

Economic Impact of Rana Plaza Collapse

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I. INTRODUCTION

Abstract—The collapse of the infamous Rana Plaza, a multi-storeyed commercial building in Savar, near Dhaka, Bangladesh has brought with it a plethora of positive and negative consequences. Bangladesh being a key player in the export of clothing, found itself amidst a wave of economic upheaval following this tragic incident that resulted in numerous Bangladeshis, most of whom were factory workers. This paper compares the consequences that the country's Ready Made Garments (RMG) sector is facing now, two years into the incident.

The paper presents a comparison of statistical data from study reports and brings forward perspectives from all dimensions of Labour, Employment and Industrial Relations in Bangladesh following the event. The paper brings across the viewpoint of donor organizations and donor countries, the impacts of several initiatives taken by foreign organizations like the International Labour Organization, and local entities like the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) in order to reinforce compliance and stabilize the shaky foundation that the RMG sector had found itself following the collapse. Focus of the paper remains on the stance taken by the suppliers in Bangladesh, with inputs from buying houses and factories, and also on the reaction of foreign brands. The paper also focuses on the horrific physical, mental and financial implications sustained by the victims and their families, and the consequent uproar from workers in general regarding compliance with work safety and workers' welfare conditions.

The purpose is to get across both sides of the scenario: the economic impact that suppliers / factories/ sellers/ buying houses/exporters have faced in Bangladesh as a result of complete loss of reliability on them regarding working standards; and also to cover the aftershock felt on the other end of the spectrum by the importers/ buyers, particularly the foreign entities, in terms of the sudden accountability of being affiliated with non-compliant factories.

The collapse of Rana Plaza has received vast international attention and strong criticism. Nevertheless, the almost immediate strengthening of labourrights and the wholesale reform undertaken on all sides of the supply chain, evidence a move of all local and foreign stakeholders towards greater compliance and taking of precautionary steps for prevention of further disasters.

The tragedy that Rana Plaza embodies served as a much-needed epiphany for the soaring RMG Sector of Bangladesh. Prompt co-operation on the part of all stakeholders and regulatory bodies now show a move towards sustainable development, which further ensures safeguarding against any future irregularities and pave the way for steady economic growth.

Keywords—Economy, employment standards, Ranaplaza, RMG.

IN the wake of the devastating effects that the collapse of Rana Plaza had left upon its numerous victims, including all those who had died, were injured, and also those whose livelihood was directly dependent upon the bread-winners whom they lost in the collapse, the outcry for government, judicial and international intervention became louder than it ever was before. The international donors, buyers, local agencies, NGOs and all other relevant entities sprung to action. Two years into the incident, the economy of Bangladesh is now at the forefront of widespread speculation and research, mainly in terms of the recovery and reliability of the RMG Sector of Bangladesh following the tragic incident.

While treatment, compensation and rehabilitation of victims remained the primary concern, the broader question soon emerged- what was to happen to the other estimated 4.2 million people employed solely by the RMG sector of Bangladesh if the foreign buyers were to shift their sourcing to other countries altogether? It also soon emerged that the concerns were not solely humanitarian, based mostly on the employment and livelihood of low income families. Rather, the concern was an economical one, with the suppliers/factories, accessory industries, buying-houses, foreign buyers, sourcing agents, pre-shipment inspection companies, and all other stakeholders being directly affected by any changes in sourcing arrangements. The concern is in fact a global one too, with the local suppliers striving to restore reliability, and the foreign buyers on the other end of the spectrum struggling with indirect sourcing and lack of compliance by their suppliers.

This paper focuses on the economic impact of the sudden tragedy embodied by the Rana Plaza collapse. It encompasses the historical development of the RMG Sector of Bangladesh, the general work procedures and sourcing arrangements that later came to be, once export to foreign countries had increased. Stark comparisons are drawn between the procedural compliance before and after the collapse, the steps taken by all stakeholders in combatting the impacts, and the outcomes of such steps being taken towards a sustainable economic development. Focus remains on the viewpoint of donors, buyers, suppliers etc., as expressed in the widespread survey that has been conducted by distribution of questionnaires and by taking corresponding interviews of representatives of each sector in person. The outcome of the survey expresses whether, in their opinion, Bangladesh can continue to be the second largest garment exporter given the precarious economic circumstances following the collapse.

