



## Governing Body

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FOURTEENTH ITEM ON THE AGENDA

### Report of the Director-General

#### Third Supplementary Report: Situation of trade union rights in Bangladesh

**Purpose of the document**

Following the invitation from the International Labour Conference to the Director-General to report on the trade union situation in Bangladesh, the Governing Body is invited to provide any guidance that it sees fit in relation to the issues set out below (paragraph 12).

**Relevant strategic objective:** Promote and realize fundamental principles and rights at work.

**Policy implications:** None.

**Legal implications:** None.

**Financial implications:** None.

**Follow-up action required:** As per the guidance provided by the Governing Body, paragraph 12.

**Author unit:** International Labour Standards Department (NORMES).

**Related documents:** Report of the Committee on the Application of Standards, 102nd Session, 2013.

1. Following the discussion in June 2013 in the Conference Committee on the Application of Standards concerning the application in Bangladesh of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), the International Labour Conference adopted the Committee's report inviting the Director-General in its conclusions to submit to the Governing Body in 2014 a detailed report on the situation regarding respect for freedom of association in the country.
2. Since the discussion in the Committee on the Application of Standards, the Bangladesh Labour Act (BLA), 2006, was amended on 22 July 2013. The Industrial Relations Rules, 1977, which implement the Act, are in the process of being revised to reflect the changes to the BLA.
3. In the meantime, the Committee of Experts on the Application of Conventions and Recommendations examined the application of Convention No. 87 and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), at its meeting in November–December 2013. The Committee's observations can be found in Appendices I and II.

## Relevant statistical information

4. During the period from 1 July to 31 December 2013, a total of 152 new trade unions with 29,156 members were registered in Bangladesh with the Department of Labour. Ninety-six new trade unions were registered in the ready-made garment (RMG) sector in 2013, bringing the total number of trade unions in the sector to 222, with 34 trade union federations. More detailed statistics on trade union registration by division and by sector are set out in Appendix III.
5. As regards the conclusion of collective agreements and dispute resolution, the Government has indicated that in the period from July to December 2013, the Department of Labour received six formal applications and 48 informal requests for dispute resolution. Three of these formal applications and 45 informal requests were settled through negotiation with the representatives of the employers and workers. In 2013, cases alleging anti-union discrimination were lodged against two garment factories and these are currently pending before the labour courts.
6. Forty-two labour inspectors have recently been recruited and the Office of the Chief Inspector of Factories and Establishments has been upgraded to a directorate. A total of 679 new posts have been created for the department, including 392 new inspector posts. The Government of Bangladesh has reported that it has prepared a master list of 3,350 RMG factories, and basic data relating to these factories will be published by the Government in the coming months.
7. Following the amendment of the BLA in July 2013, the Prime Minister's Office, through a circular issued on 27 August 2013, formed a seven-member inter-ministerial committee headed by the Senior Secretary of the Prime Minister's Office to review the existing laws on export processing zones (EPZs) and recommend amendments. The main committee, at its first meeting on 29 September 2013, formed an eight-member subcommittee to draft a new law relating to EPZs. The subcommittee held three meetings (10 October, 7 November and 24 November 2013) to discuss and review a proposed draft law. Immediately after its last meeting, the subcommittee submitted a new draft law, entitled the Bangladesh EPZ Labour Act, 2013, to the inter-ministerial committee. It is expected to be vetted by the Ministry of Law and sent to the Cabinet for approval. Once approved, the draft law will be placed before Parliament.

