

Bangladesh

Outcome Baseline Report

INTRODUCTION

The Bangladesh baseline report reflects the ‘behaviour’ of the three social partners: government, TUs / labour NGOs and production factories in the RMG sector concerning Living Wages, Social Dialogue and GBV & Discrimination (the three thematic area of the Fair Wear Foundation programme). This baseline was established in November 2016 based on relevant documentation and interviews with key stakeholders. Please refer to the methodological note for further details.

In the subsequent chapters the scoring of the behaviour of each actor in the three respective thematic areas is presented and further explained.

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GOVERNMENT

Themes	Progress Markers			
	Awareness	Engagement: Agenda setting and policy change	Engagement: Policy operationalisation	Application & Implementation
Living Wage	1	2	1	0
Social Dialogue	2	3	2	1
GBV & Discrimination	1	2	1	-1

LIVING WAGE

Background information/general comments

The Minimum Wage board was established in 1959 under the Ministry of Labour & Employment (MLE), Bangladesh, to govern and fix minimum wages. Its genesis lies in Convention No. 26 and Recommendation No. 30 of the ILO.¹

Two tragic events had pushed for significant legislative changes in the Ready-Made Garment (RMG) sector:

1. The fire that broke out on 24 November 2012, at the **Tazreen Fashion factory** in the Ashulia district on the outskirts of Dhaka and
2. The collapse of the **Rana Plaza garment factory** building in April 2013, close to Dhaka.

The Asia Floor Wage Alliance (AFWA) is an international alliance of trade unions, labour groups and activists working together to demand that garment workers across Asia are paid a wage that would be enough for them and their families to live on – in dignity and in safety.

AFWA developed a calculation method based on Purchasing Power Parity \$, (PPP\$) an imaginary World Bank currency, to calculate the living costs. This helped them to work out the minimum amount needed to constitute a “Living Wage” in 12 garment-producing countries in Asia.

The 2015 AFWA calculation for a regional living wage is PPP\$ 1,021 per month, which translates into BDT 29,442 (€ 343.88) for Bangladesh.

The assumptions used for this calculation are:

- A worker needs to be able to support themselves and the equivalent of two other adults or one adult and two children (a child is counted as half an adult).
- Basic needs include nutrition, clothing, housing, travel costs, healthcare and education.
- An adult requires an intake of 3,000 calories a day to be able to carry out their work.
- In Asia, food costs account for half a workers monthly expenditures and 40 per cent is needed to satisfy other basic needs.

A living wage includes 10 per cent for discretionary income, which is used for entertainment, savings and pensions, for example.

Awareness (1)

The concept of “Living Wage” is still new in the Labour Movement of Bangladesh. The term was introduced in RMG sector in 2011 and went along with the concept of “minimum wage”, which is the one widely applied by the Bangladeshi MLE for the whole RMG sector.

¹ Fairwear Fdn (2015), Bangladesh Country Study, page 11

FWF has a living wage strategy focused on a step-by-step process of identifying and overcoming obstacles to the payment of living wages.²

It has been stated in the Theory of Action for this programme in Bangladesh, "*Civil Society and TUs have advocated for years to the government to increase minimum wages for workers. At the same time, brands are asked to ensure that their pricing practice enables factories to pay living wages to their employees*".³

Despite this, the Bangladesh's wage board only marginally raised the minimum wage that was fixed in 1994 for the RMG industry from Bangladeshi Taka (BDT) 930 to BDT 1,662 in 2006; BDT 3,000 in 2013; and, finally **BDT 5,300 per month (or €60) in December 2013**.⁴

Estimates of local stakeholders of what should be a living wage are considerably higher than the established legal minimum wage. In 2013 Bangladesh Institute of Labour Studies (BILS) estimated a living wage benchmark at BDT 8,114, trade union demands were somewhat similar - BDT 8,000. Asia Floor Wage put forward a living wage benchmark for Bangladesh of BDT 25,687.⁵

In 2013 Center for Policy Dialogue (CPD) had advocated in their research⁶ to use a formula for fixing the monthly minimum salary of RMG workers⁷. For an entry-level worker, CPD proposed BDT 8,200 as monthly minimum salary, a figure that is marginally higher than the workers' proposal and 128% higher than the RMG factories owners' proposals. Taking into consideration the limitations of different categories of factories, CDP proposed to implement the minimum wage in phases.

The documents analysed⁸ show that the government agrees with the fact that, to support and sustain the Bangladeshi RMG Sector, average wages should be heightened. However, the overall discourse about wages remains on minimum wage rather than living wage.

For now, the minimum wage is updated in every three years. A new methodology for its computation has been put in practice. According to CPD, the computation is not satisfactory. One of the improvements suggested is to focus on the living wage as the current formula for minimum wage computation only takes into account inflation and economic growth prospects, but not fundamental factors such as productivity and family (size, total income, other) and living costs.

At the same time, labour activists and researchers warn that the concept of the living wage is, in practice, almost impossible to apply due to the lack of micro-data on households and industries. Further still, due to the safety issue being dramatically arising from the Tazreen and Rana Plaza

² Brochure of FWF –on labour minute costing.

³ Fairwear Fdn, Mondiaal FNV & CNV Internationaal, Theory of Action, page 3

⁴ Fairwear Fdn, Mondiaal FNV & CNV Internationaal, Theory of Action, page 2

⁵ Fairwear Fdn (2015), Bangladesh Country Study, page 29

⁶ Center for Policy Dialogue. (2013). Estimating a Minimum Living Wage for the Ready-Made Garment Sector in Bangladesh

⁷ The CPD formula for minimum wage was prepared based on international methodological practices. The research made use of interviews with workers located in Savar, Tongi and Rampura and collected data on household income and expenditure of different strata.

⁸ Fairwear Fdn (2015), Bangladesh Country Study, page 28

tragedies, international attention has been shifting from social compliance to physical compliance, and thus, from a discussion on wages to discussions on the workplace safety.

