



**Feasibility Study of
The Garment Industry Transparency Initiative (GITI)
Case of Bangladesh
FINAL VERSION**

Report Prepared

By

***Dr K G Moazzem*¹
Additional Research Director**

Centre for Policy Dialogue (CPD)

7 September 2014

House 40/C, Road 11, Dhanmondi R/A, Dhaka 1209

Tel: 9141734, 9141703, 9145090; Fax: 8130951

E-Mail: cpd@bdonline.com; Website: www.cpd-bangladesh.org

¹ For contact: moazzemcpd@gmail.com. The Author would like to register his deep appreciation to the reviewers for their comments and feedback on the draft report. He would like to appreciate the research support provided by Ms. Kashfi Rayan, Research Associate, Centre for Policy Dialogue (CPD).

Foreword

The Garment Industries Transparency Initiative (GITI) is a multi-stakeholder initiative that aims at using transparency as a means to improve labour conditions in the global garment supply chain.

Through the creation of national multi-stakeholder fora gathering information about the implementation of labour standards, GITI seeks to create frameworks for collective action which involve governments, national producers and international buyers, trade unions and civil society.

In April 2014, the multi-stakeholder Advisory Board of the Initiative has advised the GITI team to commission two GITI feasibility studies in Myanmar and Bangladesh to assess the preconditions for possible GITI pilot processes in both countries. The present study was researched by Dr. K. G. Moazzem in close collaboration with the GITI team and the GITI Advisory Board. The preparation of the study has been supported by the CARE country office in Bangladesh.

We are fully convinced that the present study constitutes an excellent first step of GITI's work in Bangladesh.



Heidemarie Wiczorek-Zeul



Peter Eigen

The **Centre for Policy Dialogue (CPD)** was established in Dhaka, Bangladesh during 1993 as a civil society initiative to promote an ongoing dialogue between the principal partners in the decision making and implementing process. At present, CPD's two major activities relate to research and dialogues which work in a mutually reinforcing manner. Some of the major research areas of CPD include: macroeconomic performance analysis, poverty and inequality, agriculture, trade, regional cooperation and global integration, infrastructure and enterprise development, climate change and environment, human development, development governance, policies and institutions. CPD dialogues are designed to address important policy issues and to seek constructive solutions to these problems.

At present CPD is spearheading two global initiatives. *LDC IV Monitor* is an independent global partnership for monitoring the outcome of the Fourth United Nations Conference on the Least Developed Countries (UN LDC IV). *Southern Voice on Post-MDG International Development Goals* is a network of 48 think tanks from the developing South which seeks to contribute to the ongoing global discourses on post-MDGs. In recognition of its track record in research, dialogue and policy influencing, CPD has been selected as one of the awardees of the Think Tank Initiative (TTI) through a globally competitive selection process for two consecutive times.

Table of Contents

Introduction	5
2. Methodology of the Study	6
3. Implementation of Labour Standards and Future Areas of Work: Stakeholders' Perception.....	7
3.1 Freedom of Association and Effective Recognition of the Right to Collective Bargaining (ILO Conventions 87, 98, 135 and ILO Recommendations 143).....	7
3.2 The Elimination of All Forms of Forced and Compulsory Labour (ILO Convention 29 and 105) ..	9
3.3 The Effective Abolition of Child Labour (ILO convention of 138 and 182).....	9
3.4 The Elimination of Discrimination in respect of Employment and Occupation (ILO Convention 100 and 111)	10
3.5 The Right to a Living Wage (ILO Convention 26 and 131 and the universal declaration of human rights)	11
3.6 Humane Working Hours with No Forced Overtime (ILO Convention 1).....	12
3.7 Safe and Healthy Workplace Free from Harassment (ILO Convention 155)	13
4. Involvement of the Stakeholders in the Fact Finding and Analysis Process for the GITI.....	14
4.1 Participation in the Fact Finding Process	14
4.2 Sharing Information related to Labour Rights	15
5. Mechanism to Ensure Comparable and Credible Data for the GITI Report.....	15
6. Rationale for Establishing Institutional Set-up for GITI and the Minimum Benchmark Level which Influence Stakeholders to Participate in the GITI Process	16
7. Organisational Set-up for GITI.....	17
8. Cost for Setting up a National Fact Finding and Analysis Process	17
9. Concluding Remarks.....	18
References	19
Annex 2: Summary of the Interviews.....	22

Introduction

The success of the export-oriented garments sector of Bangladesh in the global value chain has yet to ensure sufficient progress on social issues related to workers (CPD, 2013). As like in other garment producing countries, Bangladesh has experienced limited positive impact of economic upgradation in the value chain on social progress. Despite huge contribution of the RMG sector in the national economy, workers' rights particularly related with freedom of association and right to collective bargaining and workplace safety and security have not yet been improved. The progress on social issues over the last decades was limited and occasional. It was not achieved through focused and targeted initiatives. After the incidences of fire at Tazreen Fashions and collapse of Rana Plaza which caused deaths over one thousand workers, a number of organized initiatives have been undertaken that are currently at different phases of implementation. However, the progress towards a sustainable RMG sector value chain, ensuring the workers' rights and their safety and security are far-off.

A major deficiency towards achieving the targeted goals is limited success in collective action mechanism with the participation of the key stakeholders. It is a fact that different tri-partite committees and forums were formed earlier and a number of such committees are currently in operation with a view to address specific social issues. The committees that are currently in operation at national level include cabinet committee on readymade garment, tripartite striking committee and committee on social compliance. The most important among those is the National Tri-partite Committee, which is in overall charge for reviewing the progress made in different initiatives and are currently being undertaken by different public and private initiatives. A major challenge for effective functioning of these existing initiatives is to ensure transparency in the activities of major stakeholders.

The Garments Industry Transparency Initiative (GITI) is a new global initiative. By promoting transparency, the GITI aims to facilitate a multi-stakeholder process which leads to action for improvement of working conditions of garment workers worldwide and to contribute to the implementation of internationally agreed labour standards in the garment supplying countries. However, GITI means to preserve the competitiveness of garment producing countries through promotion of positive competition and creating peer pressure amongst countries and companies to ensure workers' rights.

As part of initiating the GITI process, a feasibility study has been designed for implementing in two garment supplying countries – Bangladesh and Myanmar. The objective of this feasibility study is to appreciate the possibility for establishing a new multi-stakeholder forum involving government, buyers, producers, trade unions and civil society which facilitates among the actors through a joint fact finding and analysis process in Bangladesh that could help the stakeholders on the ground to understand what the current challenges regarding the implementation of labour standards are and support them in the identification of the next steps which should be taken to address them.

2. Methodology of the Study

The GITI is designed for the active participation of the key stakeholders in the garment sector which include government, owners/associations, workers/trade union, buyers/retailers/representatives and international labour organization (ILO). The feasibility study has been carried out based on the perception of the key stakeholders regarding various issues related to workers' rights and work place safety and security in the RMG sector. A total of twenty two (22) key persons have been interviewed during June-July, 2014 which include six senior officials of the Ministry of Labour and Employment (MoLE), two BGMEA leaders and two of their senior staffs, five trade union leaders and seven buyers/retailers/related organizations. For details of the interviewees please see Annex Table 1.

The main focus of the interviews is to appreciate the views of the stakeholders about key ILO standards related to workers' rights and work place safety and security. Major ILO core and technical labour standards that are taken into account include- a) Freedom of association and the effective recognition of the right to collective bargaining (ILO convention 87, 98, 135 and ILO recommendation 143); b) The elimination of all forms of forced and compulsory labour (ILO convention 29 and 105); c) The effective abolition of child labour (ILO convention 138 and 182); d) The elimination of discrimination in respect of employment and occupation (ILO convention 100 and 111); e) The right to a living wage (ILO convention 26 and 131 and the Universal Declaration of Human Rights); f) Humane working hours with no forced overtime (ILO convention 1); and g) Safe and healthy workplace free from harassment (ILO convention 155). It is important to note that Bangladesh has not yet ratified all the standards that are taken into account under this exercise.² Since Bangladesh has ratified only a limited number of technical conventions (25 out of 144), only one out of four technical conventions under consideration (ILO convention 1: working hour) has been found to be ratified. However, most of the issues of ILO standards even though were ratified but have been addressed through national laws (i.e. Amended Labour Act 2013).

