

Discovering Myths of Industrial Fire of Baldia-Factory Pakistan

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Abstract

This is a case study of ‘the most terrifying event’ of Baldia Town Factory Karachi-Pakistan, an unfortunate garments facility and exporters that suffered from devastating fire accident on 9/11 of 2012. It caused instant death of 258 factory workers and hundreds injured. The owners belonged to Bhaila Memons – a very successful business community, who had billions of rupees’ investment and exports, employed one thousand workers and paid taxes. The data was garnered from pertinent literature, media content chronicle analysis (MCCA to record almost date-wise records on different developments), and Delphi technique to conduct eight interviews from industry experts. The initial media reports (of renowned newspapers having their news TV and online news channels too) accused the owners for such tragic event. Later on, the government investigation teams revealed shocking facts and held a Karachi-based legal political party responsible for it, as its terrorist wing was allegedly involved in the brutish plot, who perpetrated inferno since the owners of the factory refused to disburse extortion money. Domestic stakeholders, policy makers and international organizations intervened to compensate the victims but sadly, the law courts could not exercise justice. The event was deemed as an assault on the engine of the economy.

Keywords: Baldia Town Factory; Industrial Fire; Strategy; Operational Crises; Occupational Health and Safety Administration (OSHA)

1. Introduction

Baldia Town Factory, officially known as Ali Enterprises was a textile cum garments manufacturer and renowned exporter that produced international brands by an entrepreneurial family, Bhaila, belonging to Memon business community. It was established by Abdul Aziz Bhaila, he gave formal education to his sons, Arshad Aziz Bhaila and Shahid Aziz Bhaila who became doctor and engineer respectively, and then took reigns of the business. They took the company to higher levels and implemented international standards and obtained compliance

certificates of quality, safety, health and environment. The company had two main gates with several emergency exit doors. It had a history of three decades. It kept on growing, modernizing, building sustainable competitive advantages and winning customers and stakeholders' trust. It raised investment of PKR 2 billion, had export turnover of US\$ 51 million, paid taxes of PKR 20 million and employed 1000 employees directly and 10,000 indirectly (Baldia Town Factory Flyers, 2012). Abruptly on a misfortunate day, the facility observed an exorbitant level of blaze that claimed several dozens of wounded workers (approximately 55), while the death toll reached to 258 workers (Khan, 2012). The gloomy event left a couple of questions unanswered. The myths remained covered and unsolved that how the terrible fire began; who were involved in it and what was the plot? Despite having fire extinguishers and fire brigade vehicles along with their teams, why fire could not be stopped and loss of lives occurred? The situation raised probes about emergency exits, insurance of facility, emergency preparedness capacity to safety and health compliance standards; who should be accused, the owners of the facility or culprits who did so for extortion money (as discovered by the undercover agencies)? The issues of compensation to victims of the incidence and no punishment yet to the culprits involved in fire hint that lawlessness to a bad governance and institutional voids exist in emerging economies.

2. Occurrence of the Industrial Fire Havoc (ON 9/11, 2012)

The disastrous event took place on 9/11 of the year 2012 in Karachi, Pakistan; when an industrial fire claimed the lives of more than 250 employees of a textile factory, Ali Enterprises widely known as Baldia Factory destroying the hopes and expectations of hundreds of families when their loved ones could not make it to home alive. It was an incident when a catastrophic fire started spreading the entire Ali Enterprise, employees were unable to come out of the factory as most of the main gates as well as reserved emergency exits were found locked and closed that trapped most of the employees in the factory. Since by the year 2012, mobile phone technology and access of mobile services were affordable and in reach of almost all employees, so most of the employees remained in contact with their families and kept informing them about the tragic conditions inside the factory and what family members had been going through the sadness, anguish, pain and inability to help their loved ones appeared just unimaginable (Khan, 2012).

The textile industrial unit, Ali Enterprises best known and recognized as Baldia Town Factory was a denim manufacturing unit that dealt with woven, knitted and hosiery garments. Its main

export markets were European and United States. The manufacturer was engaged in washing and finishing process, pattern making, cutting, stitching and packing of goods. It had the production capacity to produce approximately 10,000 units of garments per day. Since no financial data was available on website but according to the chairman of Sindh Industrial Trading Estate (SITE), the company had estimated annual sales of US\$ 51 million. Ali Enterprises was the member of Karachi Chamber of Commerce and Industries (KCCI) and was owned by Abdul Aziz Bhaila and his sons Arshad Aziz Bhaila and Shahid Aziz Bhaila (Sindh Industrial Trading Estate Limited, 2012). It was also a key member of Pakistan Readymade Garments Manufacturers and Exporters Association – PRGMEA (Hassan, 2012; Kamal, 2012; Khan, 2012; Pakistan Today, 2012; Rehan et al., 2012; Shackle, 2012; Khan & Hasan, 2012).