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II. HISTORICAL BACKGROUND OF ECONOMIC DEVELOPMENT

Bangladesh has historically been an agricultural nation, with the country being largely dependent on agriculture for both GDP growth and employment. Around the late 1970s, prospects of economic growth presented itself to the country once a shift from the agrarian economy had started and the country's economic focus shifted towards industrial economy, particularly the textile and apparel industry.

The incident that has been credited with this shift towards an export-oriented garments sector is the instance when a joint venture agreement was effected on the 4th of July, 1978 between Daewoo, a Korean Company and Dosh Garments, a Bangladeshi company, whereby the decision of 'setting up Bangladesh's very first 100 percent export oriented Ready Made Garment factory in Kalurghat, Chittagong' was made [1]. As part of the endeavours, for the first time in history, 130 young employees were sent to Pusan, South Korea to gain extensive technical training in relation to garments manufacture and export. With almost every other employee in the sector being amateurs in the trade, this training had served as a backbone of technical knowledge for the country. On their return, several of the 130 trainees had then embarked upon their own garments ventures, thereby commencing a chain of widespread export oriented garments sector that had gone on to immensely contribute to the overall economy of Bangladesh till date. From there, the industry has continued to flourish and today, Bangladesh's RMG Sector is renowned as the second largest garment exporter of the world. RMG exports totalled US\$24.5 billion in the year 2013-14, accounting for over 80% of the nation's export earnings and employing almost 4.2 million workers, 80% of whom are women [2]. The first recorded number of factories in the year 1984-85 sprung from a mere 384 factories to a striking 2182 factories in 10 years, with the current number of factories in Bangladesh recorded in 2014-15 being marked at 4296 [3]. The rate of employment by the industry has also seen massive increase from a mere 12,000 in 1984, to a whopping 4 million by 2014.

Needless to say, the RMG Sector has by now become the key contributor to the economy of Bangladesh. The country's cheap labour, required skill and development of the related supporting industries had attracted a plethora of world-famous brands like H & M, Zara, Macy's and Wal-Mart, to name only a few. It was soon realized that for Bangladesh, preservation and enhancement was imperative for the country to graduate from its LDC (Least Developed Country) status.

The economic growth of Bangladesh is more or less six percent per year since the mid-1990s. The country's poverty rate has fallen from 70 percent during 1970s to less than 40 percent at present. Bangladesh has successfully met some of the targets set out in the Millennium Development Goal (MDG) including the reduction of extreme poverty, curbing prevalence of underweight children under 5 years, bringing down under 5 child mortality, raising enrolment in primary schools, increase ration of girls to boys in primary and secondary educations; improvement of mental health etc. The per capital income stood at USD\$ 1314 in 2015 compared to less than USD\$ 100 during independence in 1971. Notably,

the employment rate of Bangladesh had quickly increased from a 48.5% in 1990-91, to 57.1% currently. The export garment sector was non-existent during the birth of Bangladesh in 1971, but in a few decades, Bangladesh has become one of the world's leading suppliers of apparel. Thus the RMG sector plays a pivotal role in the above economic and social developments. It has been largely observed and agreed that all such developments have remained unaffected by the Rana Plaza collapse and the economy of Bangladesh has been steadily moving towards betterment.

III. THE PITFALL AFTER RANA PLAZA

Soon after the devastating collapse of the eight-storied Rana Plaza on the 24th of April 2013, there was an outbreak of protests on a global scale and the lack of compliance with building standards had come to a forefront. Renowned buyers were now faced with a new-founded lack of reliability on the compliance standards of their long-term suppliers. 'Business as usual' was no longer possible.