Engagement: Agenda Setting & Policy Change (2)

Government of Bangladesh is a signatory party to the fundamental ILO Conventions concerning Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), Forced or Compulsory Labour, 1930 (No.29), Abolition of Forced Labour Convention, 1957 (no. 105), , Equal Remuneration Convention, 1951 (no. 100) and Discrimination (Employment and Occupation) Convention, 1958 (no. 111).

In addition, the Constitution of Bangladesh affirms that 'It shall be a fundamental responsibility of the State ... securing to its citizens [...]; (b) the right to work, that is, the right to guaranteed employment at a reasonable wage ...'.⁸

The government of Bangladesh is obliged to adhere to the following international norms of working, working hours and holidays:

- Bangladesh officially recognises 'the right to reasonable rest, recreation and leisure'. Accordingly, Bangladeshi labour law stipulates that no worker can be made to work more than 8 hours a day and 48 hours in a week, except when overtime wages are paid. Even when overtime is included, no worker can be employed for more than 60 hours a week, and on average no worker should work more than 56 hours per week over a year.
- Women cannot be assigned to work between 10 pm and 6 am, without their consent.
- According to the law, workers are entitled to one day off every week and leave with full wages for 10 days, 14 days sick leave, and 11 days festival holidays a year.
- "Wage shall be paid regularly" (Article 12, ILO No.95) and that, especially when thinking of workers' awareness, "effective measures shall be taken to ensure that workers are informed, in an appropriate and easily understandable manner" (Article 14, ILO No.95).

In 2006, after 10 years of negotiation among the members of the tripartite system, the new Bangladeshi Labour Law had been approved. This piece of legislation had been considered to be satisfactory by international observers⁹ "...and, if duly applied, it would truly change the ... scenario in the RMG sector".

After the 2013 tragedy of Rana Plaza, the momentum was gained to introduce improvements to the law. ILO runs a high-level mission in Bangladesh and, in agreement with the members of the tripartite system, a roadmap for the improvement of working conditions and compliance in the RMG sector was produced. Further, the Bangladeshi Government amended the Bangladesh Labour Act 2006 (2013) to make it more in line with International Labour Standards.

The current labour law doesn't specify any wage structure for workers. It only establishes the procedure to determine the minimum wage in a specific industry and makes the minimum wage declared by the Wage Board binding upon all employers within that industry. So far, the tripartite Wage Board in its calculations of minimum wage does not take into consideration factors such as cost of living, the standard of living, cost of production, productivity, a price of products, business capability, the rate of inflation, and the economic and social conditions of the country.

One of the complications to making further improvement to labour regulations is the fact that many members of the parliaments are the owners of RMG factories. Their conflict of interests often stands

⁹ Chowdhury, A. and Denecke, H. (2006). *A comparative analysis between Bangladesh labour law 2006 and 7 general codes of conduct*. German Technical Cooperation

in the way of the policy adoption, leaving the RMG sector factories outside the purview of government regulatory machinery.

Engagement: Policy Operationalisation (1)

Although the operationalisation of the mentioned policies or conventions signed by the Bangladeshi Government so far is slow, a progress was seen on translating the ratified conventions / developed policies on improved labour in the sector into programmes after the tragedy of the Rana Plaza in April 2013. As mentioned above, in general, the focus of the programmes is on Occupational Health and Safety (OHS) issues rather than on living wage. Nevertheless, there is a very concrete operationalisation related to the minimum wage: that “failing to comply with the minimum wage is punishable with both imprisonment and fines” in Bangladesh⁸.

The government is yet to make sure that wages are protected and submit its report on measures undertaken to ensure such protection to ILO.

Policy Application/Implementation (0)

According to the analysed data⁴, the Government of Bangladesh is, in its rhetoric, taking up the issue of a decent wage. However, the current minimum wage in the RMG sector - BDT 5,300 (an equivalent of EUR 60) per month - is one of the lowest minimum wages in the world. Moreover, implementation of this minimum wage is yet to be reinforced by the government.

Further, according to stakeholders⁵, the recent wage increase has had mixed results. While it is considered as a step towards a living wage for the workers, it falls short of attaining real living wages for them. Besides, despite significantly increasing workers’ minimum wage over the last seven years (from \$38 per month for Grade 7 workers¹⁰ in 2006 to \$68 in 2013), this is still far behind the required ‘living’ wage. The suggested incorporation of living wage-related factors in the calculation of minimum wage has not been done yet. In that sense, it can be said that the issue of the living wage in practice is rather ignored.

There have been some recent initiatives to derive methodology of living wage calculations. As a part, IndustriAll is considering to conduct a survey on actual wages of RMG workers through TU organisations. Many labour support organisations including BILS started to sensitize workers on living wage through training and awareness sessions.

SOCIAL DIALOGUE

Background information/general comments

The international NGOs and the Trade Unions (TUs) have played a key role in introducing the concept of social dialogue to RMG sector in Bangladesh. It is seen as a part of the continuous pressure on the Bangladeshi Government (as well as business associations) by global buyers and international institutions such as the ILO that aims at raising compliance in improving working conditions to adequately address the requirements of international labour rights conventions.

In Bangladesh, social dialogue takes place at the factory and industry levels. Factory level social dialogues are mostly organised by the workers' unions; they are concerned with the specific factory problems and involve the factory management and its workers. Industry level dialogues are organised as the tripartite system - the structure identified by ILO for a solid social dialogue to develop the industry and improve working conditions. Here, business associations such as

¹⁰ Grade 7 is held as the reference point as this is the lowest grade where the minimum wage in Garment factories is applicable. The worker below Grade 7 is a worker on probation (period of learning) and is not yet a formal member of the main workforce.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA) represent employers; factory-level TUs as well as industry and national level TUs represent workers; while the MLE represents the Government of Bangladesh.

