with brands guaranteeing funds will be available for the necessary safety upgrade. The bottom line is factory safety in Accord and brands and retailers will pay what it takes to make all factories safe. Under the Accord, the right of workers to refuse dangerous work, including the right to refuse to enter a dangerous building, is protected. All reports of factory inspections will be made available to worker representatives and they will be notified right away of any imminent safety threats. All factory reports will be made public in a timely fashion and there is on-going public reporting on whether factories are being renovated as agreed.

Fundamental Goal of Accord

Fire safety and protection is a fundamental Accord goal. The Accord is primarily concerned with the life safety aspects of fire protection. The keys to fire life safety are:

- Fire prevention

- Early warning of the fire
- Containment of the fire
- Safe exits.

This manual addresses all of these aspects except fire prevention which is addressed in a separate document. This manual also deals only with existing buildings. The Accord has some different requirements for new construction, as there are different options available for achieving safety in a newly constructed building.

Early warning of fire

It is achieved through automatic fire alarm systems. Automatic fire alarm systems are required in all garment factories. Fire alarms can be initiated automatically by smoke detectors or heat detectors, or manually by pull stations. The alarm then sounds by means of bells or horns in order to notify the occupants to evacuate the building.



Fig 2: Accord safety committee Training

Containing the fire

It is achieved by creating fire compartments using fire resistant walls and floors. Fire barriers are required from floor to floor in multi-story buildings, around certain rooms within the building, and to enclose exit stairwells. Sprinkler systems serve two functions: detecting the fire for immediate evacuation; and containing the fire at its source.

Safe and efficient exiting

It is accomplished by providing necessary exits (at least two), and ensuring that the exits remain free of smoke and fire by requiring fire barriers around the exit stairs. Locks are not permitted on exits.

What is Alliance

The Alliance for Bangladesh Worker Safety, also known as "the Alliance" or **AFBWS**, is a group of 28 major global retailers formed to develop and launch the Bangladesh Worker Safety Initiative, a binding, five-year undertaking with the intent of improving safety in Bangladeshi ready-made garment (RMG) factories after the 2013 Rana Plaza building collapse. Collectively, Alliance members represent the majority of North American imports of ready-made garments from Bangladesh, produced in more than 700 factories.

Fundamental Goal of Alliance

A primary goal of the alliance is the engagement of and partnership with the Bangladeshi and U.S. governments, as well as with the factory owners to ensure that there is accountability among all parties and thus the opportunity for sustained and lasting change in Bangladesh.

Main vision is that the Alliance will substantially improve worker safety in the ready-made-garment (RMG) industry by upgrading factories, educating workers and management, empowering workers, and building institutions that can enforce and maintain safe working conditions throughout Bangladesh. We work to achieve this vision through the implementation of initiatives in five strategic pillars:

- Standards & Inspections
- Remediation
- Worker Empowerment
- Training
- Sustainability

Worker Empowerment

Using mobile technology providers and consultations with factory workers themselves, the Alliance will conduct a baseline survey of factory workers and use the findings to create a uniform, effective, and anonymous “hotline” as a means for reporting any safety concerns without fear of retaliation.

The Alliance also will develop a process for validation and accountability to ensure true empowerment of the work force at every Member factory. Worker Participation Committees (“WPCs”) will be created at every Alliance Member factory, in which workers will elect their own members, subject to applicable Bangladeshi law. Each WPC will be made up of no less than 50 percent of workers. Third-party trainers will provide the information and education so that these WPCs can become the voice for worker concerns about safety with factory management.

Fire and Building Safety Training of Factory Workers and Management

Alliance will appoint a Training Committee or Task Force to draw from “best practices” and recognized protocols of fire and building safety training programs, and develop a uniform set of fire and building safety educational standards and a curriculum.

Once the standards and curriculum are reviewed and approved by the Alliance Board of Directors, they will be shared with, and available to, other groups and organizations focused on worker safety, including through the Fair Factories Clearinghouse. Third-party training organizations will be selected to provide training for factory workers, supervisors and management.



Fig 3: Alliance training

A factory that fails an Alliance inspection will be required to receive the approved Alliance training program within 30 days. Also, Alliance members have pledged to work only with factories that ensure a safe working environment, and have committed to refusing to source from any factory that the member finds is unsafe.

