

**A Report Prepared by INCIDIN Bangladesh based on the Consultations with the Trade Union Activists and the Findings of the Opinion Poll with Bangladesh RMG workers**

**Bangladesh RMG Workers Strategic Proposition  
to MFA Forum  
*Ensure Global Corporate Social Responsibility***

# Background of the Consultations and Workers Opinion Poll:

INCIDIN Bangladesh facilitated a consultative process involving \* trade union federations of the RMG workers of Bangladesh to raise the concerns of the workers of the sector to the MFA forum. The consultative process led to a consensus of collecting the analyzing the opinions of the RMG workers on three distinct issues. The three questions were:

- ▣ Along with the Local factory Owners who else can play a role in increasing wages of RMG workers?
- ▣ If embargo due to poor labor standard is imposed on Bangladesh RMG export will it help the Bangladesh RMG workers?
- ▣ Who other than the Local factory Owners should contribute in forming a welfare fund for the RMG workers of Bangladesh?

The responses are expected to reveal the RMG workers perception regarding the role of the national producers, government, international buyers/brands and development agencies in evolving a rights-based industrial relation in the RMG sector in Bangladesh.

The trade unions of the RMG sector of Bangladesh expects that MFA forum would consider the findings of the consultations and the opinion poll of the workers in framing its own strategies and in defining its role within the framework of Corporate Social Responsibility vis-à-vis the workers of the RMG sector in LDCs such as Bangladesh.

Alliance of the Trade Union Federations in Bangladesh RMG sector		
Alliance members of the Trade Union Federations participating in the consultation and survey		

The paper presents the views and opinions of the workers and the trade union activists of the RMG sector of Bangladesh.

## Role of BGMEA:

- 100 percent workers of the RMG sector hold the opinion that the local factory owners should contribute in increasing wages of RMG workers.
- 100 percent of the workers of the RMG sector hold the opinion that the local factory owners should contribute in forming a welfare fund for the RMG workers of Bangladesh

The workers and the trade union activists of the RMG sector of Bangladesh are equivocal on the issues concerning the role of Bangladesh Garments Manufacturers and Exporters Association (BGMEA). They have mentioned that the primary responsibilities facing the local manufacturers involve the followings:

- ☐ BGMEA should immediately implement the tri-partied agreement which has been recently worked out among the BGMEA, Trade Unions and the Government of Bangladesh.
- ☐ BGMEA should immediately agree to the proposal of increasing the basic minimum wage of the RMG workers from Tk. 600 (US\$ 8.6) to Tk. 3,000 (US\$ 43.1), issue job-contract and implement the provision of one day weekly holiday.
- ☐ BGMEA should work to improve the work-place safety of the workers
- ☐ BGMEA should abide by the labor law of the country including that of the workers' rights to organize.
- ☐ The national producers need to realize that rather than reducing or keeping the wage low they need to re-negotiate higher CM from the international buyers/brands.

## Role of the Government:

- 52 percent workers of the RMG sector hold the opinion that along with the local factory owners the government of Bangladesh should contribute in increasing wages of RMG workers.
- 39 percent of the workers of the RMG sector hold the opinion that along with the local factory owners the government of Bangladesh should contribute in forming a welfare fund for the RMG workers of Bangladesh

The workers (52 percent) find a clear role of the government in not just settling the basic minimum wage of the workers, but also of contributing financially if so deemed needed. More than a third (39 percent) of the workers of Bangladesh RMG sector has also mentioned that the Government should contribute in forming a welfare fund for the workers of the RMG sector along with the local manufacturers.

## Global Corporate Social Responsibility:

- 34 percent workers of the RMG sector hold the opinion that along with the local factory owners the international buyers and brands should contribute in increasing wages of RMG workers.
- 96 percent of the workers of the RMG sector hold the opinion that if embargo due to poor labor standard is imposed on Bangladesh RMG export it will not help the Bangladesh RMG workers
- 48 percent of the workers of the RMG sector hold the opinion that along with the local factory owners the international buyers/brands should contribute in forming a welfare fund for the RMG workers of Bangladesh

- ☐ There is a need of reviewing and reforming the legal instruments to ensure that the national and international producers/buyers/brands are accountable towards implementation of a nationally agreed upon set of social obligations in addition to the provisions mentioned in the national labor laws.
- ☐ The present practices of the global buyers and brands reflect that they have adopted a policy of continual derogation of CM by exploiting the regime of free trade. They move away from one country to another in search of lower CM while they criticize the local producers of poor wage and labor conditions. The trade unions of Bangladesh find this a deceptive policy.