Awareness (2)

The freedom of association, right to strike and collective bargaining had seen increasing legal restrictions by the government and even a degradation of workers' protection, passing from "fully protected" in the 1980s to "severely restricted" from 2001 on. By 2010, TUs actions were very limited due to a restricting labour law.¹¹ There were only a few situations when the government, business associations and TUs federations engaged in dialogue. Although the registration of TU increased significantly between 2012 and 2015 (132 to 437 in March 2015), still TUs are not adequately capacitated to conduct social dialogue at the plant level. This is because TUs and new and there lacks capacity building efforts by the affiliating federations/labour support organisations. TU leaders¹² commented during interview. It can be stated that, prior to 2012, the awareness on the importance of social dialogue was quite low and its benefits were disavowed by public authorities.

However, as respondents of this study¹³ state, the government's awareness of the significance of social dialogue has improved over the past five years, as a consequence of international and national pressure following the above-mentioned tragic incidents. Although the main focus of this improvement has been addressing the fire and building safety, it also resulted in the Bangladeshi Government's relative openness to social dialogue. Government showing signs of allowing plant level TUs to become registered, giving them legal protection to go for social dialogue. To make this openness stick, a formal recognition of social dialogue and guarantees on regular interactions amongst factories/business associations, TUs and government are required.

Engagement: Agenda Setting and Policy Change (3)

The Bangladesh Government has ratified three main ILO conventions on social dialogue:

1. Freedom of Association and Protection of the right to Organise (No. 87),
2. Right to Organise and Collective Bargaining (No. 98) and
3. Tripartite Consultation (No. 144).

The enactment of the **Labour Act 2006** was the starting point of important legal developments. It repealed all previous measures and unified workers' and industry related laws. A national **tripartite agreement** between the government, BGMEA and the organisations representing RMG workers was concluded. Popularly known as the **national tripartite memorandum of understanding**, it is seen as a landmark achievement towards resolving workers' issues. Most of its demands were incorporated in the Bangladesh Labour codes at that time.

Following the Tazreen fire in 2012, a framework for the improvement of fire safety in Bangladesh was developed in the form of a **Tripartite Statement to Enhance Fire Safety**. This was signed by the government and workers' and employers' representatives in January of 2013 and led to the adoption of the **National Tripartite Plan of Action (NTPA)** later on. The plan was made with input from unions, brands and retailers as well as development partners.

¹¹ Bangladesh Institute of Labour Studies. (2010). Labour. Dhaka: Bangladesh Institute of labour Studies.

¹² TU leader, Ms. Tambia, BTWGL

¹³ CBSG (2014) Mapping Study Report, IndustriAll, page 143

Later in 2013, the Government of USA suspended Bangladesh from the Generalized System of Preferences (GSP), based on Bangladesh's failure to meet statutory eligibility requirements related to worker rights. This led to the amendment of the Labour Act (2006) in July 2013 to facilitate, among others, the formation of TUs, and to rectify some of its shortcomings. The same year, the Employment and Migrant Workers' Act 2013 has been passed by the parliament of Bangladesh. All this is a significant progress in shaping a policy framework that has to ascertain improved workplace conditions and strengthen workers' rights.

Further on 8 July 2013, a **Sustainability Compact** to promote continuous improvements in labour rights and factory safety in the RMG and Knitwear Industry in Bangladesh was launched by the European Union, the governments of Bangladesh and USA with support from ILO.

Finally, in 2016, a **new labour law** was adopted that seeks to protect and promote the rights of workers. It should be noted, that this successful social dialogue is a result of the strong and continuous pressure from international organisations such as ILO and International Finance Corporation (IFC) as well as the global buyers.

Engagement: Policy Operationalisation (2)

Further to the ratification of core ILO conventions, introduction of new labour laws in 2006, 2013, 2016 and the amendment of the labour Act of 2006 in 2013, Bangladeshi Government specified various features of the 2006 Labour Act that make provisions for regulating a social dialogue. For instance, the Bangladesh Labour Act of 2006 provides an important **tool for minimising industrial disputes** at the very initial stage through the intervention of the Participation Committee. The Participation Committee is a bilateral mechanism comprised of an equal number of representatives of workers and employers. In an establishment where 50 or more workers are employed, the employer is obligated to form a Participation Committee. The workers that are employed in the factory/company must appoint their representative in the Participation Committee either by TU's nomination, or, in the absence of an active TU, directly.

The government also created **30 labour welfare centres** that provide basic medical support and training on raising awareness on labour law and workplace safety.

There are more signs of progress in the operationalisation of the new labour laws and policies, especially in joint initiatives of the Bangladeshi Government with international organisations. Among them are:

- A series of major steps were taken to rebuild the Department of Inspections of Factories and Establishments (DIFE), the inspection service that was upgraded to a department in January 2014. DIFE has seen high-level leadership being installed, positions for 392 new inspectors created and budget boosted from US\$ 900,000 in 2013-14 to US\$ 9 million for 2015- 2016. And, basic equipment such as motorcycles, office and inspection equipment is also being provided.
- Common inspection standards were agreed between the initiatives based on the Bangladesh National Building Code and international good practices. Furthermore, a labour inspection roadmap has been agreed between ILO and the Ministry of Labour to form the basis for ILO support to this reform process.
- A Universal Employment Injury Insurance (EII) scheme for the RMG sector was established by ILO together with the Government of Bangladesh.
- A public database and website where inspection reports can be accessed were launched, illustrating a step towards transparency and openness for the inspection service.

- GIZ and ILO Train the Teachers programme was planned. Once trained, teachers of the Industrial Relationship Institute (IRI) and Bangladesh Institute of Management (BIM) will, in turn, train the mid and top management of factories and inspectors, to make the system sustainable in the long term and create a self-sustaining mechanism;
- ILO Skills enhancement training for survivors of Rana Plaza collapse in 2013 was launched through BRAC.

