



Virtual Dialogue on

**Building the RMG Sector in Adherence with the
United Nations Guiding Principles (UNGPs)**

Presentation by

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1. Bangladesh's RMG Sector and Its Adherence with UNGPs

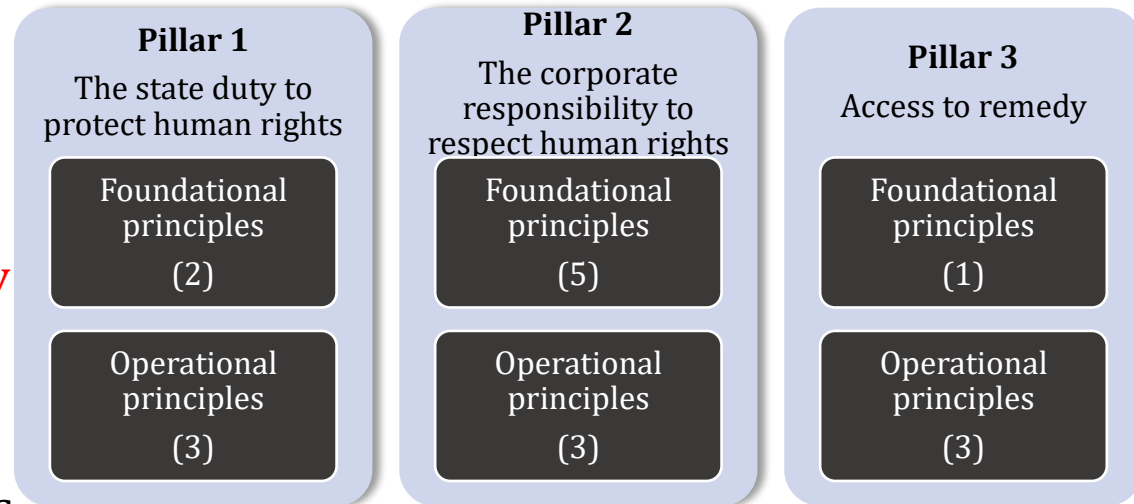
1. Bangladesh's RMG Sector and Its Adherence with UNGPs

- The export-oriented RMG sector, which is a major industry of Bangladesh employing about 2.8 million workers, **demands special attention on the practice** of human and labour rights issues
 - A **significant progress has taken place** in case of legal, institutional and operational reform measures during the post-Rana Plaza period (2013 onwards)
- The RMG sector still confronts many **challenges in social compliances**
 - The COVID-19 pandemic reinforces the **need to revisit the practices** of states and business enterprises on human and labour rights in the RMG enterprises
 - **Labour related compliances** in the post-LDC period
- The study aims **to provide a better understanding of adherence of the UNGPs** by the export-oriented RMG enterprises of Bangladesh
 - With a view to **better policy and operational intervention** to improve the compliance standard
- The study will address **two research questions** which include –
 - What is the **extent of adherence to the UNGPs** in the RMG sector of Bangladesh?
 - What **factors may have played a role** in the success or failure to adherence to human rights in the RMG sector of Bangladesh?

2. What is UNGPs?

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- United Nations Guiding Principles on Business and Human Rights (UNGPs) are the global standard for states and businesses: **three pillars**
 - That recognises their **responsibility to protect, respect and remedy humans** within their bounds
- Under first pillar, two foundational principles are
 - **States must protect** against human rights abuse
 - States should **set out clearly the expectation that all business enterprises** respect human rights throughout their operations
- Under the second pillar, **five foundational principles** include
 - Business enterprises should respect human rights
 - Refers to internationally recognized human rights
 - Visible initiatives
 - Applies to all enterprises
 - Policies and processes
- Under third pillar, the foundational pillar indicates **duty to protect against business-related human rights abuse**



2. What is UNGPs?

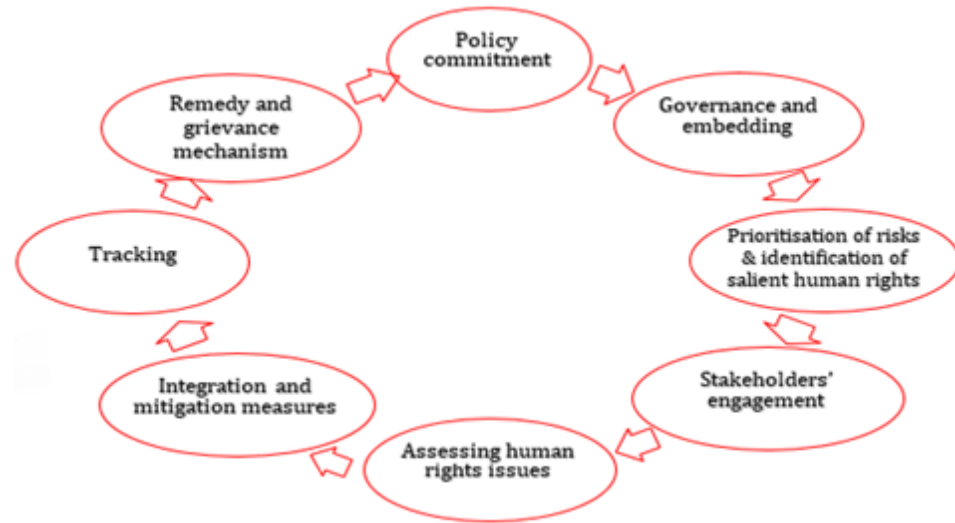
- **Different approaches** for assessing UNGPs in practice
 - Corporate Human Rights Benchmark (CHRB)
 - Global Network Initiative (GNI) Implementation Guideline
 - Global Reporting Initiative (GRI) Sustainability Reporting Guidelines
 - International Integrated Reporting (IR) Framework
 - OECD Due Diligence Guidance
 - Voluntary Principles on Security and Human rights (VPSH) Initiative
 - UNGP Reporting Framework (UNGPRF)
- Measuring the State of Progress in UNGPs - **UNGP Adherence Index**
 - Three pillars will be measured for RMG enterprises with a view to understanding their level of progress on human and labour rights
- Shift (2019) suggests a human and labour rights index to assess the performance of human rights of enterprises
 - **Shift (2019) methodology** examines **each enterprise's maturity** in adherence to human rights under eight components

3. Methods Followed

3. Methods Followed

- UNGP Adherence Index has been estimated in terms of **level of maturity**
 - **Eight components** are considered; Using a six-point Likert scale
- Following the Erika and Michelle (2019) maturity analysis, for the business which has at least one document to show on the issues of human rights, this study assesses those reports in the following three levels
 - Components of the responsibility of respect human rights (micro-level)
 - Cross-cutting indicators of quality reporting
 - Overall maturity of reporting (macro-level)
- Each of these components of the micro-level and overall macro level has given a score of 0 to 5
 - 0 means negligible, 1 gives basic, 2 is improving
 - 3 means established, 4 stands for mature
 - 5 indicates as industry-leading

Figure 2: Eight Components of Indices for Assessing Business and Human rights

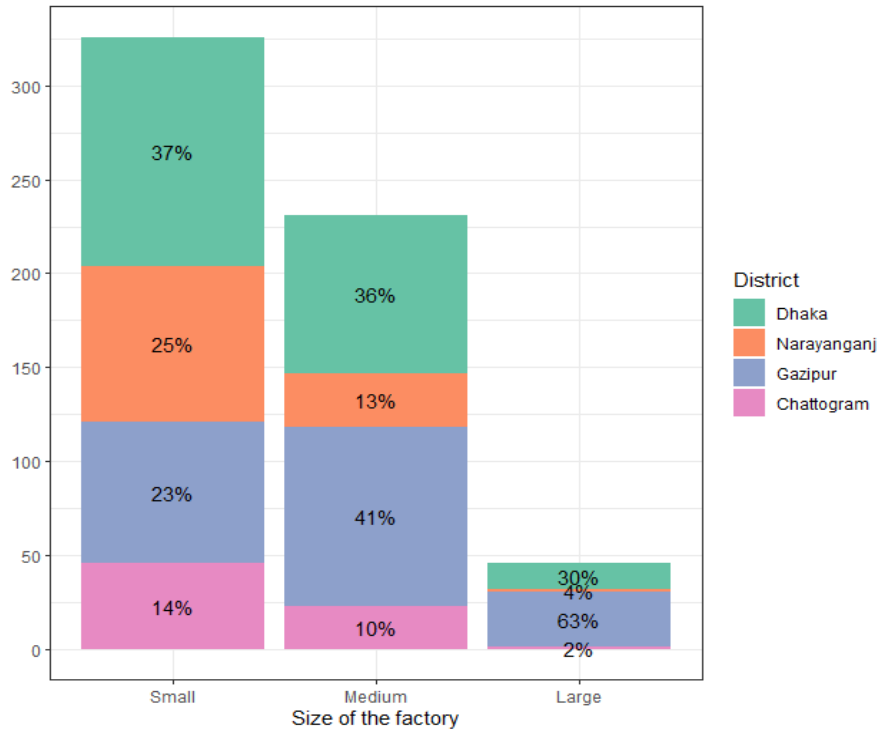


Source: Prepared by authors based on UNGPs (2021)

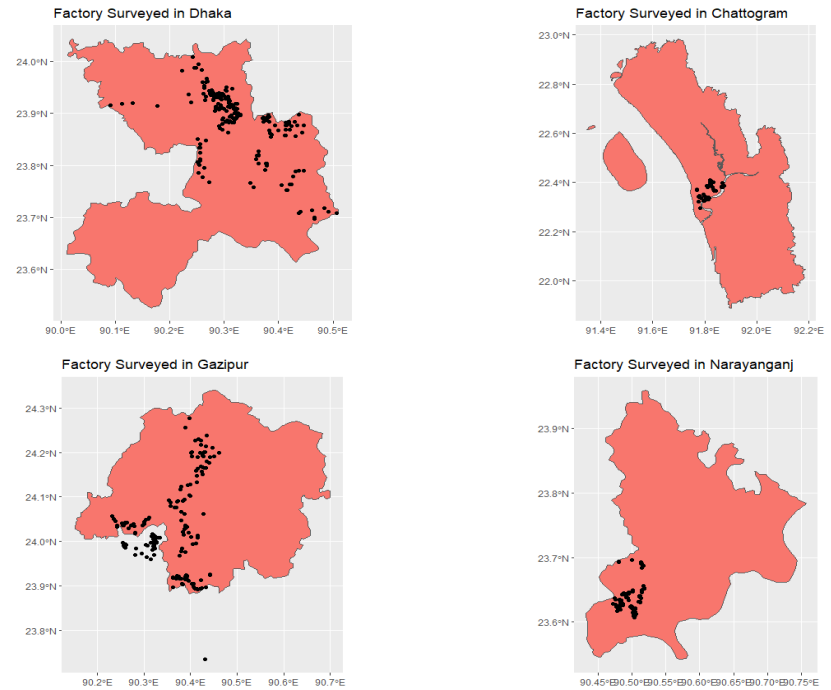
3. Methods Followed

- A nationally representative enterprise-level survey has been undertaken with a sample of **603 enterprises**
 - **54%** small; **40%** medium and **6.7%** large
 - **Four major clusters covered:** Dhaka, Gazipur, Narayanganj & Chittagong
 - 606 workers of 200 factories are covered

Size of Factory (district wise)