Development and Implementation of a Common Standard for Inspections

Committee of Experts in fire and building safety approved by the Alliance Board of Directors will be convened to develop and implement the Alliance Fire and Building Safety Standards as well as the inspection process.

The Committee of Experts in fire and building safety will be comprised of recognized and credentialed authorities in fire and building structural safety, and will be responsible for:

- Approving qualified inspectors to carry out factory inspections and develop remediation plans;
- Establishing at-risk criteria for factories that Members will use to classify factories in their supply chains so that inspections of factories on the comprehensive Alliance Member list can be prioritized accordingly;
- Conducting spot audits of remediation efforts to ensure corrective actions at factories rated as “not compliant” are being properly carried out; and

- Auditing and validating inspection reports completed by Alliance Members prior to the adoption of the Alliance Fire and Building Safety Standards.

Inspection- ACCORD Vs ALLIANCE

Factories implement their CAPs with assistance from Accord and/or Alliance staff, engineers, and consultants. Accord and Alliance staff conduct numerous visits to monitor and verify factories' corrective actions. After a factory has addressed all concerns noted in its CAP, a third party conducts a final inspection. Between the Accord and the Alliance there are 2,156 factories currently in the process of implementing their CAPs. (The two initiatives have yet to approve some factories' CAPs following their initial inspections.) The Alliance reports that 75.2 percent of the safety issues identified at these factories have been remedied as of April 2017,¹⁷ while the Accord states that 75 percent have been "reported or verified as fixed" as of February 2017.¹⁸ The majority of safety issues reported fixed are electrical problems. Fire issues constitute the second-most remedied category. Efforts to remediate structural issues—the type of safety problem that led to the Rana Plaza collapse—lag considerably. Many factories are critically behind their timeframes for fixing structural, fire, and electrical issues. The Accord reports that 94 percent of factories are behind schedule in addressing their CAPs, while the Alliance lists 35 percent. Some factories lack a CAP entirely, including 152 factories under the Accord. Other factories have fallen so far behind in implementing their CAPs that they have been suspended or terminated from the Accord and or the Alliance.²² When brands terminate their business relationships with factories because of egregious issues or remediation delays, they lose their leverage to improve safety conditions for workers. In doing so, they are likely to leave these workers in a highly vulnerable, risky work environment, where remedial actions are not likely to be pursued.