On 8th May, 2013, James Parker wrote for the Diplomat: "It is almost certain that a full boycott of Bangladeshi garment factories by foreign (mostly Western) retailers and brands would create a much bigger human tragedy than even the disturbing fires, collapses and inexcusably low wages seen in the country. The threat of a boycott, however, could be very useful in forcing improvements to local conditions, and for such threats to be taken seriously, the exit of a few big names such as Disney may well prove to be necessary" [4]. This approach of prevention of an outright boycott in the face of tragedy has also been reflected in initiatives taken by the International Labour Organization (ILO) whereby the organization strongly advocates for buyers to stay with Bangladesh. Nevertheless, the inevitable loss of some buyers, and consequences such as the suspension of Generalised System of Preferences (GSP) of the USA to Bangladesh on 27th June 2013 are all considered to be impacts of this tragedy.

In 2010-11 total RMG export from Bangladesh was equivalent to USD\$ 17914.46M, and in 2011-12 it was USD\$ 19089.69M, in 2012-2013 USD\$21515.73 M and in 2013-14 i.e. the financial year following the collapse, the total amount stood at USD\$ 24491.88 million [5]. The statistics show two important points. Firstly, following the Rana Plaza collapse the export had not been reduced, and secondly, the increase rate of RMG export has remained steady throughout.

A thorough consideration of the economy of Bangladesh, the GDP and the immediacy with which reforms were adopted to restore good governance in the RMG Sector evidences that the Rana Plaza collapse had paved way for long needed awareness for sustainable development in the RMG sector.

IV. STEPS TAKEN AND THE OUTCOMES

Following the collapse of Rana Plaza, an immediate fall in GDP was anticipated. Such a fall would have affected all stakeholders globally involved in the supply chain of the RMG export system as opposed to affecting just Bangladesh and local enterprises. The problem became a global one and

necessitated international involvement. This section of the paper provides a thorough analysis of the steps taken by a number of institutions to minimize the impacts of the collapse, draws juxtapositions as to the outcomes of such steps:

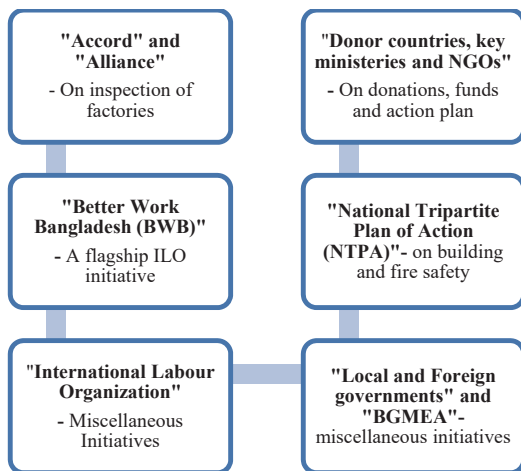


Fig. 1 Key Organizations

A. Accord and Alliance

Unauthorized sub-contracting has often been quoted as one of the pivotal reasons for the utter lack of control over compliance problems in the RMG Sector. It was clear that the bigger brands would not have 'authorised' the sub-contract agreements had they known of the lack of compliance. And evidently, the main lacking in compliance that the Rana Plaza collapse signifies is that with building safety and security standards. Fixing this gaping hole in good governance was essentially the building block of economic reform that Bangladesh now faced.

The step taken was the formation of "Accord on Fire and Building Safety" in Bangladesh on 13th May 2013. This independent agreement was signed by 187 apparel corporations from 20 countries, global and local trade unions [6]. Similarly, the Alliance for Bangladesh Worker Safety was established on 9 July 2013 mainly between North American brands. The organizations joined forces to ensure strict compliance with building standards through regular inspection programmes. The progress so far has been portrayed below:

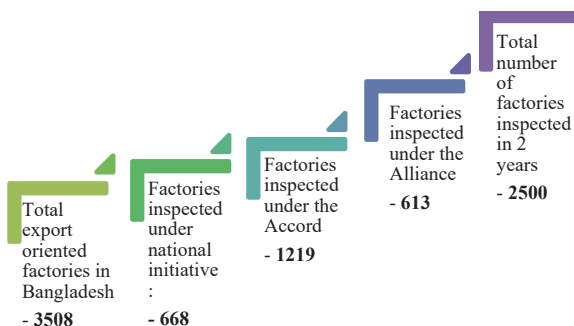


Fig. 2 Progress on Building Inspection

As on 31st May, 2015, the total number of factories inspected by Accord alone stood at 1288 [7]. Moreover, as per the statistics above, within 2 years, almost half the factories had already been inspected and Corrective Action Plans (CAPs) developed. The fact that wholesale reform and development was being effectively undertaken could not be denied anymore.