A key target of the feasibility study is to appreciate the benchmark condition of the ILO standards in practice at the factory level. This exercise will help to understand the gap in the existing practices which needs to be filled up in the future. Any fact-finding exercise on labour related issues need close cooperation with stakeholders in order to get the access of data and information which are available to them. Hence the willingness of the stakeholders to share the available information is highly important for this transparency exercise. Present study has asked the stakeholders about those issues – perception regarding the practice of ILO labour standards at the factory level and willingness to share those information. Given the lack of publicly accessible database on labour standards and work place safety and security, perception of key stakeholders regarding those issues are critically important to appreciate the situation.

²Bangladesh has so far ratified a total of 34 conventions which include 7 fundamental conventions (out of 8), 2 governance conventions (out of 4) and 25 technical conventions (out of total conventions of 177). Out of 34 conventions ratified two are not in force and one of which will be in force on 28 October, 2014.

3. Implementation of Labour Standards and Future Areas of Work: Stakeholders' Perception

Given the limited publicly accessible database on labour standards, perception of the key stakeholders is the main instrument to appreciate the current situation of practice at the factory level. However, without having publicly accessible databases sometimes it is difficult to reach in consensus because of diverge stakeholders' perception on the same issue. Besides, the stakeholders sometime take position on certain issues from narrow organisational interests which need to be modified for reaching in consensus by using information from alternate sources. A summary of all the interviews has been given in Appendix 2.

Often there are gaps in the information between the laws and their practices at the factory level. Unless stakeholders share the information on practices of labour standards properly, a fact-finding mission would hardly explore the actual level of implementation of labour standards as well as fail to identify informal and 'hidden' nature of labour practices. An in-depth discussion and consultation among the stakeholders would narrow down the gap of information of practices of labour standards in the factories and would provide an acceptable information base which could be used as benchmark standard for labour practices. Such discussion would help reduce informal practices of labour standards in the factories.

3.1 Freedom of Association and Effective Recognition of the Right to Collective Bargaining (ILO Conventions 87, 98, 135 and ILO Recommendations 143)

There are two parts of these selected ILO conventions – one is related with freedom of association and another one is related with collective bargaining. Stakeholders' perception is largely confined to the first part of those conventions – i. e .freedom of association or in other words existence of trade union at the factory level. According to them, registration of new trade unions at the factory level have increased in the recent past particularly after the amendment of the related provisions(e.g. provisions of 48, 49, 51, 52, 55, 56 and 58) under the Amended Labour Act 2013. A total of 187 new trade unions have been registered between 2012 and June, 2014 while the number of trade union in the past was very limited (less than 100).³

The progress made with regard to registering trade union at the factory level has been positively acknowledged by all the stakeholders but not from the same perspective. Government officials who have been interviewed appreciated the progress in terms of rise in number of trade unions. Similar perception is possessed by the leaders of BGMEA. While BGMEA leaders welcome the increasing number of trade unions at the factory level, they are apprehensive about adverse impact and implications of trade union on workers' productivity and efficiency, and overall production, operational cost and return of firms. In fact BGMEA has been collecting information about the impact of trade union related activities from the factories introduced trade unions in the recent past.

³Due to faulty labour laws as well as lack of cooperation of the concerned authorities in the ministry of labour and non-cooperation of the factory owners and lack of interest of buyers, registering factory-level trade unions was almost absent.

Trade union leaders have considered the rise in number of trade union at the factory level positively, but they are apprehensive about 'effective' functioning of these organisations as collective bargaining agents. The emergence of these trade unions, according to the trade union leaders, is not necessarily through the pressure from the bottom by the workers; rather these are mostly emerged due to 'external' pressure to comply with the national laws. Despite various limitations trade unions leaders acknowledged the changes in the trade union related activities at the factory level positively.

The buyers on the other hand appreciated the rise in number of trade unions but apprehensive about their effective functioning as collective bargaining agent. Given the limited role played by the workers' participation committee (WPC) new trade unions at the factory levels would create platform for effective negotiation on various issues related to labour rights such as fixing the wage rate and rate of production, and ensuring timely payment of overtime benefits and other incentives. However, international retailers through their local offices undertake initiatives to raise awareness among factory workers as regards their rights and responsibilities. H&M put emphasis on social dialogue and as part of it, H&M provides training to workers regarding the rights and responsibilities and leader selection process. A better communication mechanism between workers and management is always considered to be important which H&M is working with in their supplier-factories.

As per the amended labour act, workers would form as many as three trade unions in a factory; but in number of cases number of trade unions are less than three.⁴ According to the government officials, in the absence of maximum number of trade unions in a factory, CBA would be formed from the existing one(s). Besides, factories where trade unions have not yet been established, existing WPC will continue working till new trade unions form.

A rise in the incidence of harassment to the trade union leaders and member-workers is a concerning issue. Trade union leaders have raised questions about inertia of public authority to take actions against these misdeeds. Trade union leaders and activists in the factories have been forcedly sacked and they did not receive the legally entitled benefits. In addition, trade union registration takes lengthy time to proceed (as per law finishing all administrative formalities should not exceed 60 days) and workers coming for registration are discouraged by the authorities (TIB, 2013). Often buyers expressed their reluctance to put pressure to the factory owners to comply with legal requirements of the labour rights. However, BGMEA leaders do not accept the allegations of involvement of the factory owners and their people in creating obstruction to trade union leaders. According to some of the buyers, the process of providing registration for new trade unions has been slowed down in the recent past due to lack of proactive attitude of the concerned government officials. Before the amendment of labour law in 2013, women had very limited scope to join in trade unions at the factory level and hence possessed limited bargaining power (Ahmed, Nasima, & Alam, 2013).

Therefore, a major challenge for development of trade union at the factory level is limited knowledge and experience of trade union leaders of the garment factories. Hence educating the young workers and trade union leaders through awareness raising programme is highly important.

⁴According to the Amended Labour Act 2013, a trade union can be formed with the support of at least one-third of total labour force in a factory. In that case, each factory may have three trade unions in operation.

Although 85 per cent workers in the RMG sector are women still there is lack of female participation in the trade unions (TIB, 2013, p.36). Lack of knowledge and understanding about trade union related activities by rural women and discouragement from factory management restrict participation of female workers in trade unions at the factory level (TIB, 2013, p.37). Organisations working with buyers and workers perceive that proper training to workers and employers at the factory level is very important in order to aware both the parties about their rights and responsibilities.

According to the government officials, the effective functioning of the newly established trade unions will largely depend on extent of ‘unbiased’ attitude of trade union leaders regarding workers’ demand. TIB (2014) mentioned that a number of trade unions did not have any visible operations at the factory level. They don’t look after the workers’ welfare and right; rather these ‘laptop trade unions’ have liaison with political parties. These unions cannot effectively bargain as a collective agent with factory owners, rather they sometime take aggressive political stances.

3.2 The Elimination of All Forms of Forced and Compulsory Labour (ILO Convention 29 and 105)

Government officials have claimed that garment sector is free from forced and compulsory labour. The buyers have mentioned about their ‘zero’ tolerance policy regarding the forced labour which is stipulated in their codes of conduct. However, buyers and NGOs did not deny the presence of some form of forced labour in the garment sector which happened through practice of forced overtime, creating obstruction to the workers to go to the toilet and taking workers’ signature in blank sheets for unknown reasons etc. On the contrary, BGMEA leaders have claimed that there is no such forced labour in the garment sector.

Trade union leaders admitted that there is formally no ‘forced’ labour in the garment sector; however there are a number of labour practices which reflect the presence of some form of forced labour in the factory. For example, workers have very little option to refuse to do overtime work beyond the stipulated time. In extreme cases, refusal to do overtime work led to temporary loss of benefits (e.g. reduction of monthly production benefit). Often workers face obstruction to go to toilet in order to increase effective working hour which may cause physical complicity particularly to female workers. According to the NGOs, without having any change in the perception of ‘volume-driven’ over-work pattern, it would be difficult to make significant improvement such kinds of forced form of labour. Representative of Brand mentioned that in proper sense, there is no forced labour in the garment sector of Bangladesh especially in the factories where brands are directly involved. In literary sense, overwork done in the factories are not forced labour; at best it could be linked with the issue of working hour.

