

## RMG Sector Risk Management and Social Compliances in Bangladesh

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### **Abstract**

*The readymade garment (RMG) industry in Bangladesh has been witnessing an overwhelming growth over the last three decades and become a top growing industry in Bangladesh and the second-largest apparel exporting country in the world followed by China. This industry plays a magnificent role in export earnings; employment generation, especially for rural women and poverty alleviation. However, the industry face challenges to ensure workplace safety in compliance with national and international standard. The fire accident in the Tazreen Fashion factory at Ashulia in 2012 and the collapse of Rana Plaza at Savar in 2013 are the two glaring instances of non-compliance in the RMG industry. This paper is designed to seek various risks in the RMG sector of Bangladesh, and mechanism to manage those risks along with social compliance issues as an important accelerator of RMG sector efficiencies. The study is based on rigorous content analysis available on the website. The paper reveals that the risks of fire accidents, fragile buildings, reputation, and supply chain have an impact on production. Furthermore, it explores that low wages of workers, child labour, health hazard, sexual harassment, inadequate leave, lack of standard working hours, absence of residential and transport facilities, and absence of daycare centre are the common scenario of RMG industries in Bangladesh. The government and international organizations like the UN and the ILO should create pressure on the owners of the industry to ensure compliance.*

**Keywords:** Readymade garments, Social Compliance, Risk, Productivity, Bangladesh.

### **Introduction**

Readymade garments are the largest export sector in Bangladesh, with more than 78% of the country's total foreign earnings generated from this sector.

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## RMG Sector Risk Management

Bangladesh is also the second-largest apparel exporter in the world with a total export of USD \$17.91 billion in the fiscal year 2010-11 (BGMEA 2012). Export of woven garments and knitwear products increased 12.82% and 7.47% respectively in FY 2015-2016 compared to the same period of FY 2014-2015. ((Mof.gov.bd, 2019)). The garments industry started with 12 enterprises in 1978. However, the number of garment industry is now 4,500 of various sizes. Nevertheless, around 3,500 are currently operating.

It is the largest exporting industry in Bangladesh, which experienced surprising growth during the last 20 years. By taking advantage of an insulated market under the provision of the Multi Fibre Agreement (MFA) of GATT, it attained a high profile in terms of foreign exchange earnings, exports, industrialization and contribution to GDP within a short period. The industry plays a key role in employment generation and the provision of income to the poor. Nearly two million workers are directly and more than ten million inhabitants are indirectly associated with this industry. Over the past twenty years, the number of manufacturing units has grown from 180 to more than 3600. The sector also plays a magnificent role in the socio-economic development of the country.

Since it is a highly labour-intensive industry, the sector absorbed the largest number of industrial employers in the country with around 3.6 million who are directly working in these factories. The inclusion of backward and forward linkages would further increase the number of employees in this sector. Mainly the workers in this industry are female. Unfortunately, given the labour-intensive nature of the industry, the density of workers on factory floors is very high. This high density of workers results in a large number of injuries and fatalities in the event of an accident. (Wadud etl., 2013). Despite the various measures, rules and regulations implemented in the past decades, there are still several instances of fire outbreaks in the garment factories every year, resulting in significant losses of lives, livelihoods (through injuries), equipment and materials (Ahmed and Hossain, 2009).

### **RMG Sector risks in Bangladesh**

Risk generally results from uncertainty. Major risks to sustainability and steady growth of the country's readymade garment (RMG) industry involve a proper and timely restructuring of this sector. The risks facing apparel workers in Bangladesh are both from fires and building collapses, for many years. On April 24, 2013, the Rana Plaza building in Savar, Bangladesh collapsed, killing more than 1,100 people — mostly garment workers. This and other recent tragedies in Bangladesh and elsewhere highlight the serious risks that labour conditions can pose not only to workers, but to organizations' reputations, supply chains, and bottom lines. (Marsh, Risk Management Research). Major RMG industry risks are:

### **Accidental risks**

Various accidents including building collapses and fire accidents took away more than a thousand lives of garment workers in Bangladesh in the last five years. On 25 February 2006, a 5-storied building of the Phoenix Garments collapsed leaving 22 killed and 50 workers injured at Tejgone. On December 14, 2010, workers smashed and burned a factory of Hameem Group at Ashulia. It killed 22 of their colleagues and left more than 400 injured. By fire accident in the Tazreen Fashion factory in the Ashulia on 24 November 2012, 117 people were confirmed dead in the fire, and at least 200 were injured. On 24 April 2013, Rana Plaza, an eight-story commercial building, collapsed in Savar, with Deaths of 1,129 & Injuries of 2,500.

### **Reputational Risks**

The risk to retailers is highest in the short term; however, they are expected to decline over the medium to long term if no other supply chain violations occur. The severity of this incident resulted in widespread international media attention and scrutiny from civil society. Those companies that have acted in good faith, such as Loblaw, have faced less ongoing opposition than others, such as Wal-Mart and the Gap, which have refused to sign on to industry-led safety initiatives. While a consumer backlash would not be unexpected, it is too soon to tell whether heightened awareness has had an impact on spending. Regrettably, supply chain incidents are considered par for the course in the retail industry and only companies facing recurrent violations tend to be singled out. As a result, President Barack Obama-led US government in June suspended Bangladesh from the Generalised System of Preferences (GSP), which allows duty-free entry of over 5000 goods to the US market from least developed countries. In December 2013, The European Parliament has threatened to withdraw GSP, the duty and quota-free access to the EU market that Bangladesh enjoys.

### **Operational Risks**

In the short term production at the Savar, factories have come to a halt, imposing losses to companies that source from these suppliers. The retail companies have not indicated- how relevant the impacted factories are for their overall supply, hence the material impact on business is difficult to determine.

### **Regulatory Risks**

From medium to long term suppliers are expected to face tougher standards in a changing regulatory environment. As evidenced by recent action from the EU, the Bangladeshi government may face greater pressure to improve safety standards and monitoring systems. In fact, following the incident, the Bangladeshi government announced reforms in trade union laws for garment workers and plans to increase their minimum wage. The costs of greater compliance may squeeze supplier's profit margins, be passed on to retailers, or both.

### **Occupational Hazard and Human Health Risk**

An unhealthy work environment affects workers Physically, Chemically, Biologically and Psychosocially. Heat, cold, noise, and vibration of garment factories cause physical hazards. Dust, fumes etc. are responsible to create a chemical hazard. Various diseases might create a biological hazard to workers in RMG factories in Bangladesh due to the unhygienic working environment. While lack of job security and low wage rates create frustration and depression, etc. which pave the way to psychological risks.

### **Ecological Risk Assessment**

Factories must conduct an Environmental Impact Assessment ( EIA ) and submit the results to the concerned authority for review and approval as required by local and national regulations. The factories also have to manage land use and building construction as required by local and national regulations. Factories adopt an environmental policy to achieve compliance and appoint a member of the management team for the coordination of environmental management activities and ensure that he/she is properly trained. The emergency protocol includes an emergency plan and a trained emergency team. The industry provides regular environmental training to impacted employees. They suggest the workers not utilize banned chemicals as required by local and national regulations. The factories have to get appropriate permits for hazardous substances handling & storage as required by local and national regulations. The industries also have to take appropriate measures to prevent & control any risks of environmental pollution from hazardous substances released. The industries also verify the existence of sensitive receptors (e.g. rivers, underground water, etc.) close to production facilities and implement special measures to prevent contamination where needed. The factories have to get approval –from the concerned authority, the factory would not make any noise pollution. It conducts noise pollution assessments to take immediate corrective actions in the event the noise pollution limits are exceeded

### **Supply chain risks**

Events that disrupt supply chains, whether from natural catastrophes or human causes, tend to increase the cost of doing business for international retailers and textile manufacturers. They also can affect how consumers, the media, and others perceive corporate social responsibility.

