



BetterWork
Bangladesh

Strategy Report

PHASE II (2018-2021)



International
Labour
Organization



Core donors to Better Work

- Netherlands Ministry of Foreign Affairs
- Swiss State Secretariat for Economics Affairs
- Ministry of Foreign Affairs of Denmark
- The Government of Australia
Represented by the Department of Foreign Affairs and Trade (DFAT)
- The US Department of Labor

Funding is also provided by DFID, Government of France, Government of Canada, Irish Aid, GMAC, Royal Government of Cambodia and private sector donors, including The Walt Disney Company, Levi Strauss Foundation, Gap Inc. and FUNG (1937) Management Ltd

Copyright © International Labour Organization (ILO) and International Finance Corporation (IFC) (2019)

First published (2019)

Publications of the ILO enjoy copyright under Protocol 2 of the Universal Copyright Convention. Nevertheless, short excerpts from them may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to the ILO, acting on behalf of both organisations: ILO Publications (Rights and Permissions), International Labour Office, CH-1211 Geneva 22, Switzerland, or by email: pubdroit@ilo.org. The IFC and ILO welcome such applications.

Libraries, institutions and other users registered with reproduction rights organisations may make copies in accordance with the licences issued to them for this purpose. Visit www.ifrro.org to find the reproduction rights organization in your country.

The designations employed in this, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the IFC or ILO concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the IFC or ILO of the opinions expressed in them.

Reference to names of firms and commercial products and processes does not imply their endorsement by the IFC or ILO, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

ILO publications can be obtained through major booksellers or ILO local offices in many countries, or direct from ILO Publications, International Labour Office, CH-1211 Geneva 22, Switzerland. Catalogues or lists of new publications are available free of charge from the above address, or by email: pubvente@ilo.org

Visit our website: www.ilo.org/publns

Copyright © International Labour Organization (ILO) and International Finance Corporation (IFC) (2019)

First published (2019)

EXECUTIVE SUMMARY

In April 2019, Better Work Bangladesh (BWB) conducted a series of consultations with Bangladesh garment industry stakeholders to assess perceptions of the programme and the services it provides, and define priorities for Phase II (2018-2021) of its development, in line with the Better Work global strategy.

Launched in 2015, Better Work Bangladesh works to support the development of a competitive garment industry that provides decent jobs for workers, including women, good business for factories and brands, and economic growth for the country.

During the meetings, facilitated by an external consultant, employers, factory owners and managers, representatives of government agencies, workers' organisations, brands and retailers as well as donors offered their views on ways BWB can maximize its positive impact on social compliance and competitiveness in garment factories and, more broadly, support the sustainable development of the ready-made garment (RMG) sector.

These assessments, combined with discussions conducted with officials from other ILO programmes operating in Bangladesh and from IFC, as well as senior BWB staff members, informed the development of the BWB strategy for Phase II outlined in this report, which focuses on three main activity areas:

1. FACTORY-LEVEL SERVICES

Sign up 400 factories by 2021: To drive lasting change in the sector and ensure its own sustainability, Better Work Bangladesh needs to sign up at least 400 factories by 2021, which represents a critical mass of about 10% of the existing export-oriented industry and is compatible with BWB's existing resources, including projected revenue. Well respected in the Bangladesh garment sector, BWB can reach this goal by improving communications, sharing success stories to demonstrate the results achieved thanks to its comprehensive package of services (assessment, advice and training), working with brands to reduce audit duplication and presenting a compelling business case for its tried-and-tested approach.

Fine-tune and expand factory-level services: During Phase II of its development, Better Work Bangladesh is working to strengthen and further integrate its core services, adopt a more flexible and agile model, and differentiate its services in line with the level of compliance achieved in the factories. In collaboration with the International Labour Organization (ILO), the International Finance Corporation (IFC) and other partners, BWB continues to promote the empowerment of women workers and seek to add new productivity-enhancing services to its portfolio.

2. BWB AS AN INFLUENCER IN THE GARMENT SECTOR

Position Better Work Bangladesh as a key development partner and influencer in the sector: As an ILO-IFC initiative working with stakeholders across the sector, BWB can leverage its unique position to bring together employers, factory managers, trade unions, government agencies, brands and retailers and donors to discuss key industry issues and devise solutions. BWB can use the extensive data collected through factory visits to support its influencing strategy and help drive policies and business practices that promote decent work and sustainable growth in the sector. By helping build the capacity of government agencies and teaming up with academic institutions to develop a social compliance curriculum, BWB aims to have a long-term positive impact on the Bangladesh garment industry.