3.3 The Effective Abolition of Child Labour (ILO convention of 138 and 182)

Officially there is no scope to hire child worker in the garments sector who are aged below 18 years. As per the national law and ILO standards, child labour is allowed only at a limited scale particularly for working in less ‘hazardous’ work and not more than 5 hours a day. According to the government officials and BGMEA leaders and buyers, there is almost no child labour in the garments sector although such labour is still found in non-RMG informal sector. As per buyers’ ‘code of conduct’

there is little scope to employ child labour in the garment factories. It is to be noted that after the enactment of Harkin's Bill (The Child Labour Deterrence Act 1993) Bangladesh government with the support of the UNDP has significantly reduced use of child labour in the garment factories. According to the government officials, some adolescent workers work as 'apprentice' in the RMG sector which is allowed under the existing law. However, these 'juveniles workers' do not receive the least basic wages (TIB, 2013, p.19)

Trade union leaders on the other hand mentioned that child labour although not so prevalent but it is still found at a limited scale in the garment factories. There is a tendency among the factory management not to check workers' age; recruitment of these adolescent workers could be significantly reduced by making submission of national ID cards mandatory where person's date of births stipulated. In order to discourage child labour use in supplier-factories, H&M conducts medical test besides checking the national ID of workers to understand the 'actual' age of workers.

On the other hand, adolescent workers because of the subsistence pressure, have a tendency to conceal their actual age in order to be get jobs in the factory. According to the NGO working on workers, child labour is more used in sub-contracting factories which usually operate outside the purview of any kind of institutional monitoring mechanism.

3.4 The Elimination of Discrimination in respect of Employment and Occupation (ILO Convention 100 and 111)

The issue of discrimination in respect of employment can be explained from two different perspectives – one from the perspective of legal provisions and another from the perspective of nature of job. In Bangladesh, garment sector is by and large female-dominated particularly in woven and knit sub-sector and male-dominated in sweater sub-sector. In terms of legal point of view, workers' wages is determined either on monthly basis mainly in woven and knit sub-sectors or on piece-rate basis mainly in sweater sub-sector. Differences in wages among workers in three different subsectors are mainly driven by differences in their skills and experiences along with other factors.

According to the buyers, a number of jobs are preferred to be done by male such as fixing, warehouse and maintenance related works; similarly a number of works are preferred to be done by female such as sewing and quality control related works. Male managers are overwhelmingly preferred in management related works which might be an incidence of discrimination against female workers. Discrimination may take place in the form of use of abuse language to female workers which may not happen for male workers to that extent.

Overall skill-composition in the factory is more biased towards male workers (Khatun, Rahman, Bhattacharya and Moazzem, 2008). Female machine operators earned only 71.3 per cent of the earnings compared to that of male operators; female helpers earned 52.7 per cent compared to that of male helpers in 2005 (Khatun, Rahman, Bhattacharya, & Moazzem, 2008). Also, the share of female workers is lower in the higher income group and the number of skilled women workers are relatively low compared to their male colleagues (Hossain , 2012; Khatun, Rahman, Bhattacharya, & Moazzem, 2008). Around 80 percent sewing machine operators and helpers are predominantly female, compared to the fact that floor-in-charge is always male, and three quarter of the line supervisors are also male (Hossain , 2012). There is no current data available on male-female wage

differences and existing working conditions of women workers from 2007 to 2014 that create obstacle to understand the recent changes. Gender difference in earnings in the RMG sector cannot be explained through education or skill, as only 3.7 percent of female workers earn more than Tk 5000 per month, as opposed to 25 per cent of male workers (Khatun, Rahman, Bhattacharya, & Moazzem, 2008) and the earning gap is larger in the sweater factories, where women earn 62.05 per cent of that of men (Rahman, Bhattacharya and Moazzem, 2008).

In addition, factory owners have shown little interest in supporting better state of health, education and public safety for women and girls, or for changing management practices to retain and raise productivity of skilled women workers (Hossain, 2012; Ahmed, Nasima & Alam, 2013). Moreover, workers rather face other forms of discrimination in the work place. According to trade union leaders, workers who involve in trade union related activities may face discrimination over those who are not engaged in trade union activities. Because of involvement in trade union related activities, workers face punishment in the form of depriving some financial benefits which usually workers receive. Similarly, factory owners sometimes provide additional benefit to the potential workers for not being engaged with trade union related activities. Discrimination however prevails more in non-RMG informal sectors.

Overall, women face vulnerability in terms of promotion and capacity to upgrade skills in the factories. Also, they face earning differentials, physically demanding work condition, unsafe working conditions and sexual and other types of harassments in this industry (Ahmed, Nasima, & Alam, 2013; Hossain , 2012; Khatun, Rahman, Bhattacharya, & Moazzem, 2008).

3.5 The Right to a Living Wage (ILO Convention 26 and 131 and the universal declaration of human rights)

As mentioned earlier, Bangladesh has not yet ratified this convention. However, national law for minimum wage is implemented in the RMG sector under which it has been revised several times in the past.⁵ Since revision of wages did not take place on a regular basis, the adjustment in earlier times by and large could not satisfy the demand of the workers. In the latest revision of minimum wage, workers' wage increased by about 80 per cent to -Tk.5300 (US\$68) for grade 7 workers which was Tk.3000 per month (US\$38) in 2010. The revision is well-below the minimum amount required to meet the need of the workers.

According to Moazzem et al. (2013) workers' minimum wage should comply the ILO's living wage requirements where income of the working family members should meet the livelihood need of four-member family as well as should generate savings for meeting the need in the future. Such an estimate based on the expenditure method reveals that workers' minimum wage should be at least Tk.8200 per month (US\$105). On the other hand, Asian Floor Wage which considers the basic nutritional and other basic needs of a worker and their family members is set at Tk.25687 (US\$329). The differences in the minimum wages in different calculation are mainly due to application of different methods.

⁵ Revision of minimum wage in the RMG sector took place in five times since 1980s – 1983, 1994, 2006, 2010 and 2013.

According to the government officials it is difficult to provide living wage to the garment workers considering its impact and implications in overall competitiveness of the sector. After the enforcement of the new minimum wage, the daily work-load has increased with reduced scope for overtime work. Factory owners are trying to compensate the minimum wage increase by rising the working hours without paying overtime for the workers. Besides, sub-contracting factories are facing another challenge of reduced work orders due to lack of physical compliance of their factory-premises. Such adversities would not affect the overall export performance of the sector as export orders in compliant factories (mainly in large and medium ones) have increased at the usual level. Similar views are of association leaders - latest revision in the minimum wage has increased the operational cost and thereby it has reduced the profit margin. Although government has provided some benefits, these however would not benefit much particularly to the small and sub-contracting firms. Buyers indicated that they have taken initiative to comply with the minimum wage related laws in their respective factories. However, they have admitted that new minimum wage has yet to be fully implemented in all factories.

Buyers however are supportive towards implementation of living wage in the garment sector. A major constraint in this regard is lack of initiative from buyers' side to increase the charges for cutting and making (CM). On principle, international brand such as H&M is in favour of enforcing living wage in the garment sector. However, a better way to deal with this issue is to revise workers' wages on a yearly basis taking into account the national data on inflation. On the other hand, consumers' purchasing behaviour towards cheap cloth has created bottlenecks towards raising worker's wage at the suppliers' end.

According to garment workers/trade union leaders' minimum wage needs to be adjusted with yearly adjustment of inflation. The minimum wage as it stands does not consider the requirement of the family of a worker, nor does it acknowledge the requirement of workers' amusement and some savings. The living wage if establishes should consider those issues. A major weakness from workers' side is lack of negotiating capacity in the minimum wage board due to limited information and skill which trail them behind. Hence, workers need to improve their collective bargaining capacity through trade unions to establish the living wage.

3.6 Humane Working Hours with No Forced Overtime (ILO Convention 1)

Making workers do overtime is a common practice in the garment industries given the huge pressure of work orders; often workers have to work beyond two hours of 'normal' over time. However, factory owners need to take permission from the authority for temporary use of workers for overtime work beyond the stipulated level of two hours. According to the buyers, factories have to comply with the provision of working hours by taking permission from the authority and taking signature of the workers regarding their willingness for overtime work (BLA 100 and 114). Government officials have mentioned that factory inspectors while visiting the factory check whether workers are working overtime as per the permitted timeline. While government officials and owners are echoing with the procedural issues, this has not been agreed by the trade union leaders and to some extent by the buyers. International brands such as H&M follows double book keeping system in order to reduce misreporting about the actual working hour in the factories. Problem of overwork arises because of miscalculation about production capacity in the factories.

Trade union leaders alleged that often the temporary permission is used 'illegally' for long time. Since there is no option for hiring 'replaced' workers in the garments industry, often permanent workers are deprived of getting necessary holidays due to work commitments.

According to the trade union leaders, workers are bound to do eight hours of normal work and two hours of overtime work. Unless complying with this terms and conditions, workers usually face punitive (disciplinary) measures such as reduction of attendance allowance etc. It is a fact that workers are by and large acceptable towards overtime work as it ensures additional income because of their low level of wages. This indicates that some sort of forced overtime practices in the garment sector exists.