### **Risky work environment**

Working conditions in the RMG sector frequently violate international labour standards, and Codes of Conduct (Ahamed, F.2011; Dasgupta S., 2002). However, fear of losing their jobs and lack of alternative job opportunities compel workers to continue in unsatisfactory employment (Bansari, 2010). Injuries, fatalities, disablement and death from fire and building collapses are frequent in the RMG sector (Majumder P, 2000).

## **Labour Unrest**

Unrest in the Readymade Garment industry of Bangladesh has become a common phenomenon in recent years due to conflicts between the employers and the employees who are primarily concerned with salary and other benefits. Major accidents are also responsible for this unrest. Recent major accidents and unrest in this sector have been causing a serious negative impact on the export of readymade garment products of Bangladesh in international markets. The total export of Bangladesh is 22.90 billion US dollars of which 17.90 billion is from the RMG sector which is equivalent to 78 percent of the total export earnings of the country. These earnings are continuously increasing day by day. As such, the readymade garment industry of Bangladesh has paramount importance in the economy of the country which is developing in nature. In the financial year 2010-2011, 78.15 percent of the total export was from the readymade garment industry although these earnings were heavily dependent on demand and supply in international markets. There is a national and international conspiracy to make the labour unrest in the garments industry so that the buyers avoid the Bangladeshi products.

### **How to manage risks**

To avoid unrest in the RMG sector, (Khan,2011) argued for strengthening Social compliance issues and labour standards to improve wages, working hours, overtime, job security, the right to form trade unions, social security and also occupational health and safety. There should be independent risk management functions focused on strategic cost reduction. Strong internal control systems should be established covering all areas of operations with continuous support and monitoring by top management. Many small and medium scale organizations get into financial difficulties due to a lack of proper control systems and monitoring of activities and costs.

### **Formulate labour regulation**

The Factories Act of 1965 sets the occupational safety and health standards in Bangladesh, but like every other aspect of the Labour Code, it is rarely enforced due to the lack of resources and corrupt practices in the system (Doshi G., 2008). To improve working conditions the Bangladesh Government needs to conduct a thorough review of labour regulation. The working environment and working conditions need to be brought into line with the country's current realities and should be backed with the resources necessary to ensure compliance. Furthermore, the government should protect workers' rights by creating a system for complaints concerning violations, adjudication, remedies, and punishments. But there is reason to believe it can be achieved.

### **Strategy for RMG sector Reforms**

Governments should jointly work with the multilateral (World Bank, IFC, Asian Development Bank, Islamic Development Bank) and bilateral

development partners (EU, DFID, JICA, USAID, SIDA, CIDA, NORAID etc) to provide funds, training other capacity-building support as well as structural adjustment facilities to mitigate risk challenges.

### **New RMG Economic Zones/Unsafe Factory Relocation**

Relocation will likely pose the next big issue that requires a medium and long-term solution. As suggested, such relocation can be carried out in phases and can be set up in different clusters based on the availability of suitable land. Relocating to lands of 40-50 bighas is also possible. This relocation should be made compulsory for the factories in Dhaka-Chittagong-Narayanganj metro areas and selected by a specific committee suitably appointed. The government and the factories should allocate resources to developing and implementing an industrial development plan for the new locations and structure the design of the factory buildings, with due consideration (by order of priority) given to (a) ensuring that access roads to any factory entrance/exit being at least 30 feet wide to allow fire service vehicle access, (b) all generators/utility equipment being on the ground floor/separate structure, (c) limiting heavy manufacturing to only the first 3 floors, (d) separate dormitories for men and women workers, and (e) shared health and child care facilities.

A review of the structural integrity of factory buildings needs to be carried out urgently and to classify them accordingly: we need to ensure that an effective and wide-ranging audit of all the RMG factories is carried out within a realistic but sensible timeframe. An independent body assisted by BGMEA/BKMEA, BUET/DUET under the monitoring of a neutral ‘chair’ may form a National Action Plan (NAP) and undertake this task.