B. Better Work Bangladesh (BWB)

Although the Rana Plaza collapse had brought focus upon building safety compliance, it had also highlighted several other rampant employment problems in Bangladeshi factories, such as child labour and the need for massive improvement in employment conditions and employee's rights. In response, funded by major countries like France, USA, Switzerland, United Kingdom, Netherlands and Canada, BWB Bangladesh was set up in October 2013 as a partnership initiative between the ILO and the International Finance Corporation (IFC).

As of now, BWB is working with over 38 factories in Bangladesh, which are suppliers to 17 brands and retailers. The organization gets involved in the root level of operations in these factories by facilitating the creation of Performance Improvement Consultative Committees (PICCs), ensuring regular assessment of progress in relation to identification of employment problems and their solution. Reporting responsibilities are also imposed to ensure conformity with the suggested standards.

C. International Labour Organization (ILO)

Ever since the commencement of sustainable development initiatives in Bangladesh, the ILO has been at the forefront of massive reform. Apart from BWB itself being an initiative of the ILO, the organization has also signed an agreement with the Bangladesh Employer's Federation (BEF), and also BGMEA and BKMEA, whereby a selection of master trainers shall head out to approximately 400 factories to provide training to supervisors and mid-level managers [8]. As per the 2015 newsletter of the ILO country office in Bangladesh, the ILO, in conjunction with the IFC, have embarked upon a 'study on remediation costs and access to funding issues' to help the proper formulation of corrective action plans (CAPs) by factories. These initiatives clearly evidence a problem-solving approach being taken towards the economic aspect of renovation factories. It brings attention to the main widespread reason for lack of compliance with the standards- the fact that compliance comes at a cost.

D. Donor Countries, Key Ministries and NGO

Laying the foundations of sustainable development in Bangladesh is now supported by 5 major donors, namely the EU, US, UK, Netherlands and Canada. The key ministries involved are the Labour and Employment, Foreign Affairs and Finance ministries, with continued and extensive support from the ILO. As has been expressed in the words of the Better Work Director, Dan Rees - "The government and industry stakeholders in Bangladesh have signalled their commitment to make decent work opportunities a reality". "We look forward to engaging actively with these partners to drive

demonstrable improvements in working conditions and support the long-term competitiveness of the industry.”

The ‘Bangladesh Sustainability Compact’ had also been launched on 8th July, 2013 with the Government of Bangladesh, the US and ILO being Compact Partners, to focus on improvement of working conditions and to take proactive approach for prevention of any future disasters. The Technical Status Report published by the European Commission on 24th April, 2015 in relation to progress of the Compact highlights the hiring of 218 new inspectors, successful inspection of 2500 and complete closure of 32 factories, formation of over 300 trade unions to protect labour rights etc. The report also provides follow-up targets, focusing on implementation of rules under the BLA, framing of legislation for protection of labour rights in the Export Processing Zones.

The Government of Bangladesh made a series of major commitments to rebuild the Department of Inspection for Factories and Establishments (DIFE). The inspection service was upgraded to a department in January 2014, high level leadership installed, positions for 392 new inspectors created and budget boosted from US\$900,000 in 2013-14 to US\$ 3 million in 2014-15, US \$ 9 million for 2015-16 [9].

E. National Tripartite Plan of Action (NTPA)

Following the Tazreen fire and the Rana Plaza collapse, the NTPA was by the Government, workers’ and employers’ representatives in May, 2013. The focus is again on ensuring fire safety and structural integrity of RMG factories. The aforementioned factory assessments have been carried out as part of this initiative. The reviews are overseen by High-level tripartite committees and reporting requirements are imposed to ensure accountability.

The Fire Service and Civil Defence Department (FSCD) has also undergone reform in terms of its capacity to carry out inspections and respond to incidents. By initiatives of the Government, the number of fire service staff working as inspectors was swiftly increased from 55 to 265.

