

Rana Plaza collapse one year on

Boots on the ground

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DHAKA — As the generators were fired up for the morning shift, the walls of the adjacent buildings would begin to judder, a sign of the catastrophe to come. When Rana Plaza, a building in the industrial outskirts of Bangladesh's capital, Dhaka, with six factory floors each the size of a football pitch, collapsed on April 24th last year, it first fell at the rear where it had been built atop a pond filled with sand. Inside, garments destined for European and American customers lay strewn among crushed bodies. More than 1,100 workers died; hundreds were maimed.

It was not the first time that scores of people had died in a garment factory in Bangladesh. In late 2012, for instance, more than 100 workers perished in a hellish blaze in a building known as Tazreen. But a year after Rana Plaza—Asia's worst industrial disaster since a toxic-gas leak killed at least 3,800 people in Bhopal three decades ago—it seems that the global garment industry is seriously trying to clean up the world's main source of cheap clothing.

Two competing industry groups have launched five-year safety-inspection programmes: the Accord on Fire and Building Safety in Bangladesh, which has more than 150 member firms mostly hailing from Europe, and the Alliance for Bangladesh Worker Safety, the 26 members of which nearly all come from America. Between them, the two initiatives have so far inspected 700 factories. A dozen have been shut down because of poor safety standards.

Inspectors work through a list of safety features that factories should provide, but often do not (or provide only on paper, due to bribery): proper fire exits, centrally monitored smoke detectors, a dedicated water reservoir to fight fire and so on. Often inspectors find serious problems, including overloaded buildings, cracked columns and fire escapes which lead nowhere.

Fixing such problems is expensive: the price tag for making Bangladesh's factories safe has been estimated at \$3 billion. That is one reason why critics warn that the inspection effort will improve safety only temporarily at best: most factory owners do not have the money for upgrades. Their return on investment has already plunged in recent years. To avoid bankruptcy, many will try to avoid the necessary investments.

Faced with rising costs and closures, some factory owners have turned against the safety initiatives, arguing that competitors in countries such as Cambodia, Pakistan and Myanmar don't have to put up with such scrutiny. Indeed, customers of garment factories in Bangladesh seem particularly keen to have them checked, says AsiaInspection, which checks factories on behalf of retailers. The number of its inspections in the country rose by 70% year-on-year in the first quarter of 2014. In Vietnam, Cambodia and Indonesia they rose by 57%, 32% and 22% respectively.

Many factories will probably never be inspected, however. Between them, Accord and Alliance plan to visit about 2,500 factories by the end of the year. Although these represent 70% of the production capacity in Bangladesh, they account for only half of all factories. The other half includes mostly smallish workshops where conditions tend to be worse. In theory, they are to be checked by government inspectors as part of a programme steered by the UN's International Labour Organisation, but the effort is currently suspended due to tiffs over how the inspections should be carried out.

And then there is the feud between the Accord and the Alliance, which, some worry, could undermine the inspection effort. The European group says its rival's inspections are too lax and chides it for not working closely with labour unions. The North American organisation counters that it has performed many more inspections and points out that it has raised a fund to pay at least partially the wages of workers in a factory that needs to be shut down after an inspection.



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What will all this inspection activity do to Bangladesh's garment industry? One factory owner sees buyers already “scrambling for an alternative because Bangladesh has become toxic.” Indeed, annual growth of garments exports dropped to 6.7% in the first quarter of 2014, down from an average of 20% in the first eight months after the collapse of Rana Plaza. One explanation is that Western buyers have started putting their eggs into other baskets; Pakistan, freshly equipped with a trade concession from the European Union, stands to do particularly well.

But even if more factories collapsed in Dhaka, no other country would be able to replace Bangladesh as a cheap supplier of vast volumes of clothing. Western brands and retailers will have to get used to the idea that they will need to put inspectors' boots on the ground for years to come. It is a small price to pay to save lives and may yet put an end to the corrupt system that allowed clothes on rich-country high streets to remain artificially cheap.