### **BGMEA Responsibilities/Reforms**

BGMEA can also play a complementary role in self-monitoring and ensuring/enforcing compliance through conducting compulsory training programs. They should require all of its members to ensure that the owners or their designated representatives, directors and managers of production units attend week-long training programs, for example, which focus on worker rights, workplace safety, facility inspection and corrective steps, compliance requirements that go beyond a simple checklist, legal obligations towards workers, etc. BGMEA should also conduct unannounced fire drills, after giving fire training to the factories for at least 3 months. BGMEA could also require its members who are leasing facilities to check the property and building documents of the facility to verify whether the property/building complies with the local zoning/building codes – non-compliant facilities are to be vacated within a specified period.

### **Factory Health & Safety standards/ Ongoing Compliance Monitoring**

Compliance covers a broad range of issues but these can be largely broken down into building safety; other factory safety (fire exit, electrical); and

workspace health issues (ventilation and toilet quality). The factory should ensure compliance by identifying 'high risk' or 'imminent risk' which needs immediate remedial action. For example, they may likely lack basic fire and safety equipments, have no fire exits and are set up in what can only be described as 'risky' as factory buildings.

### **Improvement of Infrastructural Impediments**

The existence of sound infrastructural facilities is a prerequisite for economic development. In Bangladesh, continuing growth of the RMG sector is dependent on the development of a strong backward linkage to reduce the lead time. However, other factors constraining the competitiveness of Bangladesh's RMG exports included the absence of adequate physical infrastructure and utilities.

### **Work environment safety**

An automatic fire alarm system conforming to IS: 2189-1988 "Code of practice for selection, installation and maintenance of automatic fire detection and alarm system" would be advantageous for cotton warehouse. Portable fire extinguishers provided in many mills were found to be non-standard ones. Mill management should purchase only ISI marked extinguishers. Buckets and portable fire extinguishers conforming to IS: 2190-1992 "Selection, installation and maintenance of first-aid fire extinguishers – Code of practice" should be provided at suitable locations in the vicinity of the warehouse. Installation of fire hydrant system as per TAC norms is recommended. The magnetic separators or electronic metal detectors provided in the blow room machinery should be checked periodically for their efficient functioning.

### **Trade Unions/Better Worker Representation, BRIDGE and Affiliation**

As Dr. Fazle Hasan Abed, BRAC founder noted in his April 24 New York Times article: *“The solutions start with the workers themselves; they must be allowed by their employers to unionize, so they can engage in collective bargaining and hold their employers responsible for basic standards of pay and safety. Their organized power is the only thing that can stand up to the otherwise unaccountable nexus of business owners and politicians, who are often the same.”*

### **Following building code**

Any new building whether it is residential, commercial or industrial, in Bangladesh has to follow the Bangladesh National Building Code of 1993 (BNBC-93), which was published in 1993 but made legally binding only in 2006.

### **Social Compliances**

McKinsey noted in its report, *“As one buyer of a mid-market brand puts it, you would be “impressed by how good the compliance is in the good*

*factories.*" Some of the best factories have even started to increase transparency by implementing CSR reporting. International buyer communities are frequently advising Bangladesh to adapt its code of conduct. These buyers' codes of conduct rely heavily on the idea of social compliance. For example, Nike's code of conduct mandates that social compliance audits be carried out with all their suppliers (Ahamed F., 2011, Annexure -E). Generally, adherence by a particular manufacturer to a given standard or code of conduct is verified through periodic audits/ inspections. These inspections are carried out by buyers and/or third-party auditors nominated by the buyers. Implementation of the BLL (Bangladesh Labour Law) 2006 is monitored primarily by Ministry of Labour and Employment (MoLE) factory inspectors and BGMEA and BKMEA to ensure social compliance. Besides inspecting and monitoring the status of the factories, BGMEA and BKMEA monitor and provide advisory support to factory personnel so that they can implement the required, correct measures as stated in BLL 2006. General codes of conduct (CoCs) are usually voluntary and developed using a multi-stakeholder approach. SA8000, ETI, WRAP, BSCI, FWF and FLA are some of the prevailing general CoCs, which are introduced by International Labour Organization (ILO) conventions, the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child jointly introduced an auditable certification standard based on international workplace norms. The basic elements of CoCs are:

1. **Child Labour:** No workers under the age of 15; minimum lowered to 14 for countries operating under the ILO Convention 138 developing-country exception; remediation of any child found to be working
2. **Forced Labour:** No forced labour, including prison or debt bondage labour; no lodging of deposits or identity papers by employers or outside recruiters
3. **Health and Safety:** Provide a safe and healthy work environment; take steps to prevent injuries; regular health and safety worker training; system to detect threats to health and safety; access to bathrooms and potable water
4. **Freedom of Association and Right to Collective Bargaining:** Respect the right to form and join trade unions and bargain collectively; where law prohibits these freedoms, facilitate parallel means of association and bargaining
5. **Discrimination:** No discrimination based on race, caste, origin, religion, disability, gender, sexual orientation, union or political affiliation, or age; no sexual harassment
6. **Discipline:** No corporal punishment, mental or physical coercion or verbal abuse



7. **Working Hours:** Comply with the applicable law but, in any event, no more than 48 hours per week with at least one day off for every seven days; voluntary overtime paid at a premium rate and not to exceed 12 hours per week regularly; overtime may be mandatory if part of a collective bargaining agreement
8. **Compensation:** Wages paid for a standard workweek must meet the legal and industry standards and be sufficient to meet the basic need of workers and their families; no disciplinary deductions
9. **Management Systems:** Facilities seeking to gain and maintain certification must go beyond simple compliance to integrate the standard into their management systems and practices.

### Current scenario of social compliances in Bangladeshi apparel industries

Working conditions in the RMG sector frequently violate international labour standards, and Codes of Conduct (Ahamed F., 2011; Dasgupta S., 2002). Recruitment policies are highly informal compared to western standards and there are no written formal contracts and appointment letters. They are therefore vulnerable to losing their jobs at any time. However, fear of losing their jobs and lack of alternative job opportunities compel workers to continue in unsatisfactory employment (Bansari, 2010).

#### A low wage scale

According to the report, Bangladeshi garment sector workers earn some of the lowest wages in the region. As of August 2013, the monthly minimum wage for entry-level workers in the garment sector was US\$39 per month – about half of the lowest rate in other major garment-exporting countries, such as Cambodia (\$80), India (\$71), Pakistan (\$79), Sri Lanka (\$73) and Vietnam (\$78). (Ibrahim Hossain, 2013)

With one of the world's lowest minimum hourly wages (see Figure 1), the outsourcing to Bangladesh of garment production is affordable and attractive to companies facing tight margins and heavy competition.

**Figure 1:** Highest And Lowest Minimum Wage Countries

Country	Minimum Hourly Wage
Australia	US\$16.91
France	US\$12.68
Britain	US\$9.66
United States	US\$7.25
China (Beijing)	US\$2.24
Vietnam	US\$0.27–0.39
Pakistan	US\$0.29
Cambodia	US\$0.25
Bangladesh	US\$0.23

**Sources:** US Department of Labour, US Department of State, TheEconomist, CNN, National Wages and Productivity Commission (Philippines)

### **Child labour**

Child labour is a serious and growing problem within this sector (Rashid M.A, 2006). However, the ILO adopted the International Programme for the Elimination of Child Labour (IPEC) and the International Confederation of Free Trade Unions (ICFTU) has played a major role in implementing this programme at the local level. But the programme seeks to provide educational opportunities for children, while reducing or, if feasible, eliminating the hours spent at work. It is limited to tracking the process of removing child labours from work and placing them in schools. The ILO, NGOs, government and other stakeholders should provide some incentive for those children who have lost their jobs. Therefore the formulation of a National Plan of Action for the elimination of child labour in Bangladesh is urgent.