3. EMPOWERING WOMEN WORKERS

Improve the working environment for women: empowering women, who make up the majority of garment workers, ensuring that their voices are heard and combating sexual harassment and violence in the workplace are key elements of the Better Work global strategy. In Phase II, BWB is scaling up the successful Gender Equality and Returns (GEAR) initiative, launched with IFC, to train more women to become supervisors. BWB is also expanding the Mothers@Work programme, in cooperation with UNICEF, to provide maternity and day care services in garment factories. BWB continues to provide training on sexual harassment protection, as well as violence in the workplace, guided by ILO Convention 190 concerning the Elimination of Harassment and Violence in the World of Work.



Country background and problem analysis

Bangladesh is the world's second largest garment producer after China. The Ready-Made Garment (RMG) sector accounts for over 83 percent of the country's exports, worth around US\$ 32 billion in 2018. Setting an ambitious target, the government of Bangladesh hopes to raise garment exports to US\$ 50 billion by 2021, when the country celebrates the 50th anniversary of its independence.

Over the past two decades, the growth of the garment industry has spurred significant social changes in Bangladesh. The sector employs over 4 million workers, many of them migrants from the countryside who moved to urban centres to take advantage of job opportunities. Women, who make up to 54 percent of the garment workforce, remain poorly represented in mid- and top-level management. Promoting women's empowerment and creating opportunities for their voices to be heard is one of the objectives that Better Work pursues, in Bangladesh and in other garment-producing countries.

Garment sector employment has contributed to pull millions of workers out of poverty, but Bangladesh still accounts for some of the lowest wages among RMG producer countries, in spite of increases to the minimum wage introduced in 2013 and 2018. Freedom of association still faces challenges in Bangladesh and only a small proportion of factories have trade unions.

Bangladesh is expected to graduate to middle-income country status in 2024, which means the country could lose the EU trade preferences awarded to low-income countries. The European Union is currently the main export destination for garments manufactured in Bangladesh, absorbing over 60 percent of the country's RMG exports by value. By 2027, when the country's transition to middle-income country is complete, garments manufactured in Bangladesh could face customs taxes of up to 12-15 percent on exports to Europe.

To maintain its advantages while transitioning under the GSP+ (General System of Preferences+) scheme, Bangladesh will have, amongst other criteria, to fulfil its social compliance and sustainability commitments to the Sustainability Compact, formed by the European Union, the United States, Canada and the ILO, with the Bangladesh government, and ratify and/or enforce 27 United Nations/ILO Conventions.

In the medium term, automation, as well as the emergence of new low-cost competitors like Ethiopia and Myanmar, could affect employment and growth in the Bangladesh garment sector. Ethiopia, in particular, benefits from being closer to European markets although it lacks the capacity and infrastructure to present an immediate threat.

To ensure the sustainability and profitability of its garment industry, Bangladesh will need to improve social compliance, upgrade to more sophisticated products and explore new markets, particularly in Asia, where growing middle classes offer new opportunities.

Better Work Bangladesh: Phase I Achievements

Since 2015, Better Work Bangladesh, a joint initiative of the International Labour Organization (ILO) and the International Finance Corporation (IFC), part of the World Bank Group, has been working to foster a healthy working environment that protects labour rights in garment factories while simultaneously driving productivity and growth in the industry.

Better Work Bangladesh assesses social compliance in affiliated factories, provides advice for sustainable remediation and efficiency improvements, and delivers training on a variety of topics, aimed at improving the workplace environment and enhancing factory performance. In cooperation with other ILO programmes, BWB also shares its expertise with government agencies, such as the Ministry of Labour, and social partners (employers' and workers' organisations) to support their ability to monitor and regulate the sector effectively.

In addition to its core services, BWB delivers a range of 'special initiatives' that aim to improve factory compliance and workers welfare. For instance, BWB teamed up with IFC to provide 155 female factory operators with the necessary skills to become supervisors; 58 women were subsequently promoted to supervisory positions in the first phase. With UNICEF, Better Work Bangladesh is implementing the Mothers@Work initiative to promote maternity services and breastfeeding protection in 80 factories, an integral part of guaranteeing women's access to decent work and ensuring factories retain skilled employees, while facilitating inclusive and sustainable growth. Both programmes are being scaled up in Phase II.