3.7 Safe and Healthy Workplace Free from Harassment (ILO Convention 155)

Although Bangladesh has not yet ratified the convention, numerous activities have been carried out regarding work place safety and security particularly after the incidences of fire at Tazreen Fashion in November, 2012 and collapse of Rana Plaza in April, 2013. Most of these activities have been carried out under various initiatives including the Sustainability Compact signed by Bangladesh government, EU and the ILO and the 13-point plan of action announced by USTR for reinstating Bangladesh's GSP facility in the US market. A major part of these initiatives are related with work place safety and security and implementation of collective bargaining. The work place safety and security issues particularly fire, electrical and physical integrity issues have been inspected by the private initiatives of Accord and Alliance which have so far inspected about 1500 factories. Based on the inspection, factories have been suggested for necessary remediation measures to be completed with specific time line. According to the officials directly involve in inspection and monitoring works, it would cost as low as US\$150,000 (for small factories without fixing sprinkler system) to as high as US\$1million (large factories need to fix sprinkler system) to fix the remediation works. The inspection and identification of problems in factories to be completed by this year mainly in Accord and Alliance led factories afterwards, remediation measures need to be completed. It is important to note that there is another 1500 factories which are not linked with Accord and Alliance and are being inspected by ILO. Although owners positively cooperate in inspection and monitoring process, because of huge cost involved owners expect a shared responsibility with the buyers in case of remediation work. Some initiatives have been taken to provide low-cost financial support to the owners for remediation work; but unless the allocation increases it would be difficult for the owners to complete the work on time. H&M follows a communication structure in order to identify the issues and concerns related to workers' safety. A number of models are available for effective communication in the work place to reduce the harassment.

According to the ILO convention 155 a coherent national policy on occupational health and safety should reflect training for workers on how to use and maintain materials in the work place in order to prevent accidents and injury to health while engaged in the course of work. Hence, the employers need to ensure that the workplace and other equipment are safe and in their control. As it stated earlier and also from the finding of the Rana Plaza Third Monitoring Report (CPD, 2014) that the numerous activities taken by government, EU & ILO will not be effective if the enforcements of laws and regulations concerning occupational safety and health are not secured and monitored on a regular basis. Hence, upgrading the capacity of the Ministry of Labour, Fire Service & Civil Defence

Authority is utmost important. In addition to this, as RMG factories are located in different areas, monitoring, inspection and reform also need the involvement of local authorities (CPD, 2014).

The small and subcontracting factories are often found non-compliant and needs the support of local and international buyers to establish a safe and healthy working environment (CPD, 2014). Therefore, all the stakeholders need to realise that improvement of compliance is a continuous process and thus a national long term strategy to improve and upgrade the safety and security of workers of garments industry is needed (CPD, 2014). It can't be achieved without the co-operation between management and workers or their representatives (ILO C155, Article 20).

According to the trade union leaders, factory owners who need to undergo for temporary/permanent closure of their factories sometimes do not follow the legal provisions. In a number of incidences, workers did not get the compensation and other entitled benefits due to lack of interest of owners to meet the legal requirements. Also, some of the factories did not finish reconstruction and refurbishment related to fire and electrical safety within the timeline (CPD, 2014). This is opposing to ILO C155 as the employers need not only to ensure the workplace and workers safety but also provide adequate information on safety measures taken by them and give appropriate trainings to the workers.

Nonetheless, number of laws is found to be dated and need revision on an urgent basis with regard to workplace safety, providing guidance to employers and workers to comply with the obligation and holding inquiries in cases of occupational accidents. For example, the Fatal Accident Act 1869 need to be revised where provision for compensation either for injury and for death at the workplace fix at only Tk.100000 and Tk.120000 respectively.

4. Involvement of the Stakeholders in the Fact Finding and Analysis Process for the GITI

4.1 Participation in the Fact Finding Process

All major stakeholders have expressed their willingness to participate in the new initiative for fact finding and analysis for the GITI. However each stakeholder has their specific expectation in this fact-finding process.

BGMEA: BGMEA leaders have expressed their willingness to participate in the process provided that GITI's organisational structure both at national and international level is acceptable to key national stakeholders. At the national level, BGMEA expects that ministry of labour should take the lead role in this fact-finding process. Instead of a tri-partite mechanism by including government, owners and workers, the organisational structure at the national level should be broadened to multi-stakeholders by including buyers and retailers. BGMEA is interested to know more about key organisations and personnel involved in the GITI international.⁶

Trade Union: This initiative is appreciated by leaders of trade union and labour organisations. Instead of a tri-partite initiative, worker leaders suggested for a multi-stakeholder initiative where buyers/retailers will also be included. According to trade union leaders a major challenge in

⁶ According to BGMEA president, a number of BGMEA officials including its director and senior officials have attended a programme in Germany related with GITI few months back.

collective forum is that government and owners tend to get closer in their views particularly related with workers' rights. Such a common position of two major stakeholders usually weaken the process of maintaining balance in the tri-partite form of discussion and negotiation and make it difficult to find out a solution. The institutional set-up to manage the GITI both at national and international levels should be 'independent' which should be endorsed by the key stakeholders.

Buyers: There are two kinds of buyers' opinion regarding the formation of the national body of the GITI and their willingness to participate in that body. First, buyers may engage in the fact finding process taking permission from their head offices. Second, buyers need not require to directly participate in the national committee - the committee should be tri-partite comprising representatives of government, owners and workers. However, buyers could take part in the discussion along with owners in the discussion process, if necessary. In case of GITI's national and international body, it is important to include personnel which are acceptable to all stakeholders at the national level in order to avoid any 'unwanted' situation.

4.2 Sharing Information related to Labour Rights

All the stakeholders have expressed their willingness to share information on related labour standards. Since most of the organisations do not maintain a well-structured database particularly related with ILO labour standards, sharing information on those issues would be in most cases based on information available at hand, anecdotes and outcome of informal discussions within the communities. BGMEA leaders expected that any factory specific information if shared between stakeholders should be kept confidential. Buyers on the other hand, expressed their willingness to share ILO standard-related information except those which are considered as 'sensitive' to them. Ministry of Labour has indicated that they are ready to share information.

5. Mechanism to Ensure Comparable and Credible Data for the GITI Report

It is observed that information on practice of ILO standards at the factory level have two parts – one is 'apparent' part of information which only indicate factories' notional compliance of the required provisions of specific ILO conventions. This part of information need not necessarily indicate actual implementation of the required provisions of specific ILO conventions. In contrast, the other part of information which could be termed as 'factual' part of information provides information about actual implementation of the ILO rules. Stakeholders usually have less difference in opinion regarding 'apparent' part of the information on labour standard; but they have differences in opinion regarding sharing of 'factual' part of information.

According to the stakeholders the mechanism for generating credible data could be established in three steps. In the first step, the commonly agreed information and data regarding labour standard can be prepared which comprise mostly 'apparent' part of information of labour standards. In the second step – stakeholders discuss about information with different views- mostly comprise the 'factual' part of information on labour standards. Stakeholders may discuss related issues and concerns with specific evidences available to them. At least a part of the contentious issues could be narrowed down through the discussion process and related information could be used for the GITI report. At third step, a part of the contentious issues may need to be reported in the GITI report without any change. Overall the reporting of various information on labour standard in the GITI

report would comprise information of consensus and contentious; hence the report will be based on information having different level of comparability and credibility.

It is important to note that the perception based data to be collected in this process could have limited variation in short interval. In that context, collected data and information would better use for preparing an annual report.

6. Rationale for Establishing Institutional Set-up for GITI and the Minimum Benchmark Level which Influence Stakeholders to Participate in the GITI Process

The rationale for establishing institutional set-up for GITI lies on limited success of social dialogues in its existing forms towards ensuring labour rights and workplace safety on a sustained basis. The existing practices are mostly of 'reactive' nature which usually operate during the period of emergency and crisis. Such practices usually address the immediate burning issues instead of addressing the systemic concerns with a view to develop sustainable RMG sector value chain in the country. The tri-partite committees under the auspices of ILO have made significant contribution in terms of improving social compliance. However there exists a gap of 'information-based' discussion and dialogue between concerned parties. The GITI initiative could successfully fulfil that gap through promoting a framework for collective action for improvement of working conditions of garment workers worldwide and to contribute to the implementation of internationally agreed labour standards in the garment supplying countries. This new multi-stakeholder forum involving government, buyers, producers, trade unions and civil society would promote a joint fact finding and analysis process in Bangladesh that could help the stakeholders on the ground to understand what the current challenges regarding the implementation of labour standards are and support them in the identification of the next steps which should be taken to address them.