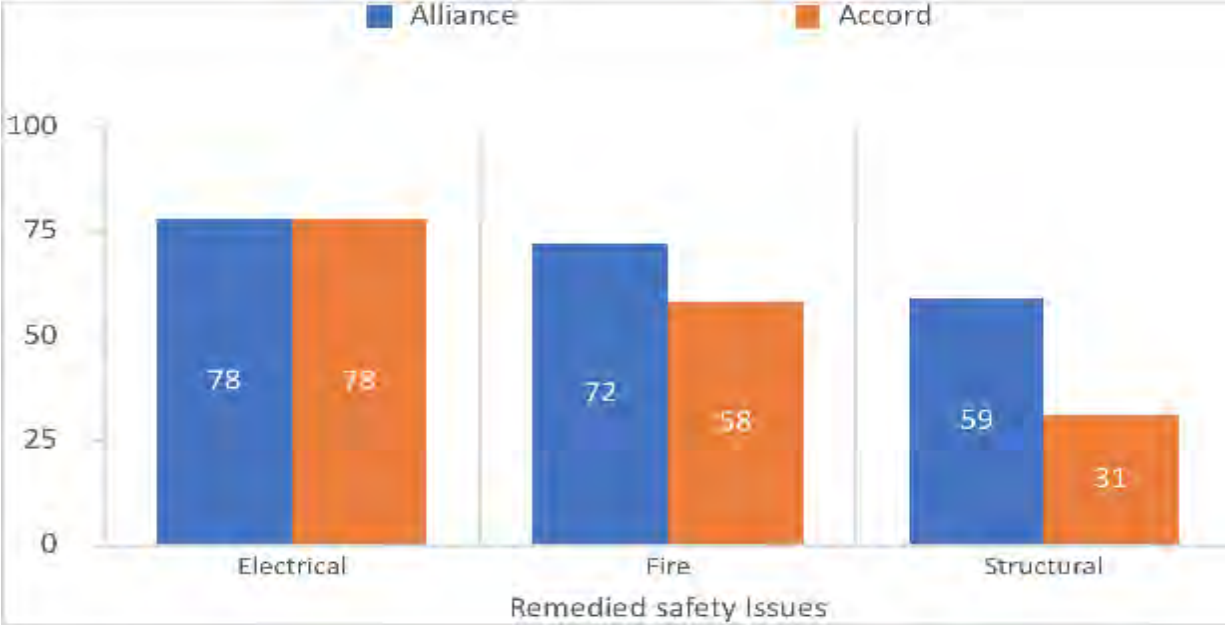


Figure 2: Percentage of remedied factory safety issues

CHAPTER 6—CASE STUDY

Case Study 1

Factory Name	- YKK BANGLADESH PTE LTD
Factory Address	- Plot # 6-16, DEPZ (Ext. Area), Ashulia, Savar Dhaka Bangladesh
Total No of Employees	- 1,249

Fire Safety - Fire Protection Construction

YKK Bangladesh provides fire-resistive rated opening or penetration protection for rated walls and assemblies in accordance with **Alliance Standard**. More to add, openings and penetrations through rated walls and/or assemblies are protected.

Fire-resistive Rated Construction Barriers

There are separations between hazards provided with fire-resistive rated construction barriers. YKK facilitates Fire resistive rated construction barriers (with associated opening protection) between hazard types in accordance with **Accord**.

Fire Safety - Fire Protection System

Standpipe System – Accord Standard

In YKK Bangladesh, the building have a Standpipe System. The existing Standpipe System with a Class III Standpipe System at required locations in the facility is in accordance with NFPA 14 priority set by Accord Standard.

The factory is provided with fire pumps in 3 different locations. A diesel operated fire pump is located in Pump House-1, having a capacity of 520 gpm at 20 bars along with a jockey pump, and that is dedicated to the Combined Systems (Sprinkler/Standpipe) for the new warehouse (Raw Material). No electrically driven pump is available in this pump house. In another location, an electrically driven fire pump, a diesel operated standby pump, and a jockey pump were noticed in Pump House-2 having a capacity of 750 gpm at 18 bars, and that is serving the ancillary structures of the complex. Three sets of booster pumps, each provided with twin pumps running

parallel, and having a capacity of 78 gpm to 182 gpm at 9 bars are installed on the top of a 5 lac liters capacity ground water tank, to provide water supply to the main factory buildings.

Fire Alarm System

Notification Device – Accord Standard

Notification and initiation devices for the fire alarm system are installed in the facility. Pull Stations by the side of the exits are also provided for safety.

Sprinkler System – Alliance Standard

YKK building protected by an automatic sprinkler system. YKK has a combined sprinkler system installed in their new warehouse (Raw Material) building.

Adding more precaution of fire system safety, all valves controlling the automatic sprinkler systems are electrically supervised by a listed fire alarm system control unit at YKK Bangladesh.

Fire department connections are well facilitated and clearly identified for the Fire Protection Systems.

Structural and Building Safety – Accord Standard

- YKK's structural system is free of distress, separations, or cracking that indicates lack of performance or overstress of the lateral load-carrying system.
- The building's structural steel members free of corrosion, physical damage or other types of deterioration.
- The building is also free of active signs of water intrusion or ponding due to lack of performance of the facade system.

Case Study 2

Factory Name	Ananta Apparel's Ltd
Factory Address	Plot No -246-249, Adamjee EPZ, Siddhirganj, Narayanganj Dhaka Bangladesh
Total No of Employees	1,249
Building in Complex	There are 3 Buildings, one main and two ancillary buildings. 1) Main factory building; 2) Guard room; 3) Pump room.

Fire Safety - Fire Protection Construction

Ananta Apparel's provides fire-resistive rated opening or penetration protection for rated walls and assemblies in accordance with **Alliance Standard**.

Floors are not separated with fire resistive rated barriers due to lift core penetrations from the ground floor to the 5th floor.

Fire Safety - Fire Protection System

Fire-Resistive Rated Construction – Alliance Standard

Provide fire-resistive rated construction barriers between floors in accordance with Alliance Standard.

