POWER OF THE VOICE
Perspectives from workers and buyers on social dialogue within the Bangladeshi garment sector.

Report #90
Swedwatch is an independent not-for-profit organisation that conducts in-depth research on the impacts of businesses on human rights and the environment. The aim of the organisation is to contribute towards reduced poverty and sustainable social and environmental development through research, encouraging best practice, knowledge-sharing and dialogue. Swedwatch has six member organisations: Afrikagrupperna, the Church of Sweden, Diakonia, Fair Action, Solidarity Sweden-Latin America and the Swedish Society for Nature Conservation.

Fair Action stands behind the report and has participated in developing its recommendations.
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Executive summary

Bangladesh is the second-largest garment and apparel exporting country in the world after China and exports primarily to Europe and the United States. Low production costs have attracted numerous multinational companies. However, the pressure of production costs has come with a high price, paid by millions of workers earning their living in the garment industry where low wages, extensive overtime and hazardous work environments are all common features. Moreover, the severely limited chances for Bangladeshi workers to negotiate their terms of employment have put Bangladesh on the top-ten list of the world’s worst countries to work in. Those who want to join or form unions risk repercussions from factory owners including harassment, abuse and even killings.

The poor labour standards in the garment sector came to the world’s attention when the Rana Plaza factory building collapsed in 2013, killing over 1,100 workers – most of them women – and injuring twice as many. In a response to the accident, suppliers, buyers, governments, unions and non-governmental organisations came together in different multi-stakeholder initiatives to improve the working conditions in the industry and to strengthen the dialogue between employers, workers and government representatives – the so-called social dialogue.

This paper aims to contribute to follow up on the status of these dialogue initiatives, five years on. It summarises 15 Swedish garment and textile companies’ approaches to, and experiences of, social dialogue in Bangladesh and provides a basis for discussion on the responsibilities of companies active in markets where the rights to freedom of association and to collective bargaining are systematically infringed upon. Apart from the survey, the paper’s findings build on interviews with union representatives and workers at Bangladeshi factories exporting to well-known western brands. Among the companies surveyed are Gina Tricot, Stadium and H&M – the sector’s largest buyer.

The findings show that despite efforts to strengthen social dialogue in Bangladesh, real effects for workers remain to be seen. Union representatives interviewed in this study state that the initiatives have failed to reach places and people who need them the most. Workers still lack negotiation power, few are unionised and collective bargaining agreements are close to non-existent. The low level of unionisation is causing poor organisational strength as well as poor finance among the trade unions.

In the absence of trade unions, a lot of buyers have relied on factory level worker participation committees, legally required by the Bangladeshi government, as a stepping-stone. However, as this study shows, these committees are often controlled by factory management and have not succeeded in delivering influence to workers. Furthermore, while companies in the study state that many suppliers today have increased knowledge on workers’ rights, they also acknowledge that there is broad scepticism among suppliers; few have independent trade unions or collective bargaining agreements in place.
The companies claim that they address the lack of freedom of association and collective bargaining through social auditing and engagement in capacity-building activities and that they aim for long-term relationships with their Bangladeshi suppliers, some through decreasing their number of suppliers. A few of the companies highlight their work for more sustainable purchasing practices in terms of fair price negotiations and more strategic planning.

As respect for freedom of association and collective bargaining as well as independent workers’ organisations are recognized as prerequisites for social dialogue, Swedwatch urges companies sourcing from Bangladesh to keep working against anti-union policies and practices and engage with trade unions on sectoral and global level. Trade unions should be engaged in trainings and their access to supplying factories should be followed up by buyers. It is also important for companies to assess and address impacts of their own purchasing practices on workers’ possibilities to join a trade union and bargain collectively.

**Recommendations**

To garment and textile companies sourcing from Bangladesh

- Assess and respond to potential impacts of own purchasing practices, on suppliers’ compliance with freedom of association and collective bargaining, in accordance with the OECD Due Diligence guidelines for Garment and Footwear Supply Chain.

- Identify and prevent anti-union policies and practices in supplier factories in accordance with the International Trade Union Confederation’s guidance on the UN Guiding Principles and Freedom of Association and OECD Due Diligence guidelines for Garment and Footwear Supply Chain.

- Use collective bargaining agreements as a basis for creating incentives for suppliers, for example by including a measurable CBA premium in unit prices. Continue sourcing from unionised facilities, and when expanding production, give preference to unionised locations.

- Promote social dialogue and collective bargaining at national level, including explicit support for enabling legal reforms that remove barriers for increased unionisation. In accordance with the OECD Due Diligence guidelines for Garment and Footwear Supply Chain, directly engage with union federations at sectoral and global level, for example through global framework agreements as well as collaborate with other buyers to increase leverage with suppliers.

- Publicly communicate the results of the due diligence processes related to the risks to freedom of association and collective bargaining, such as the share of workers covered by collective bargaining agreements.
• Join existing capacity-building initiatives on labour rights and social dialogue. Ensure that local trade unions, NGOs and workers are consulted in the design and delivery of the capacity-building initiatives and that they reach all workers at the supplying factories.

• Follow-up that trade unions have been granted access to suppliers’ factories, including for example opportunities to meet workers (or members) and disseminate information, and that workers are allowed to participate in union activities on- and off-site.

• Regularly publish a searchable list of all sites that manufacture the company’s products and audit results for each factory. The list should include the full names of all authorised production units and processing facilities, the site addresses, the parent company of the business at the site, type of products made and worker numbers at each site.

• Ensure that all workers eligible to run in elections for participation committees are able to do so without influence from suppliers’ management. Review content in participation committee meeting minutes and follow up on corrective actions.

Abbreviations

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<thead>
<tr>
<th>Abbreviation</th>
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<tr>
<td>The Accord</td>
<td>The Accord on Fire and Building Safety in Bangladesh</td>
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<td>Amfori BSCI</td>
<td>Amfori Business Social Compliance Initiative</td>
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<td>BILS</td>
<td>Bangladesh Institute of Labour Studies</td>
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<td>Collective Bargaining Agreement</td>
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<td>International Trade Union Confederation</td>
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<td>Non-Governmental Organisation</td>
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<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>PCs</td>
<td>Worker-Management Participation Committee</td>
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<td>RMG</td>
<td>Ready-Made Garments</td>
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<td>TCC</td>
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1. Introduction

Social dialogue entails dialogue, information sharing, negotiation and collective bargaining between corporations, workers and government representatives. It is considered essential in promoting better working and living conditions for workers, and is believed to increase productivity, advance social and industrial peace and stability, and to boost economic progress. Strengthening this type of enabling culture in global labour markets is one of the International Labour Organization’s (ILO) core focuses and an important means of fulfilling Sustainable Development Goal 8 on decent work, productive employment and inclusive economic growth.