GITI needs to make a difference from the existing mechanisms of information generating and disseminating activities. Given the availability of various kinds of information related to work place safety and labour rights, major challenge would be identification of target group and identification of niche area for the GITI report. According to the brand representatives, the report seems to be useful for international brands as reference document with a view to assess global standard of labour practices. Besides, local joint chamber bodies could utilise it for their assessment analysis particularly assessment of business risk in the country. The GITI report may need to compete with market intelligence reports which often use by international buyers and retailers. A major target for the GITI report should be to establish its credibility as a reference document in terms of domestic labour practices at the factory level.

The success of this new initiative lies on building confidence among the stakeholders about the good part of the fact-finding mechanism leading towards collective action. It is not so easy to convince all the stakeholders in full because of often conflicting position of the stakeholders regarding the practice of labour rights and work place safety. All the stakeholders may not be equally convinced with the argument that transparency and accountability exercise through the GITI would be 'beneficial' for them. Rather, they would be better convinced (at least initially) that the exercise would help them understand the differences in perception regarding labour practices. In the iterative process, sharing of information could facilitate stakeholders to undertake required

measures. More importantly, stakeholders would be better convinced if they find the outcome of the GITI not as a legally enforceable document point of view.

7. Organisational Set-up for GITI

Major stakeholders including government, BGMEA and trade union have expressed their views regarding the organizational structure of the GITI both at national and international levels. According to the Government, BGMEA and buyers, government could take the lead role at the national level. Given the limited capacity in preparing such report, government officials however, suggested to provide the responsibility of writing report to the civil society organization. Trade union has a different view in this regard. According to them, an independent body could be formed comprising of representatives from all major stakeholders including representative of civil society organizations (who are specialized in this area) which will be endorsed by the major stakeholders.

At the international level, the advisory board should be formed with representatives from organisations who are well-engaged with the global apparels supply chain and personnel with high reputability on transparency and accountability issues. Local stakeholders particularly government, BGMEA and trade union would like to get that reassurance.

8. Cost for Setting up a National Fact Finding and Analysis Process

Stakeholders have shared limited information regarding the cost for installing a national GITI fact finding process. According to their views, the cost for setting up an institutional process will depend on to what extent ‘detailed’ information would be used for preparing the GITI report. More specifically, the cost will rise if field survey is required to collect the factory level information. Stakeholders mentioned that a yearly publication will be sufficient to address the concerned issues. The cost for a yearly publication of GITI based on the limited level of data and information based on stakeholder consultation is estimated to be about €37,800 (US\$65,000) (Table1). This cost includes overall coordination, data collection, organization of meeting with stakeholders, report writing and dissemination and organising dialogue.

Table 1: Tentative Cost for Installing a National GITI Fact Finding and Analysis Process

	Person-month	Rate	Total Cost (in US\$)	Total Cost (in €)
Overall coordination (by lead organization)	Lump sum		5000	2900
Lead researcher	2p-m	\$700*20*2	28000	16240
Research assistant	3 p-m	\$200*20*3	12000	6960
Meeting with stakeholders	Lump sum		3000	1740
Publication of the report	Lump sum		5000	2900
Logistics	Lump sum		3000	1740
Dissemination and dialogue	Lump sum		6000	3480
Others	Lump sum		3000	1740
Total			65000	37700

Source: Author’s estimate

However, an in-depth analytical report based on factory level information would increase the required level of budget for the GITI's national process. According to the international brand mentioning other examples, the budget would be €100000.

9. Concluding Remarks

The GITI Feasibility study has come out with a number of observations regarding national preconditions to establish a credible national multi-stakeholder fact finding and analysis process in Bangladesh. *First*, all the stakeholders are by and large positive regarding the development of practices of labour standard at the factory level. However, there are 'hidden' practices in terms of trade union practices, overtime work, force labour and work place safety issues. Moreover, the practice of minimum wages is far behind in accordance with the ILO convention of living wage. Overall, there are (exist) gaps in between the law and its implementation at the factory level. *Second*, all stakeholders have admitted that the difference in the perception about maintaining labour standards – differences are less visible in practice of the 'physical' standard but more observable in case of practices of 'detailed' labour standard. *Third*, all the stakeholders have agreed that there are room for synergies and the differences in the perception could be reduced through stakeholder consultation. It may happen that in some instances the difference of opinions may need to be published accordingly. *Fourth*, all the stakeholder groups have expressed their willingness to engage themselves in the new fact finding and analysis process. However, some modifications are needed in the process of engagement of the stakeholders. *Fifth*, stakeholder groups have expressed their willingness to share sufficient and relevant information regarding implementation of labour standard. It appears that stakeholders feel comfortable to share 'general' information instead of 'factory'-specific information. *Sixth*, the GITI national team should follow a three-step mechanism to come out with a comparable and credible data in the integrated report. In the first step, an agreed information-base could be developed by consulting the stakeholders. In the second step, (the differences of opinions of the stakeholders about remaining labour issues shall be consulted while reaching a consensus) stakeholders share their views regarding the differences of opinion on remaining labour issues and try to reach in consensuses. In the final step, stakeholders will deliver their suggestions regarding the issues that will be compiled in the integrated GITI report reflecting their differences of opinions. Finally the total estimated cost to set up a national GITI fact finding and analysis process is about €37800.

The stakeholders have shared their views regarding the organisational structure of GITI both at national and international levels. They have expressed their willingness to participate in this new fact finding and analysis process. At the national level the GITI team could be led by the ministry of labour where participation from major stakeholders including owners' association, trade union, buyers/retailers and civil society needs to be ensured. However, there is slightly a different view by the trade union leaders regarding the leadership. The stakeholders requested that the preparation of the report should be done by the civil society organisations. Besides at the international level, the stakeholders expect that the board should comprise with personnel and representatives of organisations with good repute and well-experienced in the RMG value chain. Overall, all the stakeholders have expressed their willingness to participate in this new fact finding and analysis process.

References

- Centre for Policy Dialogue** (2013). *100 Days of Rana Plaza Tragedy: A Report on Commitments and Delivery*. Centre for Policy Dialogue (CPD), Dhaka
- Moazzem, K.G., S. Raz, D. Miller, C. Schlangen and I. V. Sluijs** (2013). *Estimating a Living Minimum Wage for the Ready Made Garment Sector in Bangladesh*, Centre for Policy Dialogue (CPD) and Berenschot, The Netherlands
- Transparency International Bangladesh** (TIB) (2013). *Readymade Garments Sector: Problems of Good Governance and Way Forward*. Dhaka: Transparency International Bangladesh.
- Transparency International Bangladesh** (TIB) (2014). *Governance in the Readymade Garments Sector: Promises and Progress*. Dhaka: Transparency International Bangladesh.
- Ahmed, N. J., Nasima, M., & Alam, N.** (2013). Socio-Business Consideration of Garment Workers in Bangladesh: A Statistical Review. *ABC Journal of Advanced research*, 2(2), 8-17.
- Clean Clothes Campaign.** (2014). *Calculating a Living Wage*. Retrieved 2014, from Clean Clothes Campaign: <http://www.cleanclothes.org/livingwage/calculating-a-living-wage>
- Hossain, N.** (2012). Women's Empowerment Revisited: From Individual to Collective Power among the Export Sector Workers of Bangladesh. *IDS Working Paper*, 2012(389), 3-33.
- Khatun, F., Rahman, M., Bhattacharya, D., & Moazzem, K. G.** (2008, February). CPD Research Monograph 2. *Gender and Trade Liberalisation in Bangladesh: The case of readymade garments*. Dhaka, Bangladesh: Centre for Policy Dialogue (CPD).
- Paul-Majumder, Pratima, & Begum, A.** (2006). *Engendering Garment Industry. The Bangladesh Context*. Dhaka: University Press Limited.