A pilot hotline/telephone service was set up to address labour disputes and grievance-related issues. Meanwhile, an online registration process and electronic database established within the Department of Labour to facilitate TU registration and transparency.

FNV partners (BLF and OSHE) have contributed to drafting labour law clauses (amendments) so that workers' rights are ensured. They influenced policy makers by participating in the review committees.

- Further, the government created **30 labour welfare centres** that provide basic medical support and training on raising awareness on labour law and workplace safety. A process is ongoing to set up a dispute settlement and mediation system with the Department of Labour to help address anti-union discrimination and terminations.

However, it has to be noted, that none of the initiatives that this baseline study analysed is independent, intrinsically organised or monitored by the government. Rather, efforts that operationalise the conventions and national legislation are pushed for and often coordinated by international organisations such as ILO and GIZ or foreign governments such as EU and the USA.

Policy Application / Implementation (1)

The government, BGMEA, and brands have taken several initiatives to improve working conditions in the RMG sector. One of the effects, as mentioned by some respondents, is a decrease in harassment and abuse of workers. However, in general, enforcing of labour policies by the government is weak. This is caused, amongst others, the fact that the government institutions that are to enforce labour policies lack human resources and knowledge. Another complication is the fragmented government structure in Bangladesh, with over 25 ministries represented in the cabinet. The Ministry of Labour and Employment carries primary responsibility for the development and implementation of a sound labour policy and legislative framework, but has limited capacity and depends on many other ministries and departments at the national and regional level for making real progress towards an improved.

This leads to major problems when it comes to compliance with laws to ensure the rights and safety of the workers that make these reforms fragile. Although an action plan, dubbed the “**ILO road map**” that includes a follow-up mechanism to measure in 6 months the progress made in the implementation of the policies exists, there little intrinsic motivation from the government side to engage with the workers and TUs/TUs federations is observed. Social dialogues regarding improving working conditions are mostly issue-specific and occur sporadically, only when there are pressing matters that require a comprehensive discussion. These dialogues mostly take place under the pressure of international organisations like ILO. Thus, a strong monitoring system, including regular social dialogue, is required to ensure that the effective implementation of the labour reforms will not be jeopardised.

GBV & DISCRIMINATION

Background Information/General Comments

The United Nations Declaration on the Elimination of Violence against Women (Convention on the Elimination of all Forms of Discrimination Against Women - CEDAW- 1993), defines Gender-Based Violence (GBV) as "any act of gender-based violence that results in, or is likely to result in, physical,

sexual, or psychological harm or suffering to women, including threats of such acts, coercion or arbitrary deprivation of liberty, whether occurring in public or private life."

A majority of the RMG sector workers are women. 66% of GMG factory workers are young women.

The studies¹⁴ on women workers vigorously assert that the overall impact of the RMG industry on women's lives is mixed. On a positive side, the industry offers women workers advantages in comparison to limited and dreary employment in more traditional areas of female employment such as stone crushing, agricultural works and paid domestic work. On the negative side, huge gender inequality and sexual exploitation in this industry serve as a serious violation of women's and workers rights.

In the RMG industry and informal and local garment industries there is a lack of oversight by the labour departments and also by the management. There are many unreported cases of gender based violence. Apart from this, a lot of home based garments workers often becomes victims of gender based violence at the own home. There is no social protection mechanism to protect home based workers from gender based violence.

Awareness and Knowledge (1)

In general, law and regulatory bindings are available to protect the women's share in social and economic life in the country. But beyond the legal and regulatory bindings protection of women from violence at the workplace is not sufficient. The government has not taken steps to study the situation of women for assessing the extent of GVB and discrimination and did not investigate the process and approaches to protect this vulnerable part of the population. In terms of awareness, the government's assertive reactions are yet to be shown.

Engagement: Agenda Setting & Policy Change (2)

The laws are in place to back action against discrimination of women. Firstly, the Constitution of Bangladesh mentions that women and men shall have equal rights in all spheres of the state and public life.

Secondly, Bangladesh is among the countries party to numbers of international conventions, covenants and other instruments, including ILO conventions 19, 45, 100, 111, 118, the UN CRPD, CEDAW, CERD, and ICESER that state the right to equality irrespective of sex (age, colour, religion, physical ability or others). The ILO Convention 100 (1951) focuses on the issue of equal remuneration, whereby article 2 states that ratifying states shall ensure that, for work of equal value, men and women should be equally remunerated. By ratifying Convention 111, the Bangladeshi states take on themselves the responsibility of promoting equality of opportunity and treatment.

Provisions of the Labour Act 51 prohibit the discrimination of workers. It also stipulates that the special needs of specific categories of workers, for instance, women, should be safeguarded. The Act specifically states that, in determining wages or fixing minimum wages for any worker, for work of equal nature or value, the principle of equal wages for female and male workers must be followed and no discrimination should be made based on gender. In addition, it specifies benefits that pregnant women are entitled to and secures their job during pregnancy and maternity leave. The law also provides protection for women by prohibiting women to be employed: in maintaining

¹⁴ Paul-Majumder, P., and Begum, A. (2000). *The Gender Imbalances in the Export Garment Industry in Bangladesh: Policy Research Report on Gender and Development*. Washington, DC: World Bank.

running equipment, between rotating parts of running machines; in work underground or underwater in work requiring heavy labour in the 10 weeks preceding and following childbirth.

However, although Bangladesh Labour Law 2006 prohibits discrimination on the basis of sex, colour and creed, it does not have any mention of sexual harassment in a proper way. Further analysis of the current national legislation shows that it remains limited for addressing GBV and discrimination at the workplace.