In the Bangladeshi garment industry, labour unrest is a reoccurring issue. Garment workers suffer from harsh living and working conditions, and both unpaid work and low wages are common reasons for conflict between workers and employers. The low wages also prevent workers from accessing adequate housing, healthcare and nutritional food, resulting in malnutrition among workers in this sector and their children. Bangladeshi garment factory owners, however, complain of financial constraints due to buyers pushing prices and increased costs due to higher minimum wages and compliance demands. The low production costs and trade agreements have attracted foreign buyers to the Bangladeshi textile market. Today, Bangladesh is the second-largest garment and apparel exporting country in the world after China, and primarily supplies the European and American markets. Many Swedish brands conduct business in the market, and H&M is the sector’s largest buyer.

Since the 1990s, conflicts and accidents in the sector have led to a focus on the need for increased social dialogue. Still, the situation for workers and union leaders remains dismal. Bangladesh is ranked among the ten worst countries in the world for workers’ rights, according to the International Trade Union Confederation (ITUC) and there are continuous reports of harassment of trade union leaders, including physical abuse, abduction and murder. Only 6.5 percent of the workers are currently organised and collective bargaining agreements are almost non-existent.

Social dialogue is a tool that provides opportunity to exercise the right to form or join trade unions as well as to bargain collectively. The right to form or join trade unions is included in several human rights treaties, such as the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Right and the International Covenant on Economic, Social and Cultural Rights. The effective recognition of collective bargaining can be found for example in the ILO Declaration on Fundamental Principles and Rights at Work, which all member states of the ILO must respect even if they have not ratified the relevant conventions.

This study includes the results of a survey of 15 Swedish garment companies’ approaches to, and experiences of, social dialogue in Bangladesh. It aims to provide a basis for discussion on what can be expected from companies active in markets where freedom of association and the right to collective bargaining are systematically infringed upon.
What is social dialogue?

According to the ILO, the term ‘social dialogue’ refers to all types of negotiations, consultations and information sharing between, or among, representatives of governments, employers and workers on issues of common interest related to economic and social policy. Social dialogue can be a bipartite process between labour and management (or trade unions and employers’ organisations) or a tripartite process that either officially or indirectly involves government participation. It can be informal or institutionalised, inter-professional, sectorial or a combination of these, and take place at the national, regional or enterprise level.

The ILO identifies the following prerequisites for enabling social dialogue:

1. Strong, independent workers’ and employers’ organisations with the technical capacity and the access to relevant information to participate in social dialogue;
2. The representatives of the social partners should be recognised as equal partners by each other;
3. Respect for the fundamental rights of freedom of association and collective bargaining;
4. Political will and commitment to engage in social dialogue on the part of all the parties;
5. Appropriate institutional support.

Source: International Labour Organization’s official websites on social dialogue.
2. Methodology

During 2017-2018, Swedwatch conducted a survey to 15 Swedish clothing companies. The survey focused on risk management concerning the freedom of association and collective bargaining at their Bangladeshi suppliers, as well as the companies’ experiences of initiatives to strengthen social dialogue in the country. The companies approached for the survey were Fristads Kansas Group, Gekås Ullared, Gina Tricot, H & M Hennes & Mauritz AB (H&M), ICA Gruppen AB (ICA Sweden & Hemtex), Intersport AB, Kappahl Sverige AB, AB Lindex, New Wave Group AB, RNB Retail and Brands, Sandryds AB, Stadium Sverige AB, Ted Bernhardtz AB, Unibrands AB and Åhléns. The companies included in the study are all signatories of The Accord on Fire and Building Safety in Bangladesh (the Accord) launched in 2013. Unibrands replied that the company was unable to provide Swedwatch with elaborated answers, but that the company is a member of Amfori BSCI and the Accord and is following Amfori BSCI’s and the Accord’s way of monitoring the factories the company is using for its production.

In November 2017, Swedwatch visited Bangladesh to interview workers and managers at factories exporting to the European market. Interviews focused on the progress of social dialogue. In the garment district of Hemayatpur, on the outskirts of Dhaka, Swedwatch held an off-site focus group discussion with eight workers, five of whom were women, from four different exporting factories. All factories supply or sub-supply well-known global brands, including some of the Swedish companies participating in this study. Swedwatch, however, did not seek to establish direct business links to Swedish companies. The interviews are aimed to illustrate the current working situation in the Bangladesh exporting garment industry and the status of social dialogue from the perspectives of different stakeholders. While the sample is relatively small, the aim is to provide insight and exemplify key challenges and opportunities relating to social dialogue. The workers interviewed were neither workers’ representatives in participation committees (PCs) nor members of any trade union.

A second focus group discussion was held at a factory in Ashulia which included participants from the factory’s PC, representing both workers and management, as well as local trade union leaders. Swedwatch also visited ten other exporting factories and one buying agent in the garment districts in Dhaka and Narayanganj.

During the field visit, Swedwatch also conducted expert interviews with Awaj Foundation, a local NGO working with union rights. Additionally, two Bangladeshi union federation leaders and executive-level representatives from two major Bangladeshi garment suppliers provided written input.

To protect the anonymity of interviewed workers and management representatives, Swedwatch uses pseudonyms and does not refer to respondents’ names, communicate where they work or live, or give any other easily recognisable characteristics.
3. Social dialogue in the Bangladeshi Garment Industry

The Bangladeshi garment industry has grown rapidly in recent decades and is one of the main contributors to the country’s economic growth. It currently employs more than 3 million people, most of them women. The Bangladeshi government has taken steps to improve the country’s labour legislation. Numerous tripartite bodies have emerged, and a legal requirement on mandatory employer–worker dialogue committees has been adopted. But Bangladeshi labour law is still not in line with international conventions, and the rule of law is weak.

3.1 Actors, forums and legislation

Social dialogue is not a new concept in Bangladesh. Several employers’ organisations and trade unions are active in its Ready-Made Garment (RMG) sector at both the factory and federation levels. The country’s first tripartite institution, named the National Labour Advisory Board, was formed in 1971. In 1980 it was transformed into the Tripartite Consultative Council (TCC) after Bangladesh ratified the ILO Convention on Tripartite Consultations to promote the implementation of International Labour Standards. The TCC has members from government, workers and employers’ organisations and discusses labour policy, ratification of ILO conventions, amendments of labour laws and how to improve industrial relations. Moreover, the Government of Bangladesh announced the establishment of a 20-member Tripartite Consultative Council for the RMG Sector (RMG TCC) in March 2017 to monitor labour rights, safety and other relevant issues specifically linked to country’s RMG sector. In addition to the RMG TCC, there are two tripartite institutions at the national level that are relevant to the RMG sector – the Minimum Wage Board and the National Industrial Safety Health Council. The sector also has six other committees focusing on social compliance, safety and labour welfare.