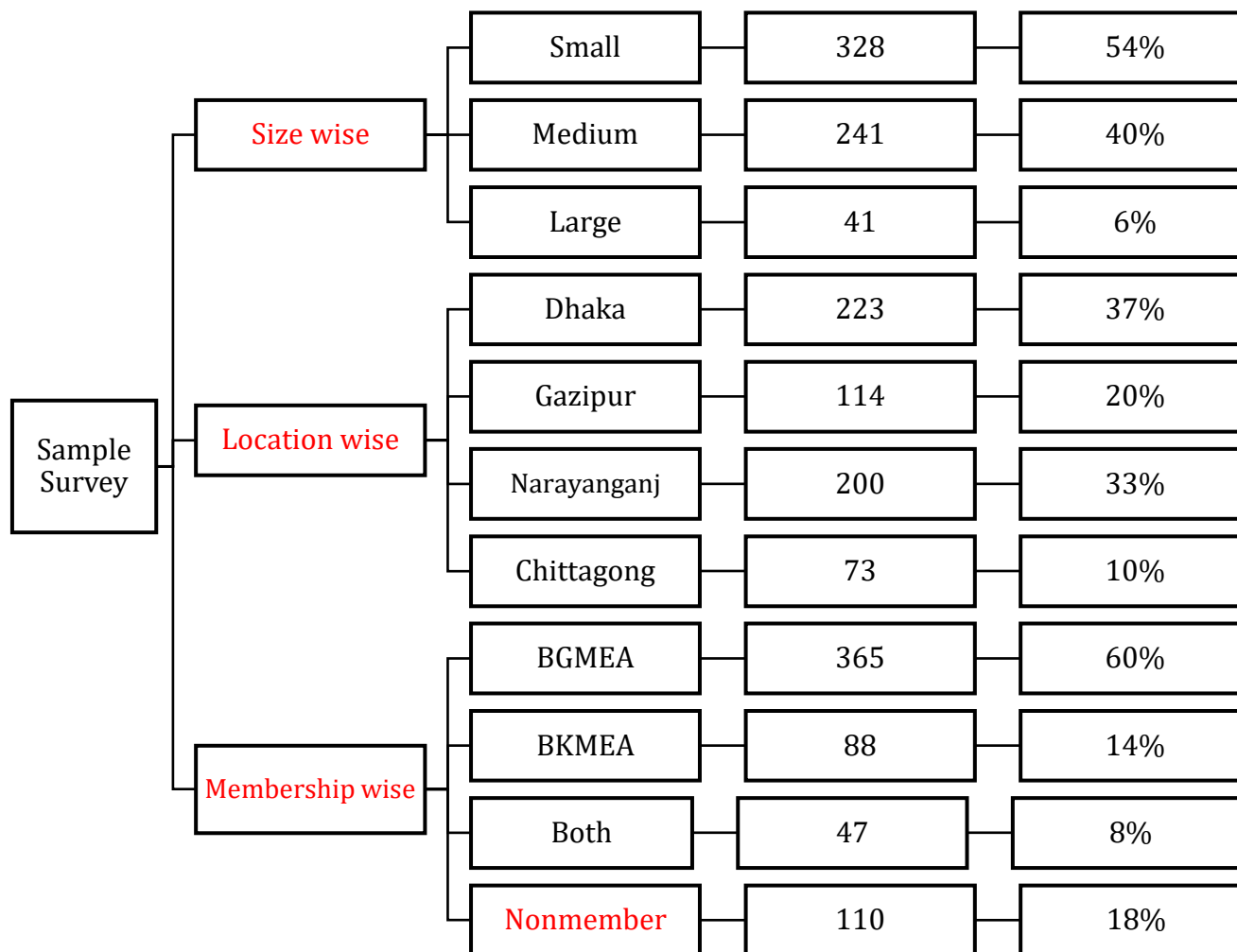


Enterprise survey district wise location



3. Methods Followed

Distribution of Sample Enterprises



4. Practices of Human and Labour Rights at the Enterprise Level

4. Practices of Human and Labour Rights at the Enterprise Level

- A total of **fourteen (14) different human and labour rights issues** have been identified, and their practice has been examined
 - (a) Use of child labour; (b) Workplace harassment; (c) Ensuring living wage
 - (d) Providing maternity benefit; (e) Having childcare facility/benefits
 - (f) Sexual harassment; (g) Opportunities for collective bargaining
 - (h) Overtime benefit facilities; (i) Use of juvenile workers
 - (j) Ensuring gender equity; (k) Maintaining financial transparency
 - (l) Use of forced labour; (m) Maintaining a proper mechanism for layoff and retrenchment; and (n) Ensuring workplace safety
- Analysis has been carried out under the **following indicators**
 - (i) Practice of human and labour rights
 - (ii) Certification of HR-related practices
 - (iii) Monitoring and inspection of HR issues
 - (iv) Addressing workers' complaints and grievance mechanisms

4. Practices of Human and Labour Rights at the Enterprise Level

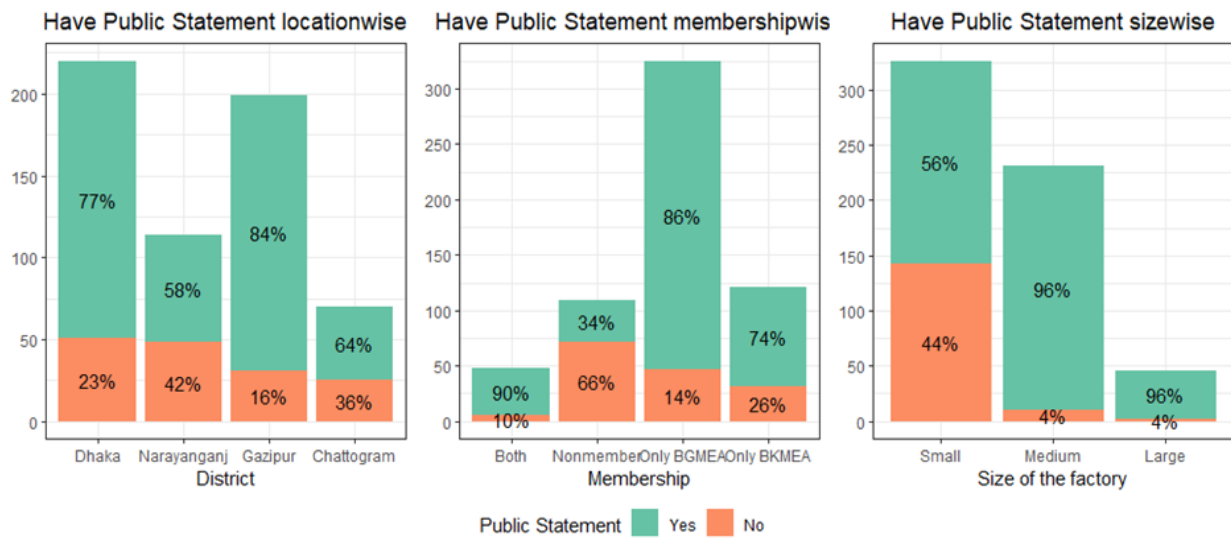
4.1 Practice of Human and Labour Rights

- Majority of factories (81.6%) have an official position on key human rights issues
 - Differences in terms of size, membership and location
- Public statements are disclosed in different forms- majority uses posters (94.4%)
 - Web-based publication, annual reports, brochures
 - Difficult to indicate how much 'public' their statements are
 - Majority of factories maintain a dual-language
- There is wide variation in public reporting of different issues
 - Most reported issues are: child labour, workplace safety, workplace harassment and living wage
- The least addressed public disclosure issues are lay off and retrenchments and collective bargaining

Statement on Human Rights

Options	% of (448) cases
Website	38.8
Annual Report	23.2
Brochure	22.3
Charter	25.9
Poster Inside the factory	94.4
Others	0

Factories have public statements on human rights



Human and Labour Rights Issues Reflected in the Public Statement

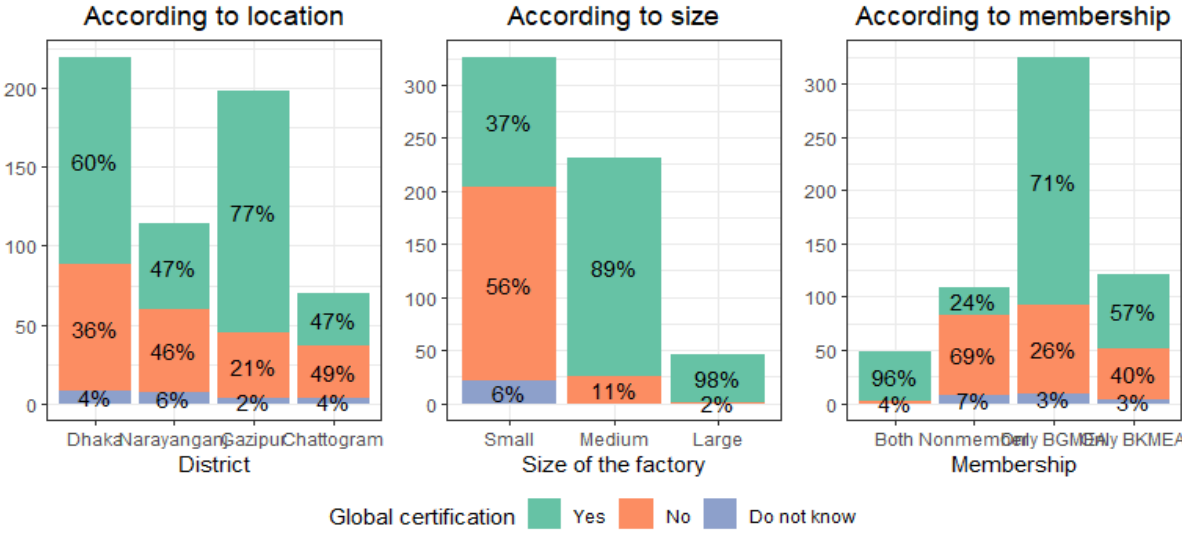
Issues	Percentage of (448) cases
Child Labour	94.9
Workplace Harassment	82.6
Living Wage	88.2
Maternity Benefit	75.2
Child Care Benefit	62.1
Sexual Harassment	81.7
Collective Bargain	35.7
Overtime Benefit	65.0
Juvenile Workers	57.8
Gender Equality	53.8
Financial Transparency	50.7
Forced Labor	53.1
Layoff and Retrenchment	25.4
Workplace Safety	84.4

4. Practices of Human and Labour Rights at the Enterprise Level

4.2 Certification of HR-related practices

- About **62%** of factories reported to have at least **one certificate/standard**
 - ISO, SEDEX, WRAP, OEKO-Tex, and LEED
 - Workers' rights are less focused
- Small factories took **fewer certificates** (about 37%), perhaps due to their **less ability to invest** for certification
- Narayanganj** and **Chattogram** based factories are **behind**
- Factories dependent on **multiple brands/buyers** try to comply **more with the environment and pollution-related** issues other than workers and workplace-related issues

Global Certification Memberships-wise



Certification by Factories as per Contractual Arrangement with Buyers

Global certification covered area	Turnover share from top-most buyer/brand/retailer in 2019			
	Less than 25%	Between 25-50%	Between 50-75%	More than 75%
Worker related	64.3	66.1	68.3	66.2
Workplace safety related	71.4	77.7	85.6	87.3
Pollution related	57.1	44.6	50.3	43.7
Environment related	78.6	76.0	71.3	62.0
Sustainability related	50.0	43.8	37.7	28.2
Total	100.0	100.0	100.0	100.0