Engagement: Policy Operationalisation (1)

Although a National Action Plan to Prevent Violence against Women and Children (2013 – 2025) has been formulated, the Government has no significant specific actions to monitor the women's situation at an RMG factory. Therefore, little information could be found on policy operationalisation.

In 2013, a National Centre on GBV has been established at the Department of Women Affairs. It was stated that this centre would help to implement the action plan through the Action Plan Support Unit (APSU). However, neither the Ministry of Commerce and Ministry of Labour and Employment nor the Ministry of Women and Children Affairs (MOWCA) have a special programme to monitor GBV and discrimination of the RMG women workers.

The latest effort to addressing GBV and discrimination was made by the Supreme Court on 14 May 2009 by issuing an enforceable guideline detailing what constitutes harassment. Although this verdict has not yet been converted in to Law, still as per provision of Bangladesh constitution (part 111), this verdict is automatically treated as Law. Since August 2009, BGMEA started implementation of this law in their RMG factories. The objectives of the guidelines are to create awareness about sexual harassments, the consequences of sexual offences, and that harassment is a punishable offence. The guideline defines sexual harassment as unwelcome sexually determined behaviour (whether directly or by implication) as physical contact and advances, the use of sexual remarks or gestures, abusive language, stalking, leaving messages of a sexual nature, among others. The High court division of Bangladesh made compliance with the guidelines mandatory until they are passed into law by Parliament. This incident was invoked by the Bangladesh National Women Lawyers' Association (BNWLA) throughout a petition from 2008, not initiated by the government itself.

Policy Application / Implementation (-1)

Only limited information on policy information and law enforcement related to GBV and discrimination has been found during desk study. According to the studied documents and respondents, the working conditions are still characterised by low wages and an unsafe environment for women. Workers' and human rights are not always respected. Women are generally found in the lowest level jobs in the industry.

Based on the information found, it can be stated that, in practice, the government ignores the deterioration of safety at workplace based on gender-based discriminatory practices. The Government of Bangladesh is not working on monitoring implementation of the programme that operationalises ratified conventions / developed policies on improved labour conditions addressing GBV and discrimination in the sector.

TRADE UNIONS & NGOS

Themes	Progress Markers			
	Awareness	Engagement: Agenda setting and policy change	Engagement: Policy operationalisation	Application & Implementation
Living Wage	1	1	0	0
Social Dialogue	3	3	1	0
GBV & Discrimination	2	1	0	0

LIVING WAGE

Awareness & Knowledge (1)

It is evident that the concept of Living Wage was introduced by the labour NGOs and TUs representing the RMG workers since 2011. Initially, the term was misinterpreted and was used as a synonym to the Minimum Wage, which is the one widely used by the government.

The re-interpretation of the Living Wage has been done by three NGOs: BILS, CPD and the Fair Wear Foundation (FWF) who contributed greatly to the signification of the socio-economic interpretation of the term by the concerned public authorities.

Nevertheless, it appears from the interviews with the Labour Rights professionals and activists, that there is only very few labour NGOs/TUs staffs that sufficiently understand the term. Even the prominent NGO activists working on RMG sector issues indicated that many of the leaders are not sufficiently aware of the concept of the Living Wage. In addition, there seemed to be different interpretations of the Living Wage by different stakeholders. On top of it, there is confusion among the stakeholders about the amount of the living wage.

Engagement: Agenda Setting & Policy Change (1)

In terms of agenda setting, the labour NGOs and TUs so far are not yet on the same page nor joined in any integrated movement around Living Wage.

In 2013, BILS and CPD worked on an estimation of the Living Wage. According to CDP, “the report was sent to the office of the Chairman of the Minimum Wage Board in the end of September. The advice of the Minimum Wage Board on the revision of the minimum wage was expected by the end of October 2013, after which the government was expected to announce the new minimum wage for Bangladesh”.

However, these research reports and subsequent discussions did not turn into an active mobilisation for the labour NGOs/TUs and, as such, the issue of Living Wage was (and still remains) tabled. After the Wage Board’s declaration of Minimum Wage, BILS, CDP and FWF efforts were not strengthened by others in advocating for the Living Wage and their voice was not raised in the entire forum. Mr. Sultan Uddin Ahmed of BILS expressed same opinion on the need of getting a common understanding of the Living Wage concept before getting it as an agenda for policy change by the NGOs and TUs.

Engagement: Policy Operationalisation (0)

The labour support NGOs/TUs had shown little mobilisation on addressing the issue of Living Wage, until very recently BILS and FWF have taken few initiatives to bring the living wage issue on the

table. However, they didn't manage to take factory workers along in framing the issue, which made it difficult to put it on the agenda of the Wage Board in negotiation with the RMG factory owners.

The policy operationalisation from the labour NGO/TU became ineffective due to following causes:

- As the concept of Living Wage could not get a clear and common understanding by the labour NGOs / TUs, their ambition to select the issue in their top action list was lowered;
- Government did not assign any organisation to study the requirement and come up with a substantial data to justify the concept of Living Wage in the country context;
- The strong influential capacity of the RMG factory owners had contributed to delays in moving political discourse to the Living Wage;
- Lack of communication and lobbying capacity of the labour NGOs/TU has also contributed to this delay.

In absence of the priority status, presently, the agenda of Living Wage has no significant outcome in terms of policy operationalisation in the work plan of the labour NGOs and TUs.

Application & Implementation (0)

In absence of an integrated action plan of the labour support NGO/TUs on the issue of Living Wage, no concrete steps have yet been taken by the labour NGOs/TUs. Accordingly, they still need to locate opportunities for making this issue into a strategy towards organising and achieving a meaningful social dialogue.

SOCIAL DIALOGUE

Awareness & Knowledge (3)

Leading TUs and labour support NGOs working in RMG sector appear knowledgeable about the negotiation of CBAs. However, an important factor regarding raising issues related to working conditions is that many workers are unaware of their rights, therefore, they do not report to TUs on violations taking place. The ILO identified the issue of poor knowledge of workers' rights as the major one to address. The ambition is to tackle this lack of awareness, provide training that increases workers and TUs leaders' skills and, that way, and rebalance the bargaining power on the negotiation table with Government and employers.