By end 2018,

- ◆ BWB was delivering services to 200 factories supplying 22 international brands and retailers.
- ◆ BWB Enterprise advisers had conducted 2,286 advisory visits and 360 assessments.
- ◆ BWB Training officers had delivered training modules on various topics to 7,545 participants.
- ◆ 105 elected participatory committees were formed to improve social dialogue in BWB-affiliated factories; 78 safety committees, composed of 586 representatives (207 of them women) were also created.
- ◆ BWB had organised 118 industry seminars.
- ◆ Human Resource management was piloted in 5 BWB-affiliated factories
- ◆ Under the Healthy Mother, Health Child initiative, 17 factories provided nutritious foods to 94 pregnant women and 228 lactating mothers.

Since the Rana Plaza disaster that killed 1,134 workers on 24 April 2013, several national and international initiatives, such as the Alliance for Bangladesh Worker Safety and the Accord on Fire and Building Safety, have focused their efforts mainly on safety remediation.

As these initiatives are gradually phased out, BWB can help ensure that safety improvements are maintained. Export-oriented factories that have now completed most of the required fire, electrical and structural safety remediation work can now direct more resources to other aspects of compliance that are central to BWB's operations, including the protection of workers' rights, the promotion of social dialogue and gender equity, improving occupational health and safety compliance, as well as focusing on enhancing productivity and efficiency.

6 Better Work Bangladesh: Strategy for Phase II (2018–2021)

LONG-TERM GOALS

Deliver services to improve working conditions and boost the competitiveness of garment factories

Engage with industry stakeholders to promote a policy and business environment that protects workers' rights and supports the sustainable development of the Bangladesh garment sector

Empower women workers and promote gender equality in the sector

OBJECTIVES PHASE II



Services

Deliver services to 400 factories



Influence

Leverage BWB's position to drive change in the sector



Gender

Empower women and increase their representation in management

OUTCOMES

Present a compelling business case for BWB services

Position BWB as a key influencer and convener

Improve the working environment for women

ACTIVITIES

Develop communications strategy

Ensure better coordination with other ILO programmes

Scale up GEAR to promote more women as supervisors

Work with stakeholders to reduce audit duplication

Build capacity of government agencies

Expand Mothers@Work

Fine-tune and differentiate factory-facing services

Make better use of data to support influencing strategy

Provide training to prevent sexual harassment and violence in factories

Explore expanding to other tiers of the garment sector

Organise industry roundtables on key issues

Improve grievance mechanisms for violence and sexual harassment

Help sustain gains in the post-Accord and Alliance environment

Work with brands on purchasing practices

Set up a Transparency Portal

Develop a platform to exchange factory best practices

Commission an independent impact assessment

Work with academic institutions to develop a social compliance curriculum

LONG-TERM GOALS

During Phase II of its development, Better Work Bangladesh builds on the strong foundations laid out since the programme launched operations in Bangladesh in 2015. In line with the Better Work global strategy, BWB has the following objectives:

- ◆ Deliver a comprehensive range of tailored services, building factories internal capacity to improve working conditions and competitiveness.
- ◆ Engage with all stakeholders in the sector and forge partnerships to promote a policy and business environment that protects workers' rights and supports the sustainable development of the Bangladesh garment sector.
- ◆ Empower women workers, reduce sexual harassment in the workplace and close the gender pay gap.

MAIN OBJECTIVES FOR PHASE II (2018-2021)

1. Partner with a critical mass of 400 factories by 2021. Fine-tune existing assessment, advisory and training services, introducing increased agility and flexibility in their delivery in line with the specific needs of factories and explore new service areas to meet the evolving requirements of the garment sector.
2. Leverage BWB's unique position as an ILO/IFC influencer to bring garment sector stakeholders together and promote policies and business practices that support decent work and boost the sustainable development of the Bangladesh garment sector.
3. Empower women working in the RMG sector, prevent sexual harassment and violence in the workplace, address discriminatory practices, promote rights and welfare services for working mothers in garment factories and ensure equal opportunities for women and men.

OBJECTIVE 1:

Deliver services to a critical mass of 400 factories by 2021

Better Work offers a unique package of services to garment factories (assessment/advisory/training). To convince more brands to enrol their suppliers in the programme and encourage factories to sign up independently, BWB seeks to dispel the perception that it is mainly an audit provider, position itself more clearly as a development partner and present a compelling business case for its range of services.