## **ILO engagement in the country aimed at promoting freedom of association**

8. After the Rana Plaza building collapsed in April 2013, killing or injuring several thousand workers, the ILO has given extensive support and assistance to the Government, employers' and workers' organizations in addressing workers' safety and labour rights issues. The tripartite partners developed a National Tripartite Plan of Action on Fire Safety and Structural Integrity on 25 July 2013 with assistance from the ILO. The ILO Country Office for Bangladesh in Dhaka developed a comprehensive working conditions improvement programme covering five priority areas. The project is funded by the Governments of Canada and the Netherlands, and the UK Department for International Development. Under the programme, training has been provided to the newly recruited labour inspectors touching upon fundamental rights, including freedom of association and collective bargaining. One of the key objectives of the programme is to strengthen the capacity of workers' and employers' organizations with regard to occupational safety and health issues and rights and responsibilities at work, in close collaboration with two ongoing projects on fundamental principles and rights and labour relations and the Better Work Bangladesh (BWB) programme. A dedicated workers' education expert will provide extensive support to workers' organizations regarding freedom of association and collective bargaining issues. As part of this comprehensive programme, the US Department of Labor is also funding a project on improving fire and building safety for RMG workers in Bangladesh. The project aims to promote workers' rights and international labour standards in the country's RMG sector.
9. The ongoing "Promoting Fundamental Principles and Rights at Work in Bangladesh (FPRW)" project, funded by the US Department of Labor, is complemented by the "Fundamental Rights at Work and Labour Relations (FRWLR)" project, funded by the Government of Norway, and the "Improving Labour Law Compliance and Building Sound Labour Practices in the Export-Oriented Shrimp Sector in Bangladesh" project, funded by the Government of Bangladesh, which seeks to strengthen freedom of association, collective bargaining and industrial relations in export industries. The FPRW project has focused on: (1) improving the legal framework in conformity with international labour standards, in particular ILO Conventions Nos 87 and 98; (2) enhancing the freedom and capacity of workers and their representatives to exercise their rights in practice; and (3) establishing labour-management cooperation at enterprise level. The project has enhanced the capacity of Department of Labour officials and support staff with respect to the mandate and role of the department. The assistance provided has contributed to the registration of 72 new trade unions in the RMG sector since June 2013. The project has also provided training for 700 trade union officials and representatives from workers' organizations with regard to workers' rights, freedom of association and collective bargaining. Another 93 persons from the tripartite constituency have received training with respect to industrial relations and dispute resolution.
10. The ILO also signed an agreement with the European Union (EU) in December 2013 to monitor results in implementation of the commitments made by the Government of Bangladesh, the EU and the ILO, in the July 2013 joint statement entitled: "Staying engaged: A sustainability compact for continuous improvements in labour rights and factory safety in the ready-made garment and knitwear industry in Bangladesh". A copy of the joint statement appears in Appendix IV.
11. Finally, the BWB programme is currently in the process of recruiting and training required staff. It is also consulting local and international partners, including unions, with regard to the locations from which it will operate, given that garment factories are clustered in certain specific areas. In factories that will participate in the BWB programme and where a union is present, the BWB will provide these unions with access to general training on

matters such as their role, administration and negotiation skills, facilitated by the FPRW project.

- 12. *The Governing Body is invited to provide any guidance deemed appropriate in relation to the situation reported and the action undertaken by the ILO with respect to freedom of association in Bangladesh.***

## Appendix I

### Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), Observation 2013/84

#### ***Bangladesh (ratification: 1972)***

Follow-up to the conclusions of the Committee on the Application of Standards (International Labour Conference, 102nd Session, June 2013)

The Committee notes the information provided in the Government's report that, considering the changing global scenario in the labour sector, it had initiated amendments to the Bangladesh Labour Act, 2006 (hereinafter, the BLA), to make it more in line with ILO Conventions. These amendments were passed by Parliament on 15 July 2013 and notified in the Bangladesh *Gazette* on 22 July. The Government states that the amendment process underwent thorough consultations. Seventy-six articles were amended and seven new articles introduced placing special emphasis on workers' welfare, rights and safety, industrial safety and expansion of the industry; transparency in trade union registration and wage payment system; and promoting trade unionism and collective bargaining. In addition, a committee headed by the Secretary, Ministry of Labour and Employment has been formed to formulate supplementary rules for the amended Act, and a working group has begun to prepare a draft.

The Committee notes the detailed comments made by the International Trade Union Confederation (ITUC) on the application of the Convention in communications dated 21 August and 13 September 2013. It further notes the comments made by the International Organisation of Employers (IOE) and the Bangladesh Employers' Federation (BEF) in a communication dated 30 August 2013. ***The Committee requests the Government to provide its observations on the comments of the ITUC, the IOE and the BEF with its next report.***

In its previous observation, the Committee, noting the comments submitted by the ITUC in 2012 alleging the murder of a trade unionist, a union leader and two striking workers, and also violence and harassment of trade unionists in the pharmaceutical sector and Export Processing Zones (EPZs), had requested the Government to take the necessary measures without delay to carry out investigations into these serious allegations with a view to determining responsibilities and punishing those responsible, and to provide information in this respect. The Committee takes due note of the information provided by the Government that the law enforcement agencies must carry out their duties as per the law of the land and that there was no illegal threat or police harassment or arrest or detention of trade unionists and trade union leaders. If there were any victims, they were accused of misdeeds and criminal activities, including agitation, violence and crisis in the ready-made garment sector. The Committee further notes, with respect to the incident in the pharmaceutical sector that the case filed by the company against 33 workers was dismissed on 10 October 2012. ***The Committee requests the Government to provide detailed information in its next report on the outcome of the investigations carried out in respect of any pending allegations of violence and harassment and, recalling that a genuinely free and independent trade union movement cannot develop in a climate of violence and uncertainty, to provide full particulars of the status of the investigations in respect of the murdered trade unionist.***

With respect to its request concerning the status of the court case relating to the Bangladesh Garments and Industrial Sramik Federation (BGIWF), the Committee notes the Government's indication to the 2013 Conference Committee on the Application of Standards that the BGIWF was functioning without any obstacle pending the decision of the Labour Court in the case it filed in 2008 for the cancellation of its registration. The Committee further notes the indication in the Government's latest report that the next hearing date for this case has been set on 5 January 2014 and no permission has yet been given by the court to cancel the federation's registration. ***The Committee requests the Government to provide detailed information on developments in this regard in its next report.***

