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