Since 2006, it is legally mandatory for factories that employ more than 50 workers to establish internal working committees, known as Participation Committees (PCs), to address potential disputes at the factory level. PCs should consist of an equal number of workers and management representatives, aimed at improving bipartite dialogue in the workplace.

Bangladesh has signed the ILO’s fundamental conventions on the freedom of association and collective bargaining, and the Bangladeshi Labour Law allows workers to form unions. Since 2013, after the amendment of the Labour Law, workers have been able to form unions without informing their employers, and the requirement that the government shares lists of union members with employers has been abolished. Furthermore, the required number of votes for a strike has been lowered, and workers can use external help when signing collective bargaining agreements. In May 2017, the Ministry of Labour and Employment adopted standard routines for registering trade unions, which should, in theory, make the process easier.
However, freedom of association is still limited, and is not in line with international labour standards. The current legislation requires that 30 percent of the workers at a factory plant need to agree to form a union for it to be eligible for registration. This high percentage, along with obstacles for workers to register unions, has made it more difficult for workers to unionise. A 2016 report from Bangladesh Institute of Labour Studies (BILS) furthermore described most of the tripartite forums as “almost non-functional”. The report highlighted that the bodies do not convene on a regular basis, or as often as they were originally intended to. The report also described employer representatives’ unwillingness to participate in meetings, as well as a lack of coordination between the different bodies. In addition, the BILS report states that the predominant role of the government in the committees distorts the equality of negotiation power among the labour market parties.

In January 2018, the Government of Bangladesh formed a new wage board. Labour leaders claim that the government has violated labour rules by ignoring representation of the RMG workers in appointing workers’ representative to the board.

### Overview of the RMG sector in Bangladesh

- **Number of exporting RMG factories**: over 3,500
- **Factory-level trade unions**: 602 (as of October 2017)
- **Number of workers**: 3.5 million
- **Collective Bargaining Agreements signed**: 41 (between 2013 and 2017)
- **Trade Union Federations (for RMG sector)**: 27 national and 21 divisional

*Information compiled from ILO, BILS and the Centre for Policy Dialogue.*

### 3.2 Barriers to freedom of association and collective bargaining

Transparency International ranks Bangladesh as one of the most corrupt countries in the world. According to the ILO, there remains a widespread distrust between employers and trade unions. Due to continuous reports of trade union leaders being harassed and persistent conflicts between management and workers, in 2017 the ITUC Index ranked Bangladesh as one of the “worst countries in the world to work in”. Human Rights Watch (HRW) and the International Labor Rights Forum (ILRF) have shared reports on government interference with the trade unions as well as factory owners threatening and abusing workers who have tried to form associations. Similarly, workers who join trade unions are often bullied by supervisors and middle managers and burdened with extra work. According to both HRW and ILRF, some factory owners have used their political, financial, and social networks to intimidate workers and union leaders.
On the 1st of May 2018 – labour day – SGSF president Nazma Akter together with thousands of garment workers came out on the streets of Dhaka. They demanded freedom of association and collective bargaining, a safe workplace, maternity benefits, a stop to cheap labour and higher minimum wage.

PHOTO: AWAI FOUNDATION
Statistics from BILS suggest that there are around 175 cases of collective disputes (involving groups of workers – normally represented by a trade union) yearly, due to violations of labour standards in the RMG sector. According to BILS, conflicts arise in the RMG sector because of the “systemic exploitation of the workers, long and stressful working hours, casual employment relationships and exclusion from rights and benefits”. A total of 594 incidents of unrest were reported between 2013 and 2016 by the national print media, 80 percent of which were not addressed through dialogue. The major causes of the conflicts were unpaid wages, allowances and bonuses; worker mistreatment; low wages and excessive overtime.

In Swedwatch’s interviews with employees at factories on the outskirts of Dhaka, exporting to well-known European brands, workers highlighted several labour rights issues. Workers claimed to witness physical abuse at the factories several times a week, and verbal abuse almost constantly. According to them, unskilled workers are most exposed. Furthermore, with increased rents and living costs, workers said that the wages never were enough to provide a decent living for them and their families. The workers interviewed said they did not dare to speak up about the problems, talk about union rights or try to form a union due to fears of losing their jobs. They reported that managers often force workers to sign a letter of resignation even if they are fired, to avoid paying salaries during the notice period, which is required by law when an employee is fired.

“If management knows that we are meeting with a union federation to discuss our working conditions or taking part in training sessions, the management will fire us within a month. Within this time, they will give us impossible targets and abuse us both physically and verbally in case we do not reach our targets and by that legalise the termination.”

/Farida, Helper to Sewing Operator

The lack of protection of the right to organise and retaliations by factory owners impact the level of unionisation in the country. A total of 15 percent of the estimated 4,000 RMG-exporting factories in Bangladesh were reported to have registered trade unions, and 48 trade union federations are currently active. The Clean Clothes Campaign reports that many applications for union registration have been rejected on arbitrary grounds. Moreover, 65 unions have become inactive due to terminations of union leaders and factory closures.

The low level of membership, especially female membership, has several negative effects on unions, according to BILS. It is causing poor organisational strength as well as poor finance: trade unions have insufficient income to carry out advocacy work. According to a 2012 study, trade unions are highly politicised and many industry-wide federations are the result of “political outsiders” wanting to increase their political influence.

Collective bargaining agreements (CBAs) are notably absent from the sector. In 2017, only 1 percent of the RMG factories in Bangladesh were covered by CBAs, which suggests that trade unions lack real negotiation power.
dent Nazma Akter of Sommilito Garment Sramik Federation (SGSF) opined that the main obstacle to collective bargaining is that factory owners and management are not giving trade unions access to the factories.

“During 2017, 10 factories have signed collective bargaining agreements but still the major challenge is the unwillingness of the factory owners/management to accept or give access to any trade unions to the factories. A positive change in the mindset of the management towards the unions will definitely drive more and more collective bargaining agreements.”

/Nazma Akter, President, Sommilito Garment Sramik Federation

3.3 The shortcomings of participation committees

According to the Bangladeshi Labour Act, PCs aim to develop “a sense of belonging and workers commitment”. Mutual trust, understanding and co-operation are underlined in the Act. The PC should meet at least once every two months to “discuss and exchange views and recommend measures for performance”. The National Labour Act does not state that workers’ representatives in the PCs can negotiate and conclude collective bargaining agreements. In an establishment where there is no trade union, the workers’ representatives in the PC shall however run activities related to workers’ interests in the establishment concerned, until a trade union is formed.

According to the Labour Act, trade unions are responsible for nominating workers’ representatives. This per se suggests that participation committees are not supposed to substitute trade unions. Where there is no trade union, Bangladeshi labour law stipulates that the workers themselves should elect their representatives, through secret ballot.61 However, participation committees have been found to be ineffective for several reasons. Studies published by the BILS and the Warwick Business School show concern on the democratic election process and the functionality of the PCs.62

In Swedwatch’s interviews, workers expressed a similar concern regarding the inadequate election processes for PCs, for example management choosing who can participate in the elections. According to the Bangladesh Labour Rules 2015, any adult workers working for more than six months in the same factory can be a candidate.63 One interviewee stated that management did not allow him to participate in the elections even though he met the necessary criteria.