3. Initial Media Reports on the Devastating Fire Incident

The first media reports by high-ranked media groups presented the detailed insights of the entire incident by covering up each and every aspect and held top management responsible for the incident demanding the punishment of owners and provision of compensation to the families of victims. Some of the excerpts from media reports highlighted various facts and figures.

According to The Express Tribune news (Khan & Hasan, 2012), an initial report submitted to the Government of Sindh claimed that workers were busy in getting the salary for the month and the factory had locked its doors to be secured and avoid any theft or mishap. The then Governor of Sindh, Mr. Ishratul Ibad showed his strong intention to punish the culprits and wished to put the names of owner on the Exit Control List (ECL).

The New York Times reported that Sindh Police had raided the home of Mr. Abdul Aziz Bhaila, owner of the Ali Enterprises and found that owners were hiding. Further, it reported that one of the employees' rights activists in Pakistan, Ms. Zohra Yusuf told the newspaper that most of the times textile factories owners put their profit supreme than the health and safety rules – whereas labor safety related such laws exist in the country– (Factories Act, 1934; International Labor Organization, 2018a; 2018b; The Sindh Factories Act, 2015). Referring to the head of the firefighting operations of the incident that took place in Karachi said that the factory was dangerous, flimsily built and had no emergency exits (Rehan et al., 2012).

According to Pakistan Today (2012), the owners of “*Holocaust Factory*” causing tragic deaths of hundreds of workers have now been underground, whereas the State Bank of Pakistan has been given the direction to freeze the accounts of owners of the company. The Karachi factory

file identified that Human Rights Commission of Pakistan (HRCP) claimed that the owners of Ali Enterprises were charged with murder charges but Larkana High Court granted bail to the owners. The article further puts the questions like others on the health and safety practices adopted by the company were considered poor, lack of fire-fighting equipments, expired fire extinguishers and no emergency exits available (Kamal, 2012).

Picture 1. External View of Blaze Inside Baldia Town Factory



Source: Industrial Union (2017)

BBC news also reported similar contents the next day about the Baldia Town Factory incident and it highlighted that structure of the factory was not as per the international requirements required for an industrial unit and was poorly constructed, the absence of obeying the laws by firms and inability of the government to implement the labor protecting laws in the factories in Pakistan. It also reported that exit gates were available on papers only (Hassan, 2012).

4. Reactions Of Political Parties on Baldia Town Factory Fire

Regarding the fatal fire incident, the very first reaction came from the then provincial information minister of Sindh Government, Mr. Sharjeel Inam Memon of Pakistan Peoples' Party (PPP) who condemned the incident and gave initial information that the sad incident took place that resulted huge loss of innocent lives due to shutting down of exit doors of the factory and Mr. Memon generously announced on behalf of Sindh Government to bear all the expenses of injured workers (Khan & Hasan, 2012). The then president of Pakistan, Mr. Asif Ali Zardari (of PPP) and on next day of the incident showed his deep grief and sadness over the loss of lives and offered condolences with the bereaved families. He also stated that the incidents of fire in factories of Karachi had increased for a few months and he was much more concerned as he was unable to

comprehend the reasons of increased fire occurrence in factories. He also directed authorities (both federal and Sindh governments) to ensure the best possible medical assistance to affected people. Mr. Raja Pervaiz Ashraf, the then prime minister of Pakistan inquired about the incident from the governor and chief minister of Sindh and he also directed them to provide the best medical treatments to the injured and showed his grief for the lives lost (The News, 2012).

The then governor of Sindh, Mr. Ishratul Ebad who officially was the representative of the federation/country for the province, but belonged to a leading political party, Muttahida Quomi Movement (MQM) instantly responded to the unfortunate incident of Baldia Factory that took place in his own native city and vowed to take a strong action against the individuals who were responsible for such careless act and put the names of factory owners in the Exit Control List (ECL), so that they could not leave the country and an appropriate and just inquiry had to be made for offering justice to the families of deceased employees (Khan & Hasan, 2012).