Engagement: Agenda Setting & Policy Change (3)

Further, there is evidence¹⁵ that members of TUs and labour NGOs participate in capacity development events addressing the development of social dialogue mechanisms. Employers and workers organisations, for instance, take an active role in the training of mid-level managers, organised by ILO in 2015. There is less information about the kind of capacity building efforts planned or implemented for supply chain management participants.

As mentioned before, a **national tripartite agreement** between the government, BGMEA and the organisations representing RMG workers was concluded in 2006. Most of its demands were later incorporated in the Bangladesh Labour Act of 2006. Further, following the Tazreen fire, a framework for the improvement of fire safety in Bangladesh was developed in the form of a **Tripartite Statement to Enhance Fire Safety**. This was signed by the government and workers' and employers' representatives in January of 2013 and led to the adoption of the **National Tripartite Plan of Action (NTPA)**. The plan shows considerable engagement with and input from unions as well as development partners. The labour support organisations and FNV partners (OHSE and BILLS) also provided input in developing NTPA.

¹⁵ ILO (2015) Rana Plaza Two Years On: Progress Made & Challenges Ahead for the Bangladesh RMG Sector, page 3-4

In addition, in **2013 the Labour Act (2006) was amended** to facilitate the formation of TUs, among other things. Consequently, the RMG sector saw a significant growth of TUs, from 132 at the end of 2012 to 437 by March 2015, which can be interpreted as TUs being more active in discussing and acting in support of social dialogue. Thus government has creating an enabling environment for social dialogue.

Engagement: Policy Operationalisation (1)

Factory level social dialogues that are mainly organised by the Factory Unit of TUs are not regularly monitored. They are devoid of institutionalised negotiation; sessions are dominated by pre-defined or imposed arbitrations. Some of the reasons for weak operationalisation of social dialogue at factory level are:

- Factory level leaders need more opportunities for honing their leadership skills
- Factory managers / or mid-level workers need more systematic knowledge and skills for social dialogue
- The concerned personnel lack communication and negotiation skills, crucial for successful social dialogue

Application & Implementation (0)

Due to the resistance from the Business Associations and government to negotiate with the TUs, the negotiations have to be forced through strikes. But, social dialogues do take place.

Efforts of trade union's activities towards dialogue and cooperation remain fragmented, which makes their bargaining power weak. There is a momentum of an exponential rise in the number of TUs organised at the workplace in the RMG sector during the past years, triggered by the incidence of Rana Plaza. TUs need to cease this momentum to mobilise and represent workers, which will enable them to more effectively engage in social dialogue, and thus more successfully advocate for their members' interests.

GBV & DISCRIMINATION

Awareness & Knowledge (2)

Interviews with the respondents from NGOs and TUs, it was revealed that the NGO/TU leaders and the workers are well aware of the GBV and discrimination of women in RMG industry. They have immense documentation and experience in this field with significant socio-economic data. Some of the highlights of this data are:

- As the majority of the workforce in RMGs are women, overwhelming majority of GBV stories are based on oppression on women;
- Poverty-stricken women that come from rural areas and start working for RMG factories are not aware of their rights and, therefore, violations;
- Approximately 60% of the factory workers have experienced some type of harassment at work, verbal abuse or physical abuse¹⁶.

Many of the leaders of the TUs started as workers in RMG factories and till present remain closely engaged with workers; therefore, they have daily updates on workers situation. However, there are hardly any capacity development initiatives from TUs side to engage with members on this issue.

Engagement: Agenda Setting & Policy Change (1)

TUs do not seem to regard GBV and discrimination a priority for negotiations at a factory or industry levels. Moreover, according to one respondent's comment, there is a general under-representation of the female workers in running the affairs of TU federations. Similarly, female representation is quite low in comparison to male representation with respect to a number of the full-time and part-time organisers (IndustriaAll 2014). As for a few other important variables, it was found that the average monthly salary for female workers (BDT 6,200) is less than that of the male workers (BDT 8,185). According to IndustriaAll research (2014), a greater proportion of female workers (41%) mentioned incidents of discriminations of salary and benefits compared to the male workers (28%).¹⁷

Among the possible causes for not addressing the GBV and discrimination by TUs/NGOs are:

- GBV and discrimination issues are too sensitive for TUs/NGOs to consider for developing a wide-spread programme/initiative on it;
- The NGOs/TUs assume that the issue was sufficiently addressed by a number of training programmes funded by international development partners. Therefore, they do not consider monitoring and supporting the women victims of GBV and discrimination;
- Women risk losing their job if they complain about GBV and discrimination.

Engagement: Policy Operationalisation (0)

Most of the social dialogues organised by the NGOs are project based. If and when the development partners fund initiatives on the GBV and discrimination, they are organised at the factories.

It is very rare for TUs/ NGOs to systematically monitor and follow-up on the incidence of GBV of an individual worker.

Application & Implementation (0)

Evidence shows that despite the conventional training on Gender and Development, GBV and discrimination is not a significant part of NGOs/TUs plans/programmes. On a related matter, the

¹⁶ Standing Firm against Factory Floor Harassment, Fair wear Foundation,

¹⁷ CBSG (2014) Mapping Study Report, IndustriaAll, page 209



challenge of unionising women remains significant.¹⁸ Many women workers in RMG sector and elsewhere are not familiar with TUs and fail to understand their role in workplace representation, nor have they a broader understanding of a labour relations framework.