/I have been working at the factory for two years and am eligible to run for the PC. The management rejected my candidate request and only allowed workers who they wanted in the committee. It does not matter who we choose to be our representative. Afterwards, the election is held properly, on paper. We take part in the election process as there is external monitoring and the management wants to show that the election process is held very democratically.

/Kamruzzaman, Garments Quality Inspector
In Swedwatch’s focus group discussion in Hemayatpur, the workers stated that they did feel comfortable raising concerns about working conditions with the workers’ representatives. However, these issues were rarely addressed in the PC. Instead, the workers said that management mainly focused on easily solved issues related to factory maintenance in the PC meetings.

“We can directly report to our supervisors or managers about factory-related issues – for example, if there is a problem with the electricity. But we cannot report if we are facing any verbal abuse or have too big workload. We can bring this up to the workers’ representatives, but they do not have the authority to address those types of problems during the PC meetings.”
/Bilkis, Helper to a Sewing Operator

“The PC is not benefitting us. If the workers’ representatives cannot raise the important questions concerning working conditions and lack negotiation power, there is no value for a PC committee.”
/Ashraf, Finisher at the Quality Section

Nahida Anjum Kona, a legal advisor and trainer at Awaj Foundation, who regularly meets with employees at RMG factories, confirmed the workers’ views:

After the establishment of the worker–manager participatory committee, the workers’ representatives, in most cases, are manipulated by the management and unable to influence any decisions. If the workers’ representatives raise ten problems during PC meetings, the management cherry picks the ones which are easy to solve.
/Nahida Anjum Kona, legal advisor and trainer at Awaj Foundation

Furthermore, workers interviewed stated that factory management generally dominate the PC meetings and write meeting minutes, which are then presented to foreign buyers.

The day when the buyers came to our factory, the management posted the PC meeting minutes on the notice boards first thing in the morning. But most of the time, we do not know what has been written in those minutes.
/Sathi, Sewing Operator

In interviews with workers, labour experts and union representatives, there was a clear worry that the focus on PCs would hamper unionisation and “real” collective bargaining, and that buyers would view PCs as a sufficient substitute to trade unions – even though worker representatives in the PCs in reality normally lack negotiation power. The fact that a PC is a factory level institution further decreases its negotiation power, since it is not supposed to join forces with other factories’ PCs.
3.4 Equal partnership through capacity-building

Following the collapse of the Rana Plaza factory in 2013, as well as the fire in the Tazreen factory in 2012, several multi-stakeholder initiatives emerged in an attempt to strengthen social dialogue in the country. Many multi-stakeholder initiatives report progress on increased safety in the RMG sector as well as improved preconditions for a functioning social dialogue. A range of initiatives, launched by the ILO and other actors, have focused on social dialogue for management and workers.

Interviewed trade union federation presidents Babul Akter of the Bangladesh Garment and Industrial Workers Federation (BGIWF) and Nazma Akter of the SGSF-questioned the efficiency of ongoing awareness and capacity-building programmes. They stated that the programmes have not achieved what they were supposed to have done by now. Since management often choose which workers can participate in trainings and due to training modules being non-substantial, Nazma Akter concluded that the programs have failed to have a positive impact where it is needed the most. They furthermore replied that buyers focus too much on PCs, which lack the capacity to safeguard workers’ rights.

*We, at the workers’ level, are not realising as much benefit compared to the amount of money which is being spent at the higher level for the ongoing expensive workshops, seminars, conferences addressing the benefit of social dialogue in protecting workers’ rights.*

/Babul Akter, president, BGIWF

Almost all stakeholders interviewed by Swedwatch identified mistrust and power imbalances between employers, workers and the government as important factors that hinder a functioning social dialogue. The trade union federation president Babul Akter of BGIWF pointed out that all participating parties must have a similar capacity to negotiate in order for social dialogue to be efficient. However, workers, union leaders and factory owners all say that the workers lack the resources to match the employers’. They all agreed that inclusive training and awareness raising are needed. Since factory managers rarely accept local unions as equal partners, interviewed workers suggested that buyers should work with union federations to strengthen the capacity of workers and local unions.

*There should be a system outside the factory where we can choose our own representatives. If the union is formed with the influence of the management due to the buyers’ pressure, that would not help us, since the union would be management and not worker driven. The union federation can play a stronger role and help us in this with education and training on how to negotiate, how to talk to the management at the discussion table and teach us the responsibilities of union leaders.*

/Workers’ focus group discussion in Hemayatpur

The potential success of trainings was illustrated by a focus group discussion with management, union leaders and participation committee representatives at a RMG factory in Ashulia. Initially, factory management opposed the formation of a trade
union, but after both management and union representatives were trained in union rights by a trade union federation, the attitude changed. The vice president of the trade union at the factory described the transformation:

*Our management was at first very reluctant to accept any union at the factory. We faced threats, harassment and physical abuse. But now the management can see that the union leaders and workers’ representatives are taking initiatives and solving problems on the factory floor without escalating the issues. The management can discuss their challenges, lead times, pricing with us. Now, the management is very happy, and we have not had any major conflict since we were elected.*

/Razzak, Sewing Operator, Vice President of the trade union, Ashulia

In line with the workers in Hemayatpur, the management at the factory in Ashulia highlighted the role of the trade federation in educating both workers and management.

*All factories should have functional trade unions. That is how we can reduce conflict and increase growth. The federation has made us aware of the importance of unions. They have trained the workers’ representatives on how to represent workers and negotiate constructively. Now, we can communicate rather than distrusting each other. The role of the trade federation is significantly strong in making this happen at our factory.*

/Atiur, Factory manager, Ashulia

Managers and employees said that the increased trust between management, unions and workers’ representatives had made the PC almost unnecessary, since issues were addressed on an ongoing basis.

*We do not have to go to the managers every time there is a problem between a worker and a line supervisor on the floor. As a union leader, as a workers’ representative, I can talk to them and solve the problem. When there is any frustration among the workers with overtime or leave issues, I can directly communicate those with the management before it takes the form of a protest from the worker’s end.*

/Monika, Sewing Operator, President of the trade union, Ashulia

### 3.5 Power imbalance between buyers and suppliers

Several studies have identified the power imbalance between buyers and suppliers. While buyers have far more money and power, the responsibility for compliance lies with the suppliers. In a study by Garment Supply Chain Governance Project from 2017, which interviewed 50 Bangladeshi companies supplying the European market (including Sweden), nearly two-thirds of the managers agreed with the statement “as a supplier I have very little influence”, and 23 percent with “I must do what foreign buyers want if I am to succeed in business”. Only twelve per cent claimed that “I have some influence as I am able to choose which buyers to do business with”. In the same study, the suppliers reported thin profit margins. For 2016, 31 percent
of managers claimed their profit rate had been 0–2 percent, 47 percent said it was 2–5 percent, and the remaining 22 percent reported that it was 5–7 percent. In comparison, a 2018 study on the progress since Rana Plaza by NYU/Stern Centre for Business and Human Rights, found that only an “elite segment” of suppliers can afford to make improvements demanded by global buyers. In Swedwatch’s interviews with management representatives at supplying companies, many highlighted that prices have been pushed down at the same time as compliance requirements have gone up – putting them in a financially stressed position. They also expressed fear that unionisation would increase costs for the business.