Muttahida Quomi Movement (MQM), the party that claimed to own the city and people of Karachi also declared an official three day mourning to show the solidarity with the martyrs of Baldia Factory and announced to put up black flags at their offices and the members of MQM wore black armbands and most of the workers were tasked to attend and make necessary arrangements of funerals for those killed in the incident. Very quickly, MQM chief, Mr. Altaf Hussain warned Sindh Government and federal government to make an urgent inquiry of the Baldia factory incident and present the facts in front of the people of Pakistan within three days or be ready to face a policy to be made by MQM itself to protect their own people in Karachi (Khan & Hasan, 2012),.

Pakistan Muslim League – Nawaz (PML-N) leader, Mr. Nawaz Sharif announced the aid of PKR 3 lakhs for the victims of Baldia factory and instructed Punjab Government (as its chief minister belonged to PML-N) to disburse the amount from their budget. Mr. Sharif further added that a stern action must be taken by the government and also expressed deep concerns over the unavailability of enough rescue resources to take over such incidents in short time that might have contributed to save more lives (Pakistan Today, 2012; The Dawn, 2012). He also held General Pervaiz Musharraf (ex-army chief and president) responsible for the incidents that took place in Karachi as well as in Lahore on the same day.

The chairman Pakistan Tehreek-e-Insaf, Mr. Imran Khan and its top leadership expressed deep grief and condolences for the victims and asked for a serious investigation of the Baldia Factory

fire that claimed huge lives. Chaudhry Shujaat Hussain, president of Pakistan Muslim League – Q (PML-Q) also offered condolences with the victims of the incident and felt grieved on the incident (The News, 2012).

5. The Worst Conditions of Fire Brigade in Karachi

It is the prime responsibility of the government to provide industries with basic infrastructure including well maintained roads, communication systems, provision of basic utilities including gas, electricity, water, improved law and order conditions and a healthy, safe, secure and well-compliant business environment. It is also the responsibility of the state to always be ready and make arrangements to react to unforeseen situations like fire issues in the factory. The reports informed that the fire station located near the unfortunate Baldia Town Factory did not have the water supply for a number of years due to the non-payment of overdue bills. The number of fire brigade vehicles in working conditions was less than the actual required numbers. The budget allocated for fire brigade network in Karachi was not properly used for the department's efficiency and effectiveness (The Express Tribune, 2012).

The fire brigades reached very late on the location of the fire incident and worked for long hours. They were not fully equipped to perform the required tasks efficiently, as there were limited or no ladders available with them and the fire brigade team responsible for saving the lives of employees did not have proper attire, hammers and other equipment (Kamal, 2012).

Ex-Mayor Karachi, Mr. Naimatullah Khan (Late) of Jamat-e-Islami expressed deep concerns over the performance and reacted towards the dangerous fire in Baldia Factory. He lashed out city government, provincial government and federal government. According to him, even available resources to rescue the employees were not properly utilized at all and that caused excessive loss of lives, whereas many lives had been saved with vigilant response of all stakeholders (Aaj TV News, 2012).

6. Absence of Social Compliance and Labor Standards in Pakistan's Industrial Sector

In order to survive in the global markets, the challenge for Pakistan's textile sector is to become socially compliant, provide best possible working conditions, and environment to the labor, contributing towards the end product of Pakistan's industrial sector. It is interesting to note that most of the private industrial firms engaged in exports (including sports goods, surgical instruments, textiles and garments) took measures to provide only basic working conditions to workers in order to get Social Compliance Certificates and get more export orders. But the overall

working conditions for Pakistan's laborers in manufacturing sector are not encouraging and do not meet the real global requirements (National Workshop OSH in Pakistan, 2013). Ehsan and Khanum (2014) in their research article put stress on the need to meet the challenges that the industry was facing with the increased opportunities from global trade, whereas the most prominent challenges among those to cope up comprised: the requirements to meet stiff product quality, social, environmental, regulatory, and performance compliance requirements.

On the other side, Government of Pakistan had failed to ensure the implementation of Factory Act or laws developed to protect the rights of labor. Factories Act (1934) encourages the district magistrate of each district to monitor the factories and ensure that employees are getting their basic rights and working conditions. But unfortunately there is no trained staff available to monitor such activities, which are followed by factories and numerous issues are dealt through some bargaining and bribes (National Workshop OSH in Pakistan, 2013). Samira Shackle from The Guardian researched and reported that there were laws that exist to defend the basic rights of workers in Pakistan but it clearly lacked the implementation. She further added that in 2003 an executive order was issued where labor inspections were abolished to attract more investments (Shackle, 2012).