¹⁸ Fairwear Fdn, Mondiaal FNV & CNV Internationaal, Theory of Action, page 3

PRODUCTION FACTORIES

Themes	Progress Markers			
	Awareness	Engagement: Agenda setting and policy change	Engagement: Policy operationalisation	Application & Implementation
Living Wage	-1	0	-1	-1
Social Dialogue	1	1	1	1
GBV & Discrimination	1	-1	1	1

LIVING WAGE

Awareness & Knowledge (-1)

As reported in the chapters about the government and TUs/NGOs, lack of clarity on the concept of Living Wage among the labour rights advocates had its effect on RMG factory owners' awareness on the issue. The owners, represented by BGMEA and BKMEA had shown their indifferent attitude towards Living Wage, and a slight confusion with the terminology.

As reported by a newspaper in 2013, "after a lot of rejections... the BGMEA agreed on BDT 5,300 (68 USD/60 Euro) to be the minimum wage for RMG workers in Bangladesh who have been demanding the wage to be at least BDT 8,000. They also declared their honest intention to solve the concerns of the workers and requested them to be patient during this time. It was disclosed that this decision came after the intervention of the Prime Minister herself into the matter".¹⁹ It is clear that when negotiating minimum wage was so hard, the idea of the living wage was found not at all admissible to the factory owners' representatives. When interviewed, the BGMEA representative (senior vice president – Finance) stated, "...at present BGMEA is thinking about minimum wage – not living wage as such. The current minimum wage scale is BDT 5,300, for a newcomer. There are provisions of 5-10% annual raise depending on factory's profit and inflation rate..." He also stated that "...BGMEA is not in the position for conducting any survey and/or workers' salary rise at this moment because the price of the product is on decreasing trend, as widely understood. The Government of Bangladesh is investigating about the living wage and other allowances..."

Engagement: Agenda Setting & Policy Change (0)

Since RMG owners group have not accepted the living wage agenda, at present they are not engaged in discussions about living wage. At present, BGMEA is not considering taking up living wage issues. They are experiencing price cut of their products in the international market resulting in less profit than the past. This does not mean that BGMEA might not consider the issue and set their agenda for the welfare of the labours in near future.

Engagement: Policy Operationalisation (-1)

Even if the average income (i.e. BDT 9,195) is slightly higher than the minimum wage, the largest part of the wages is only paid out during festival days.³ No employment benefits, such as paid sick leave, paid holidays or social security is provided, according to research conducted for the Bangladeshi Labour Foundation (2015).²⁰

Many workers become indebted when a family member becomes sick or disabled. In addition, there are no statutory unemployment benefits. After being laid off, the law mandates that workers should

¹⁹ Research Initiative for Social Equity, Society (RISE Society) <https://risebd.com/>

²⁰ CBSG (2015), Mapping study report on Organizing Workers in Keraniganj Apparel Hub, BLF & FNV

receive retrenchment benefits from the employer. In practice, workers are asked to hand in their resignation letter instead so that the employer does not have to comply with the law.

Only a handful of factories give their workers coverage under commercial insurance schemes. Because of the lack of social security and health insurance, RMG workers pay out-of-pocket for their own health care expenses and those of their families.³

Application & Implementation (-1)

The desk study found that “salaries do not amount to living wages in any of the factories audited by FWF between 2012 and 2015 [...] in 31% of the audited factories, the salaries of some workers were found to be below the applicable minimum wage levels [...] Excessive overtime practices were found in 97 % of the 36 factories audited”.²¹

The study by Bangladesh Labour Foundation (2015)⁵ shows that 31% of the audited factories in Bangladesh in 2015 did not even pay workers the minimum wage for their respective pay grade. Due to the low regular income, workers have to work significant overtime to earn enough money to cover their costs. In many cases, the payment of overtime is lower than legally required. At audited factories, many worked more than 12 hours per day, sometimes seven days a week, as a matter of regular practice. In the downstream and subcontracting RMG sector, 81% of the workers work on a piece rate basis and 2% do not get any compensation at all.⁴

SOCIAL DIALOGUE

Awareness & Knowledge (1)

According to the Country Study on Bangladesh made by Fair Wear Foundation (2016), generally, factory owners have a conservative outlook and continue harassing TUs leaders. Moreover, they do not inform workers about their rights to Freedom of Association.²²

It has been reported that employers and business associations hardly recognise TUs; the existing dialogues are mostly based on dispute solving through a court of mutual agreements. Employers are described as completely antagonistic against the TUs and their requests (Fair Wear Foundation, 2013). Social dialogue regarding improving working conditions occurs only sporadically and issue-specific, for instance after the two recent cases of Tazeen and Savar, where fire and building safety were finally addressed.²³

In the past few years, though, the situation concerning freedom of association in the RMG industry has somewhat improved. The respondents indicate that GMG factory owners are less afraid of TUs, allowing them to operate. Although BGMEA does not officially recognise any forum for sharing business concerns and labour issues with the TUs and NGOs, unofficially, some of the owners have expressed their willingness to participate in the social dialogue. Further, in the discussion with the researchers, it was mentioned that after the Rana Plaza and Tazreen tragedies, some of the factory owners have been leaning in favour of having tripartite social dialogue. It might be that RMG factory owners soon realise the benefits of fair business practice and social dialogue.

Engagement: Agenda Setting & Policy Change (1)

²¹ Fairwear Fdn (2015) Bangladesh Country Study, page 30-31

²² Fairwear Fdn (2015) Bangladesh Country Study, page 27

²³ Fairwear Fdn (2013) Working Conditions in the Bangladesh Garment Sector: Social Dialogue and Compliance, page 52-58

After the Tazreen fire in 2012 and the Rana Plaza collapse in 2013, the enhancement of fire safety in Bangladesh was developed in the form of a Tripartite Statement. This was signed by employers' representatives in January 2013 and led to the issue of a tripartite Joint Statement on safety and rights on 4 May 2013. Also, the National Tripartite Plan of Action (NTPA) was adopted. The Accord on Fire and Building Safety in Bangladesh (the Accord) was signed. This independent, legally binding, five-year agreement between global brands, retailers and TUs was designed to build a safe and healthy Bangladeshi RMG industry. Signatories to the Accord are approximately 190 (mostly European) clothing brands, sourcing at roughly 1,600 factories in Bangladesh.