### **Health hazard**

The violations of the occupational safety and health codes are flagrant, as evidenced by the types of tragic and preventable accidents that occur in Bangladesh factories (Majumdar, 2002). Occupational health and safety (OHS) in the garment sector relates to temperature, noise, light, ventilation, machine, chemical, electrical, and fire safety; and ergonomics. OHS requirements and measurement parameters (if applicable) can be found in:

- a. The Bangladesh Labour Law 2006 (sections 51-94)
- b. The National Building Code 2006
- c. The ILO Core Labour Conventions (C155, C161)
- d. Standards as given by the Occupational Safety and Health Authority (OSHA) of the US Labour Department
- e. International standards (SA8000, BSCI, ETI, WRAP, etc.) and buyers' codes of conduct

### **Forced labour**

The majority of garment workers in Bangladesh are women, because of ignorance and poverty. Hardly they can protest against factory owners and supervisors who compel them forcefully to work more than working hours.

### **Sexual and verbal harassment**

Continuous work schedules, wage penalties, and physical and verbal abuse are common. Women workers face physical abuse and sexual harassment inside as well as outside the factories but management does not ensure the security of women workers. Dhaka Police reports have shown that female garment workers account for only two to three percent of the total population of women in the metropolitan area of Dhaka and 11% of the women workers are sexually harassed. Besides the exploitative nature of

their work, workplace and supervisors, this is partly due to their unsafe long commutes home to the poorer slum areas where they tend to reside. These rape cases make suicide rates among female garment factory workers shockingly high.

### **Inadequate leave**

Most of the workers do not get adequate annual leave, casual leave, sick and medical leave, festival leave and maternity leave though ILO suggested ensuring those leaves with pay. According to the Factory Act 1965, a worker who is employed for 12 months is entitled to annual leave, casual leave, sick and medical leave, festival leave and maternity leave with pay (ILO and BGMEA, 2003; ILO, 2005). The factory owners dismiss a woman worker if they discover that she is pregnant or if she applies for maternity leave (Majumder, 1997; Kabeer N., 2004). Garments manufacturing factories in Bangladesh frequently violate the labour laws of 1965 by not providing an appointment letter, and in the areas of working hours and breaks, leave, minimum wages and fringe benefits (Begum N., 2001).

### **Lack of standard working hours**

Though the wages are low, the working hours are very long. The RMG factories claim to operate one eight-hour shift six days a week. The 1965 factory Act allows women to work within delivery deadlines. However, women are virtually compelled to work after 8 pm. Sometimes they work until 3 a.m. and report back to start work again five hours later at 8 am. They are asked to work whole months without any leave but it is stipulated in labour law that no employee should work more than ten days consecutively without a break.

### **Safety Problems**

Because of the carelessness of the factory management and their arrogance factory doors are always kept locked for security reasons defying the labour act. But when an accident takes place on the floor of the garment the workers cannot exit immediately that result in injuries or even death. For example, when the fire broke in Tazrin fashion garments the main door was locked and many workers became ash.

### **No residential facilities or transportation facilities**

As most of the garment workers come from poor families and come from remote areas and they have to attend to their duties on time, these workers have to hire a room near the factory where four to five huddle in a room and spend life in sub-human condition. They are also deprived of transportation facilities which makes them late to the factories but companies reduce payment for workers unwilling late.

### **Way to meet the compliance-related challenges**

Bangladesh is committed to securing labour rights for the well-being of workers through ILO membership. In response, the Bangladesh government

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formed a Social Compliance Forum (SCF) and also constituted two task forces on a) labour welfare, and b) occupational safety in the readymade garments (RMG) sector along with a Compliance Monitoring Cell (CMC) to encourage compliance in the RMG sector. Besides these, some further initiatives are necessary to ensure compliances demanded by MNCs and donors, which involve:

### **Effective HRM practice**

Most of the RMG factories do not practice the HR and IR activities and have no well-defined HR or Personnel unit. They ineffectively address labour rights and ignore labour standards, discarding fair labour practices, overlook health and safety issues and disallow trade unions. As a result, workers' rights are grossly violated in the RMG sector which has led to labour unrest. So the garments industries should ensure an effective human resource management system.