F. Legal Reform

Needless to say, the strengthening of the applicable laws was the first step in ensuring wholesale compliance with employment conditions and upholding of worker’s rights. This came speedily in the form of the Bangladesh Labour (Amendment) Act-2013, which had amended the previous Bangladesh Labour Act-2006, and thereby included more defined guidelines for ensuring building and fire safety in factories. The amendment deal directly with several key concerns such as inclusion of a provision requiring consistency between the structural design and outlay of a factory, and establishment of welfare funds for the workers of the export-oriented garment industries.

The suspension of Bangladesh by the US Government of GSP (Generalised System of Preferences) has been considered to be a direct impact of Bangladesh not having laid the best foundations for the protection of labour rights, which was unfortunately further exemplified by the Rana Plaza collapse. In the fiscal year 2013-14, Bangladesh exported goods worth

more than \$5.58 billion to the US, with 95 percent of them being garment products, which were subjected to 15.61 percent duty.

The Government of Bangladesh has since then been urged to take stronger initiatives for the improvement of worker’s rights in the EPZ, trade union formation and guidelines for implementation of building safety laws. The Government responded with quick implementation of the Bangladesh Labour Rules-2015 this year on the 15th of September. As portrayed below [10], the country has already observed significant improvement in the formation of trade unions and an online registration system for trade unions has also been launched by Bangladesh Department of Labour (DoL).

| Formation of RMG sector Unions | Up to December 2012 | 2013 | 2014 | 2015 |
|--------------------------------|---------------------|------|------|------|
| Newly formed | | 83 | 187 | 35 |
| Total | 132 | 215 | 402 | 437 |

Fig. 3 Progress on Trade Union Formation

G. Miscellaneous Initiatives

Following the collapse, the BGMEA and the BKMEA continues to undertake several miscellaneous, among which notable is the formation of a team of 35 fire trainers in 2013. The team has trained 83,678 employees in 2,386 factories so far. The organization also undertakes a Crash Program on fire safety, and so far 20,188 personnel from 2,342 factories have been trained.

Organizations like the GIZ (German development agency) have also been extensively involved in providing training, equipment and resources in relation to fire safety services.

The Rana Plaza Donors Trust Fund for compensation of victims and their families has been set up with all stakeholders actively contributing to total amounts as high as US \$ 24.1 million:

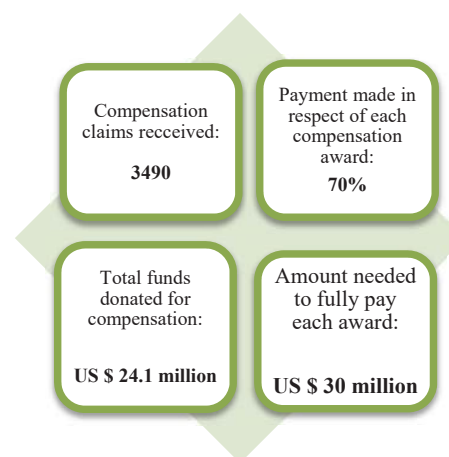


Fig. 4 Compensation

V. SURVEY OUTCOMES- THE CURRENT VIEWPOINT AND THE WAY FORWARD

On general survey conducted within Bangladesh, which includes inputs from, inter alia, buying houses, stakeholders, buyers, suppliers, sourcing companies, workers and factory-owners, the unanimous reflection is that the Rana Plaza Collapse had in fact served as the much needed wake-up call that Bangladesh needed in order to intensely focus on compliance standards to retain their huge customer base. While the tragedy did cause short-term negative impacts, the current view is that this had paved the way for long-term 'sustainable development' as is reflected in all initiatives. Interviewees have expressed views on a variety of factors, as elucidated below, and have made a series of recommendations.