In this regard, a recent case study of the Fair Wear Foundation (2016) shows that all of the audited factories of this research had a written policy on Freedom of Association and the Right to Collective Bargaining.²² It appears that there have been policy changes made by the factory owners or business association in recent years. Those changes show that factory managers cannot refuse disclosing information about the nature and scope of their relationship with brands, including audits/reports of shortcomings and corrective actions required in relation allowing TUs work. They are not anymore in the position to refuse to disclose any information about labour conditions, especially in compliance with laws on freedom of association and collective bargaining.

Engagement: Policy Operationalisation (1)

Data on operationalisation of new policies has been limited. However, one example is the establishment of the Alliance for Bangladesh Worker Safety in July 2013 by a group of North American apparel companies, retailers and brands. Collectively, these Alliance members represent the overwhelming majority of North American imports of RMG from Bangladesh, produced at more than 580 factories. The Alliance developed and launched the Bangladesh Worker Safety Initiative.

Application & Implementation (1)

Except for a few large factories, most factory owners do not have regulatory obligations to form/allow factory level workers' unions. However, as mentioned in the previous section, there have been some efforts of factories to adjust their policies to enable social dialogue. According to Fair Wear Foundation, stakeholders noticed that BGMEA and brands have taken several initiatives to improve working conditions in the RMG sector. Some specifically mentioned a decrease in harassment and abuse of workers.²⁴ Other positive examples are factories that have been linked to the Alliance for Bangladesh Worker Safety, who agreed with and implemented inspections of a building, electrical and fire safety, and made corrective actions plans that are in different stages of implementation.

GBV & DISCRIMINATION

Awareness & Knowledge (1)

After reviewing the desk study report and interviewing the stakeholders, it was found that the RMG owners do not have any organised effort to assess the present situation of GBV and discrimination in their working place.

Although limited, there is some evidence that when it comes to the abolishment of sexual harassment in the workplace, the awareness is rising.

Engagement: Agenda Setting & Policy Change (-1)

The data on agenda setting and policy changes when it comes to GBV and discrimination has been very limited. According to the few analysed documents, it is not common that factory owners or

²⁴ Fairwear Fdn (2015), Bangladesh Country Study, page 33

managers of the Bangladeshi RMG sector to adjust their HR policies so that they help eliminate gender-based discrimination.

Engagement: Policy Operationalisation (1)

Here, two comments have been found on the issue: first, the fact that an Anti-Harassment Committee was in place in 50% of the audited factories (Research by FWF, 2016); second, and more crucial, very few workers were aware of committee's existence and activities, or know the committee members. In some case, even the committee members were unaware of the committee's mandate.²⁵

Application & Implementation (1)

There is still a general climate in which harassment and discrimination at the workplace are widespread. The common use of performance assessment, which has an informal nature, makes it prone to favouritism and discrimination.²⁵

According to the same publication, Bangladesh scores 3.5 on a scale of 1 to 6 in the World Bank's Gender Equality Ranking, The average wages of women are 69% of those of men. Female employment is clearly at the lower levels of the wage ladder, and 41.13% of the employed females earn less than BDT 5 000.00 which is 26.11% less than what male employed adults receive. There is a perception among many managers observed that, while women may be yelled at, or occasionally hit, the environment is still preferable to other options available to poor uneducated women.³

Women are rarely hired for leadership roles. In 100% of the audited factories, the number of women in supervisory roles and other high-paid positions was very low. In 47% of the factories, there were no women supervisors (Fair Wear Foundation 2016).²⁵

Not only women experience bad treatment: reportedly, almost 60% of factory workers have experienced some type of harassment at work, including verbal or physical abuse.²⁵ Workers also reported that the vast majority of problems are with immediate supervisors, who tend to change their behaviour when senior workers or buyers appear on the factory floor.

Types of GBV and harassments in RMG industries.

- Scolding by the floor level management is reported very often, leading to mental harassment. Most of female workers cannot protest due to fear of job loss.
- Sometimes floor level management staff come to pretty looking women, touches them and ask them to meet (that particular staff) after work.
- Women workers that were labelled unattractive fell victim to discrimination for promotion and salary increment.
- When someone disagrees to go out (sexual relation) with some staff/s they fall victim of scolding and harassment. Sometimes they are blackmailed – publishing bad stories on social media like Facebook.

Annex 1: List of the persons/ organisations consulted

List of organisations consulted:

1. Bangladesh Labour Welfare Foundation (BLF)
2. Occupational Safety and Health (OSHE) Foundation
3. Awaz Foundation

²⁵ Fairwear Fdn (2015) Bangladesh Country Study, page 23-24

4. KarmajobiNari (KN)
5. Bangladesh Institute of Labour Studies (BILS)

List of persons interviewed:

1. Mr Moheemmad Nasir, Senior Vice President – Finance, BGMEA
2. Mr Mohabbat Hossain (Assistant Director, Office of the Labour Inspector General)
3. Mr Shamsul Alam Khan, Joint Director, Department of labour, Ministry of Labour)
4. Mr Sultan Uddin Ahmed, Assistant Executive Director, BILS
5. Ms Saki Rezwana (OSHE), Chairman BILS
6. Advocate Salma Ali, Executive Director, BNWLA
7. Mr Ashraf Uddin, Executive Director, BLF
8. MS. Rokeya Rafiq, Executive Director, KN
9. Ms Khodiza Akhter, Programme Manager, AWAZ Foundation
10. Ms Atunduty Rani, Programme Coordinator, FES
11. Ms Tambia Akther, TU Leader, BTWGL