7. Health and Safety Conditions at Ali Enterprises

Ex federal interior minister, Mr. Rehman Malik was the first official person after the Baldia Factory owners who considered the worst level fire as an act of terrorism. Some witnesses also claimed that they heard a blast in the factory before the fire actually took place (Kamal, 2012). He straightaway rejected the possibilities of boiler blast or generator blaze for that devastating fire as he declared both boiler and generator were in proper condition (The Express Tribune, 2012). An injured labor during his interview with the media expressed that about six months prior to fire incident, a small-scale fire erupted outside the plant area of Baldia Factory, which was controlled or extinguished by the factory staff. Since entire media reports, government authorities, agencies and local parties of Sindh were chasing the owners' and were in process to put all the blame of incident on the owners; some people appeared in favor of the company who augmented the campaign to look at the other side of the picture. These were the persons (not yet clearly known) with limited access and financial resources distributed some of the pamphlets and certificates that showed that Ali Enterprises was fully compliant of safety and other global yardsticks of quality. The pamphlet asked some of below questions in Urdu as well as in English. And the certificates also clarified that Ali Enterprises had a 'Gold Certificate of Compliance' awarded by a leading

international body, WRAP (Worldwide Responsible Accredited Production) monitored by RINA 1861; it also possessed SA 8000: 2008 certificate (for social accountability), which was valid till August 02, 2015 (Baldia Town Factory Flyer, 2012).

Al-Habib Architects, the planners and engineers issued a ‘Certificate of Stability’ in March 2012 after reviewing the structure of the Baldia Factory and stated that employees could be employed on four floors that include basement, ground floor and two floors at Ali Enterprises. A fire drill certificate was also issued to Ali Enterprises by A.S. Fumigation and Fire Services in April 2012, which certified that 10 workers nominated by the factory received the training to cope with the fire incidences and almost all workers participated in a fire drill too. The employees working at Ali Enterprises were trained how to evacuate and where to gather in case of an emergency of fire in the factory. According to the findings of RINA, below points were recognized:

- All instruments related to Fire and Safety equipment were installed on the required location in adequate quantities.
- Fire alarms and extinguishers were very much visible and easily reachable by all workers.
- The paths where fire extinguishers installed were kept free from any kind of hindrances throughout the exit gates.
- The two entrances and exits (considered as emergency exits too) were found unlocked at the time when employees were working inside the factory.
- Employees were given regular emergency drills and fire-fighting trainings (Theuws et al., 2013).

One of the major customers of Ali Enterprises was a renowned brand, KiK of Germany that is considered to be very conscious and responsible in selection of vendors for their products and required its suppliers to meet KiK code of conduct that is in accordance with the conventions of International Labor organization (ILO) and United Nations (2018). The code or audits of KiK mainly work on to review the working environment provided by the factories, number of hours each worker does in an organization, salary and compensation patterns including payments of overtime if needed, health and safety at the factory, forced and child labor, discrimination policies and freedom of association. The code of conduct was either monitored by KiK itself or was done through an authorized third party and for Ali Enterprises it was conducted by a well-known third

party, UL Responsible Sourcing. KiK confirmed that three social performance audits that took place between year 2007 to December 2011 were conducted successfully that made Ali Enterprise more compliant than previous years and KiK further stated that third party UL did not find any serious shortcomings during these audits and that Ali Enterprises principally was a reliable supplier to KiK (Theuws et al, 2013).

8. Post Media Reports and Findings of Joint Investigation Team

After almost two and a half years, an entirely new series of appalling facts were revealed in a Joint Investigation Team (JIT) report by Rangers that was presented to Sindh High Court. The JIT report confirmed that a faction of a Karachi-based leading political party was involved in the worst fire that took place in Ali Enterprises (Tanoli & Baloch, 2015). Rangers arrested one of the suspects who was directly involved in a planned activity to set Ali Enterprises on fierce fire along with a group of miscreants on non-payment of required extortion money (The News, 2015).

The next day, media reports presented additional information from the JIT that stated the involvement of the leading political party of Karachi and that a suspect named Rizwan Qureshi, who was also a worker of the involved political party of Karachi, gave lots of shocking facts on the Ali Enterprise Baldia Town Factory fire. It was revealed that the owners of Ali Enterprises did not pay the extortion money (called bhatta in native language) of PKR 200 million to the party and were threatened multiple times to face the consequences, if extortion money to concerned Unit In charge was not provided on time (Siddiqui, 2015). Rangers further informed the Sindh High Court that additional interrogation was under way. A lot of information was obtained and most of the confessions statements were provided by the suspects (Sahoutara, 2015).