4. What can be expected by companies active in the Bangladeshi garment industry?

The UN Guiding Principles on Business and Human Rights (UNGPs) is a global standard for preventing and addressing the risk of adverse impacts on human rights linked to business activity. A key component of the UNGPs is having companies conduct continuous human rights due diligence in order to analyse, mitigate, follow up on and remediate potential and actual impacts. While it is important to put demands on suppliers, guidance on how this due diligence should be operationalised underline the importance of evaluating the company’s own actions and their impact on suppliers and workers’ rights, such as how the companies’ purchasing practice impact the suppliers chances of improvement.

The Organisation for Economic Co-operation and Development (OECD) has developed specific due diligence guidelines for the RMG sector, The OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector. This guidance states that enterprises should use their leverage with a supplier to prevent anti-union practices in its supply chain. If the supplier does not show measurable improvement after a reasonable amount of time (e.g., 6–9 months), enterprises are encouraged to suspend all orders until the supplier has demonstrated improvement. It furthermore states that enterprises should address any of their
Sewing area at a Bangladeshi factory producing garments for the global market.
own activities that may contribute to or increase the risk of anti-union activities, such as their purchasing practices. According to the guide, price negotiations may contribute to cost-cutting and therefore labour, human rights or environmental impacts. Furthermore, it states that changed, cancelled or late orders, short lead times, and late or delayed payments have been demonstrated to contribute to harmful impacts such as excessive and forced overtime and low wages. Enterprises should therefore strengthen their management systems to avoid negative impact in this regard. The guidance recommends that collaboration at the sector level to increase leverage with suppliers. It also recommends direct agreements with trade unions, such as through global framework agreements. Where severe human rights impacts have been identified, such as violence against trade unionists, the enterprise should disengage responsibly, i.e. specifically comply with legislation and the terms of collective bargaining agreements; provide detailed information supporting the business decision to management and to the union where one exists; and give the supplier sufficient notice of the ending of the business relationship.

The global union federations of ITUC, IndustriAll and UNI Global Union together with the Clean Clothes Campaign have developed guidance on the UN Guiding Principles and workers’ rights to form or join trade unions and to bargain collectively, The UN Guiding Principles on Business and Human Rights and the Human Rights of Workers to Form or Join Trade Unions and to Bargain Collectively. The guidance states that these rights cannot be realised unless trade unions are permitted to exist and conduct their activities. It is furthermore stated that the recognition of freedom of association cannot be audited: “For example, even when workers are consulted during an auditing process, it is meaningless to ask whether they believe that they have the freedom to associate when there is no practical means for them to do so. This practice has had the effect of redefining the human right for the purpose of showing to the public that there are no violations of human rights.” The guidelines highlight that the absence of a trade union at a factory does not indicate that workers do not want to join one or to bargain collectively.71

5. Swedish companies in Bangladesh’s garment industry - approaches and experiences

Swedish imports from Bangladesh are steadily increasing.72 At present, there are at least 50 Swedish companies represented in Bangladesh.73 The country is Sweden’s third-largest supplier of apparel and clothing accessories: Swedish imports from Bangladesh reached 3.8 billion SEK in 2017 (0,36 billion EURO).74 During 2016–18, Swedwatch asked 15 Swedish companies about their efforts on, and experiences of, social dialogue in Bangladesh. The following section is based on the companies’ responses to Swedwatch’s survey.

The companies included in this study vary in size. For example, in 2017, H&M had a turnover of 223 billion SEK, ICA Gruppen 76,4 billion SEK and New Wave Group six billion SEK. Moreover, Ted Bernhardtz reported to have four first tier suppliers while H&M currently has 271. Gekås Ullared reported that it has no direct contact with their suppliers, since they are buying garments from traders, i.e. buying agents.
## Companies included in Swedwatch’s survey on social dialogue

<table>
<thead>
<tr>
<th>Company</th>
<th>Turnover (billion SEK)</th>
<th>Purchasing volume from Bangladesh (amount in SEK or share of total purchases)</th>
<th>No. of suppliers in Bangladesh (1st tier)</th>
<th>Public list of Bangladeshi suppliers</th>
<th>No. of suppliers with factory level unions</th>
<th>No. of Bangladeshi suppliers with signed collective bargaining agreements</th>
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<tbody>
<tr>
<td>Fristads Kansas</td>
<td>0.8*</td>
<td>26 MSEK*</td>
<td>17</td>
<td>No</td>
<td>0</td>
<td>0</td>
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<td>Gekås Ullared</td>
<td>4.1</td>
<td>154 MSEK</td>
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<td>Not known to company</td>
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<tr>
<td>Gina Tricot</td>
<td>2</td>
<td>12-14%</td>
<td>10</td>
<td>Yes</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>H&amp;M</td>
<td>223</td>
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<td>271</td>
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<td>Not provided</td>
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<tr>
<td>ICA Gruppen (ICA &amp; Hemtex)</td>
<td>76.4</td>
<td>64 MSEK</td>
<td>13</td>
<td>No</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Intersport</td>
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<td>Not provided</td>
<td>Not provided</td>
<td>Not provided</td>
<td>Not provided</td>
<td>Not provided</td>
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<tr>
<td>Kappahl</td>
<td>4.9</td>
<td>40%</td>
<td>29</td>
<td>Yes</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Lindex</td>
<td>6.4**</td>
<td>2.2 BSEK**</td>
<td>22</td>
<td>Yes</td>
<td>2</td>
<td>2</td>
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<tr>
<td>New Wave Group</td>
<td>5.6</td>
<td>20%</td>
<td>13</td>
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<td>1</td>
<td>0</td>
</tr>
<tr>
<td>RNB Retail and Brands</td>
<td>2.2***</td>
<td>11%</td>
<td>6</td>
<td>No</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Sandryds</td>
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<td>50 MSEK</td>
<td>11</td>
<td>No</td>
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<td>0</td>
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<tr>
<td>Stadium</td>
<td>5.4</td>
<td>109.5 MSEK</td>
<td>8</td>
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<td>Ted Bernhardtz</td>
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<td>85 MSEK</td>
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<td>0</td>
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<td>Not provided</td>
<td>Not provided</td>
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<tr>
<td>Åhléns</td>
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<td>60 MSEK</td>
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</tr>
</tbody>
</table>

