

Bangladeshi factory fires: lessons for Canadians

Janet Keeping and Iftekhar Zaman

December 15, 2012

Much attention is being paid to the incidence of deadly fires in Bangladesh's garment industry. The factory fire in Tazreen, Bangladesh, which killed more than 110 people, has been the primary focus of attention. But the Tazreen fire was far from the first in Bangladesh's clothes manufacturing industry. It isn't even the most recent. There was another a couple of days later.

Arson is conveniently blamed for the Tazreen fire, but, as widely reported, the deaths were caused by "blocked stairwells and locked emergency exits." The company which owned the plant, the Tuba Group, is said to have been "repeatedly cited" for infractions of worker protection rules and thus looks culpable.

But responsibility also has to be borne by Bangladeshi government officials for failure to ensure those rules were enforced. Given the rampant corruption in Bangladesh which scores poorly on Transparency International's Corruption Perceptions Index (CPI), it is not unfair to assume bribery was involved in ensuring the factory stayed open. However, it may have been simple law enforcement incompetence or lack of funding, rather than corruption, that was at fault or, as is common, some combination of all three.

There are lessons to be learned from this latest tragedy in Bangladesh.

First, corruption kills. Examples are regrettably easy to come by. Consider the pilot who flew the Russian plane which crashed in September 2011 killing nearly the entire Lokomotiv hockey team. It is reported he didn't have the training he claimed, that his piloting credentials were falsified. Or what about the children in Sichuan China who died in 2008 when their schools collapsed on top of them because local officials corruptly colluded with contractors in their shoddy construction?

There are still many Canadians who think of corruption as harmless, just another cost of doing business. On the contrary, the risk to human health and life in pervasively corrupt jurisdictions without the rule of law – such as Russia, China and Bangladesh – is real and ever present.

Second, although Canadians may feel very distant from tragedy in places such as Bangladesh, they are not. Indeed they are implicated both directly and indirectly in both the problems and perhaps some of the solutions.

For one thing, the owner of the Tazreen factory, in which so many Bangladeshis died, is reported to be a Canadian.

For another, Canada's only major conviction to date under the *Corruption of Foreign Public Officials Act* saw a Calgary-based oil and gas company – Niko Resources – plead guilty to bribing a Bangladeshi Cabinet Minister. There is no direct causal connection between bribing a Cabinet Minister to advance an oil and gas project and the corruption that allows factory

owners to break every safety rule in the Bangladeshi book. But by bribing that cabinet minister, Niko Resources was helping to perpetuate the corruption that keeps Bangladeshis overwhelmingly poor and powerless, and which not infrequently kills them.

Worrisome too is that Canadian engineering company SNC-Lavalin is under investigation for alleged corruption around Bangladesh's largest ever infrastructure project – the “Padma Bridge”.

Many companies from developed countries seem to think it is OK to behave unethically in places such as Bangladesh, while purporting to be good corporate citizens at home. But in an age of instantaneous global communications, such blatantly inconsistent ethics don't make the grade.

There is no simple remedy to the deeply entrenched corruption of societies such as Bangladesh, and the onus is indeed on their own governmental, political and professional institutions to improve. But until those institutions change, Canadians doing business abroad have to take responsibility for their actions.

Western companies are not helpless in the face of corruption abroad. For example, the *Globe and Mail* has reported that a Montreal company “stopped importing from the Tuba Group's Tazreen factory earlier this year because the company failed an [ethical-sourcing] audit.” But this decision causes job losses for poor Bangladeshi women. Better ways to resist corruption must be found. One is for companies to be more closely involved in preventive measures such as strict compliance with safety standards as part of their initial investment decision.

Another take-away for Canadians is the importance of vigilance at home. The allegations of collusion between government and business to inflate construction costs in Quebec, while not yet proven, are extremely disturbing. From other parts of the country we hear of abuses of power, such as politicians using their elected positions to solicit funds for their favourite charities. If not addressed in early stages, these abuses produce a climate of impunity conducive to more egregious forms of corruption.

Canadians should demand that every public institution be operated in a thoroughly transparent fashion. And Canadian law on the corruption of foreign public officials should be rigorously enforced. Only then will Canadians be part of the solution to governance problems in the developing world and not part of the problem.

Janet Keeping is chair of Transparency International Canada. Iftexhar Zaman is Executive Director of Transparency International Bangladesh.