Other reputed media house reported that Baldia Factory fire was a planned terrorist activity and was the result of rage that was created due to non-payment of extortion by the owners of Ali Enterprises. Hammad Siddiqui, Farooq Saleem and six others were behind the planned deadliest fire and all belonged to a Karachi-based leading political party (Pakistan Today, 2017).

As the time passed by more details started coming out, more criminals' names were disclosed who were directly or indirectly involved in the incident. Rahman Bhola (the then sector in-charge of Baldia town) and Zubair Alias Chariya were other two names identified in the Baldia Factory fire. Zubair was the in-charge of furnishing department of Ali Enterprises who with the help of plastic bags full of explosive chemical set factory on fire; a factory that earned livelihood for itself and thousands of other souls, directly and indirectly (The News, 2016).

At the end of year 2016, further information was revealed and this time a suspect named Ghulam Ali Alias Goli witnessed that the plan to set Ali Enterprises on fire was made in the sector office of Baldia town area by a leading political party of Karachi. He confessed that he along with other compliances on the instructions of Kalo Dada first locked the gates of Ali Enterprises and then set it on fire using chemicals but realized at later stage that fire had gone out of control (The News, 2016).

The families of the victims also claimed after JIT report that they knew it completely who was involved in the fire incident from day one. Father of a machine operator, Muhammad Jahanzaib who lost his life on the unfortunate day said that he knew the involvement of Karachi's leading political party from day one but they remained silent as they were the resident of the same community and could not raise their voices aimed fear of being harassed by the party. Shoaib who lost his wife in the incident told that not all but most of the people killed in the incident belonged to the Urdu-speaking community and were the supporters cum voters of the same political party. The both affected persons demanded severe punishment for culprits (The Express Tribune, 2015).

The industry experts did not believe in the claims lodged by Ali Enterprises about its safety measures and compliance yardsticks. They thought that the owners bribed the middle men of quality certification agencies for obtaining such certificates. They pondered that why the company owners did not obtain bail from Karachi branch of High Court and descended to its Larkana city chapter, but the other experts defended them that for the sake of saving their lives from possible mob, they did so. As per industry experts' statements, the owners had the approval of constructing only ground plus one floors of the facility; whereas they had built three additional floors illegitimately and did not show the full number of their employees in the labor department to evade duties.

9. Post-Accident Reactions of Politicians

As soon as the findings of joint investigation team (JIT) from Rangers on Baldia Town Factory fire were presented to a law court in early February 2015, it was noticed that involvement of a political party was criticized by other parties of Pakistan. Dr. Shireen Mazari, Pakistan Tahreek-e-Insaf (PTI) information secretary quickly responded to the JIT report and asked for the arrest of exiled chief of Karachi's leading political party and other high-rank individuals involved in the tragic incident of Ali Enterprises. She further demanded that the government must take actions against the political party's extortionist agenda due to which hundreds of poor factory workers lost

their lives (The Express Tribune, 2015). Mr. Imran Khan, chairman PTI referring to JIT report presented in court launched a frontal attack on that leading political party of Karachi and demanded for a severe action to be taken against the party. He demanded the stern actions from federal government the stern actions, if it was really interested to eliminate terrorism from Karachi (The Express Tribune, 2015); (The News, 2017).

Jamat-e-Islami (JI) leader, Mr. Sirajul Haq reacted to the incident and called this as one of the worst kind of terrorisms and demanded both federal and provincial governments to take sincere and lawful actions to end the terrorism, and the provision of justice in Baldia Twon Factory was going to be a test case to see their efforts (The Express Tribune, 2015). JI leader of Karachi chapter, Mr. Naeem ur Rehman called the Ali Enterprises tragedy as “the blackest incident” in the history of Pakistan and warned if security institutions, federal and provincial governments did not take action against the terrorist organizations, the peace could never be restored in Karachi; and after witnessing the terrorist activities such as May 12 carnage (where by lethal riots between political activists took place during the visit of ex-chief justice Supreme Court of Pakistan in Karachi, in 2007), murder of Wali Khan Babar (a news anchor of Geo TV in 2011), April 9 mayhem (a terrorist assault in Quetta that killed 24 people in 2014) and now the Ali Enterprises factory fire, it seemed confirmed that a mafia party was active in Karachi (The Dawn, 2015).