Annex Table 1: List of Interviewees

Sl. No.	Name	Position and Organisation
1	Mr Mikail Shipar	Secretary Ministry of Labour and Employment Government of Bangladesh Bangladesh Secretariat, Dhaka
2	Mr Syed Ahmed	Inspector General (IG) Directorate of Factory and Establishments (DIFE) Ministry of Labour and Employment Government of Bangladesh
3	Khandoker Mostan Hossain	Joint Secretary and Deputy Chief (Labour) Ministry of Labour and Employment Government of Bangladesh
4	Md. Aminul Islam	Deputy Secretary (labour) Ministry of Labour and Employment, Government of Bangladesh, Bangladesh Secretariat, Dhaka
5	Md. Faizur Rahman	Joint Secretary (labour) Ministry of Labour and Employment, Government of Bangladesh, Bangladesh Secretariat, Dhaka
6	Md.Asharfuzzaman	Joint Secretary (Labour) At Director level Deputy Secretary (labour) Ministry of Labour and Employment, Government of Bangladesh, Bangladesh Secretariat, Dhaka
7	MrMdAtiqul Islam	President BGMEA & Managing Director, Islam Garments Ltd
8	Mr Md Shahidullah Azim	Vice President BGMEA & Managing Director Classic Fashion Concept Ltd
9	MdRafiqul Islam	Additional Secretary (Labour) BGMEA
10	Mr Nur Mohammad Amin Rasel	Senior Deputy SecretaryRDTI Cell, BGMEA
11	Mr Sirajul Islam Rony	President Bangladesh Jatiyo Garments Sramik Kormochari League
12	Ms Nazma Akter	Founder President Awaj Foundation & President Shommilito Garments Sramik Federation (SGSF)
13	Mr Amirul Haque Amin	President Jatiyo Garments Sromik Federation
14	Mr Zafrul Hasan	Labor Affairs Secretary National Executive Committee, BNP and Joint Secretary General Bangladesh Institute of Labour Studies (BILS)
15	Mr Sultan Uddin Ahmed	Assistant Executive Director, Bangladesh Institute of Labour Studies (BILS)

16	Mr Rob Wayss	Executive Director , Bangladesh Operations Accord on Fire and Building Safety in Bangladesh
17	Mr Johan Stellansson	Relations Responsible H&M Puls Trading Far East Ltd. Bangladesh Liaison Office
18	Mr Shahidul Alam	Code of Practice Manager Next Code of Practice
19	Humaira Aziz	Director, Women's empowerment program, CARE Bangladesh, Pragati Insurance Bhaban, 20-21, Kawran Bazar, Dhaka-1215, Bangladesh.
20	Rehana Yesmin	Project Manager, Global Women Economic Empowerment Initiative, Work Force Engagement, CARE Bangladesh, Pragati Insurance Bhaban, 20-21, Kawran Bazar, Dhaka-1215, Bangladesh.
21	Fatima Jahan Seema	Impact & Evaluation Coordination, Program Quality Unit, CARE Bangladesh, Pragati Insurance Bhaban, 20-21, Kawran Bazar, Dhaka- 1215, Bangladesh.
22	Sonia Afrin	Team Leader, Workforce Engagement, CARE Bangladesh, Pragati Insurance Bhaban, 20-21, Kawran Bazar, Dhaka-1215, Bangladesh

Annex 2: Summary of the Interviews

A total of 22 persons were interviewed as part of conducting the feasibility study of the GITI during June-September, 2014. Interviews were carried out in different forms – one-to-one interview, focus group discussion and interview with the key respondents in the presence and participation of other responsible persons. Each of the interviewees was asked about their opinions and feedbacks regarding seven key ILO conventions related to a) freedom of association and right to collective bargaining, b) elimination of all forms of forced labour, c) effective abolition of child labour, d) elimination of discrimination in respect of employment and occupation, e) right to a living wage and f) humane working hours with no forced overtime, and g) safe and healthy workplace free from harassment. Following discussion presents intervention of each of the interviewees highlighting the key points on the specific issues.

A. Perception of the Trade Union Leaders and Leaders Working on Labour Rights

Mr Sirajul Islam Rony, President Bangladesh Jatiyo Garments Sramik Kormochari League
(at the Bangladesh Institute of Labour Studies office on 2 July, 2014)

Living Wage: Conceptually minimum wage and living wage is not same. Minimum wage is determined by the government through tri-partite consultation and negotiation process. In the new revision of minimum wage transport and food allowances have been considered along with house rent and medical allowances. In contrast, living wage means a wage where cost of living of a 4-member family is taken into consideration. It captures a number of additional livelihood issues beyond those incorporated in the minimum wage such as income sufficient enough to ensure savings and entertainment.

The tri-partite negotiation for revision of minimum wage often fails to maintain balance in terms of ensuring the strength of all sides rather the negotiation turned out to be the place for exposing owners' strength. Because of less exposition of strength from the side of the representatives of government, workers found the platform unbalanced. Besides, more transparency is needed in the negotiation process. The minimum wage once settled need to be adjusted with the inflation on a yearly basis.

Work Place Safety: Government should consider amendment of labour act with regard to provision related with compensation benefit for workers for death and injury in the work place. The amount of compensation according to the amended labour law is very low which need to be increased significantly. Similarly, existing law could not ensure sufficient punishment to the owners for accidents caused due to poor compliance in the factories. Moreover, workers are deprived of getting their dues in case factories are closed. In case of closure of factories owing to noncompliance of standards set by Accord and Alliance, the dues of the workers need to be paid quickly.

These additional expenses could be properly maintained if owners' share a part of the profit (as per the labour law) for workers' welfare and use the amount for the development of workplace safety and security.

Md.Zafrul Hasan, labour Affairs Secretary, National Executive Committee, BNP and Joint Secretary General, Bangladesh Institute of Labour Studies (BILS) (2 July, 2014)
(at the Bangladesh Institute of Labour Studies office on 2 July, 2014)

Collective Bargaining: Workers' strength of collective bargaining is reflected in their negotiation capacity in the minimum wage revision process. Often workers and their representatives are less organized and unaware about information required for the negotiation (e.g. information on profit earned by the factory owners). Often owners raise the logic of poor affordability of firms to accommodate any significant rise of workers' wages; a counter logic of this is flourishing of the garment industry with a number of factories owned by a single owner. Since the sector is operated in a global value chain, there should have 'global responsibility' about betterment of workers ensuring better wages and better living.

Mr. Sultan Uddin Ahmed, Assistant Executive Director, Bangladesh Institute of Labour Studies (BILS)
(at the Bangladesh Institute of Labour Studies office on 2 July, 2014)

Living Wage: The indicators used for determining the minimum wage is not sufficient to capture the dynamics of issues related to it. The minimum wage of workers should be near to living wage.

Workplace Safety and Security: The ongoing monitoring of factories through private sector initiatives raise doubt about the institutional role that is to be played by the government authorities. Government should play key role in monitoring and inspection of factories and thereby to take decision regarding whether to declare any factory in case of non-compliance. A better clarification is required to close down the factories for becoming non-compliant in the process of inspection by Accord and Alliance. The Tri-partite committee in collaboration with the ministry of labour should undertake necessary decisions regarding non-complaint factories. Often government maintains a close relationship with the owners which put pressure to the workers in getting their legal rights. The audit system currently practiced by the international buyers and retailers need to be improved particularly in case of ensuring labour rights and work place safety in the factory. In case of closure of factories (e.g. during the time of inspection of factories by Accord and Alliance) prior notice need to be provided to the workers.

Hidden/informal practices: Factories often try to by-pass to follow various provisions of labour laws; in extreme cases, various kinds of informal labour practices are found in factories. For example, workers are discouraged to use toilet in order to reduce wastage of working time which affect physical health of female workers. Production target is set at a high level which becomes arduous for workers.

Institutional for GITI: A formal office will be required in order to complete the necessary tasks related to the GITI at the national level. There should have a programme coordinator, data analysts as well as field investigators. Such information should be collected on a regular basis. The cost for maintaining the office would require at least Tk.500000 per month.

Ms Nazma Akter, Founder President Awaj Foundation & President, Shommilito Garments Sramik Federation (SGSF) ,(2 July, 2014)

(at the Bangladesh Institute of Labour Studies office on 2 July, 2014)

Child Labour: Most of the yarn workers are adolescent and between 14 to 18 years of age. In order to comply with the national law, the age of these workers have been shown as 18. Often workers submit national ID in support of certificate of age which may not be 'original' one. Hence it is difficult to differentiate workers below the age of 18 years old. Besides, workers due to subsistence pressure could not wait for a job till they are reaching the legal limit of working age.

Forced Labour: Forced labour is meant doing work without the willingness of the worker beyond legally enforced time line. Because of low wage, workers tend to accept doing overwork without their willingness. It usually occurs especially when firms are in pressure to meet the production target before the shipment date; lack of substitute workers in the factories is another reason for such a situation of overwork. However, incidences of forced labour as heard is quite high in case of other informal sectors which is not comparable with that occurred in garments sector of Bangladesh.