4. Practices of Human and Labour Rights at the Enterprise Level

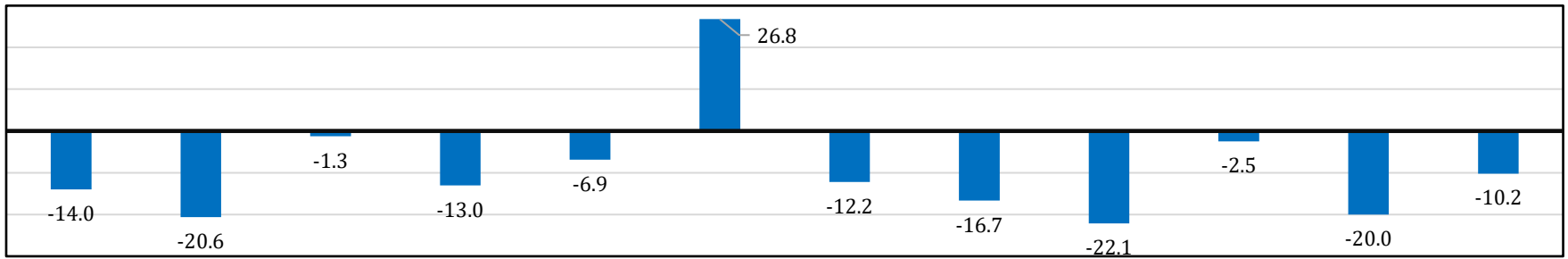
4.3 Monitoring and inspection of HR issues by private and public agencies

- Highest number of inspections has been conducted by **DIFE, FSCD, DoL, DoE and NBR**
- Due to the COVID-19 pandemic, the total number of inspections has reduced by 10.2%
 - Highest level of **reduction in inspection** was observed in case of DOE and DoL, followed by DIFE

Public Authority Inspected Sample Factories in 2019 (size-wise)

Size of the factory	Public authority inspected your factory in 2019											
	DIFE	DoL	FSCD	RAJUK	WASA	PDB/REB	TITAS	NBR	(DoE)	Local Authorities	Others	Not inspected
Large	93.5	63.0	78.3	2.2	6.5	26.1	15.22	23.9	36.9	28.3	2.2	0.0
Medium	90.5	50.7	68.4	4.8	6.1	13.9	10.82	25.1	31.6	27.3	2.6	2.6
Small	69.3	34.1	60.1	3.4	3.7	8.3	2.76	13.8	15.3	13.5	0.9	15.0
Total	79.3	42.6	64.7	3.8	4.8	11.8	6.80	18.9	23.2	19.9	1.7	9.1

Changes in Frequency of Visits during Pre-Covid and Covid Period

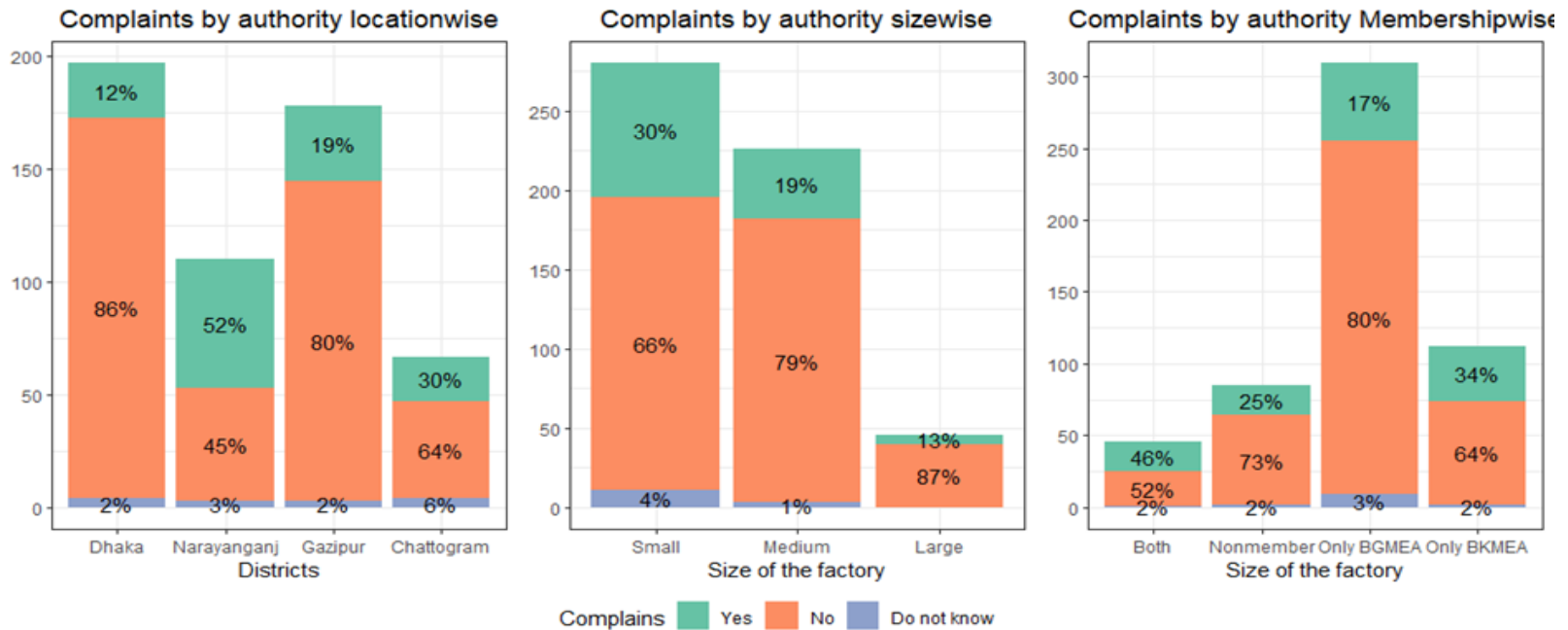


4. Practices of Human and Labour Rights at the Enterprise Level

4.3 Monitoring and inspection of HR issues by private and public agencies

- A total of 134 (24 per cent) factories acknowledged that public agencies had some kind of complaints about their factories,
 - Out of these factories, 36 (27 per cent) factories confirmed that these agencies suggested some punitive measures against them
 - Small factories received a higher percentage of complaints (30 per cent) given their struggle to maintain a minimum level of compliance
 - Factories from Dhaka and Gazipur has comparatively fewer complaints than Narayanganj and Chattogram

Complaints by public authority location wise/size wise/membership wise



4. Practices of Human and Labour Rights at the Enterprise Level

4.4 Addressing workers' complaints and grievance mechanism

- About 6.2 complaints per factory were made by workers during 2020
 - Average unofficial complaints was between 12.4-27.3
 - **Number of official complaints is lower** than that of unofficial complaints
 - Factory management claimed that **unofficial complaints are mostly addressed**
- Given the larger size of factories, number of complaints is higher in large factories
 - **Raising complaints is not necessarily a bad thing**, rather, it shows that workers feel comfortable raising their complaints

Official and Unofficial Complaints Made by Workers

Issues	N	Mean	St. Dev.	Min	Max
Official complaints by workers	460	6.2	12.8	0.0	80.0
Official complaints addressed (%)	210	98.7	7.8	20.0	100.0
Official complaints (% female)	210	8.4	12.0	0.0	60.0
Unofficial complaints by workers	465	22.2	35.2	0.0	185.0
Unofficial complaints addressed (%)	364	98.7	8.1	5.0	100.0
Unofficial complaints (% female)	363	17.6	26.2	3.0	168.0

Average Official and Unofficial Complaints (district wise, membership wise, and size-wise)

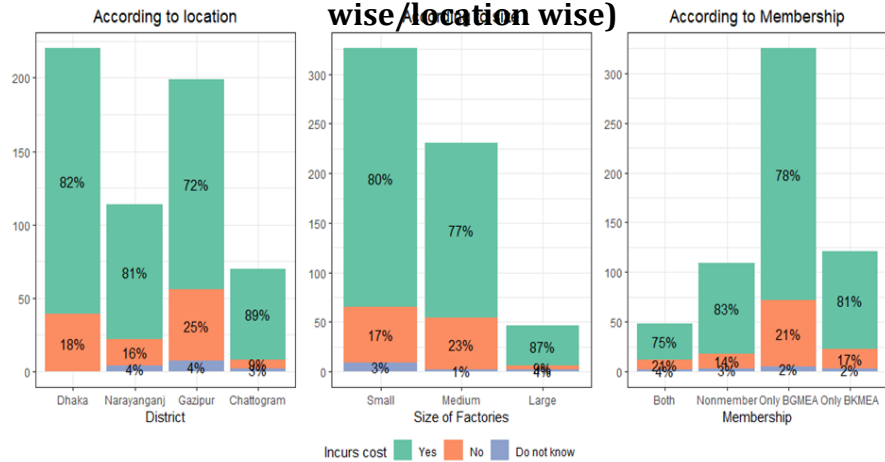
Districts	Average Unofficial Complaints	Membership	Average Unofficial Complaints	Size of the factory	Average Unofficial Complaints
Dhaka	27.3	Both	25.0	Small	12.9
Narayanganj	12.4	Nonmember	11.9	Medium	32.3
Gazipur	24.9	Only BGMEA	28.1	Large	49.0
Chattogram	20.6	Only BKMEA	16.0		

4. Practices of Human and Labour Rights at the Enterprise Level

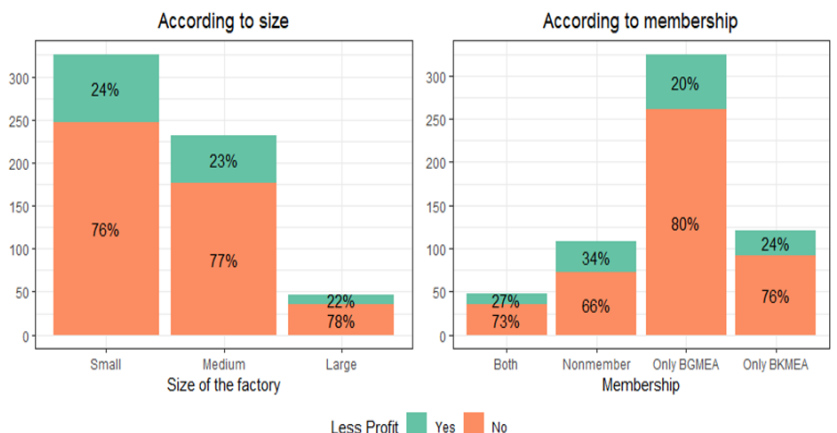
4.5 Perception of HR practices on firm-level cost and income

- Most of the factories think that improving human rights conditions in their factory will **improve the efficiency of the workers**
- About 79 per cent factories believe that improving human rights will **increase the fixed and operational costs** of the factory
- Majority of factories (94%) think that improving human rights will **increase their purchase orders**
- Only below 25% factories of all sizes feels that **lowering profit** because of the improvement of human rights issues

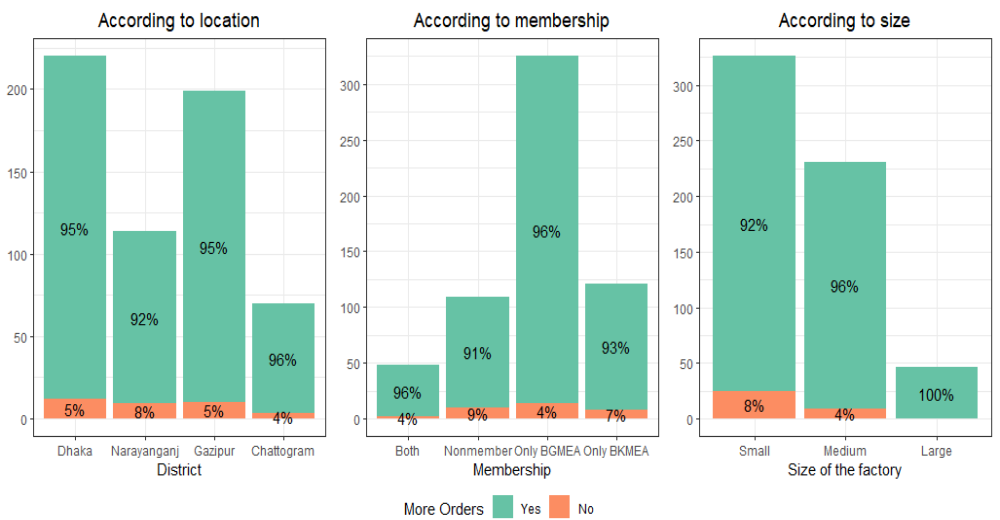
Perception on Impact on Operational Cost for Improvement of Human Rights (size-wise/ membership wise/location wise)