Mohajir Qaumi Movement (MQM-Haqiqi) chief, Mr. Afaq Ahmed after JIT report told that he had substantiated information and evidences with him that confirm the involvement of the other faction of the leading political party of Karachi and he further claimed that the plan was hatched at governor house in Karachi (The Express Tribune, 2015).

Mr. Khursheed Shah, a leader of PPP reacted to the terror activity immensely and demanded the case to be sent to military courts for speedy trial of the persons accused in the terror act and provide justice to the victims as he feared civil courts might be in pressure due to the involvement of one of the leading parties of Karachi (The Express Tribune, 2015).

The then prime minister of Pakistan, Mr. Nawaz Sharif reacting to the involvement of political party stated that those involved in the terrorist act to set a factory on fire in Karachi will be taken to task and dealt strictly, and no matter which political party culprits were associated with (Hanif, 2015).

10. Provision of Justice

Most of the suspects involved in the blaze of Ali Enterprises were arrested, some were indicted already, and some are being investigated whereas the case is still going on in the court. The survivors, the injured and the family members of deceased Baldia Factory fire gathered on the fifth year to mark the solidarity with victims and were in agony and despair to have the justice for themselves and for their loved ones. Many of the seriously wounded labor were unable to work and even walk. Tears rolled down from the face of Muhammad Zahid, who along with his brother, sister, brother-in-law and many of his colleagues was present in the factory and waiting helplessly for help from outside of the factory. Zahid complained that justice in Pakistan was only for the people who were wealthy enough, influential, and dominant, not for the underprivileged and poor people. He said, even after five years the real culprits were yet to be arrested and executed whereas everything is known to all the concerned authorities (Ashraf, 2017). Various national and international human rights activists and non-governmental organizations (NGOs) as well as local political parties were demanding quicker trial of the case and provision of justice to the victims of Baldia Factory fire (Human Rights Watch, 2018). Clean Clothes Campaign (2018), a social activist organization investigated and revealed the fact that the on the day of fire (at 6.00 pm), the plant managers prohibited the workers to leave and closed the factory gates in a bid to save the lots of KiK's brands clothes.

Picture 2. Some Photos of Victims of Blaze Inside Baldia Factory



Source: Industrial Union (2017)

Interviews from industry experts (conducted for this case study) revealed that various factories in site/industrial areas of Karachi had been disbursing extortion for PKR 100-200 million per annum to mainly a Karachi-based leading political party and some amounts as donation to few other parties too. No compromises to be made with the culprits of Baldia Town Factory and a severe punishment must be made to those who were involved in the killings of more than 250 people in the ill-fated factory (The News, 2017).

National Trade Union Federation (NTUF) and The Ali Enterprises Factory Fire Affected Association (TAEFAA) organized a gathering to call for justice outside of the factory after completion of five years to show solidarity with the victims. Various speakers on this occasion stated that Pakistan's government has failed to deliver justice to the victims despite tall claims for years; the family members of victims were losing their patience and trust. Ms. Saeeda Khatoon, one the representatives and speakers stated that the government and other state institutions have not learnt anything from the tragedies like Baldia Factory as we still witness that most of the factories are faced with similar threats and we fear that such incidents may take place again (The Dawn, 2017).

11. Compensation Arrangements for Labor-Force

As published in Europe Solidaire Sans Frontieres, after approximately eleven days of the incident, on 22nd September, a representative meeting of about 70 trade unions, plant level unions, human right organizations, students' organizations, political parties' representatives, labor bodies and other stakeholders formed Workers Rights Movement (WRM). The WRM was formed at Karachi Art Council to discuss the implementation of labor laws and procedures to get compensations for families of deceased and injured workers and some form of compensation for the workers who were jobless (Nasir, 2012).