* Converted from USD according to INFOREURO May 2018
** Converted from EURO according to INFOREURO May 2018
*** March 2017 - February 2018

All amounts are for 2017, if not stated otherwise. Due to information being business sensitive, some companies did not provide purchasing volume from Bangladesh in SEK (Swedish krona), but in percentage.
5.1 Risk and mitigation approaches

Risk awareness and monitoring

The respondent companies appear to be well aware of the human rights risks in Bangladesh’s RMG sector. Some risk areas identified by the companies are: inadequate wages to meet basic needs, gender inequality, discrimination (for example against workers’ representatives and trade unionists), excessive working hours, precarious employment, verbal and sexual abuse, and the workers’ fear of raising grievances due to possible reprisals. Regarding freedom of association, Gekås Ullared indicated the “unwillingness of the factory management to include the unions” as a risk, and H&M’s feedback targeted the lack of an effective communication platform between workers and management. Kappahl expressed concern about the persistent harassment and discrimination of the union leaders, citing the example of the Ashulia protest in December 2016. Ted Bernhardtz identified several risks regarding the freedom of association and collective bargaining practices at the factory level:

- Difficulties of registering a union;
- Prevention of worker participation in the activities of unions or other workers’ organizations at different levels;
- Discouragement or interference in the election process of workers’ representatives;
- Retaliation against workers who participate (actively or passively) in the workers’ representative elections;
- Discrimination against workers because of their trade union membership;
- Lack of knowledge on policies for collective bargaining;
- Denying workers’ representatives access to workers in the workplace;
- Organised union activities becoming unorganized and violent.

One of the Swedish companies interviewed, RNB, pointed out that while there is a high risk of violations of workers’ rights to freedom of association and collective bargaining in Bangladesh, they see very few or no violations in Amfori BSCI’s audit reports from the factories they source from (Amfori BSCI supplies its members with a common Code of Conduct and auditing scheme). The full reason for this is, however, unknown to the company.

Audits

All companies report that they gather information on freedom of association and CBAs through audits, most of which are conducted by third parties. Twelve companies highlighted their membership in Amfori BSCI, whose code of conduct and
audits cover freedom of association and collective bargaining. Amfori BSCI’s audit reports are not made public, but are shared with all linked participants. A majority of the companies replied that information on workers’ ability to form and join unions is gathered through direct interviews with workers. For example, H&M, RNB, Gekås Ullared and Kappahl mentioned interviewing management representatives as well as workers and workers’ representatives about the capacity of workers’ representatives, level of collective bargaining and freedom to form a union at the factory level. Fristads Kansas reported having a direct dialogue with the workers through its regional compliance manager to identify risks in practice.

"Upon each audit, third-party auditors engage in workers’ interviews on factory premises as well as perform additional interviews outside the factory premises to double check relevance of answers and detect any potential threat made to workers. Our Regional Compliance Manager also follows the same procedure."
/Fristads Kansas

“All our suppliers/factories have to answer through the company’s self-evaluation tool if they have a collective bargaining agreement, if they have any labour union represented at the workplace and, in that case, list the active unions. We also have added a new point in our inspection documents in order to be able to open up a social dialogue.”
/Stadium

According to Amfori BSCI, its audits are based on interviews with management and private interviews with workers, documentary reviews and onsite observations.

Purchasing practices

In order to further increase their leverage over (and collaboration with) their suppliers, most companies claimed that they have, or are aiming to establish, long-term business relationships with their Bangladeshi suppliers.

“Our purchasing model is based on long term relations, where we continuously assess and develop our business relationships.”
/H&M

All companies reply that they plan to continue sourcing from Bangladesh, and some of them have increased their purchasing volume from the country since 2013. At the same time, four companies – Intersport, Ted Bernhardtz, Stadium and Lindex – claim to have reduced the number of Bangladeshi suppliers that they source from in order to increase insight and cooperation. Kappahl also states that the company continuously works to consolidate its supply chain.
Living conditions for garment workers are still harsh. Photo from Mohakhali, Dhaka, an area where many garment workers live.
“We have reduced the number of suppliers that we use in Bangladesh to be able to increase influence and support the local factories on an even bigger scale. This enables Stadium to have a bigger impact on a number of areas such as work conditions, labour and gender inequality.”
/Stadium

“We have reduced our total number of suppliers, focused and increased our volume in Bangladesh and have a closer relationship with our present suppliers.”
/Ted Bernhardtz

When asked if the companies have changed their purchasing model since 2013, approximately half replied that they had done so. Five companies – H&M, Sandryds, Lindex, ICA Gruppen and Fristads Kansas – highlighted sustainable purchasing practices in terms of pricing, lead times or living wages. While H&M emphasised their living wages, Sandryds underlined the importance of strategic long-term planning and fair price negotiation for better pre-conditions for their suppliers.

“We are trying to work with a long-term plan to ensure that the time frame is kept. Most of our orders are repeat orders, so there are no last-minute changes, and the prices are negotiated in a fair sense.”
/Sandryds

“The company is continuously improving its purchasing model and has set up a process where direct negotiations about price and lead time are made locally by its production office who has a close and long term business relationship with the suppliers. Lindex have reduced its supply chain in order to increase transparency and enter into partnership with its suppliers to make social dialogue possible.”
/Lindex

Sandryds also pointed out that they have changed their internal due diligence prior to initiating work with a new factory. The companies that replied that they had not changed their purchasing model, claimed that that it was already well-functioning before 2013. However, none of the companies mentioned in the survey states whether they have incentives for, or if they actively choose, suppliers who have active independent unions or collective bargaining agreements in place.

Capacity-building activities and stakeholder engagement

Many of the companies claim that they have relatively little leverage, due to their comparatively small purchasing volumes. Therefore, they underline the necessity of cooperating and being part of larger initiatives. All company members of the Accord and Amfori BSCI are covered by the training modules provided by the initiatives. The training provided by the Accord is designed to ensure the establishment of democratically elected health and safety committees. Amfori BSCI has no special program focusing on social dialogue but addresses related issues in their guidelines.
and information for their member companies. According to the initiative, its system also looks at factors that contribute to a lack of freedom of association and collective bargaining, such as access to grievance mechanisms, workers’ involvement and protection, during audits and addresses these factors with capacity-building activities. Amfori BSCI has a “stakeholder engagement team” and arranges two multi-stakeholder roundtables per year in Bangladesh.\textsuperscript{77}

Three companies – Gina Tricot, Intersport and Kappahl – emphasised their implementation of e-learning modules on worker rights for managers and workers at their suppliers. Three other companies especially mentioned capacity building to empower women: Lindex and Ted Bernhardtz are, for example, taking part in Business for Social Responsibility HER projects\textsuperscript{78}, and Kappahl claimed to train 100 women on their rights each year. Furthermore, Fristads Kansas trains managers and workers with the help of Fair Wear Foundation, and ICA Gruppen has rolled out a “line managers train-the-trainers training”, including modules on conflict management, organised by Save the Children Sweden’s implementing partner in Asia.