Perception on Lowering Profit due to Improvement of Human Rights (size-wise & location wise)



Perception on the Increment of Orders due to Improvement of Human Rights (location-wise/ membership wise/ size wise)

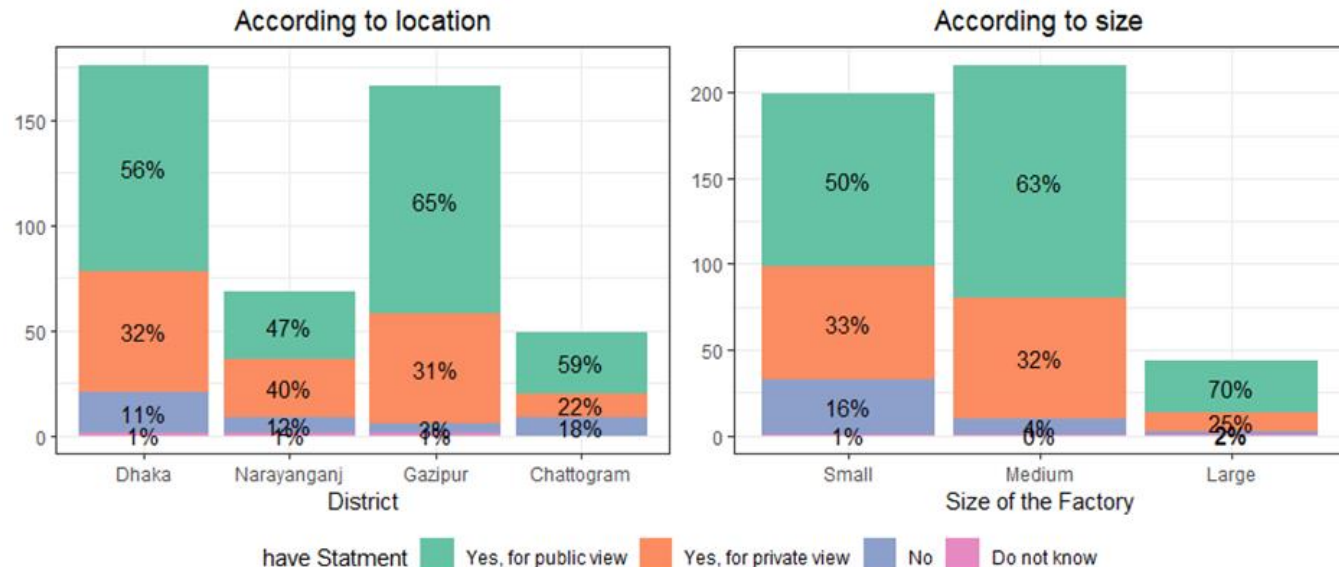


5. Understanding and Practices of UNGPs at the Enterprise Level

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5.1 HR Policy Commitment

- According to UNGPs, a **company must hold a human rights statement** that says it will respect human rights
 - The central components of this statement **should include all internationally recognised human rights** extended to the value chain
- **76% factories** said they have a statement saying they **will respect human right**
 - **Above 15 per cent of the non-member and BKMEA factories** have no idea on human rights statements
 - **Above 10 per cent of factories** have no public statement on human rights in Dhaka, Narayanganj and Chattogram



5. Understanding and Practices of UNGPs at the Enterprise Level

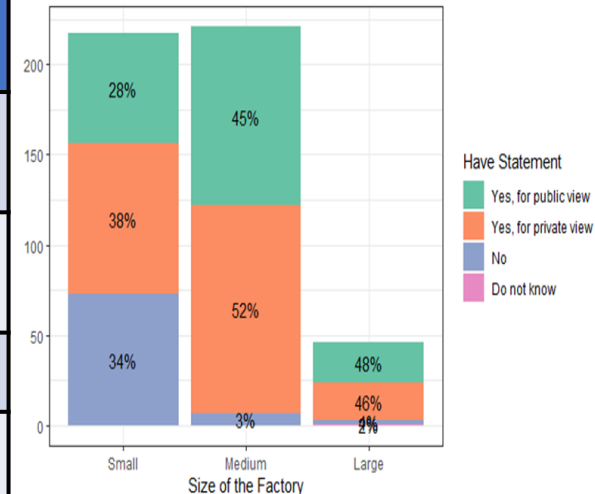
5.2 Governance and Embeddedness

- It is vital to know **who is responsible in a company** for the implementation of human rights.
 - 80% replied that they have** either a person or department to embed human rights within the factory's day-to-day activities
 - A mixed scenario is observed in terms **of delegation of authority** in maintaining governance-related compliance at the factory level
 - About 45.3% factories claimed that they have **a responsible person or department** working on the human rights issues in a written document but is known by top management

Factories have written document on respective issues

Written form on	Yes, for pub. view	Yes, for pvt. view	Yes, for both pub. & pvt. view	No	Do not know	Total
Person/ department responsible for dealing with HR issues in factory	5.8	45.3	31.8	16.9	0.2	100
Rank/Designation of the persons responsible for human rights issues	7.4	40.5	33.3	18.8	0.0	100
HR issues covered by that person or unit or department	5.9	41.7	34.1	17.9	0.2	100
ToR of these people for undertaking human rights issues	6.4	44.2	27.5	19.4	2.5	100

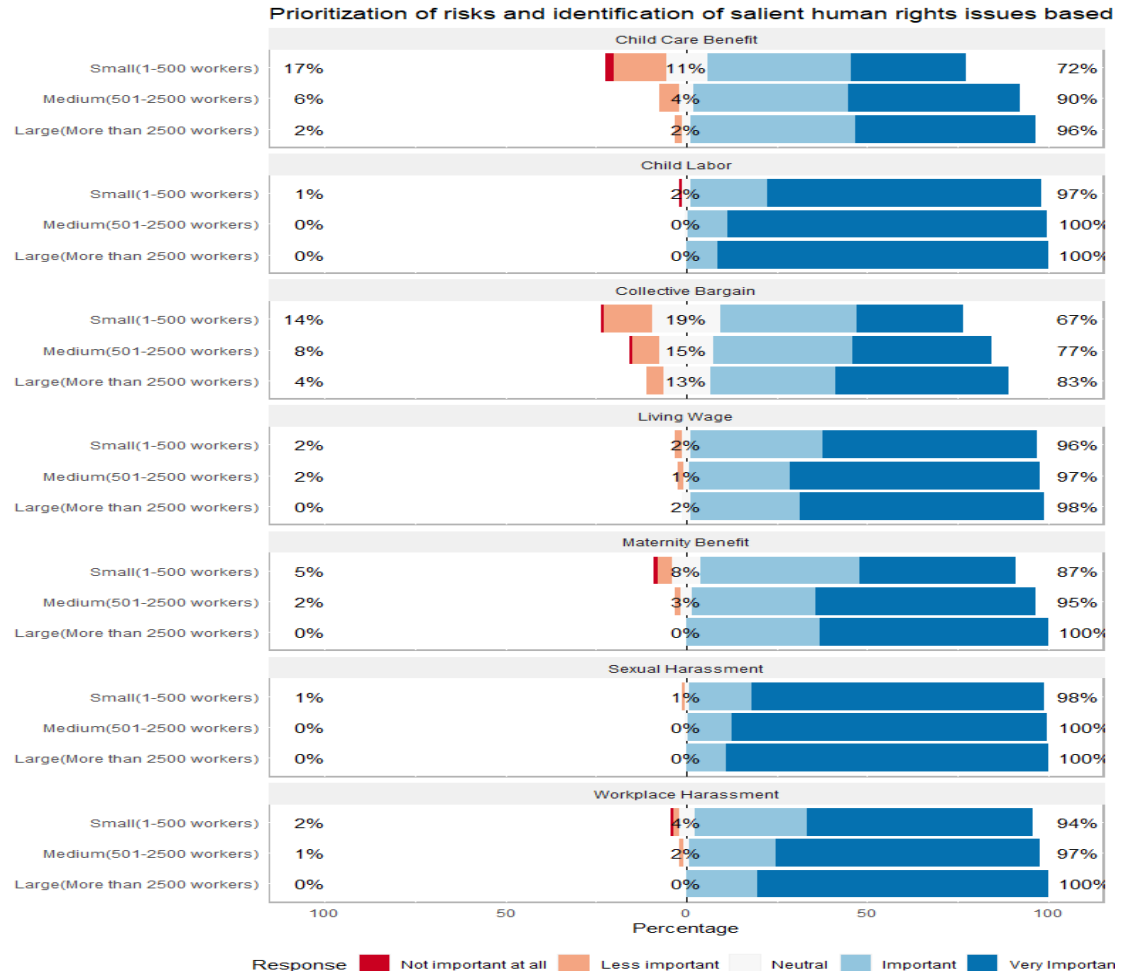
Perception on Person/Department responsible for Dealing with Human Rights Issues