International Labor Organization (ILO) news from Geneva first announced the agreement to provide US\$ 5.15 million to be compensated voluntarily by KiK (the German retail chain possessing 'Okay men' brand and main buyer of Ali Enterprises). ILO further informed that this compensation was to be made against loss of income to employees, medical and allied care for injured and for the rehabilitation for the victims. In order to make an arrangement for compensation ILO held talks with KiK Industrial Global Union and the Clean Clothes Campaign on the special requests made to them from Pakistani ministry of overseas and human resource development as well as from the German federal ministry of economic cooperation and Development

(International Labor Organization, 2016). European Commission for Constitutional and Human Rights (ECCHR) also helped a lot in getting fair compensation to victims from KiK because it procured 70% of Ali Enterprise's production. As per the inquiry reports of ECCHR, Ali Enterprises observed dearth of social compliance standards and it believed in JIT report of Pakistani undercover agencies that inferno occurred for extortion money (Ashraf, 2016). KiK enjoyed good reputation because it also compensated the victims of a textile facility located at Rana Plaza factory building in Bangladesh, which observed building collapse and death toll of 1,100 workers. Indeed KiK outsourced its brands from it, while Walmart, Sears, Piazza Italia, and many other global retail chains also outsourced from there but they refused to compensate the victims (International Labor Organization, 2016).

After a long struggle and battle by various unions and organizations seeking justice and compensation for Ali Enterprises and in the light of ILO news in September 2016 and in February 2017, a compensation agreement was signed between Pakistan Institute of Labor Education and Research (PILER)'s executive, Mr. Karamat Ali and KiK Textilien's Mr. Patrick Zahn to disburse US\$ 5.15 million as a long-term compensation to the victims' families of the Baldia Town Factory. Various notables including German consul general in Karachi, president German-Pakistan Chamber of Commerce and Industry, country director of International Labor Organization (ILO), member of National Commission for Human Rights, president of Employers Federation of Pakistan and convener of Sindh Labor Solidarity Committee also witnessed the mutual agreement signed in February 2017 (The Daily Times, 2017).

The chairperson of Ali Enterprises Factory Fire Affectees' Association (AEFFAA), Ms. Saeeda Khatoon expressed during the general body meeting of AEFFAA that US\$ 5 plus million amount proposed by ILO for the victims was a joke and that there was no mechanism available to distribute this amount and families of the victims had also rejected the proposal to pay the sum in installments (The Express Tribune, 2017).

In January 2018, the two major non-governmental organizations National Trade Union Federation (NTUF) and Pakistan Institute of Labor Education and Research (PILER) felt sad and regretted that since the fire incident was much more devastating and culprits were yet to be executed and that the amount of compensation agreed to be paid in form of monthly pension to the heirs of Baldia Town Factory fire sufferers. The two NGOs in their statement expressed that the formula to disburse compensation amount is reached and the concerns of victims have been taken

care of with three options of disbursement to be followed and pension amount to be managed through Sindh Employees Social Security Institution (SESSI). As per the proposed options, a widow and parents of a deceased employee were to get a monthly pension of PKR 7,545 per month each, or a widow having one child was to get PKR 10,060, a widow having two children was to get PKR 13,138 (Ilyas, 2018), [January 16]. Finally, disbursement of pension amount to the families of victims started in March 2018 through SESSI in light of its memorandum of understanding signed with ILO (Mansoor, 2018). Additionally, in first years of the disaster below compensation announcements were made to help victims financially (The Dawn, 2012; Tunio, 2012).

1. Employees Old-age Benefit Institute (EOBI) announced to provide the pension of Pak Rupees 3,600 for the dead as well as injured to get PKR 3,600.
2. The then prime minister, Mr. Raja Pervez Ashraf distributed the cheques of PKR 400,000 per head for the dead and PKR 100,000 per head for the injured. He additionally instructed the federal labor and manpower ministry to provide the assistance of PKR 500,000 to the families of deceased employees.

Picture 3: Families OF Victims OF Baldia Factory Protesting FOR Compensation



Source: Industrial Union (2017)

Picture 4: Compensation Agreement Signing by Kik Textilen and Piler



Source: Industrial Union (2017)

3. The then Sindh chief minister, Mr. Syed Qaim Ali Shah on the same occasion distributed the cheques of PKR 300,000 per head for those who lost their lives and PKR 50,000 cheques per head for the injured employees.
4. The then PML (N) leader, Mr. Nawaz Sharif on behalf of Government of Punjab announced PKR 300,000 of aid per head to the family members of those who lost their lives in the incident and PKR 75,000 per head to the wounded.
5. Business tycoon, Mr. Malik Riaz of Bahria Town also donated PKR 200,000 and 100,000 per head respectively for the deceased family members and injured employees.