- ☐ The brands need to be made aware that the global civil society holds them responsible for the low wage in Bangladesh which is largely a consequence of the continual decreasing trend of CM offered by them to the national producers of RMG.
- ☐ There should be a commonly agreed upon code of conducts for these global market actors so that they cannot influence continual derogation of CM at the cost of poor wage and labor conditions.
- ☐ The international buyers/brands should not be allowed to withdraw from a source country just because they want to purchase cheaper products from another source. There should be provision of social auditing of any such move of trade diversion with respect to its impacts on workers' livelihood and poverty situation in the source countries. Based on such analysis the level and mode of compensations to the workers and business should be agreed upon. In any case there should be a phase-out stage before any such move of withdrawal and an approval from a global process of corporate accountability.
- ☐ The international buyers and brands should be made aware that the consumers and workers of RMG sector around the world expect them to reinvest in social capital in source countries (e.g. Bangladesh) and share the costs of increased wage and other improved work conditions in these countries.
- ☐ At the same time these international actors should be monitored and kept accountable to a set of purchasing standards which should hold them responsible to invest in improving the wage and labor rights situation in the source countries such as Bangladesh.
- ☐ Over the last decades the international brands and buyers have appropriated the largest share of the profit from the manufacture and trade in ready made garments. The international buyers and brands were never unaware of the precarious labor practices in the cheap sources. Rather they have taken full advantage of these practices to produce and procure cheap products at the costs of degrading terms of trade for the workers. The international buyers and brands at this stage cannot portray themselves responsible just by pressuring the local manufactures to follow the standards. The international buyers and brands have to implement their own standards in the source countries such as Bangladesh by sharing the costs of ethical production. These may be carried out through equitably sharing the costs of:
  1. Offering a higher CM such that the incremental CM is tied to a specific fund (e.g. welfare fund for Bangladesh RMG workers) responsible to bring about positive changes in work and living conditions of the RMG workers.
  2. Setting up of a safe and humane residential, health and transport facilities for the workers of the RMG sector in Bangladesh.
  3. Improving safety measures in production units
  4. In development of workers' skills
  5. In ensuring the workers' benefit and compensation package under the national laws and ILO Convention.

In this regard, the Trust Fund (which is soon to be formed with the involvement of BGMEA, international buyers/brands, national and international trade union bodies and civil society organizations) to compensate the deceased and injured workers of the Spectrum Sweater factory - can be taken as a model.

## **Role of Trade Union:**

- ☐ Without the trade unions, there is no other legal means at hand to ensure the interests and rights of the workers in Bangladesh RMG sector.

- ☐ At present there is an embargo on trade unions within the Export Processing Zones; other than that the laws of Bangladesh ensure the trade union rights in the country. However, there is an unofficial embargo imposed upon the trade unions in the RMG sector by the factory management. This creates a situation in which the trade unions are facing illegal threats and harassments whenever they try to organize at the factory level. The recent upsurge in the garment factories in Bangladesh reveals how deep the workers' grievances are. It also reveals that if the trade unions are not considered as a legitimate workers' body of collective bargaining, there can be no other means of maintaining peaceful industrial-relation.
- ☐ The government, international and national factory owners, buyers and brands need to consider the rights of the workers including that of the rights to organize as an integral part of healthy industrial relation.
- ☐ The national and international trade union bodies should be effectively involved in the factory inspection/ social auditing process of the international brands and buyers.

## Basic Minimum Wage:

- ☐ The RMG workers in Bangladesh have presently come to a consensus regarding the basic minimum wage in the sector. They are demanding a wage of Tk. 3,000 (US\$ 43.1) per month as the basic minimum. It should be noted that presently the gross monthly minimum wage is set at Tk.930 (US\$ 13.4) and the basic minimum wage is Tk. 600 (US\$ 8.6); this has remained unchanged since 1994.<sup>1</sup>
- ☐ The basic minimum wage of the RMG workers should be such that it enables the workers to live at least over and above the poverty-line. Along with the national producers, the government, international buyers and brands also has a role to play (both as source of source of economic resource and facilitation) in ensuring such a wage in Bangladesh.

## MFA Forum and Global Civil Society:

- 13 percent workers of the RMG sector hold the opinion that along with the local factory owners the development partners/donors should contribute in increasing wages of RMG workers.
- 13 percent of the workers of the RMG sector hold the opinion that along with the local factory owners the development partners/donors should contribute in forming a welfare fund for the RMG workers of Bangladesh

- ☐ There should be direct representation of female workers in the MFA forum. Any female workers' body (national or international) may be taken as participants of the MFA forum.
- ☐ Trade unions alone cannot conform, monitor and facilitate that the national and global producers/ buyers and brands would perform their social responsibilities towards the workers of the RMG sector. To this end the broader civil society networking is a must. MFA forum can be a part of that global networking.
- ☐ MFA forum can evolve into a body or can facilitate a body which may monitor that the international buyers/brands are not moving away from countries like Bangladesh in search of cheaper sourcing in other countries. It may also work out modalities (compensations/ acceptable set of standards for withdrawal and timeframe of any such withdrawal) in close consultation of the workers and manufacturers of the sector of the respective source country.
- ☐ The MFA forum can work both to raise awareness and resources to ensure that a global mechanism of socially responsible sourcing of RMG products is in-placed.