5. Understanding and Practices of UNGPs at the Enterprise Level

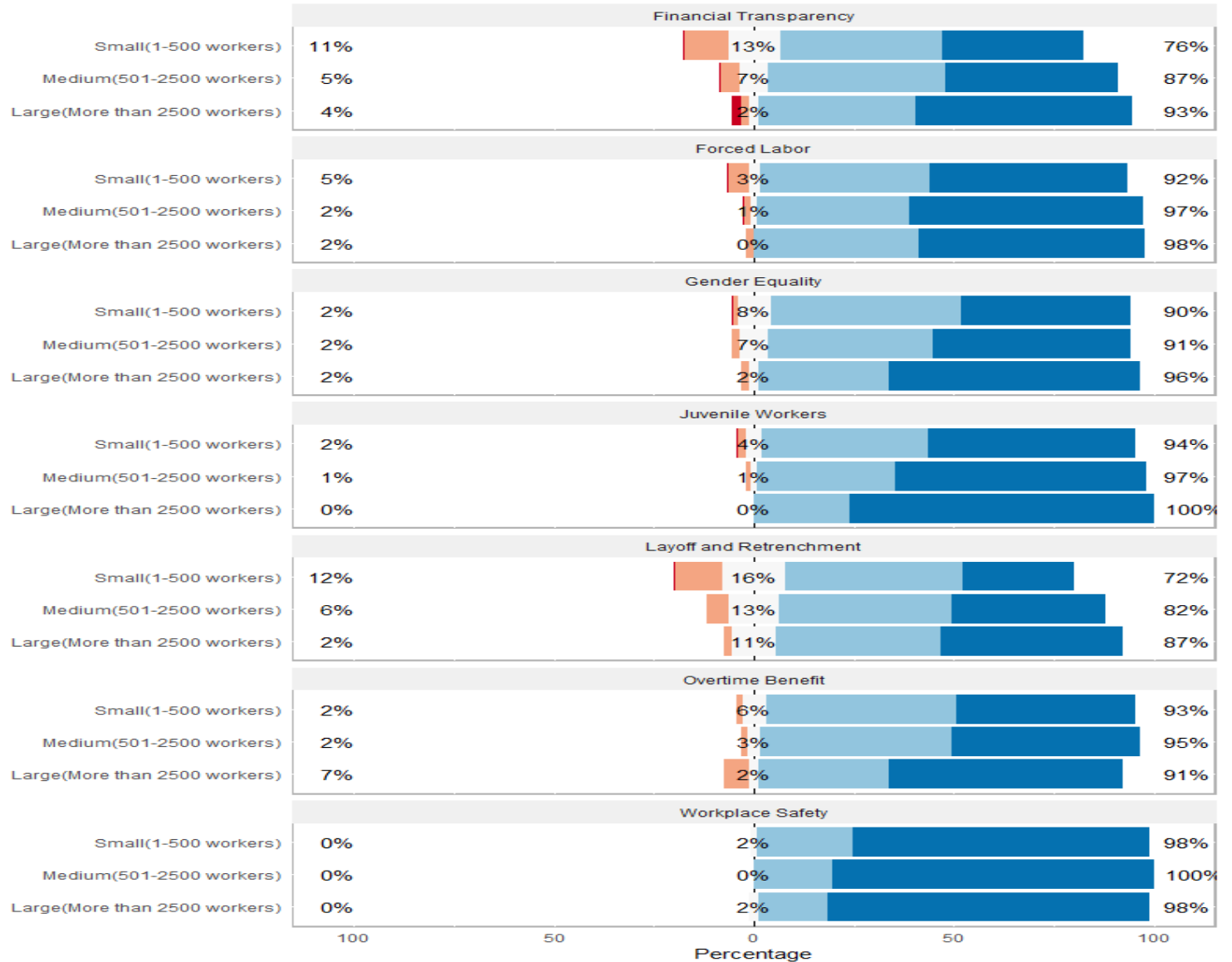
5.3 Risks Prioritisation

- Companies should **identify salient human rights issues** at most risk in their institution.
 - They should **determine** which problems are the **most important** for their factories and which are not
- **Most priority issues** for the majority of factories include
 - Child labour, sexual harassment, workplace harassment, decent wage, workplace safety and juvenile workers related issues.
 - Some of the issues get less priority in a considerable share of factories, including lay off, retrenchment, and collective bargaining



5. Understanding and Practices of UNGPs at the Enterprise Level

Prioritization of risks and identification of salient human rights issues based



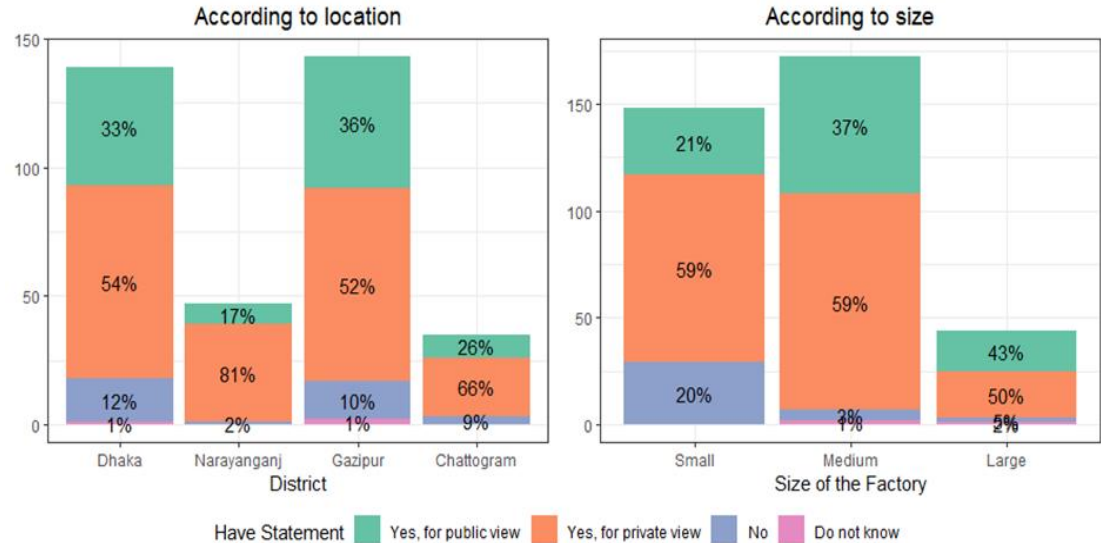
Response ■ Not important at all ■ Less important ■ Neutral ■ Important ■ Very Important

5. Understanding and Practices of UNGPs at the Enterprise Level

5.4 Stakeholder engagement

- A significant part of companies **need to work with stakeholders** who are adversely affected by company's activities to **better human rights practices**
- 60% factories claim that they have **either conversations or regular meetings** with different stakeholders to improve human rights in the factory
- As the size increases, the percentage of factories that work with different stakeholders, increases
- The **highest level of engagement** is observed with **public agencies** (67.8%), followed by workers' organisations such as WPCs and WWCs (65%) and anti-harassment committees (55.9%)

Statement on Factory Works with Different Stakeholders to Improve HR Condition (location wise and size-wise)



Factories Work with Organizations/Committees to Improve HR Condition

Organizations/ committees	% (In case of 143)
NGOs	32.17
WPC/ WWC	65.03
Anti-harassment committee	55.94
Other government agencies	36.36
Local Government Agencies (DIFE, DOL)	67.83
Law Enforcement Agencies	26.57
Buyers	30.77
Trade Union	21.68
National Worker Organization	12.59
International Worker Organization	14.69
International agencies (ILO, etc.)	33.57
Others (Please Specify)	0.00

5. Understanding and Practices of UNGPs at the Enterprise Level

5.5 Assessing human risks

- Factories should have a proper risk assessment to make sure they can assess the impact of their activities on human rights and take measures for their mitigation.
 - About 82% said they **have a methodology to identify how factories** can threaten human rights.
 - Out of these factories, only 37% of factories claim that they have this **document written for public view**. This fulfils the basic maturity level of this issue.

5.6 Integration and Mitigation Measures

- Companies should **integrate the mitigation measures to reduce human rights violations** within the company or through its activities
- **82% factories have taken different actions** against for violating different human rights
 - For example, **workplace harassment, problems with overtime and sexual harassment**
- A **verbal warning** is the main method followed by factories (93.5%)
 - However, given the harassment faced by workers, such verbal warning may be considered relatively weak in some incidences

Types of Action are taken by Factories

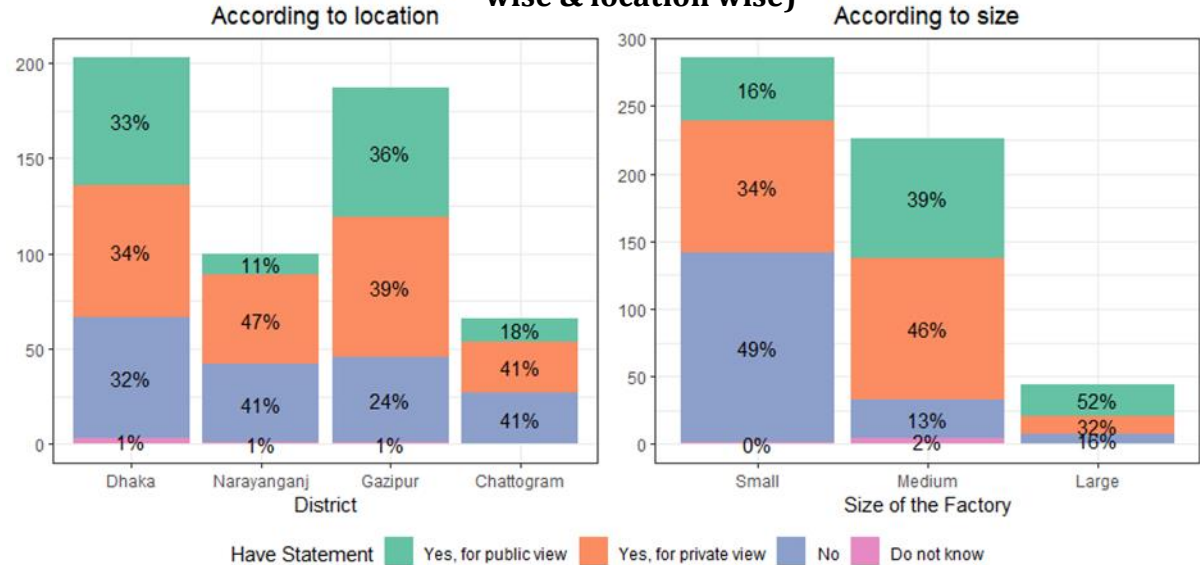
Types of Action Taken	% (in case of 508)
Discourage them at the organisation level	21.26
Gradually reduced practices	31.10
Verbal warning	93.50
Rebuking	23.23
Salary/overtime/benefit/bonus cut	28.74
Degrading	10.63
Fired from work	17.32
Others (please specify)	0.00

5. Understanding and Practices of UNGPs at the Enterprise Level

5.7 Tracking

- Companies **not only** should improve their performance on human rights but also **track their progress** over time
- **64%** factories **keep a record** of their improvements on human rights in their factories
- **30%** factories said they had **written forms for tracking** their human rights records
- **45%** factories claimed to **update** their human rights **record** every year

Statement Contains Procedure of Tracking Human Rights Progress (size-wise & location wise)



Factories have written documents to update the database timely

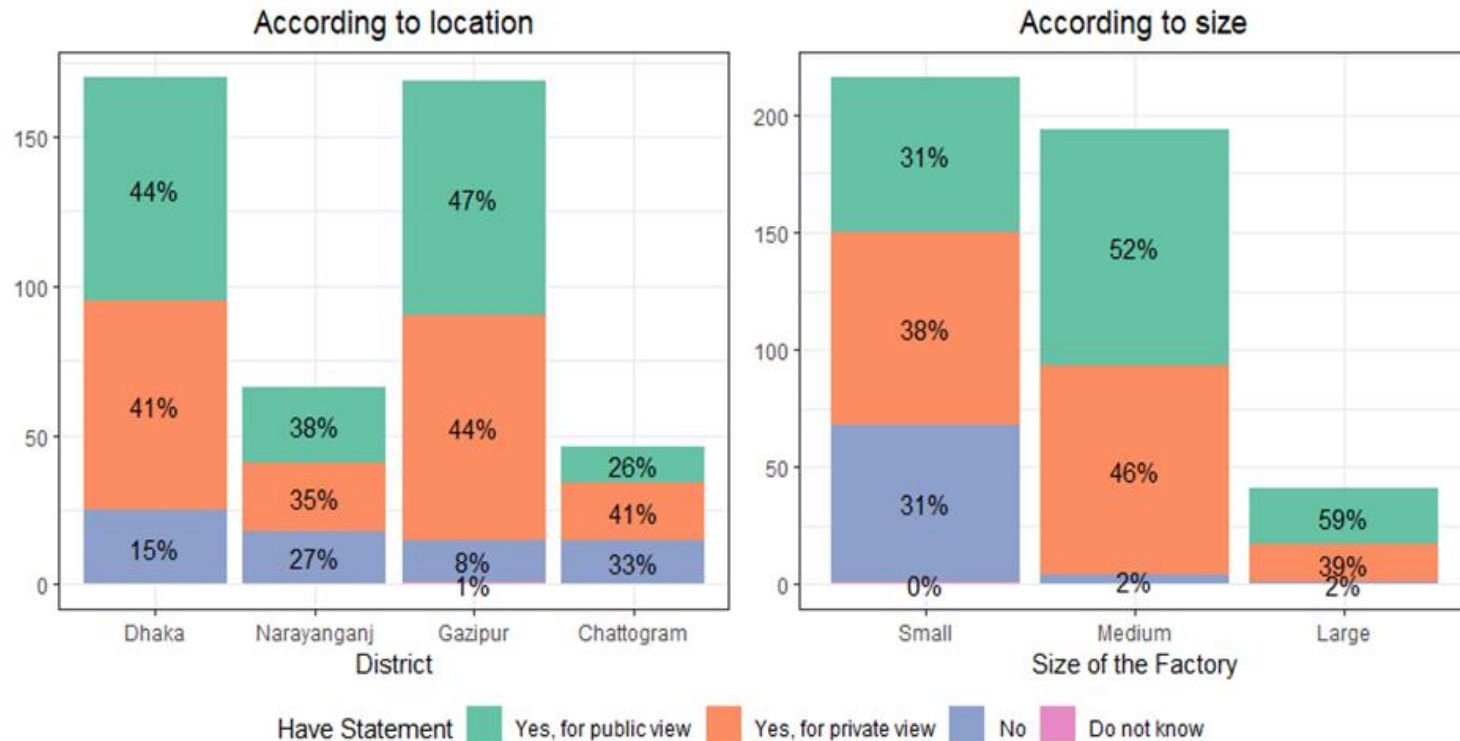
Records on human rights update	Frequency
Every day	9 (2.3%)
Every week	32 (8.4%)
Every month	154 (40%)
Every year	173 (45%)
Do not know	15 (3.9%)
Unknown	220

