

CASE STUDY: BANGLADESH RMG

PUBLIC-PRIVATE DIALOGUE INITIATIVES

BACKGROUND

RMG & Bangladesh Economy

24.5 billion dollar export
80% of total countries export

4.4 million employment
with 80% female

Backward linkage
industry employing 3.5 million

Poverty rate fallen from
40% in 2008-09 to 26% in
2013-14

GDP Growth 5-7%

Per Capita GNI from \$346
in 2000-01 to \$1045 in
2013-14

Reduced hazards of early
marriage and childbirth by
28% and 29% respectively

Landmarks

- First RMG export worth US \$ 12000 in 1978
- New Industrial Policy (NIP) marked a major shift towards privatization in 1982
- Book stage of RMG exports from 1982-85
- Imposition of ATC in 1995
- Ranked as the 4th largest clothing exporting country

Progress

- Child labor elimination in 1995
- Mandatory group insurance scheme
- Appointment letter and ID Card for workers
- Health center in factories
- MFA quota phase out in 2005
- Global recession from 2009-2011
- Industrial accidents and reform initiatives

REASONS FOR ESTABLISHING PUBLIC PRIVATE DIALOGUES

- Still a long way to go and a lot to achieve: **\$50 billion export by 2021**
- Post inspection problems like **Remediation Financing**
- **Productivity Improvement** to ensure sustainability
- To emphasize on **Buyers Responsibility**

REFORMS THAT CAME THROUGH VARIOUS PPD PLATFORMS

Safety Reforms

- National Tri-Partite Action Plan (NAP)-a joint body by the MoLE, BGMEA / BKMEA / BEF, Labor Reps to inspect the Building, Fire & Electrical Safety of garment factories not covered in the Accord and Alliance factory list
- Accord is the initiative of the European brands and retailers for ensuring Safe and Compliant workplace in Bangladesh RMG factories
- Alliance is the initiative of the North American retailers and signatories for the Fire, Electrical and Building Safety in Bangladesh RMG factories
- Sustainability Compact is the Joint Declaration between Bangladesh Government, the European Commission & ILO.
- USTR, USDOL & US Department of States issued a Joint Declaration titled Bangladesh Action Plan 2013 to reinstate the US GSP.

Social Reforms

- Labor Act amended
- 208 trade unions registered since 2013
- Better Work Bangladesh launched with the aim of improving the country's ready-made garment industry conditions
- A 3.5 year project titled 'Improving Working Conditions in the Ready-Made Garment Sector' launched in September 2013 for ensuring the rights and safety of workers

Environmental Reforms

- PaCT program with Dutch Government and IFC
- Setting up TTBC
- TREES initiative with GIZ

CHALLENGES TO SUSTAIN PPD

- **Dialogue is not a lucrative concept in Bangladesh**
 - **historical failures**
 - **threatened partners**
- **All existing PPDs are project based with an expiry date.**
- **Lack of coordination between stakeholders.**
- **Administrative Bureaucracy**
 - **no separate Ministry or single authority**
- **Political unrest**

POSSIBLE SOLUTIONS

- **Government should be more proactive in terms of Public-Private Dialogue**
- **Institutionalize PPD in mainstream activities**
- **Buyers' Driven strategy to establish PPD**
- **More proactive initiatives by international development partners and donor agencies**
- **Capacity development to ensure mainstream PPD**

Valuable Suggestions are most welcome

Thank You