### **Prohibition of Underage workers and juvenile (minor) workers**

Factories are prohibited from employing any workers under the age of 14 regardless of local and national regulations. Factories are prohibited from employing workers below the minimum working age as defined by local and national regulations. All workers must be at or above the legal minimum age at the time of employment. A national law specifies juvenile (minor) employment restrictions or requirements that the factory must demonstrate their compliance with the local legal requirements. Factories must have age-verification procedures that are effectively implemented. The personnel (personal) file of each worker must contain copies of identification documents (such as birth certificates, national ID cards or school certificates) submitted by the worker as proof of age and education (where applicable).

### **Checking Forced Labour**

All forms of exploitation or forced labour are prohibited as well as any subcontracting arrangement with prisons is prohibited. Any restriction for workers to voluntarily end their employment, such as excessive notice periods or substantial fines for terminating their employment contracts, is prohibited. Factories must permit employees to leave the factory under reasonable circumstances, such as personal or family emergencies, without disciplinary penalty. Factories must not physically prevent or delay workers from leaving the facility or its grounds. Factories must not require or allow employment agents to require any monetary deposits or keep any original identification documents. The practice of deposits (money/original identification) may prevent workers from freely ending their employment (within the legal context).

### **Maintaining standard Working Hours**

Overtime must be strictly voluntary. Any form of pressure to perform overtime should be prohibited. Factories must comply with local and

national regulations regarding limitations on overtime hours. If local and/or national regulations regarding the number of maximum overtime hours that may be worked by individual workers do not exist, then the working hours should not exceed 60 hours per week consisting of a maximum of 48 hours of regular hours and 12 hours of overtime. Factories must meet the requirements for working hours as stipulated by the local and national regulations. Schedules implemented by factories must comply with national and local regulations where the regular workday, workweek, rest days and/or holidays are defined. Where regulations do not specify rest days, workers should have a minimum of one day off in seven; workers may work on their rest day but no more than once every two weeks. Factories should ensure that workers do not consistently work on their rest days by monitoring and limiting the practice of working on a rest day. Workers' ability to work on a rest day should be limited to twice per month and only two months consecutively in one calendar year. For example, a worker may only be allowed in one year to have two consecutive months where 2 days of rest were taken. Generally, workers must have 4 days of rest every month. Time records for all workers must be available for review. Employees must maintain their time records, i.e. punch in and out themselves. Factories must record all employee working hours completely and accurately. Factories should have a working time clock that employees use to record their hours, both regular and overtime.

### **Ensuring Compensation**

Factories must comply with all workers, including employees on piece rate. Where the industry wage is greater than the minimum wage, the industry wage should be paid. Factories must provide all benefits and bonuses following the law. Workers should be aware of their benefits and understand how their wages are calculated. Workers should be provided with payslips in a language the workers understand and that show regular and overtime hours worked, regular and overtime rates and wages, bonuses and deductions. Factories should not deduct from wages what is legally permitted

### **Freedom of Association and Collective Bargaining**

Factories must revere employees' rights to freedom of association. They should not impose any punitive actions such as threatening, fining, suspending or firing workers who support the activities of the Union. Any action that suppresses freedom of association is prohibited and may be an act deemed illegal in some countries' labour codes. Freedom of association, guaranteed by the constitution of Bangladesh and collective bargaining should be ensured. Managers and supervisors should be trained in freedom of association compliance when possible, and workers should receive instruction on their rights under national law and company standards. Factories must honour the right of workers to bargain collectively.

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Employees should be able to raise issues regarding any collective bargaining agreement compliance by the employer/factory without retaliation. In situations where a Trade Union is not recognized as the bargaining agent of some or all of the workers in a factory, the Trade Union should have the means for defending the occupational interests of its members.