TO ACHIEVE THIS OBJECTIVE, BWB ENGAGES IN THE FOLLOWING ACTIVITIES:

- ◆ **Improve communications** by producing communication materials highlighting the impact of BWB, disseminated through traditional media channels and social media as well as partners and stakeholders. BWB communication products showcase good practices and success stories from factories benefiting from BWB services, as well as public campaigns and outreach activities.
- ◆ **Maintain regular contact and strengthen collaboration with social partners**, including the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), government agencies, partner brands and workers' organisations.
- ◆ **Establish a satellite office in Chittagong** by 2020, where a growing number of BWB factories are located. Explore opportunities to start dialogue with the Export Processing Zones Authority.
- ◆ **Engage more closely with local manufacturing groups** that control multiple factories. Develop a strategy to work at group level to increase the impact on social compliance in their factories, supporting factories to develop the skills and capacity to replicate the Better Work approach to factory improvement.
- ◆ **Strengthen and fine-tune core factory-facing services** to maximize their impact. Develop a system of layered services that takes into account the level of social compliance achieved and the specific needs of factories. **Adopt a more agile and flexible service model and differentiate factory-facing services** to respond to the needs of an evolving garment sector, including offering **productivity-related services**, such as human resources management, that offer immediate returns to factories.
- ◆ BWB will introduce new training modules on **workplace violence and chemical management**.
- ◆ Generally, BWB will **'partner for impact'**, coordinating with implementing partners on relevant training- and capacity building-related matters in order to, 1) scale up BWB training interventions through Training of Trainers and collaborations, 2) design and pilot innovative interventions and mainstream new approaches into BWB training services and, 3) identify additional sources of revenue for BWB training offerings.
- ◆ BWB will also seek other partnerships, with IFC for instance, which has developed the Partnership for Cleaner Textile (PaCT), to allow BWB factories to benefit from existing services in fields beyond its core areas of expertise, such as **environmental compliance and resource efficiency**.

-
- ◆ Explore opportunities for expansion into **other tiers of the garment sector**, such as spinning, dyeing, printing, as well as footwear and potentially leather.
 - ◆ In the **post-Alliance and Accord environment**, BWB is working to ensure continuous improvement of safety in the garment sector to maintain the improvements in fire, electrical and industrial safety achieved since the Rana Plaza disaster. With BWB support, factories can integrate strong, proactive management systems that enable them to go beyond the minimum standards of safety, identify the root cause of issues, and develop policies and procedures to systematically address and prevent OSH hazards. BWB is also continuing to strengthen the Occupational Safety and Health (OSH) capacity of its staff to help bolster factory capabilities in this area.
 - ◆ Work closely with brands and multi-stakeholder compliance initiatives to **reduce audit duplication**, which significantly increases the cost of doing business for factories. In particular, BWB, in collaboration with the Global Buyers team, works closely with BW partner brands to accept BWB assessments and advisory services, and avoid in-house or third party audits. Better Work is also involved as an observer in the Social & Labor Convergence Project (SLCP), which seeks to develop a Converged Assessment Framework and reduce audit duplication.
 - ◆ **Promote transparency in the Bangladesh garment industry** by publishing BWB's first synthesis report of social compliance issues in 2019 and setting up a Transparency Portal in 2020. BWB views greater transparency as an essential stepping-stone toward improved social compliance. BWB engages with brands, factories and employers to ensure that compliance issues are not hidden, but identified and remedied. BWB promotes sustainable solutions to issues uncovered during assessments, rather than short-term fixes, and encourages factories to take incremental steps toward addressing compliance issues.
 - ◆ **Commission and publish an independent impact assessment** similar to impact studies conducted in other Better Work countries, which have already demonstrated the direct benefits of the Better Work compliance approach on working conditions and their positive effect on company performance.
- It should be noted that the activities listed above will also reinforce BWB's position as an influential player supporting the development of the Bangladesh garment sector, as outlined in **Objective 2**.

OBJECTIVE 2:

Leverage BWB's position as an ILO/IFC influencer to drive change and promote the sustainable development of the garment sector

As an initiative of ILO and IFC that spans the garment supply chain, Better Work is in a strong position to bring sector stakeholders together to address fundamental issues and promote the healthy development of the sector.

