The collapse of Rana Plaza in April 2013 with the death of over 1,100 people, the majority of whom were garment workers, focussed international attention on safety and labour rights in the Bangladesh Ready Made Garment (RMG) sector. In response, the Compact for Continuous Improvements in Labour Rights and Factory Safety in the Ready-Made Garment and Knitwear Industry in Bangladesh was launched in July 2013. The Compact seeks to improve labour, health and safety conditions for workers, as well as to encourage responsible behaviour by businesses in the RMG industry.

Staying engaged: The Sustainability Compact for the Bangladesh Ready Made Garment Sector

The Sustainability Compact brings together Bangladesh, the European Commission, United States, Canada and the International Labour Organization (ILO) accompanied by employers, trade unions and other key stakeholders to promote continuous improvements in labour rights and factory safety in the Ready Made Garment (RMG) industry. The Compact is built on three short and long-term commitments related to three inter-linked pillars: 1) respect for labour rights; 2) structural integrity of buildings and occupational safety and health; and 3) responsible business conduct. There is no ‘end date’ to the Compact as it is seen as a process of continuous engagement between the Compact partners.

Why is it important?

The Compact reflects the importance that its partners place on the need to improve working conditions and labour rights in the Bangladesh RMG sector as well as the need for responsible business conduct throughout the supply chain. The Compact commitments are also relevant to preferential access to export markets provided to Bangladesh and ILO Conventions which Bangladesh has ratified as well as the provision of development assistance.

Who is responsible for its implementation?

The Government of Bangladesh is responsible for the implementation of its Compact commitments. The ILO and other Compact partners provide technical assistance in certain areas. Meanwhile, activities supported by Compact development partners who are not Compact signatories contribute to certain commitments as do brands, retailers and global unions through their engagement in the Accord on Fire and Building Safety in Bangladesh, and the Alliance for Bangladesh Worker Safety.

How is progress monitored and reported?

Progress under the Compact is monitored and reported on a regular basis through various mechanisms. High-level follow up meetings take place on roughly an annual basis in Dhaka or Compact partner headquarters such as Brussels where progress is discussed. As part of the process stakeholders including trade unions, employers and civil society groups also take part in a public event. Another channel is the Bangladesh-based ‘3+5+1’ group that brings together the secretaries of Commerce, Labour and Foreign Affairs along with the ambassadors of the EU, US and Canada plus two other EU member states. ILO provides technical support to this process.

About the Sustainability Compact

What is the Sustainability Compact?

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Who are the Compact partners?

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The Sustainability Compact is built on short and long-term commitments related to three inter-linked pillars:

1) respect for labour rights;
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This publication has been produced with the support of the European Union.
Respect for labour rights, in particular freedom of association and the right to collective bargaining

There has been progress— albeit more needs to be done— in a number of areas. Amendments to the Bangladesh Labour Act have resulted in the registration of over 500 new RMG trade unions. The new Labour Act now provides for a formal membership registration and handling unfair labour practices.

The Government of Bangladesh has announced they are being examined with social partners. The operations of the Department of Labour should mandate of the DIFE to cover factories in the Export Processing Zones (EPZs).

The Department of Inspection for Factories and Establishments (DIFE) now has the capacity in terms of human resources, budget and skills to carry out its mandate in a more effective and accountable manner. Support has also been provided to bolster the skills training and livelihoods of Rana Plaza survivors.

The Government has recently made commitments towards the fulfilment of its international obligations by proposing the reduction of the threshold needed to form a union to 20% of workers and the extension of the mandate of the DIFE to cover factories in the Export Processing Zones (EPZs).

Further amendments and improvements as recommended by the ILO Committee of Experts to bring the Bangladesh Labour Act and draft EPZ Act in conformity with these commitments are still needed. The Government has announced they are being examined with social partners. The operations of the Department of Labour should also be supported as its upgrade gathers momentum.

Commitments under the first pillar of the Compact relate to labour rights. This includes bringing the Bangladesh Labour Act— both in law and practice— into line with international labour standards in particular with reference to Freedom of Association and the right to collective bargaining.

Structural integrity of buildings and occupational safety and health

Tangible progress has been made regarding workplace safety. Virtually all (3,780) export-oriented garments factories were inspected for structural, fire and electrical safety by December 2015 with some 40 closed for posing an immediate danger to workers. Follow up to the inspections is moving ahead well under the Accord on Factory and Building Safety and the Alliance for Bangladesh Worker Safety.

A Remediation Coordination Cell (RCC) was launched in May 2017 to oversee remediation of factories under the Government of Bangladesh’s National Initiative (for those factories not covered by the Accord or Alliance). All three inspection initiatives have also made information publicly available.

Further, the progress made on workplace safety through factory inspections and remediation, capacity building and knowledge sharing. By May 2018, the Accord and the Alliance had made more than 85% of remediation work.

The Government’s Remediation Coordination Cell (RCC) is being strengthened with the required manpower, resources and logistics with a view to be able to fully take over overall responsibility. As part of this strengthening process, recruitment of 60 additional engineers is underway. A roadmap is being created for the transition of Accord and Alliance work to government responsibility. The institutional capacity and readiness of the RCC to take over this role will be monitored on a six-monthly basis.

The Accord on Factory and Building Safety in Bangladesh and the Alliance for Bangladesh Worker Safety (ABWS) are responsible for engaging 200 brands and retailers from over 20 countries and have made a major contribution to workplace safety through factory inspections and remediation, capacity building and knowledge sharing. By May 2018, the Accord and the Alliance had made more than 85% of remediation work. The Government’s Remediation Coordination Cell (RCC) is being strengthened with the required manpower, resources and logistics with a view to be able to fully take over overall responsibility. As part of this strengthening process, recruitment of 60 additional engineers is underway. A roadmap is being created for the transition of Accord and Alliance work to government responsibility. The institutional capacity and readiness of the RCC to take over this role will be monitored on a six-monthly basis.

Better Work Bangladesh is directly engaged with 19 international buyers who source from some 180 RMG factories so as to enhance compliance in the industry. The EU and OECD are working together to set up auditing practices while the ILO has also focused on creating responsible supply chains. Further emphasis needs to be placed on establishing responsible and transparent sourcing practices that benefit those at every level along supply and value chains. Continued private sector involvement is also needed to create safe workplaces and a culture of respect for labour rights in RMG factories.

The second Compact pillar covers the inspection of all active export-oriented RMG and knitwear factories for structural, electrical and fire safety as well as subsequent follow up remediation work. There is a commitment for greater transparency relating to factory inspections as well as the implementation of the National Tripartite Plan of Action drawn up after the Rana Plaza disaster which amongst its provisions is the establishment of an employment injury insurance scheme.

By December 2015 virtually all exporting RMG factories had been assessed for structural, fire and electrical safety. The second Compact pillar

The third pillar of the Compact recognises the role the garment industry has to play in enhancing workplace safety and labour rights in the RMG sector. This includes both producers as well as fashion and retail brands sourcing garments from Bangladesh. The third pillar includes calls for continued promotion of socially responsible initiatives along the supply chain and for the development of a unified code of conduct for factory audit in Bangladesh.

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