Sprinkler System – Alliance Standard

The building height of Ananta Apparel's Ltd. is 32.5 m (106.62 ft) which is occupied by floor height of 28.5m (93.5ft), a sprinkler system and a sandpipe system is not installed properly which is required in accordance with the Alliance Standard. Accord suggested to prepare a drawing for the automatic sprinkler system with hydraulic calculation and submit to Alliance for review.

Fire Alarm System

Notification Device – Accord Standard

Central Fire Alarm Control Panel was not found in the factory premises of Ananta Apparel's Ltd.

Suggested Plan of Action given by Accord is to install an automatic fire alarm and detection system for the facility. System shall comply with the Accord Standard and NFPA 72. Consult a qualified fire protection engineer and/or authorized fire alarm Company to design and install the system.

Monitoring Service – Alliance Standard

Fire alarm and detection system is planned to be monitored by a central station monitoring service. The design is already completed for the fire alarm and detection system and it has been submitted to the Alliance for approval. Fire department connections are well facilitated and clearly identified for the Fire Protection Systems. Arrange for direct connection of the system to a central station monitoring service or the Fire Service and Civil Defense as per Alliance standard part 5 Section 5.7.5 Monitoring.

Structural and Building Safety – Accord Standard

The Main Factory Building is a cast in place reinforced concrete structure. The typical structural floor framing system consists of monolithic RC flat slab (8" thick) with drop panels at columns. The building lateral force resisting system for wind and seismic loads appears to be a periphery beam and shear wall system. In the building an expansion joint is also provided. Foundation system consists of Pile Foundation as per Accord standard

- All non-structural elements suspended from, attached to, or resting atop the structure adequately anchored and braced to resist earthquake forces.
- Expansion joints provided at appropriate intervals on the exterior façade
- There is not a program in place to ensure that the live loads for which a floor or roof is or has been designed will not be exceeded

Case Studies Comparison Chart

		YKK Bangladesh		Ananta Apparels	
Compliance Area	Compliance Factor	Compliance Level	Standard	Compliance Level	Standard
<i>Fire Safety</i>	fire-resistive rated opening or penetration protection	High	Alliance	High	Alliance
	fire-resistive rated construction barriers	Low	Accord	High	Alliance
	Standpipe System	High	Accord	Low	Alliance
	fire pumps	High	Accord	High	Alliance
	fire alarm system	High	Accord	Low	Accord
	automatic sprinkler system	High	Alliance	Low	Alliance

		YKK Bangladesh		Ananta Apparels	
	controlling the automatic sprinkler systems	Medium	Alliance	Low	Alliance
	Fire department connections	Medium	Alliance	High	Alliance
<i>Building Safety</i>	distress, separations, or cracking	High	Accord	High	Accord
	Free of corrosion, physical damage or other types of deterioration.	Medium	Accord	Medium	Accord
	resist earthquake	Medium	Accord	Low	Accord

	YKK Bangladesh		Ananta Apparels	
forces				
active signs of water intrusion	Low	Accord	High	Accord
Load plans	Medium	Accord	Low	Accord
structural design documents	High	Accord	High	Accord

SWOT Analysis of DRFM-B project

<p style="text-align: center;"><u>Strength</u></p> <ul style="list-style-type: none"> ➤ DRFM-B is closely aligned with the vision of digital Bangladesh by the current Government. ➤ Strategic partnership with BGMEA & also for further discussion going on with BKMEA. ➤ Endorsement by DIFE for this project & discussion with BKMEA. 	<p style="text-align: center;"><u>Weakness</u></p> <ul style="list-style-type: none"> ➤ RMG sector was not transparent before. After Rana Plaza and Tazrin fire, factories have become afraid of transparency. ➤ No Secondary information complete or not up to date that's why we are having to spend lot of money on collecting primary data. So this project expensive and time consuming.
<p style="text-align: center;"><u>Opportunity</u></p> <ul style="list-style-type: none"> ➤ Various party of govt. – BGMEA, BKMEA want to see as transparent database of this important sector in Bangladesh. ➤ Field forces are getting cooperative because of the reputation of BRAC University & BRAC NGO. 	<p style="text-align: center;"><u>Threat</u></p> <ul style="list-style-type: none"> ➤ Factory Management still not willing to cooperate with this project, so might never able to get a complete picture of this sector. ➤ This sector is complex and fragmented. That's why its hard to get full clarity in one map. ➤ Might be a lot of criticism from other Research Institutions regarding our research methodology.