12. Compensation for Owners or Imprisonment

As per the flyers circulated by some strangers (Baldia Town Factory Flyers, 2012), the facility possessed international compliance certificates on quality and safety. It had two gates with a couple of emergency exit doors. Its fire extinguishers bore expiry dates of the next year (i.e. 2013). On the same day of accident, 9/11/2012, there was a fire blast in a shoe factory in Lahore. Then, a series of fire incidences in various facilities of Karachi took place. On September 12, 2012, a garment factory, on September 13, 2012, a towel factory, on September 14, 2012, a cardboard factory, on September 15, 2012, another factory in site/industrial area and an oil factory in Sher Shah Area Karachi were burnt in those days. The owners of the misfortunate facility demand

justice by freeing them from criminal charges in the wake of fair trial, activating their frozen bank accounts, enabling them to pay their outstanding dues to their vendors, customers and other parties, and compensation to recover losses incurred due to non-shipment of export consignments and loss of revenues (due to closure of facility) to loss of goodwill cum corporate repute. Ultimately, they inquire that if such a terrible accident had erupted in Europe or USA, would authorizes have not taken the responsibility to compensate labor, owners and all the affected parties. Conducting criminal investigation falls mandatory, but the owners must be compensated since they substantially contribute toward domestic production, employment, exports (of the global brands), overall socio-economic development and shining the image of the country. Regarding compensation to the victims and making the JIT/investigation reports public, federal minister, Ali Zaidi, prime minister, and even Sindh High Court raised voice, but some above the law, iron hands did not make it happen (The News, 2020a&b), [June 23].

13. Way Forward

The fire incident of Baldia Factory (Ali Enterprises) was the worst ever industrial disaster that happened to Pakistan on 9/11 of the year 2012. The initial media reports, politicians, social workers, NGOs, trade unions and almost everyone thought and held the sole responsible of the incident to the owners of Ali Enterprises and demanded the severe punishment for them as well. The inability to take control over the disastrous fire further proved that government failed to provide basic health and safety facilities to the industrial units and had poor infrastructure of fire brigade. It has also been witnessed that standard operating procedures (SOPs) are not being strictly executed by the concerned authorities at all levels. After some period, the entire picture got changed when major breakthrough was made by JIT report of Rangers providing shocking facts about the involvement of the Karachi-based leading political party's activist and it was confirmed to them that the fire incident was an act of terrorism that was taken by the party workers due to non-payment of extortion money by the owners of the factory. The family members of deceased employees and the injured employees waited for a long number of years to get their basic right of compensation that was finalized and started after about 06 years. The planners of the terrorist activity at Baldia Factory, Ali Enterprises are yet to be penalized and punished by the courts to provide the justice to victims and their families. For common men to industry professionals and policy makers, various queries about the industrial fire havoc remained un-replied. Was the facility

unable to deal with fire emergency? Did it not have adequate fire extinguishers? Did it not have enough emergency exits? Was it so congested? What about its emergency preparedness capacity to safety and health compliance standards? Was it insured? Were the owners responsible for the inferno? Were the fire brigade teams un-professional and vehicles un-prepared? Was it a natural accident or a plot to threat owners for extortion money? If it was a designed fire, then who were the culprits? Was this incident and similar ones in the industrial site were barbaric assaults on the engine of the economy? How were the victims compensated? Did they get justice by seeing the perpetrators being sentenced? Will the owners be compensated (if they proved to be innocents) or vice versa? What the owners (Bhaila Memons) should do to regain all that is lost? On the contrary, the industry experts questioned the claims by the company on its safety measures and compliance yardsticks. In countries with infirm institutions, like Pakistan, it turns easy to bribe the middle men of quality certification agencies for obtaining all the desired certificates. They also raised concerns about why the company owners obtained bail from Larkana branch of High Court rather than their own Karachi city, but the other experts defended them that for the sake of saving their lives from possible mob, they did so. As per their info, the owners had the approval of constructing only ground plus one floors of the facility; whereas they had built three additional floors illegitimately and did not show the full number of their employees in the labor department to evade duties. The myths remain unsolved and unfortunately, the culprits stay unexecuted, and the victimized labor-force appears not fully compensated yet.

14. Caveats of the Case Study

It is a case study of a catastrophic event but not that company, Baldia Town Factory; hence it does not analyze the company's products, operations, strategy and exports, or competitive situation, industry facts and figures and the overall environment. Thus it has no protagonist and it is an ex-post facto analysis. Its analysis pertains to managerial thinking and implications towards unforeseen hazards analysis, institutional voids, health, safety and environment to social compliance and overall operations to strategic planning.

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