“We hope the senior management, and/or the HR personnel of our Bangladesh factories, is equipped with the knowledge and knowhow to deliver the training to line managers in their factories. We believe the factory line management equipped with such skills will help to create a harmonious atmosphere and facilitate an effective social dialogue.”

\textit{/ICA Gruppen}

Being engaged with over 300 first and second tier suppliers in Bangladesh, H&M is implementing its own social dialogue project, which aims to establish democratically elected workplace committees and a well-functioning dialogue process between factory management and employees. The key focus areas of the project are to support the election and training of PCs, to follow up and support regular PC meetings, and to ensure PCs communicate with fellow workers to collect issues to discuss with management and outcomes to be shared back with colleagues. H&M’s goal is to cover all suppliers in Bangladesh by the end of 2018.\textsuperscript{79} In 2017, the workplace dialogue training covered 227 factories reaching 445,575 workers.\textsuperscript{80}

Moreover, H&M has signed a global framework agreement with the global union IndustriAll in which all parties agree to jointly promote the signing of collective agreements at the factory, company and industrial levels as well as to provide training for both management and union representatives on employers’ responsibilities, workers’ rights and obligations, industrial relations, CBAs and peaceful conflict resolution. Furthermore, H&M agrees to use all its leverage to ensure that its direct suppliers respect human and trade union rights in the workplace, and that workers’ representatives are not discriminated against and have access to carry out their representative functions in the workplace. A National Monitoring Committee (NMC) has been set up in Bangladesh to safeguard the implementation of the agreement from the factory floor upwards, and to facilitate a dialogue between the parties on the labour market. For example, the committee negotiated termination benefits for
986 of 1,074 workers at six H&M supplying factories who were fired after striking in 2017; suppliers’ cases against workers were withdrawn.81

H&M and ICA Gruppen are furthermore the only companies participating in the study that have signed The Global Deal, an initiative launched by the Government of Sweden, OECD and ILO aimed at improving social dialogue globally.82

5.2 The companies’ perception of change

Several of the companies replied that it will take time to see the effects of different social dialogue programmes initiated. ICA Gruppen, New Wave Group and Sandryds stated that even though they have seen positive trends, it is difficult to measure the effect of social dialogue programmes on their supplying factories.

“The social dialogue tends to have a positive influence on the factories. Since the programmes mainly concern the human factors (sense of belonging, trust, etc.), the effect/outcome (employee turnover rate, quality level), would be slow and obscure. It would take several years to see the effect in the quantitative indicators.”

/ICA Gruppen

The companies reported that they see an overall increased awareness of social dialogue among managers and workers as well as a positive change in management behaviour. This is claimed to have led to improved communication and cooperation between workers and management, which in turn has increased productivity.

“In general we see that Bangladeshi suppliers are becoming more aware of and understand that if they do not tackle the challenges addressed in the Bangladeshi garment sector, western buyers will not stay as their customers. Change of mindset is on its way and believe we are moving in the right direction. Social dialogue has brought positive changes so far… we have observed that workers are more mature for constructive dialogue and that management representatives are more open to listen to workers’ demands.”

/Åhléns

However, the companies have found that the maturity and attitudes of factory management vary greatly. According to Gekås Ullared, workers who choose not to speak out of fear of losing their jobs, remains one of the biggest challenges to establishing a functioning social dialogue. ICA Gruppen points out that only the small portion of factories see social dialogue as “a positive tool for better industrial relations”. In other factories, mistrust is still dominant and most respondents experience a negative attitude from local suppliers towards trade unions. This, they state, can be due to the local management’s lack of understanding of what role trade unions should play, as well as the poor functioning of the unions. Several respondents state that the trade unions are perceived by their suppliers as politically influenced and that they do not represent the best interests of workers. As a result, their efforts are deemed to benefit too few or only themselves. A majority of the companies’ suppliers are said to prefer PCs over trade unions.
“All of our producers acknowledge the importance of trade unions but also, they are aware of the political influence’s existence, so they prefer not to have trade unions involved.”

/Intersport

“Our suppliers prefer internal committees, because it is easier to influence such groups rather than the union.”

/Gekås Ullared

“From our experience, the factories prefer internal committees. One reason for this may be that they do not have sufficient training and understanding when it comes to trade unions.”

/RNB

In this culture, described by the buyers as permeated by mistrust and non-functioning representation, most responding companies believe that PCs are currently more effective than trade unions at safeguarding labour rights.

“From our suppliers’ feedback, trade unions are often too politicised and elitist and replaced by worker-elected committees, which are proven to achieve more in-depth changes related to workers’ needs, especially in more rural locations.”

/Fristads Kansas

Some of the companies also highlight shortcomings of PCs. In line with the experiences of workers interviewed by Swedwatch, H&M and ICA Gruppen have identified several challenges with the PCs.

“Among the risks identified in the Bangladeshi garment industry is the lack of an effective communication platform between workers and management; often worker PCs are not elected or not functioning; factory management often have a negative perception of unions; unions are often not present in factories and many are not functional.”

/H&M

“The hierarchical mentality of the Bangladesh culture hinders the implementation of the social dialogue inside the factories. The committee members might dare not to speak up and confront to the factory management during the discussion or negotiation.”

/ICA Gruppen

In its workplace dialogue program aimed at strengthening PCs, H&M has however identified progress. For example, workers are increasingly raising more core issues in the PCs, such as wages, bonuses, abuse, etc. and election processes have improved.
Focus group discussion in Ashulia with management and workers’ representatives.
The participating companies have differing perception of the mandates of PCs. While a few seem to believe that they can function as collective bargaining agents in the absence of trade unions, H&M highlights the PCs’ lack of mandate to do so.

While the responding companies underline the essential element of changing factory owners’ and managements’ attitude towards worker participation, almost half claim that workers’ lack of knowledge of their rights and responsibilities is one of the major obstacles to social dialogue.

“Workers’ lack of knowledge about their rights, that is the key issue. If the workers lack knowledge about their legal rights, then having an effective collective bargaining and ensuring freedom of association will be problematic.” /Gina Tricot

Therefore, the companies conclude that it is crucial to increase awareness of these issues among management as well as workers. While a small change in attitude is noticed by the companies, the lack of real change in terms of trade union representation and collective bargaining agreements is still evident.

6. Analysis and conclusions

Bangladesh struggles to fulfil the ILO’s preconditions for a functioning social dialogue. Workers face both legal and administrative challenges, as well as repercussions from their superiors, when trying to organise. Most factory owners and managers seemingly lack the will and commitment to engage in negotiation and information sharing. Respect for the freedom of association and collective bargaining is lacking, and the workers’ representatives are not yet accepted as equal negotiation partners.