<sup>1</sup>The conversion rate is US\$ 1= BDT 69.6 (3 September 2006)



# **Opinion Pole of the RMG Workers in Bangladesh**

The Role of Government and International  
Buyers and Brands in facilitating a  
Healthy Industrial Relation

## Objectives of the Quick Survey:

- ☐ To collect the opinion of the RMG workers with respect to the desired role of the national producers, government, international buyers/brands and development agencies in bringing about pro-workers and productive industrial relation in Bangladesh RMG sector.
- ☐ To define global corporate social responsibility form the perspective of Bangladesh RMG workers
- ☐ To present the opinions of the RMG workers at the strategic workshop of MFA forum.

## Methodology:

A preset questionnaire with three questions have been designed and implemented among the workers of the RMG sector in Bangladesh. The questionnaire has been developed in consultation with the Trade Union Federations of the RMG section in Bangladesh. The participating Trade Union Federations have also implemented the questionnaires among the workers.

## Sample of the Opinion Survey:

The survey collected the opinions of 2,812 workers of the RMG sector in Bangladesh (1,792 women and 1,020 men). The quick-survey was conducted in Dhaka (61.1 percent), Savar (21.5 percent), Narayanganj (9.6 percent), Gazipur (3 percent) and others (4.8 percent). Among the participating workers majority were Operators (56. percent), a quarter were helpers and around a fifth (18 percent) were of other categories.

## Organizers of the Opinion Survey:

<b>Alliance of the Trade Union Federations in Bangladesh RMG sector organizing the survey</b>		
<b>Alliance members of the Trade Union Federations organizing the survey</b>		

On behalf of the Trade Union Activists, INCIDIN Bangladesh has coordinated the survey. It also assisted the trade union activists to analyze the data and prepare the report.

# Demographic Features of the Sample RMG Workers:

## Age of the respondents

Age range of the respondents	Sex of the respondents				Total	
	Male		Female			
	C	%	C	%	C	%
12 - 15 Years	10	1.0	35	2.0	45	1.6
16 - 18 Years	78	7.6	267	14.9	345	12.3
19 - 21 Years	203	19.9	424	23.7	627	22.3
22 - 24 Years	242	23.7	390	21.8	632	22.5
25 - 28 Years	257	25.2	381	21.3	638	22.7
29 - 33 Years	139	13.6	220	12.3	359	12.8
34 - 38 Years	56	5.5	50	2.8	106	3.8
38 + Years	35	3.4	25	1.4	60	2.1
Total	1020	100.0	1792	100.0	2812	100.0

## Designations of the respondents

	Sex of the respondents				Total	
	Male		Female			
	C	%	C	%	C	%
Operator	503	49.3	1085	60.5	1588	56.5
Helper	215	21.1	503	28.1	718	25.5
Others	302	29.6	204	11.4	506	18.0
Total	1020	100.0	1792	100.0	2812	100.0

## Working area of the respondents

	Sex of the respondents				Total	
	Male		Female			
	C	%	C	%	C	%
Dhaka	552	54.1	1167	65.1	1719	61.1
Savar	322	31.6	283	15.8	605	21.5
Gazipur	18	1.8	67	3.7	85	3.0
Narayangonj	94	9.2	175	9.8	269	9.6
Others	34	3.3	100	5.6	134	4.8
Total	1020	100.0	1792	100.0	2812	100.0

## Summary Results of the Opinion Poll with RMG workers:

Along with the Local factory Owners who else can play a role in increasing wages of RMG workers?

Who other than BGMEA can play a role in increasing the basic minimum wage of Bangladesh RMG workers	Sex of the Respondents				Total	
	Male		Female			
	C	%	C	%	C	%
Government of Bangladesh	532	52.2	941	52.5	1473	52.4
International Buyer/Brand company	369	36.2	609	34.0	978	34.8
International Development Partners/Donor organization	119	11.7	242	13.5	361	12.8
Total	1020	100.0	1792	100.0	2812	100.0

If embargo due to poor labor standard is imposed on Bangladesh RMG export will it help the Bangladesh RMG workers?

If embargo on Bangladesh RMG export is impose in an attempt to improve the working condition – will it help the workers?	Sex of the Respondents				Total	
	Male		Female			
	C	%	C	%	C	%
No	993	97.4	1728	96.4	2721	96.8
Yes	27	2.6	64	3.6	91	3.2
Total	1020	100.0	1792	100.0	2812	100.0

Who other than the Local factory Owners should contribute in forming a welfare fund for the RMG workers of Bangladesh?

Who other than BGMEA should contribute in forming a welfare fund of Bangladesh RMG workers?	Sex of the Respondents				Total	
	Male		Female			
	C	%	C	%	C	%
International Buyer/Brand company	577	56.6	773	43.1	1350	48.0
Government of Bangladesh	321	31.5	776	43.3	1097	39.0
International Development Partners/Donor organization	122	12.0	243	13.6	365	13.0
Total	1020	100.0	1792	100.0	2812	100.0