A. Impact on Foreign Investment and the Economy

Almost 8 out of 10 buyers interviewed in relation to the impacts have stated that their respective organizations are still placing at least orders of equal amount and volume in factories in Bangladesh. While it is admitted that the scenario was precarious following the Rana Plaza collapse, most buyers agree that the pace at which all the stakeholders, the local and international governments joined forces to restore reliability is now visibly reflected in factory-level compliance requirements, inspections etc. In the words of Ms. Jeanne Calvo, who is an official of Komar Sourcing Ltd, a Hong Kong subsidiary of a US company, *"The Rana Plaza tragedy was a huge wake-up call for all those involved in the garment industry. It has made foreign buyers like us to invest in workplace safety conditions on a long-term basis and compelled us to become more aware and involved in labour issues."* She has also stated that in the wake of the tragedy, numerous safety condition improvements have already been put in place, making the garment industry even more attractive to foreign investors. This restoration is also reflected in the fact that the bigger brands such as H&M, Zara, Bestsellers continue to import significant component of RMG products from Bangladesh, and is also exemplified in the aforementioned steady growth in the percentage of RMG exports. Most interestingly, an individual who has been a partner at a buying house that had been operating in Bangladesh for over 15 years has pointed out that the monitoring and execution of stricter compliance standards has given rise to a plethora of new sectors of activities in Bangladesh. It has given rise to more scope of employment (as factory safety inspectors, certification authorities, committees), increment of construction advise, services and sale of tools and machinery. He believes that, in his experience, in the last 3 years, he has seen the RMG sector and all other relevant sectors of Bangladesh undergo economic development that Bangladesh had not experienced in a combined period of 15 years before the tragedy.

B. Stricter Rules for Outsourcing

While buyers, suppliers and donors alike agree on the fact that outsourcing of huge amounts of orders is a reality of the

Bangladeshi garments sector that cannot be avoided altogether, they seem to be divided in their opinion in relation to how unauthorized sub-contracts may be avoided. Whereas suppliers take the view that unauthorized sub-contracting is inevitable considering the limited capacity factories often have to meet the production and time requirements, buyers now seem more willing to conduct their own independent inspection of the factories to which the orders are sub-contracted. Some buyers have also suggested that 'hiring of credible third party auditors for compliance and building safety' of the sub-contracted factories shall be encouraged, and will also give rise to new sectors of employment in Bangladesh. Others have confirmed that, as buyers, their organizations have already put in place their own independent inspection of the mother factory, and consideration is being given to extending such inspections to the sub-contracting factories to ensure greater reliance on the supply chain management. Recommendations also include formation of stricter agreements between the mother factory and the buyer which imposes obligation on the mother factory to keep buyers informed of all factories involved in the supply chain, failing which the mother factory shall bear financial consequences, e.g. deduction of a certain percentage of the agreed payment. Provided that inspections now result in certification, when placing an order, the demand of buyers to be provided with valid safety certification of all relevant factories also remains one of the key recommendations.

As such, while subcontracting cannot be eradicated altogether, there is willingness on the part of all stakeholders to make greater attempts to control the same as opposed to turning a blind eye to how the work is done as long as the work completed in due time.

C. Donations: Voluntary or Mandatory?

As mentioned previously, the Rana Plaza Donors Trust Fund is still deficient of a significant \$30 million. Nevertheless, the representatives of the relevant organizations who have been interviewed stand firm on the view that there shall not be any mandatory imposition of percentage based payments on buyers as this then shall add to production costs, and may consequently result in minimization of profits. On the part of suppliers, it has, however, been recommended that buyers and brands may consider arrangement for percentage incentives to be paid on orders if any particular factory has been found to have significantly improved work safety conditions in a considerably short period of time, or if a particular factory has been exceptionally transparent to the buyer in relation to all sourcing arrangements. Such incentives are also recommended on a case-to-case basis, to be provided as 'incentives' only and not as an automatic right.

D. The Impacts on Supplier Factories in Terms of the Investment Required for Renewed Compliance

While all interviewees remain united on the notion that stringent compliance of the RMG sector has only happened for the better, the survey created highest contradictions in relation to the investment that this has caused to the supplier factories. Donor organizations and buyers agree that although the

investment for compliance is a sudden imposition, it is an inevitable investment since the factories should have been compliant with existing business standards to begin with. Although the compliant mother-factory remains listed with the buyers and are inspected routinely, the problem arises when orders are sub-contracted to non-compliant factories which the buyers are unaware of, thus leading to the buyers being held accountable because the products ordered by them had ultimately been sourced from a non-compliant factory that the buyer was unaware of to begin with.