CHAPTER 7—Research Question

Research Question

As support to the research question the following sub-questions have been identified:

1. What are the major actors, their role, power, interests, relationships and capacity, which influences the negotiation regarding the working conditions in the Bangladeshi Garment Industry?

It is fundamental to understand what actors are involved in the decision making process from the government to unions and from international brands to international Working conditions in the Bangladeshi garment sector: Social dialogue and compliance 14 NGOs. The analysis aims to understand the role of such actors, their power, interests, relationships between them, and the capacity of each actors and attitude towards collaboration. The answer to this question would help understanding the distribution of the bargaining power between the different actors and analyse each actor power in the negotiation process.

2. What is the structure of unions and how do they influence the working conditions?

The bargaining power of workers critically depends on the strength of unions; fragmented unions tend to be both weak and inefficient, thus failing to guarantee proper protection of workers' rights. Therefore a deep analysis on union's structure would contribute in learning about how they position themselves in defense of workers in negotiation tables. Unions are a special focus of the research because FWF and CCC stressed their weaknesses and how their lack of power influences negatively labors conditions. The analysis will help to understand the weaknesses and strength of unions and design potential improvement policies.

3. How are working conditions regulated and enforced by national government?

Learning about the regulations, which define the wage setting, would contribute in building a solid framework that would help in understanding the context in which decisions are taken. Moreover it may help in identifying weaknesses of the system that contribute in keeping the labour conditions low and potential improvement in policies that would contribute improving labour conditions.

4. What is the level of awareness among workers regarding labour rights and how does it influence the working conditions?

Literature studies mentioned in section 1.3 introduces how the awareness of workers regarding their rights is a real problem that has serious consequences on claiming better working conditions. Workers with a low level of awareness are less willing to get involved in unions and

react against discrimination and abuse of power of their employers. Understanding the worker's level of awareness will help in weighting its impact on the working conditions.

5. How could the working conditions setting be improved in the Bangladeshi garment industry?

The analysis provided by answering to former sub-questions will contribute in having a better understanding of how the bargaining power distribution and institutional quality will impact on the working conditions setting. After this first analysis the second step is to design improvement policies that would improve the working conditions trying to reduce the gap between the existing situation and the desired situation.

CHAPTER 8—Conclusion

Conclusion

The RMG industries of Bangladesh are aware of the importance of social and environmental code of conduct. The government, private sector and development partners are pushing for full compliance with mandatory requirements as specific in the law. The Bangladesh labor law 2006 is a strong piece of legislation and covers most international standards. By complying with this law, manufactures are only a few steps away from meeting international standards, a point they should capitalize on. In the quota free apparels market, Bangladesh must compete with all major players to sustain its existing share as well as expand into new territories. Compliance is a key requirement for all global buyers; hence Bangladeshi manufacturers must equip themselves with these tools in order to maintain the dynamism of their industry. Hopefully the findings of above study will help the factory owners to think about the advantages of implementing compliance issues in their RMG factories.

CHAPTER 9 – RECOMMENDATION

Recommendations

1. RMG factories should ensure proper production and official layout with perfect place materials, tools. Organization should tape up unused machine and keep it away from the manufacturing plant safely.
2. All of the employees related with this potential industry should be enthusiastic to avoid the conflict of interests. This means that employees and employers should not place themselves in situation that might face them to choose between their own interest, business or financial interest and the interests of readymade garment industries.
3. Industries should provide chair with backrest. Fatigue will surely arise during work in a place; to remove such type of tiredness garment factories should make available place with suitable chair which can ensure backrest of the workforce in the right time.
4. RMG industries should have adequate leg space to allow easy leg movement of the workers. That means layout of the manufacturing plant should be more spacious.
5. To be competitive, industries should comply with international standard code, such as ISO or imported countries standard code.
6. Factories should have effective fire distinguisher and separate and adequate space for entrance and exit of the workers. Every displays and control systems should be clear to all employees and workers.
7. RMG industries should ensure health, safety and standard work environment for the employees. In this case, organizations should provide proper ventilation, sufficient light and air. For organizing such facilities owners should comply at a minimum with legal standards, minimize the use and discharge of hazardous substances and promote recycling of resources.
8. RMG factories must give their workers a proper training that they can overcome with any accidental issue.

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