TO LEVERAGE ITS POSITION AND DRIVE CHANGE IN THE INDUSTRY, BWB FOCUSES ON THE FOLLOWING ACTIVITIES:

- ◆ Ensure close **cooperation and alignment with other ILO programmes** to increase impact and avoid overlap. Seek more engagement and the development of new areas of partnership.
- ◆ Continue to collaborate with other ILO programmes to **build the capacity of government agencies**, including the Department of Inspections for Factories and Establishments (DIFE), jointly with the ILO Ready-Made Garments Programme, and ensure that national institutions can effectively monitor social compliance and OSH standards in the sector. BWB will also engage with the Department of Labour (DOL), jointly with ILO Social Dialogue and Industrial Relations Programme, to strengthen arbitration and conciliation mechanisms. BWB is also seeking to further its collaboration with the ILO Employment Injury Insurance Programme by facilitating its access to brands.
- ◆ Find solutions to garment sector issues by engaging with national constituents, including through the **Project Advisory Committee (PAC)**, chaired by DIFE.
- ◆ **Use the extensive data** collected during factory visits to support BWB's policy work and influencing strategy.
- ◆ Strengthen links between **workers' organisations and existing unions in BWB factories** and build the capacity of trade union officials engaged in fieldwork. **Build the capacity of trade unions** engaged at factory level.
- ◆ Work with the Bangladesh Government, social partners, brands and other stakeholders to **promote joint responsibility and purchasing practices** that support decent working conditions and fair wages, under the framework of the Bangladesh Sustainability Compact.
- ◆ **Strengthen collaboration with employers' and workers' organisations** to improve working conditions, promote transparency, freedom of association, collective bargaining and worker-management dialogue across the sector, and support their capacity building towards monitoring and enforcing compliance.
- ◆ Organise **roundtable discussions** that bring garment sector stakeholders together to discuss key issues affecting the garment industry in Bangladesh and its future. With access to Better Work brand partners, Better Work Bangladesh can encourage buyers to engage in constructive exchanges with factories, trade unions and employers.
- ◆ Develop a platform allowing factories to **exchange best practices**, in partnership with other stakeholders such as employers' associations.
- ◆ **Work with academic institutions** to develop teaching modules on social compliance, thus ensuring BWB's lasting impact and legacy.
- ◆ Team up with other ILO programmes, as well as ILO tripartite constituents, brands and other stakeholders to promote an **annual review of the minimum wage**.
- ◆ Work with industry stakeholders to **help improve perceptions of the Bangladesh garment sector** by highlighting the progress already achieved, particularly in BWB factories, and encourage the sector to adopt a vision focused on decent work, social compliance and sustainable growth.

Increasing BWB's visibility as an influential player and convener in the Bangladesh garment sector should also have a positive impact on **Objective 1** and convince more factories to join the BWB programme.

OBJECTIVE 3:

Empower women in the RMG sector, prevent sexual harassment and violence in the workplace, and promote services for mothers in garment factories.

In most garment producing countries, including Bangladesh, women make up the majority of the workforce, yet they are often confined to low-skilled jobs. Data suggests that the ratio of women workers in the Bangladesh garment sector, currently at 54 percent in BWB factories, is on the decline.

IN LINE WITH BETTER WORK GLOBAL STRATEGY, BETTER WORK BANGLADESH HAS BEEN ACTIVELY INVOLVED IN EMPOWERING WOMEN IN THE BANGLADESH GARMENT SECTOR. DURING PHASE II, BWB CONTINUES TO PROMOTE GENDER EQUALITY WITH THE FOLLOWING ACTIVITIES:

- ◆ Scale up the Gender Equality and Returns (GEAR) programme piloted with IFC during Phase I to train more women to become line supervisors in garment factories.
- ◆ Expand the successful Mothers@Work programme, implemented with UNICEF, to provide paid maternity leave, breastfeeding breaks, medical benefits and the provision of day care in garment factories. Investing in maternity and day-care services enables factories to retain skilled female workers, who would otherwise be forced to abandon work.
- ◆ Continue to provide sexual harassment protection training to curb sexual abuse in the workplace and improve the confidence of women workers. BWB is exploring further opportunities to partner with other development partners (UN agencies, bilateral donors, international and national NGOs active in this field) and to build on partnerships that Better Work Global has formed with likeminded service providers.
- ◆ Work to eliminate violence in the workplace, through training and awareness raising, in line with ILO Convention 190 concerning the Elimination of Harassment and Violence in the World of Work, adopted on 21 June 2019, which provides the framework for BWB's activities on harassment and violence. Recognising workers' right to a world of work free from violence and harassment, ILO Convention 190 introduces new protections to create a safer working environment for women and men.



International
Labour
Organization



**International
Finance
Corporation**
WORLD BANK GROUP