### **Health and Safety**

Entry and exits should keep clear and unblocked at all times. The exit door should be unlocked at all times during working hours and is marked. Factories should have functional and sufficient firefighting equipment. Factories should maintain appropriate electrical wiring and circuit box conditions and establish appropriate spill responses. Factories should provide appropriate PPE (Personal Protective Equipment) and training for workers and it should be ensured that the workers properly utilize PPE. Sometimes acid can splat into the eyes of the workers so there should be an eyewash station and they should be located and maintained properly. Safe drinking water is the precondition of being healthy. If the workers do not get pure drinking water it would be difficult for them to be fit for work. Accessibility of drinking water for their worker's restrooms, canteens, food preparation areas, dormitories, etc. is maintained in a safe and clean condition should be ensured. Factories should maintain an appropriate First Aid program with locally mandated and trained responders/clinics/hospitals per local requirements/laws. It should maintain sufficient First Aid boxes (1 per 100 employees) which are consistently monitored/refilled.

### **Ensuring healthy Environment**

Industries should remove hazardous waste for offsite treatment and disposal only to contractors licensed by appropriate competent authority (if any). It should handle and store hazardous waste in a safe and environmentally sound manner to control any risks of environmental contamination. Maintain waste containers and labels in an. Conducting regular wastewater monitoring (sampling & testing) along with strictly complying with wastewater/effluents discharge limits as required by local and national regulations. Government should take immediate corrective actions in the event discharge limits are exceeded. The drainage layout must be made available upon request. Drains must be regularly cleaned and maintained. Factories must obtain appropriate permits for air emissions as required by local and national regulations with regular air emissions monitoring (sampling & testing) as required by local and national regulations.

### **Entertainment features**

Suppliers must ensure that factories would not offer gifts or entertainment to the company's associates. Gifts include but are not limited to meals, Travel expenses, Money or the equivalent free goods, tickets or access to events Personal favours

### **Formation of a new fund for Worker Welfare**

Welfare Trust is an idea that can be floated with all stakeholders. The resources generated in this way may also be used for setting up a provident/pension fund which will help the workers more. It is worth bearing in mind that several buyers do recognize a certain degree of this type of financial assistance as part of their broader corporate social responsibility and is more likely to provide immediate financial assistance when something goes wrong – this would merely extend that principle and would be demonstrable in Annual Reports to shareholders.

### **Minimum wage increase/increased efficiency/productivity gains**

Minimum wages in the RMG sector need addressing. The government has already announced an immediate review of the minimum wage applicable in the garment sector and has formed a wage board committee under the Labour Ministry, which will fix the minimum wage to be applicable from May 1. The wage board raised the minimum monthly pay for garment workers to Tk. 3,000 from Tk. 1662.50. Finally, the wage board fixed the minimum wage of a worker at 5300 tk irrespective of the male and female worker.

### **Grievance Mechanism**

Grievance mechanisms are systems through which workers can anonymously submit complaints of violations of their rights and seek relief. While many companies ask their suppliers to establish internal grievance mechanisms, workers must be given an avenue through which they can communicate to an external party, since the supplier may be directly responsible for the abuse. Among the companies assessed, 46% have made some form of external grievance mechanism available to at least a portion of their supply chain

### **Conclusion**

For the last two decades, Readymade Garment (RMG) Industry has become the life-blood of the economy of Bangladesh. This sector accounted for about 80% of the total export earnings of the country. About 5,100 garment companies have been established in Bangladesh and 3.60 million workers are working in this sector in which more than 85% of them are female who is mostly coming from the rural areas of Bangladesh. In the recent years, it is observed that the workers are coming down the street and making insurgence on their demand and they try to destruct public properties and the national assets. As a result, companies are losing working hours and production targets. It also hampers export earnings and the image of our country to the international buyers. Keeping this in mind, the study tries to find out the factors behind the unrest in the ready-made garment industry of Bangladesh and identify some measures to improve the situation. The results show that the main causes of labour unrest include lack of minimum facility and safety, sub-standard living conditions, deferred benefits,

international conspiracy and coercive role of the law enforcing agency, too much dependence on buyers, pressures from the workers and mastans, the political instability of the country, too much and inhuman workload, and insufficient wages for fulfilling basic needs. So the government, industry owners, international buyers and donor agencies, civil society and finally the media have to be worker-friendly to accelerate the journey of the garments industry in Bangladesh.

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