There is a long road ahead to ensuring a functioning social dialogue in Bangladesh, in order to address the dismal conditions for the workers in the industry. According to the UN Guiding Principles on Business and Human Rights, companies are expected to respect human rights even when states fail to protect them. Furthermore, OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector urges companies to conduct due diligence – including identifying and preventing anti-union policies and practices, as well as assessing their own purchasing practices and their potential impact on workers’ rights within their global supply chain.

The Swedish companies included in Swedwatch’s study demonstrate an awareness of the human rights risks inherent in the Bangladeshi RMG sector and claim to take action in many respects. All companies reported that they gather information on freedom of association and collective bargaining through audits, primarily conducted by third parties.
Several studies have shown the inefficiency of auditing “process issues” like discrimination, freedom of association and right to collective bargaining, compared to quantifiable “outcome issues” such as minimum wages, working hours, health and safety and child labour. Verification of freedom of association rights is complex – there are countless ways for employers to prevent unionisation, such as harassment or pay increases to would-be union leaders. A study from Pennsylvania State University suggests that turning to freedom of association experts who employ more appropriate verification system can be a way to remedy the problem. On the other hand, a study published in the Journal of Cleaner Production in 2014, found support for that even rigorous multi-stakeholder factory audits are unable to identify process right violations. However, despite widespread criticism on corporate-led social auditing and its failure to address violations of freedom of association, global buyers have continued to use audits as their main tool to handle social and environmental risks at Bangladeshi suppliers.

As the effectiveness of audits in solving structural problems such as anti-union discrimination has been questioned, it is not surprising that companies might experience that violations of these rights are not found in audit reports. Due to this fact, it is encouraging that so many of the respondents in this study engage in capacity-building and multi-stakeholder initiatives. Indeed, all interviewed stakeholders in Swedwatch’s study identified education as the most important precursor of functional social dialogue in the sector. Where union representatives interviewed in this study state that social dialogue initiatives have failed to reach places and people who need them the most, the Swedish companies report increased awareness among their suppliers and workers.

The focus group discussion at the factory in Ashulia presented in this study is one example of the potential positive effect of trainings. The success factor in this specific case was the engagement of federations in educating both management and workers’ representatives. However, while education can enable workers to raise concerns and defend their rights, it is always the responsibility of the companies and the state to ensure workers’ rights are not infringed upon – regardless of the workers’ level of knowledge. Factory managers must understand the benefits of engaging in dialogue and negotiation, and most fundamentally, respect laws and regulations and refrain from anti-union practices.

The companies argue that change takes time, and measurable results have yet to be seen. Indeed, the low level of collective bargaining agreements in the sector, including among the Swedish companies’ suppliers, speaks for itself. The fact that the majority of the buyers and suppliers in this study identify PCs as more functional than trade unions, and describe trade unions as distrusted and dysfunctional, is also alarming – especially when experts, workers and companies in this study claim that PCs fail to fully empower workers. While the committees can potentially bring workers and management together to initiate dialogue and solve disputes at the factory level, workers’ representatives lack capacity to negotiate and sign CBAs. Therefore, workers’ representatives within PCs cannot replace trade unions. Furthermore, factory management are also said to control the committees’ election processes, their meetings and the meeting minutes presented to the auditors. These issues should be addressed in training programs, audits and dialogue. However,
while addressing this, it is important for the buyers not to lose focus on potential anti-union practices at their suppliers and the workers’ right to proper collective bargaining.

Buyers’ purchasing practices can contribute to the root causes of labour unrest such as excessive overtime and low wages, but they can also play an important role by encouraging positive behaviour, for example by creating incentives for suppliers where workers are covered by CBAs. The Swedish companies in Swedwatch’s survey underlined the importance of closer and more long-term relationships with their suppliers to increase collaboration and leverage on issues concerning working conditions. In order to do this, a third of them have decreased their number of Bangladeshi suppliers or are planning to do so. A few also highlighted the importance of sustainable purchasing practices in other regards, such as fair price negotiations and engaging in more strategic long-term planning to avoid last-minute changes. However, the brands do not appear to use their purchasing practices to incentivise unionisation and collective bargaining agreements. Indeed, it is crucial that buyers ensure that their pricing and business models do not increase the risk of anti-union practices, especially as suppliers fear income loss due to unionisation yet encourage workers’ engagement.

As the Swedish companies reviewed in this study have realised, collaboration is required. Workers, trade union representatives and suppliers call on buyers to engage at the federal level with trade unions and employers’ associations. The support from the Swedish government, the ILO and the EU, among others, to improve governance on labour issues and social dialogue in Bangladesh is positive. This work needs to continue and be operationalised in order to fully protect Bangladeshi garment workers’ rights. Buyers must also support suppliers and employers’ organisations in respecting these enabling rights, and push state actors to protect them. Only then can Sustainable Development Goal 8 on decent work, productive employment and inclusive economic growth be achieved.
Endnotes


2. Ibid.


The term – ‘garment’, ‘garment products’, ‘apparel’, ‘clothing’, ‘textile’ - is used interchangeably in this report to refer ready-made garment and home textile products produced in and exported from Bangladesh.


12 Hossain J. and Akter A. 2016.


The Accord is an independent, legally binding agreement between brands and trade unions designed to work towards a safe and healthy Bangladeshi Ready-Made Garment Industry. For more information, see http://bangladeshaccord.org/

Union leaders were from the Sommilito Garment Sramik Federation (SGSF) and The Bangladesh Garment and Industrial Workers’ Federation (BGIWF). Representatives from the garment product suppliers were from the DBL Group and the Mohammadi Group in Bangladesh.


Hossain J. and Akter A. 2016.

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See Bangladesh Labour Act 2006


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38 Hossain J and Akter A. 2016.
39 Ibid.
40 Ibid.


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46 IITUC, CSI, IGB. 2017.
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89. Carrying the costs. Human rights impacts in communities affected by platinum mining in South Africa, and the responsibilities of companies providing mining equipment.

88. Risks associated with the global trend of non-standard EMPloyment. A case study on India. (2017)

87. Turning the tide. The urgent need to shift capital flows to climate solutions: a case study of ten fund management companies (2017)

86. No business, no rights. Human rights impacts when land investments fail to include responsible exit strategies. The case of Addax Bioenergy in Sierra Leone (2017)


84. Silent approval. The role of banks linked to the crisis faced by Borneo’s indigenous peoples and their forests (2017)


82. Agents for change. How public procurers can influence labour conditions in global supply chains. Case studies from Brazil, Pakistan and Thailand (2016)

81. Smokescreens in the supply chain. The impacts of the tobacco industry on human rights and the environment in Bangladesh (2016)

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