5. Understanding and Practices of UNGPs at the Enterprise Level

5.8 Remedy & Grievance Mechanism

- Due to the complex nature of modern companies, some impact on human rights may be inevitable
 - Companies **must have effective remedy** and grievance mechanisms
- 69% factories have a **channel or mechanism** for workers **to raise complaints** and concerns of any adverse human rights impact

Figure 21 Factories have a Cannel or Mechanism for Workers to Raise Complains and Concerns (size wise and location wise)

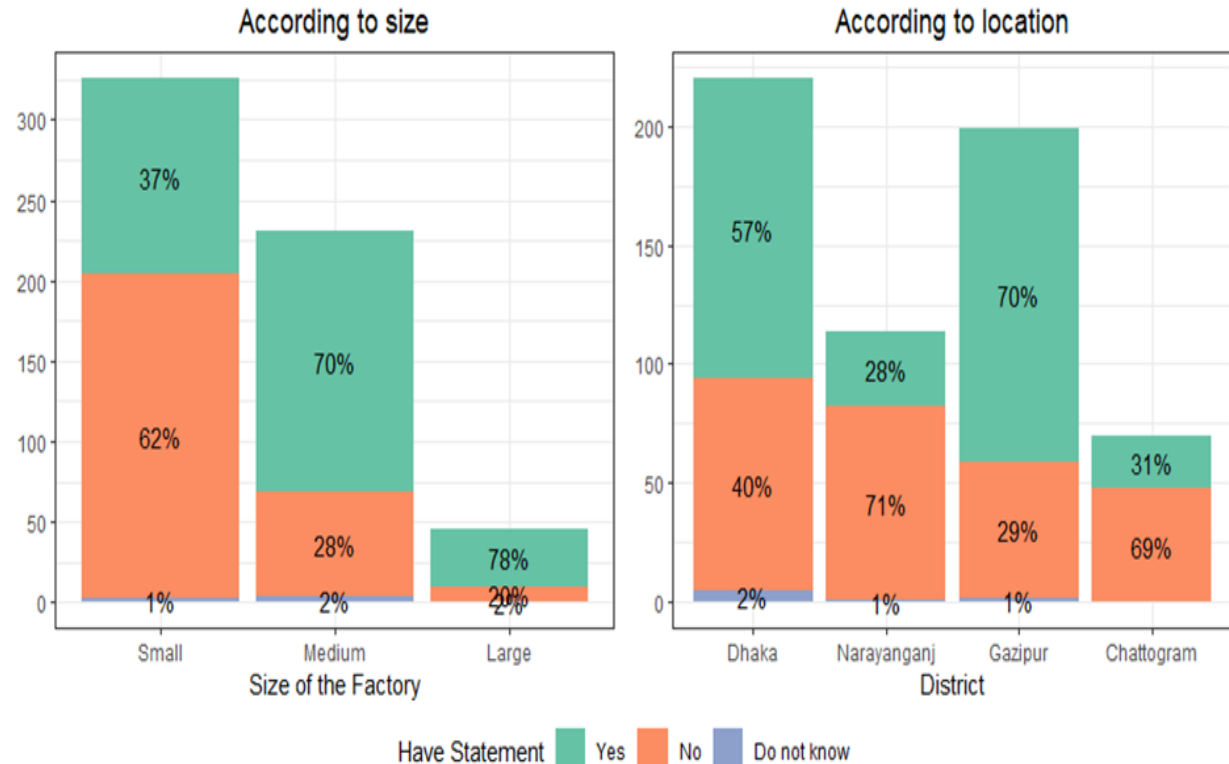


5. Understanding and Practices of UNGPs at the Enterprise Level

5.9 Cross-cutting indicators

- Cross-cutting indicators of mature reporting consist of three factors
 - **Companies must be ready to share their challenges** in their public disclosure as well as achievement
 - A statement matured is a specific and concrete example in every sector
 - Company must be forward focusing in its reporting

Factories mention about Challenges as well as the Achievement in Their Statements/ reports on Human Rights Issues (size-wise and location wise)



6. Workers' Perception on Human Rights Practices in RMG Enterprises

6. Workers' Perception on Human Rights Practices in RMG Enterprises

- Workers' perception is critically important to appreciate to what extent the enterprises are complying with as per their commitment
 - Since the study has followed the **structure of voluntary reporting** of enterprises, the perception of sample workers would help to **cross-validate voluntary reporting** of the sample enterprises

6.1 Workers' Experience on Different Facilities

6.1.1 Access to facilities

- Basic facilities** for workers **has yet to be made available** across the board in all factories
- Some of the **facilities are better** in large and medium scale enterprises
 - Such as lunch space, day care space, breastfeeding zones, medical facility and maternity benefit and casual leave facility
- Workers are **deprived of some of the facilities** across all enterprises
 - Free lunch, free tiffin, fair price, and school stipend for workers' children

Workers' Perception on Access to Basic Facilities

Characteristic	Small	Medium	Large
Space for lunch/ dining facility	313 (81%)	159 (98%)	42 (95%)
Free lunch	5 (1.3%)	4 (2.5%)	3 (6.8%)
Free tiffin	101 (26%)	57 (35%)	16 (36%)
Space for day care/ child care	87 (23%)	105 (65%)	32 (73%)
Free/subsidized day care/ child care	21 (5.4%)	36 (22%)	18 (41%)
Breastfeeding zone	118 (31%)	111 (69%)	34 (77%)
Medical/ Doctor facility	236 (61%)	150 (93%)	44 (100%)
Fair price shop	11 (2.8%)	17 (10%)	15 (34%)
School for worker's children	3 (0.8%)	14 (8.6%)	8 (18%)
Scholarship for children	3 (0.8%)	14 (8.6%)	12 (27%)
Maternity leave	208 (54%)	113 (70%)	43 (98%)
Maternity leave with salary	140 (36%)	103 (64%)	32 (73%)
Casual leave	249 (65%)	96 (59%)	29 (66%)
None of the above	12 (3.1%)	0 (0%)	0 (0%)

6. Workers' Perception on Human Rights Practices in RMG Enterprises

6.1.2 Operation of Participation Committees

- **Majority of workers** indicated that their factories have **participation committees/welfare committees**
 - At the same time, it is important to note that more than one-third of the total workers indicated that their sample factories do not have any worker-related committees.
 - About **33.8% of workers** indicated that factories have **anti-harassment committees**
- These worker committees **do not maintain their regular activities**
 - Workers who mentioned that factories have PCs, about 35% of them said the meeting was held within last one month;
 - About **25% said last PC** meeting convened within 3 months
- About **20% workers claimed** that their colleagues raised complaints
 - 63% said no and 17% said they do not know

Factories have different committees and member by worker

	% of workers said to have any of the following committees (in case of 606 workers)	% of workers said to be a member of the following committees (in case of 398 workers)
Participation committee	47.19	14.07
Worker welfare committee	30.69	8.79
Anti-harassment committee	33.83	8.29
Others (please specify)	2.97	2.26
None of the above	34.32	76.38

6. Workers' Perception on Human Rights Practices in RMG Enterprises

6.1.3 Workers' Workplace related Concerns

- Different kinds of workplace-related harassment is still a major concern
 - About 17% workers (104 workers) said they faced either verbal or physical harassment within the factory
 - Out of those 104 workers, 72% (overall 12.2%) said line supervisor harassed them, 21% (overall 3.5%) said by officers and 25% (overall 4.3%) by co-workers
 - Workplace harassment is equally concerning for male and female workers

Workers' Perception of Work-related Harassment

By people, Worker have faced work-related harassment (verbal/ physical)	Frequency	% (In case of 124)	% (In case of 104)
Line Supervisor	75	60.48	72.12
Officers	22	17.74	21.15
Co-workers	26	20.97	25.00
Others	1	0.81	0.96
Total	124	100	119.23

Worker have Faced Work-related Harassment (Gender wise)

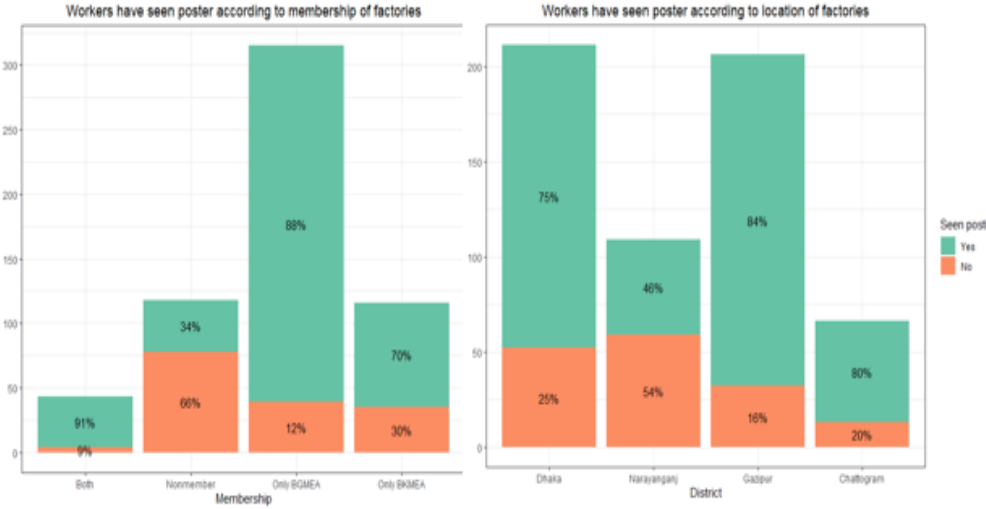
Gender	Have faced work-related harassment (verbal/ physical)		Total
	Yes	No	
Female	69	337	406
%	17	83	100
Male	35	165	200
%	17.5	82.5	100
Total	104	502	606
%	17.16	82.84	100