Trade Union: Increasing number of trade unions in the recent past is formed not because of internal pressure from the workers rather because of the external pressure. Factory owners positively accept the growing number of trade unions formed in the factories. However, practising trade union activities in the factories is not so easy- often workers involved in trade union activities face the harassment in the form of depriving in getting additional financial benefits received by those who are not involved in trade union activities (e.g. additional Tk.500 per month). Besides, trade union workers face 'false' legal suits by the factory management which usually take long time to be quashed by the court. Hence, it is important to raise awareness not only among the workers but also among the owners of the factories regarding the decent job practices. It is also right that trade union leaders are also not fully aware about their rights and responsibilities; mainly because of emergence of new trade union leaders with limited knowledge about the trade union related activities.

Discrimination: Different kinds of discrimination are faced by female workers in the workplace. Female workers have been appointed as supervisors or as managers in the factories are very few in numbers. Often differences in skill have deprived female workers from getting certain kinds of jobs. While operators are largely female, skill-oriented jobs in different sections are handled by male workers. Some of the workers are discriminated because of participating in trade unions.

Working Hour: Workers want to work within the normal working hours. Due to pressure for finishing the additional supply orders, most of the factories work more than 8 hours a day which cause workers to work longer time. A continuous pressure of work usually reduces overall working life of the workers. More importantly, often attendance bonus, production bonus and in some instances allowing to get sick leave are linked with coping with continuous work pressure.

Mr. Rony and Ms.Nazma

Work Place Safety: Government should consider reviewing the National Occupational Health and Safety Law and make it complaint with the need of the workers' safety and security as well as compensation to be paid in case of injury and death at the workplace. There should have necessary

provisions in the law to accuse the factory owners in case they are found guilty and thereby to provide punishment. Because of lack of clarity in the law, it is sometimes difficult to find out who should be the main accused of poor compliance in the factory.

Recently factory inspection authority has closed down a factory temporarily (e.g. Softex) which needs to do necessary remediation works, but workers of this factory did not get necessary compensation which needs to be addressed quickly.

**Mr Amirul Haque Amin, President Jatiyo Garments Sromik Federation, trade Union Leader
(3 July, 2014; at Ruposhi Bangla Hotel)**

Institutional for GITI: There may have differences in opinion between different stakeholders as regards actual labour practices in the factories. By and large, the differences would be less in case of ‘superficial’ part of information on labour practices but it would be high in case of ‘factual’ part of it. Instead of a tripartite discussion a multi-stakeholder consultation would better cater the need of the GITI exercise. This multi-stakeholder consultation should include buyers as well. In recent period, international buyers have taken interest to interact with the trade union and labour leaders.

B. Perception of the BGMEA and the Government Officials

Mr Md Atiqul Islam, President, BGMEA, Mr Md Shahidullah Azim Vice President, BGMEA, Md Rafiqul Islam Additional Secretary (Labour), BGMEA, Mr Nur Mohammad Amin Rasel, Senior Deputy Secretary RDTI Cell, BGMEA and Mr. Md Rafiqul Islam, Additional Secretary Labour Cell, BGMEA

Formation of trade unions in increasing number in the factories is well appreciated. BGMEA is closely monitoring the performance of the factories where new trade unions have been set up. Activities of the buyers should be more transparent. The ongoing initiative of Accord and Alliance is appreciated; however, factories which are closed down due to their inspection, need due attention particularly to ensure payment of workers’ wages. The persistent gap in perception between owners and workers with regard to maintaining the level of compliance in the factories needs to be narrowed down and in this case, government should take the lead role. In the process of social dialogue, buyers should be included as a partner along with the existing stakeholders.

Institutional for GITI : In case of establishing national GITI framework, government should play the lead role. BGMEA would find it easier to work in a national framework where government is actively involved. However, it is expected that the confidentiality of information that will be shared by the BGMEA needs to be ensured. BGMEA wanted to know more about the process of data collection- who will collect that information at what level (either from the factory or from the BGMEA)? A shared access to the information is required among all the stakeholders. The formation of global and national bodies of GITI is important to know. It is expected that persons and organisations to be involved in the process would not have reputational issue either at home and abroad. In case of involvement of such persons or institutions in the GITI process, it would be difficult for BGMEA to be endorsing the activities of GITI.

Mr MikailShipar, Secretary, Ministry of Labour and Employment, Government of Bangladesh

(along with Khandoker Mostan Hossain, Joint Secretary and Deputy Chief (Labour), Md. Aminul Islam, Deputy Secretary (labour), Md. Faizur Rahman, Joint Secretary (labour), Md. Asharfuzzaman, Joint Secretary (Labour))

Bangladesh Secretariat, Dhaka (interview on 7 July, 2014)

Child Labour: Child labour does not exist in the formal sector of the garment factories. As per the rules related to the Amended Labour Law 2013, adolescent children are allowed to work as apprentice but not more than 5 hours a day and 3 days a week. The rest of the two days children will spend for their study in technical school.

Discrimination: No strong evidence in the case of discrimination against women exists in the RMG sector. Discrimination exists in informal sector rather than in RMG sector. However, in the management sector of the factories there are less female workers. Although, the situation is changing as women workers employment as 'floor in charge' is increasing.

Working Hour: Because of reduction of over time, effective working hours has reduced. Factories which are mainly working on sub-contracting basis are increasingly getting less work orders because of buyers' stance to provide fewer orders in shared buildings. These factories are located mainly in Dhaka city (i.e. Malibag and Mouchak). At the same time, some of the compliant factory owners are making their workers to work more than 8 hours per day in order to compensate for the increase in minimum wage.

Wage: The revised minimum wage for garment workers put the factory owners in pressure to adjust the additional cost of production. The problem is more acute for factories which are dependent on sub-contracting activities.

Work Place Safety: Factory owners are increasingly becoming aware of the safety issues in their factories. Most of the factories are taking measures to widen the stairs and making their factories more secure than before. While Accord, Alliance and BUET have been inspecting the physical compliances of garment factories and are targeted to complete those within a year, it is important to think of the follow-up activities which need to be done by the ministry of labour. Thus upgradation of ministry's capacity to continue the monitoring work maintaining the same level of standards will be very important. Hence, more inspectors need to be hired. In order to expedite the hiring of additional inspectors necessary amendment in certain provision of public service commission rules is very important.

GITI information sharing: The tripartite initiative may include the buyers, in case they are willing to participate. However, it will be harder to involve the buyers in case of an institutional process where legal issues are to be dealt. Hence, their voluntarily involvement is more important in this case.

GITI's Institutional Set Up: The setting up of a national body targeting to collect information, prepare a report and then publish and disseminate the report requires involvement of personnel, time and resources. While the ministry is ready to provide the lead role, the exercise needs to be done by a reputed civil society organisation given the latter's expertise in research works. Without active participation of the factory owners especially to provide necessary information it would be difficult to prepare an informative report. In this case, BGMEA needs to play an important role.

Trade Union: The trade unions are formed by outward pressure, not so much from the local pressure. As a result, involvement of trade unions in determining minimum wages and other labour rights is found to be less effective. A deeper understanding is required with regard to the nature and form of trade union for the garment sector. In the factories where there is no established trade union, workers' participatory committee (WPC) deal the labour issues.

Mr. Syed Ahmed, Inspector General (IG), Directorate of Factory and Establishments (DIFE), Ministry of Labour and Employment, Government of Bangladesh
(3 July, 2014; at Ruposhi Bangla Hotel)

Child labour, Discrimination and minimum Wage: Child labour is not a concerning issue for the garment sector of Bangladesh. Similarly, the issue of discriminating female workers seems to be low as Bangladesh's garment sector is by and large dominated by female workers. Sometimes skill differences cause 'natural' discrimination between male and female workers (e.g. male domination in sweater factories). Considering the current state of economic development, it is difficult for the government to create pressure for enforcement of living wage immediately. Sometimes workers work for extra hours but factory management maintains the rules and regulations in that case. This is also happened with the willingness of workers. According to ILO rules, child labour is allowed at a limited scale particularly for involving them in less 'hazardous' work and not more than 5 hours a day.

Trade Union: Government is ready to participate in the GITI process. Buyers may be invited to join in this process. In case of taking decision regarding the factories, private sector initiatives such as Alliance and Accord have little authority to play. Within last one year about 187 CBA has been formed which is a good progress.

C. Perception of the Buyers

Mr Rob Wayss, Executive Director, Bangladesh Operations Accord on Fire and Building Safety in Bangladesh

Discrimination: Male managers are overwhelmingly preferred in management related works as they are more skilled. Besides, a number of jobs are preferred to be done by male workers such as fixing, warehouse and maintenance related works; on the other hand, sewing and other quality related works are preferred to be done by female workers.