From the supplier's standpoint, there is general willingness to undertake the investment to ensure compliance. However, qualms have been expressed in relation to the demand from the buyers to maintain the same production costs, and thereby ensure the same profit margins for buyers, even during this phase of extra investment that the factories are undergoing. In essence, the factories find themselves in a 'do or die' situation where they have to invest in compliance, ensure better work facilities, and strive to keep production costs low since failing to do so would inevitably cause buyers to source from other competing countries like Cambodia, Vietnam and Madagascar.

Recommendations from the interviewees include greater support from the buyers in the form of incentives, flexible timetables and capacity-based production orders only during this 'recovery phase', i.e. when the factories are undertaking structural reform. An interesting recommendation was made by Ms. Joti Khan, a manager of Bangladesh office of a foreign brand whereby it has been suggested that buyers may also have chosen to contribute to a reconstruction fund where donations were similarly made and guarded by a Board of Trustees, only to be provided to factories undertaking reconstructions that require significant investment.

E. "\$50 Billion by 2021"

The RMG Sector of Bangladesh has set a new target for the 2021, which marks the 50th Anniversary of the Republic of Bangladesh. The intention is to increase the total RMG exports from the current US \$ 24.49 billion, to almost the double, hence the slogan '\$50 billion by 2021'. When asked about the possibilities of achieving the same, the interviewees were divided in their opinions. Some believe that given the current rate of development in the RMG sector, it is probable that this may be achieved provided that steady growth is continued, whereas others have felt that the target is too ambitious despite the flourishing current achievements of the sector. Nevertheless, all interviewees have indiscriminately agreed that the Rana Plaza tragedy has facilitated the possibility of achieving this target since it triggered a jump-start to long needed development.

The BGMEA has already held a summit for development of a 'collaborative and co-ordinated' approach to pursue the goal, and all stakeholders have pledged to support the sector in attaining the same.

VI. CONCLUSION

It is clear, from all of the aforesaid, that all components of the RMG Sector have now joined forces, locally and internationally, to assist Bangladesh in the development of the sector. Compliance is considered to be the key solution to any and all targets set by the Government, and all components of the sector is being kept under close watch to ensure that compliance is given the highest priority. The survey clarifies, at large, that all stakeholders are content with the initiatives taken so far. The main recommendation remains for there to be 'sustainable growth and development' to the extent that the RMG sector can become self-sustaining and compliance becomes a norm once the external international interventions, pressures like suspension of GSP, support from the ILO and the various donors are finally minimized after the sector recovers.

Three years into the tragedy, the sector still displays significant willingness to take continued initiatives. New avenues of approach are being explored. Very recently, on 24th January, 2015, at an event held in the capital, the stakeholders, including representatives from the government, employers, civil society and trade unions discussed the need for set up of an Employment Injury Insurance (EII) and a detailed feasibility study is now being undertaken in relation to the same. On 21st September, 2015, a high-powered delegation from the US Trade Representative (USTR) visited the CEPZ (Chittagong EPZ) to probe into the provisions for trade union representation in the zones. The brands also continue to show support through several initiatives. For example, in September 2015, H&M has decided to introduce 'fair wage method' in 20 garment factories in Bangladesh. The plan intends to boost worker's pay, award discretionary income, allow trade union representation etc. The local government is also striving to improve working conditions and remuneration, with workers' monthly minimum wages being increased from BDT 3000 to BDT 5,300 in November, 2013. The survey, therefore, clearly exemplifies that stakeholders are content with the wholesale development, and applaud the robust approach that all entities have taken to hold the RMG Sector upright. While elimination of dependency on foreign aids, greater initiatives for improvement of worker's payment and working conditions, and larger focus on elimination of corruption in implementation of legal rights for workers' rights are still highly urged, it is clear that Bangladesh is off to a very good start. The economy has sustained the initial hurdles of the discovery of non-compliance, the reliance of investors has been restored, and it is hoped that this ample opportunity will ensure development that sustains into the future.

As has been stated by a representative of a buyer brand who sources from Bangladesh: *"No we did not stop or reduce sourcing from Bangladesh, as we noticed that whole country paid full attention on action plans, Bangladesh recovering fast, congratulations"*.

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