6. Workers' Perception on Human Rights Practices in RMG Enterprises

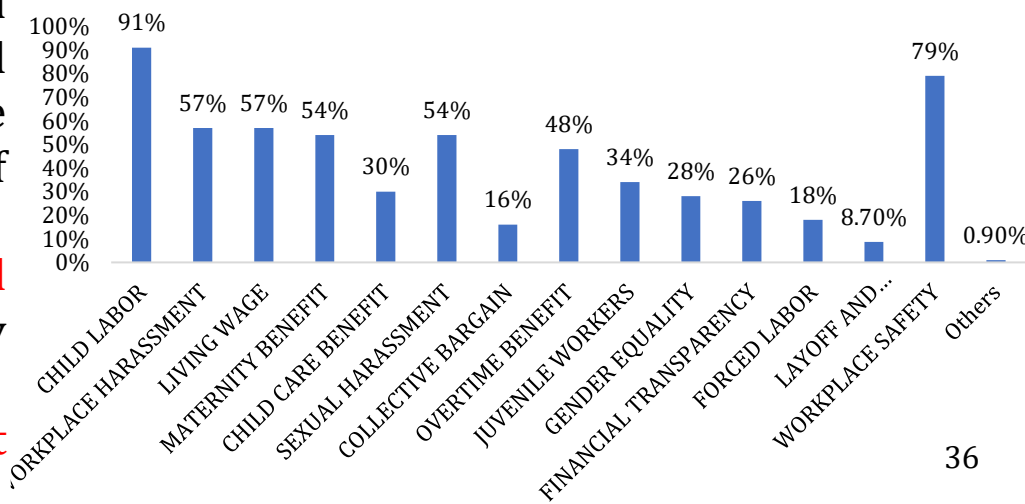
6.2 Workers' Perception about Human Rights Practices in Factories

- About **74% workers recalled** that they had **seen posters** inside or outside the factory that had some sort of statement on human rights
 - 75.5% factories have posters
- Hence, the claim made by factories regarding disclosure among the workers is largely the same about what is claimed by factories and what is seen by the workers
- About 91% of workers says the poster contains issues related to child labour
 - Workplace harassment, sexual harassment, living wage and maternity benefit were seen in the poster by more than 50 per cent of the workers.
 - Layoff and retrenchment and collective bargain were seen** by just 8.7% and 16% respectively.
- Overall, **the responses are consistent with what factory management claimed**

Workers' Perception on Whether They Have Seen Posters



Workers' Observation regarding Issues Highlighted in the Poster



6. Workers' Perception on Human Rights Practices in RMG Enterprises

- There are **differences in case of prioritisation** between different categories of factories
 - Workers of **small-scale factories do not receive training**, particularly in case of maternity benefit, childcare benefit and force labour use.
 - **Non-member factories** which are largely small-scale factories, have less priority on the above-mentioned issues.
 - **BGMEA-member factories are better** in terms of providing training compared to that of BKMEA-member factories.
- Overall, the **management provides training on issues** that are the priority in the posters published for workers
 - **Do not provide training** on issues that are not the priority of the disclosure policy of the factories

Kinds of human rights issues do factory gives the most priority

Issues	Small	Medium	Large
Child Labour	341 (88%)	158 (98%)	43 (98%)
Workplace Harassment	237 (61%)	131 (81%)	29 (66%)
Living Wage	249 (65%)	141 (87%)	33 (75%)
Maternity Benefit	184 (48%)	122 (75%)	37 (84%)
Child Care Benefit	71 (18%)	82 (51%)	27 (61%)
Sexual Harassment	219 (57%)	122 (75%)	31 (70%)
Collective Bargain	46 (12%)	31 (19%)	12 (27%)
Overtime Benefit	220 (57%)	109 (67%)	30 (68%)
Juvenile Workers	120 (31%)	54 (33%)	22 (50%)
Gender Equality	126 (33%)	78 (48%)	28 (64%)
Financial Transparency	100 (26%)	58 (36%)	21 (48%)
Forced Labour	48 (12%)	43 (27%)	14 (32%)
Layoff and Retrenchment	36 (9.3%)	29 (18%)	5 (11%)
Workplace Safety	301 (78%)	143 (88%)	35 (80%)
All of the above	1 (0.0%)	0 (0%)	0 (0%)

6. Workers' Perception on Human Rights Practices in RMG Enterprises

6.3 Grievance Mechanism in Factories

- Majority of workers claimed that **grievance mechanism in the workplace is not unknown** to them (89.6 per cent of total enterprises). However, **very few workers used the mechanism** – only 12.7 per cent of the workers claimed using the grievance system
- Majority of the complaints raised by the workers are related to verbal harassment
- Majority of cases, factories management **reach a solution** through negotiation
- In case of retrenchment, **only 6.3 per cent** of workers mentioned that their factories provided **three months' notice in case of laying off workers**
- Majority of workers complained about **inadequate compliance mechanisms in case of laying off** workers as per the labour act and labour rules.

Types of Complaints Reported by Worker

Type of complaint reported	% (In case of 69)
Verbal harassment	82.61
Physical harassment	13.04
Sexual harassment	7.25
Extra work	21.74
Problems with salary/overtime payment	26.09
Harassment from co-workers	10.14
Others (please specify)	2.90

Administration Took Steps after complaining

Administration took step after complaining to them	% (In case of 343)
Reached solution through negotiation	75.51
Verbal warnings	86.30
Salary deduction	17.20
Degrade	6.12
Sacked from work	20.41
Informed the administration (police/law enforcement agencies)	1.46
Took action against the person who made the complaint	6.71
Others (please specify)	0.00

Information regarding Lay-off by Factories

	Issues	Frequency with %
Advance notice provided by factory before laying off workers	No advance notice	198 (32.67%)
	1 month	271 (44.72%)
	2 months	99 (16.34%)
	3 months	38 (6.27%)
Before laying off workers immediately, months of salary the factory provide as compensation	No salary	273 (45.05%)
	1 month of salary	254 (41.91%)
	2 months of salary	52 (8.58%)
	3 months of salary	27 (4.46%)
	Others (Please Specify)	0

6. Workers' Perception on Human Rights Practices in RMG Enterprises

6.4 Discrete Choice Experiment (DCE) on workers

- In order to fulfil the goal of human and labour rights, it is important to know about the preference of workers
 - Because **without knowing the preference of workers, a paternalistic policy implementation** may only hurt workers
- Having a job that has **childcare increases utility**
 - In case of **verbal harassment**, it is clear that workers dislike verbal harassment, and it **decreases their utility**
 - Both **female and male workers** have significant relation with **childcare facilities and wage rate** as it increases their utility, whereas no medical facility and verbal harassment decline their productivity and utility
 - For married workers**, there are significant differences in having childcare, no digital payment, and wage as all of these issues increase their utility if any of the indicators
 - The study examines those **workers who have children**; their utility is significantly dependent on the childcare facility, free lunch, verbal harassment, and wage
 - All workers with a **given education level** have a significantly positive relationship with their utility and childcare facility, whereas verbal harassment declines their utility.

Results of Discrete Choice Experiment (DCE) on All Workers

Alternative Specific Constant	-0.091** (0.037)
Have childcare centre	0.512***(0.048)
No medical facility	-0.126 (0.082)
Free lunch or snack	0.098 (0.072)
Have verbal harassment	-0.306***(0.068)
No digital payment	0.200***(0.066)
Wage	0.0002***(0.00001)
Observations	7,272

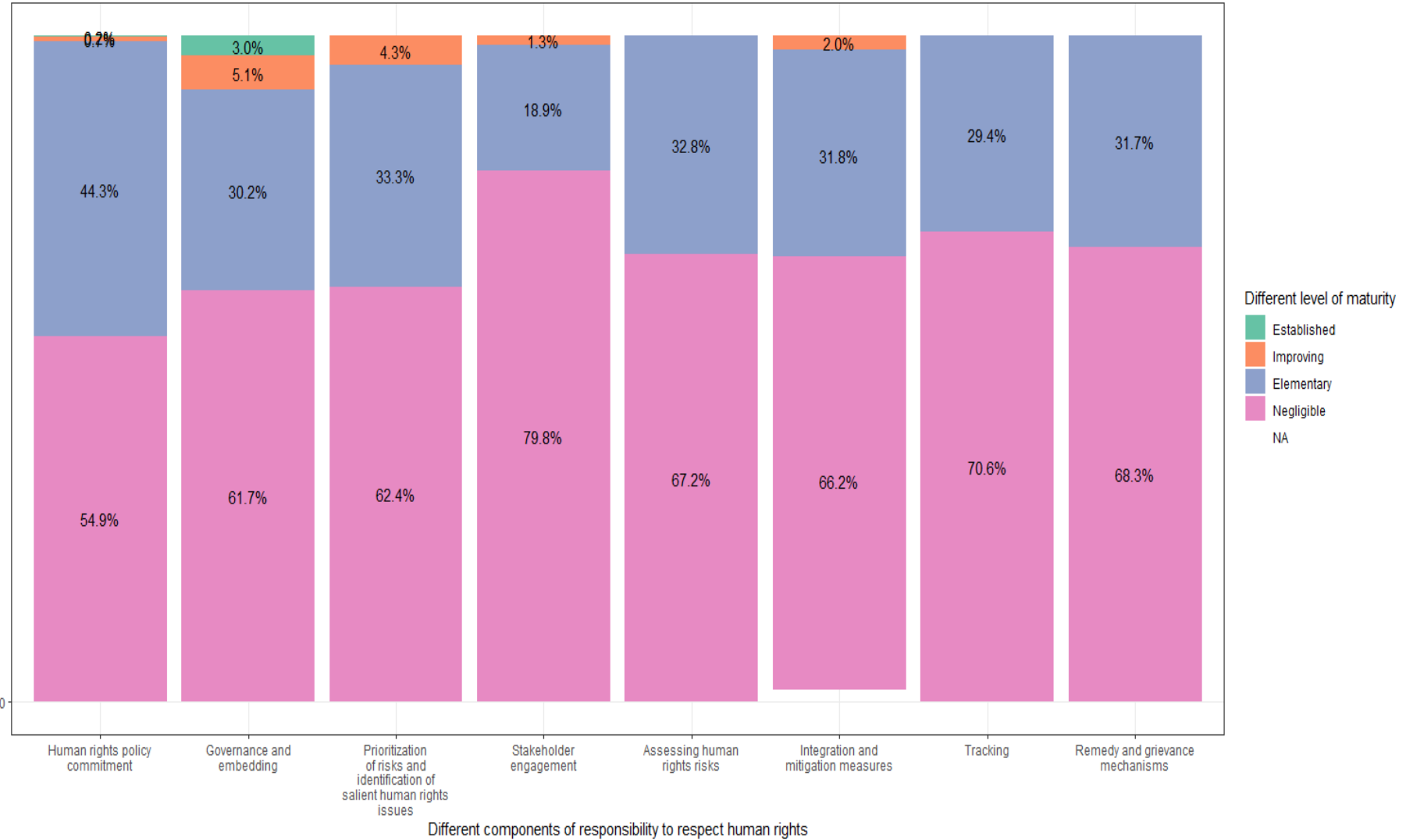
7. Level of Progress of Practicing UNGPs in the RMG Sector

7. Level of Progress of Practicing UNGPs in the RMG Sector

- Bangladesh's overall progress in terms of UNGPs is still below the elementary level
 - Mainly at 'negligible' level
- Among the eight sub-indices, neither of them reached the matured state
 - Marginal progress is observed in case of 'governance and embedding' where about 3% of factories are found at the state of 'established' category
 - The level 'improvement' is observed at a modest level for a small share of factories
 - Governance and embedding (5% factories), prioritisation of risks and identification of human rights risks (4.7%), integration and mitigation measures (2%) and stakeholder engagement (1.3%)
- Large factories tend to perform better in human rights than medium-sized and medium-sized factories perform better than small ones
- Location is one of the important factors according to which the practice and standard of human rights vary
 - Factories from Dhaka and Gazipur district have better performance in most human rights aspects than factories from Chattogram and Narayanganj
- Enterprises under the membership of BGMEA are found in a better state than those under the membership of BKMEA

7. Level of Progress of Practicing UNGPs in the RMG Sector

Components of the responsibility to respect human rights According to Shifts Maturity Scale