Forced Labour: There are forced overtime in some of the factories. However, the factory owners need to take permission from the local authority if it wants to employ workers for more than the natural overtime. Some of the workers voluntarily do overtime in order to earn the extra money.

Child Labour: The buyers do not want to employ child labourers. The minimum required age for a trainee or apprentice is 14 year with limited number of working hours. However, sub-contracting factories may use child labour as they can be hired at lower than the minimum wage.

Living Wage: The right to living wage is supported by buyers; but it is hard to implement. Even the newly enacted minimum wage has not yet been implemented in all the factories. In order to implement the minimum wage, consumers in the western countries need to change their mind-set

and they should be ready to pay higher price to accommodate higher cost of labour at manufacturers' end. Because of the pressure to accommodate the higher wages, sub-contracting firms are finding it difficult to maintain the profit margin.

Working Hours: Special Permission from the local authority needs to be taken if the workers in a factory work more than 2 hours of overtime per day. Instead of one shift of work in 24-hours, it is important to consider two shifts in a day given the pressure of works. Such process may reduce pressure for overtime works.

Work Environment: To make the workplace environment safer, workers need to be trained on safety and health issues.

GITI information: Common consensus needs to be established among the government, BGMEA and CBA. However, if government, owners, buyers, human rights organisations and civil society all of them are included than there will be too many groups. The monetary cost of collecting the information and a full time investigation officer are needed.

Trade Union: The formation process of trade union at the factory level needs to be supervised. It is important to examine whether trade union leader find it difficult to register their organisations.

GITI Institutional Process: A tri-partite process would be effective for GITI's fact-finding exercise. Government may take the lead role in this process. However, buyers could be voluntarily participating in this process. A consultation mechanism may need to pursue with organisations working on workers and their rights; because of large number of organisations, there is problem of selecting appropriate organisations.

Mr. Shahidul Alam, Code of Practice manager, next Code of Practice

(3 July, 2014; at Ruposhi Bangla Hotel)

Working Hours: Buyers have zero tolerance policy regarding forced labour practice in the supplying factories. However, there are informal practices such as restricting use of toilets particularly to female workers in order to increase the effective working hours and practice of compulsory over time etc. These issues cannot be fully explored from collected data. Although factories need to take permission from legal authority if workers have to employ above two hours of 'normal' over time, often factories use the temporary permission 'illegally' for long period. In some cases the schedule and the record of the overtime is not kept properly and hence workers get deprived in getting sufficient remuneration for their overtime works. Sometimes workers want to do more hours as they want to earn extra money from overtime. There are some hidden labour practices which are difficult to identify from the factory level information.

Ms Humaira Aziz, Director, Women's empowerment program, Ms Rehana Yesmin, Project Manager, Global Women Economic Empowerment Initiative, Work Force Engagement, Ms Fatima Jahan Seema, Impact & Evaluation Coordination, Program Quality Unit and Ms Sonia Afrin, Team Leader, Workforce Engagement, CARE Bangladesh
(at the CARE Dhaka Office, 21 July, 2014)

Work Place Safety: Owners of the factories are not well aware about the compliance issues mentioned in the ILO convention. But owners know about the domestic rules on compliance. There is difference in compliance issues between the buyers and the national standard. Compliance standards vary depending on factories.

Child Labour: Although child labour is unacceptable but it is observed in sub-contracting factories. It is difficult to comply with the living wage for most of the factories.

Freedom of Association: Despite the recent rise of trade union at the factory level, number of federation is still very low. Government has positive attitude towards forming trade unions in RMG factories. There needs to have more clarity and transparency on trade union related activities with a view to establish workers' rights. It is still not sure whether trade union is necessary for collective bargaining in Bangladesh? Awareness raising is very important among workers regarding their rights and responsibilities which CARE is continuously doing.

Forced Labour and Child Labour: Workers are stressed to fulfil the targets set by the factory managers. Worker's age sometimes difficult to identify as 'false' birth certificates are provided in support of their ages. Most of the sub-contracting factories do not maintain the child labour law and per day working hours.

Work Environment: Female workers often are not aware about their rights. Some of the workers lost their jobs during the period of pregnancy. Female workers sometimes face physical torture but do not get necessary protection. There is no specific policy regarding protecting workers from harassment. In this context, workers need to be trained to protect them from any kind of harassment. Female workers see less career prospect in the garments industry. Mid-level management in the factories is not friendly which often causes problem to workers. Because of lack of proper compliance, workers face various kinds of diseases (e.g. tuberculosis).

Discrimination The management level in the garment factories are hierarchic in nature and dominated by males. Often supervisors, technicians, HR officials and corporate officers are males. Female workers are mainly engaged in the production related work as helpers and operators. In number of occasion, female workers work as quality assurance operator and welfare officer.

Minimum Wage: There is no specific methodology to determine the minimum wage of the workers. More clarity is needed about the conceptual issues on the minimum wage. It is important to appreciate which alternate jobs to be considered as benchmark for revising the minimum wage. Conceptually living wage is higher than the minimum wage – it considers expenses of other items such as house rent, expenses for a four-member family and savings. In order to enforce living wage, the sector needs parallel support for other aspects such as health insurance and support for meeting transport cost.

New minimum wage will increase overall expenses related to workers. Factories are opted for new strategies to reduce operational cost. As part of it, factories have stopped recruiting new workers and increase production target by reducing period for overtime work. Thus workers are in pressure – they are even afraid of taking “leave” in fear of losing their jobs.

GITI information: At the initial level GITI would face the problem of mistrust regarding sharing information with the logic of disclosing confidentiality. Reports to be prepared under the GITI should be published. In order to form the national body for GITI, local renowned persons need to be included. National ownership needs to be ensured.

Mr Johan Stellason, Relations Responsible, H&M Puls Trading Far East Ltd. Bangladesh Liaison Office (at H & M Dhaka Office, 5 September, 2014)

Labour Rights and Freedom of Association: Proper enforcement of freedom of association would be hampered because of lack of resources. H&M does not confined its focus on local rules rather it goes beyond that by complying with UN Code of conduct related to workers’ rights (e.g. rights of the child). However, the practice of violation of labour rights in the garment factories is rather less; on the contrary it may be higher in case of non-RMG sector particularly in the informal sector. H&M put emphasis on social dialogue and as part of it, H&M provides training to workers regarding their rights and responsibilities. A better communication mechanism between workers and management is always considered to be important which H&M is working with in supplier- factories. H&M follows full disclosure mechanism regarding the practices of labour rights in supplier-factories. At global level, H & M is working with ILO, better work programme and global trade unions for ensuring better compliance in the factories.

Forced Labour: In proper sense, there is no forced labour in operation in the garment sector. H&M through its audit system properly monitor the labour practice in garment factories. However, overwork done in the factories are not forced labour; at best it could be linked with working hour.

Working Hour: Since H&M follows double book keeping system, there is little chance to have misreporting about the actual working hour followed in the factories. But workers also demand more work in order to earn more. Problem of overwork arises because of wrong estimate about production capacity in the factories. In fact, it is time to consider two-shift of work instead of one in order to reduce the work pressure.

Child Labour: Child can work only under the regulatory bindings. In order to discourage child labour use in supplier-factories, H&M conducts medical test besides checking national ID of workers to understand the ‘actual’ age of workers. However, child labour use is more prevalent in factories which are working outside the purview of linkage with the buyers – mostly sub-contracting one.

Discrimination: Discrimination may take place in the form of use of abuse language to female workers.

Living Wage: On principle, H&M is in support of enforcing living wage in the garment sector. Most importantly, it does not compromise meeting the minimum wage for workers. A better way to deal

with this issue is revision of workers' wages on a yearly basis taking into account the national data on inflation.

Safe Workplace: H&M follows a communication structure in order to identify the issues and concerns related to workers' safety. A number of models are available for effective communication in the work place to reduce the harassment.

GITI Initiative: A major challenge for GITI would be identification of niche area and target group for the document to be produced from this initiative. It is important to identify the target group for this report. The report seems to be useful for international brands as reference document at their global level. Besides, local joint chamber bodies could utilise it for their assessment of business environment including risk assessment in the country. International buyers and retailers regularly use information from private intelligence firms along with from company's own intelligence unit.

An in-depth GITI report with factory level information to be published on a yearly basis could be of use at national and international level. Such an in-depth process would require an institutional set up with a minimum annual budget of £100,000.

-0-