8. Conclusion and Recommendation

8. Conclusion and Recommendation

8.1 RMG Sector is Way Behind in Institutionalising UNGPs

- The concept of UNGPs is not fully clear to the garment manufacturers, although they understand human and labour rights issues
 - Despite diverge levels of human and labour rights practices at the factory level, those marginally adhere to the UNGPs
 - Overall, the practice of UNGPs in the RMG sector is still at the early stage
- The **process of institutionalisation of UNGPs has yet to be started** in the RMG sector
 - **A binding treaty in case of enforcement of UNGPs** would facilitate the process
- The first step will be to **strengthen the UNGP reporting system of factories**
 - There may be some **workshops and training** that can be arranged for the management level staff of the factories on reporting UNGPs
- This workshop does not require a great deal of administrative work as factories already do that for their internal use or audit by government agencies and buyers
 - Factories will get a clear idea of what they need to do to get a higher maturity scale in their reporting, consequently the steps they need to take to improve human rights in their respective domain with a standard followed by the UN.
 - This will help factories to set goals and achieve those

8. Conclusion and Recommendation

8.2 Disparity in human and labour standards in terms of size, membership and location of factories is well-noticed

- The study revealed size-wise, membership-wise and spatial dimensions in the level of human and labour rights practices in the RMG sector
- In most instances, the large scale enterprises are ahead of practising better human and labour rights issues compared to those of medium and way above the small scale enterprises
 - This is perhaps related to **large-scale enterprises' better capacity** to invest on required infrastructure, logistics, and human resources to comply with the standards. Complying with national laws and rules and, more importantly, complying with brands/buyers code of conduct (CoC) are influencing factors in better adherence of the large scale enterprises
 - Medium and small scale enterprises are behind mainly because of **their lack of investment as well as lack of pressure** from their small scale buyers for maintaining compliance.
- BGMEA members, largely woven goods manufacturers, are ahead in practising human and labour standards in their factories compared to BKMEA member factories.

8. Conclusion and Recommendation

8.2 Disparity in human and labour standards in terms of size, membership and location of factories is well-noticed

- **Non-member factories are way behind** in practising human and labour rights issues.
- **Factories located in Dhaka and Gazipur districts/clusters** are found in a better state compared to that of Narayangonj and Chittagong districts/clusters.
- Majority of woven factories/BGMEA member factories are located in Dhaka and Gazipur and partly in Chittagong districts, while the majority of knit factories/BKMEA member factories are located in Narayangonj and partly in Chittagong.
- **Factories that are behind in compliance**, such as small scale, non-members and those located in Chittagong and Narayangonj, **need special attention**

8. Conclusion and Recommendation

8.3 Lack of corporatisation would be a bottleneck for the institutionalisation of UNGPs in RMG Factories

- Significant part of RMG enterprises is **family-based private limited companies**, a considerable share of these enterprises is sole-proprietorship based companies
- Moreover, these private enterprises are largely governed by a single person, and there is limited representation and voice of female workers in the decision-making process
 - An effective and **pro-worker state of management** is difficult to maintain under such a **'top-down' decision-making process** within the factories.
- The **interaction of management officials** and the interaction between management and board are relatively less in small scale RMG enterprises
- It is important to ensure **corporate practice in the garment factories** where factory management could exercise more authority in undertaking activities related to improving human and labour rights issues
- Management professionals in the garments sector need to be **more sound in academic qualifications and basic and specialised training** related to human and labour standards
 - The management needs to **hire staff with specific responsibilities** on industrial relations and human and labour related issues

8. Conclusion and Recommendation

8.4 Faulty ways of public disclosure weakening transparency in human and labour rights practices

- Public disclosure is faultily explained by factory management in terms of disclosing information only to factory workers, government officials and buyers' representatives who visit factories occasionally through posters inside the factory premises.
- Little effort is made to publicise this information through their websites; even those with the websites are not updated and information provided on the website is also inadequate.
- Factories should mandatorily have their websites with all necessary information on human and labour rights practised in the factories as part of their public disclosure.

8. Conclusion and Recommendation

8.5 Factory management are lack academic education and are not adequately trained to handle the human and labour rights issues

- **Academic qualifications of GM and human resource managers** and other positions of the factory often **do not comply with as per requirement** – as a large part of these officials have a specialised background in industrial management. Similar is the case of basic and specialised training for different specialised activities
- Although factory management, particularly GMs and Human Resource Managers/Officers, get trained on different human and labour rights issues both in-factory and outside, those are inadequate in terms of adherence with the UNGPs
- Even some of the key human and labour rights issues such as lay-offs/retrenchments, workers organisations/trade unions are not reflected in the list of training
- **An exclusive UNGP-oriented short-medium term training programme** needs to be designed. This will require **designing the curriculum**, taking into account the existing good practices in the RMG industry and good global experiences
 - **BGMEA and BKMEA could do the designing of the curriculum** with the technical support of the ILO and National Skill Development Authority
- These programmes could be offered by public and private academic/training institutes. **Minimum academic qualifications and professional training could be made mandatory** for different mid-and senior management positions in the RMG factories

8. Conclusion and Recommendation

8.6 Human and labour rights issues are either pressure-driven or hand-picked

- Although factories cover different human and labour rights issues in their public statement, the list does not necessarily include all.
 - The study found that **some of the issues get more priority** to the factories, such as child labour, living wage, workplace harassment, workplace safety, etc.
 - **Some issues get less priority**, such as layoff, retrenchment, and collective bargaining.
 - There are variations between factories in terms of priorities – small factories do not prioritise childcare and overtime benefit related issues.
- The **priorities are largely driven by the pressure** from the monitoring authority (DIFE, FSCD and other government offices) or the compliance requirement of brands/buyers.
 - Besides, **the priorities are influenced by financial implications of compliances** with different workers' rights, such as lay off/retrenchment and childcare benefits. **Collective bargaining is the lowest prioritised** area for factories.
 - Based on the areas of priority, **factories design their internal training** programme for management professionals and workers.

8. Conclusion and Recommendation

8.6 Human and labour rights issues are either pressure-driven or hand-picked

- It is important to ensure that all issues related to UNGPs are included in the public disclosures of the factories
 - In this case, DIFE should make it mandatory for RMG factories to include all UNGP related issues, and their regular inspection should monitor the progress of UNGPs at the factory level
- BGMEA and BKMEA should arrange in-house training and capacity building programmes for their member factories where management professionals and representatives of workers organisations such as WPCs/WWCs and safety committees could take part
- Factories could be encouraged to take certification of international standards and certification agencies on workers, workplace, pollution management, and environment-related issues
- Brands/buyers, as well as associations, could extend technical support for factories to comply with different international standards and certifications
- Non-member factories need to comply with UNGPs, and special initiatives should be undertaken through DIFE/DoL and Remediation Coordination Cell (RCC) and FSCD

8. Conclusion and Recommendation

8.7 Monitoring and Inspection made by the Public Authorities need to be transparent and effective

- Although different public authorities monitor and inspect factories on a regular basis, the types of complaints made by the workers on workplace safety, work-related harassments, dues monthly payments and dues related to layoffs and retrenchments indicate that workers' entitlements and rights are yet to be ensured through the monitoring process of public authorities
- It is noticed that small scale factories, non-member factories and factories located in Naraynganj are inspected less, and complaints are high there
- **Lack of magistracy authority** in the hand of the inspectors sometimes weaken their position in ensuring factory level compliances
 - Public monitoring and inspection authorities **need to provide magistracy authority** (even at a limited scale) to better monitor and better inspect the factories
- At the same time, all types of factory related inspection and monitoring information and data, including the official responsible for inspection, **need to be made public through respective organisations websites**

8. Conclusion and Recommendation

8.8 Factory level grievance system does not necessarily ensure workers' rights on justice

- Despite having the presence of a factory level grievance system, **workers are not regularly taking support of the system**
- The **formal complaints are relatively less** while informal complaints are rather high – this may be happened due to lack of interest in submitting complaints by writing due to **limited academic qualification**, or this may be due happened due to **lack of comfort of making complaints against staff** and colleagues who could create trouble
- The **grievance mechanism needs to make worker-friendly**, which will ensure workers' voice and ensure the factory's accountability

8. Conclusion and Recommendation

8.9 Practising human and labour rights appears to be rewarding in the long term but costly in the short term

- Majority of factory management claimed that practising human and labour rights issues would ensure a higher level of orders and sustained orders through better connectivity with the brands/retailers/buyers
- However, factories are mainly concerned about the immediate investment to be made for human resource development, creating logistic facilities and other institutional arrangements etc.
- Small scale factories are not fully ready to make these investments to improve the human and labour standards
- Brands and buyers would extend technical and financial support; similarly, international development banks could extend low-cost credit support for firms to invest in those issues

8. Conclusion and Recommendation

8.10 Firms have little interest in prioritising salient human rights issues and possible risks associated with for being non-compliance

- Firms across the board have priority areas dealing with workers, and those have been handled at generic standards
- There is **little interest in setting targets according to the priorities in terms of risks and vulnerabilities** and thereby designing the work plan
- There is **little evidence on short, medium, and long-term targeting** on improving human and labour standards in different categories of factories
- **Associations such as BGMEA and BKMEA and brands/buyers could encourage member factories to set short, medium and long-term targets in complying with human and labour standards.**

8. Conclusion and Recommendation

8.11 Management and workers' interactions in the factories are not outcome-oriented

- Despite regular interaction between factory management and factory workers through different committees (i.e. WPCs, WWCs, safety committees and anti-harassment committees), the **worker-related issues and concerns remain at a high level**, such as work-related harassment, payment related issues, maternity benefit related issues
- According to our KII, worker leaders emphasised using the mobile phone to reduce harassment than any other policy
- Even verbal harassment is on the decline too. A worker with a phone is not alone and voiceless anymore
- Policies should be formulated so that **it eradicates all the barrier for a worker to carry their phone with them**

8. Conclusion and Recommendation

8.11 Management and workers' interactions in the factories are not outcome-oriented

- The extreme cases observed during the pandemic when a large section of workers were laid-off or **retrenched without prior notice, payment and other financial dues**
 - Often the actions taken by the authority **are mere verbal warnings**
- Overall, **worker-related committees need to be made functional** and effective with a view to ensuring workers entitlements and rights in the workplace
- **Registration of trade unions should be encouraged** in the RMG sector, and the process of registration **process needs to be transparent and the accountability** of registering authority needs to be ensured

8. Conclusion and Recommendation

8.12 Workers are specific about their likings/disliking in the workplace

- Both male and female workers specifically **expressed their willingness** to work in a particular place, even in monetised form
- Under the existing facilities offered by factories, workers emphasize issues such as wages, verbal harassment, childcare facilities and digital payment facilities
- **Workers are ready to sacrifice some wages** (hypothetically) if the factories offer childcare facilities, timely wages, and no verbal abuse in the workplace. Interestingly, workers are not so much interested in taking their wages digitally
- There are **differences in the level of priorities** between male and female workers, married and unmarried workers and more educated and less-educated workers
- In other words, **factories could get the benefit of less expenditure if they could improve the human and labour rights** issues in the factories

8. Conclusion and Recommendation

8.13 Gender mainstreaming should be the top-most priority in improving human and labour rights issues in the RMG sector and thereby adhering with the UNGPs

- Given the overwhelming structure of labour composition in the garments sector, **human and labour rights issues in the garments sector** should be designed in such a way that **gender mainstreaming** is ensured
 - **Public disclosure of human rights should be customised** with a special focus on gender
- The institutional process to deal with these issues should give priority to gender issues. For example, **the officers to be in charge of the issues should** be preferred with a higher share of **female staff**
- The **in-house training curriculum should be designed** to highlight gender related issues
 - The **gender representation and gender voice in the factory board** need to be ensured with a view to improving the overall gender mainstreaming in the factory level activities

Thank you.