*Articles 2 and 3 of the Convention. The right to organize, elect officers and carry out activities freely.* The Committee previously noted the allegations made by the ITUC of the refusal by the Government to register unions in several sectors, including the telecom and garment sectors. The Committee notes from the latest communication of the ITUC that, while there has been a recent surge in the registration of trade unions, and that the 45 new unions in the ready-made garment (RMG) sector can be seen as positive, the ITUC was concerned that this progress would not be seen in other sectors. The Committee further notes the statistics provided in the Government's report according to which, as of November 2013, 7,222 trade unions have been registered in the country, 32 national federations, 162 industrial federations and 34 garment industry federations, covering a total of 204 trade unions. The Government adds that 68 trade unions were registered in the RMG sector between January and November 2013. ***In light of the concerns raised by the ITUC, the Committee requests the Government to continue to provide detailed information and statistics on the registration of trade unions, disaggregated by sector.***

*Legislative reform.* In previous comments, the Committee, observing that a labour law reform process was under way, had requested the Government to amend a number of provisions in the BLA so as to bring it into full conformity with the Convention. The Committee takes due note of the amendments made in July 2013 and the Government's indication that the amendment of any law is a continuous process. The Government adds that necessary steps may be taken to amend the BLA in future on a tripartite basis considering the socio-economic condition of the country and that ILO assistance may be required in this regard.

The Committee notes with *interest* the amendment to section 180 which places a limitation on the restriction for the election of trade union officers to those who are employed in establishments in the state-owned industrial sector, enabling 10 per cent of union officers to be elected from persons outside of the establishment. ***The Committee requests the Government to further amend the legislation so that the same possibility of electing officers from outside of the establishment applies more generally to the private sector as well.***

Furthermore, while welcoming a slight amendment made to section 1(4) to extend the scope of the BLA to the educational, training and research institutions functioning for profit, the Committee notes with *regret* that this is not the case for not-for-profit educational, training and research institutions, hospitals, clinics and diagnostic centres, as well as farms employing under five workers. ***The Committee requests the Government to indicate the manner in which the freedom of association rights set out in the Convention are guaranteed to these excluded workers.***

The Committee takes note of the comments of the BEF in respect of section 2(49) of the BLA and its view that it is essential for administrative systems that managers and administrative officers fall within the category of employers, not workers, for organizing purposes let there be a collapse in the chain of command affecting productivity. The Committee recalls in this regard that it has always considered that managerial or

supervisory employees may be denied the right to belong to trade unions of workers provided that they have the right to establish their own associations to defend their interests and that these categories of staff are not defined so broadly as to weaken the organizations of other workers in the enterprise by depriving them of a substantial proportion of their present or potential membership.

The Committee *deeply regrets* that the Government did not take this opportunity to address most of its previous requests for amendments: scope of the law (sections 2(49) and (65) and 175); restrictions on organizing in civil aviation and for seafarers (sections 184(1), (2) and (4) and 185(3)); restrictions on organizing in groups of establishments (section 183(1)); restrictions on trade union membership (sections 2(65), 175, 185(2), 193 and 300)); interference in trade union activity (sections 196(2)(a) and (b), 190(e) and (g), 192, 229(c), 291 and 299); interference in trade union elections (sections 196(2)(d) and 317(d)); interference in the right to draw up their constitutions freely (section 179(1)); excessive restrictions on the right to strike (sections 211(1), (3), (4) and (8), and 227(c)), accompanied by severe penalties (sections 196(2)(e), 291 and 294–296); excessive preferential rights for collective bargaining agents (sections 202(24)(c) and (e), and 204); cancellation of trade union registration (section 202(22)) and excessive penalties (section 301).

The Committee further *deeply regrets* that workers are still obliged to meet the minimum membership requirement of 30 per cent of the total number of workers employed in an establishment or group of establishments for initial and continued union registration, and that unions whose membership falls below this number will be deregistered (sections 179(2) and 190(f)), while no more than three trade unions shall be registered in any establishment or group of establishments (section 179(5)). Despite the various statements over the years that this requirement has been accepted by all concerned, the Committee wishes to emphasise that such a high threshold for merely being able to form and have a union registered necessarily interferes with the right of workers to form organizations of their own choosing provided under *Article 2* of the Convention.

*Article 5. The right to form federations.* The Committee also *regrets* that the Government did not take this opportunity to modify the draft amendment (section 200(1)), which the Committee commented on last year, requiring that federations gather five or more trade unions, registered in more than one administrative division and formed in establishments engaged, or carrying on, in a similar or identical industry. *The Committee requests the Government once again to review this provision so as to ensure that the requirement of the minimum number of trade unions to form a federation (raised from two to five) is not excessively high and thus does not infringe the right of workers' organizations to form federations and to amend this section so that workers may form federations of a broader occupational or inter-occupational coverage and that there is no requirement for the trade union members to belong to more than one administrative division.*

*Encouraged by the Government's indication that further amendment of the BLA with ILO technical assistance could be considered, the Committee firmly requests the Government once again to take the necessary measures to review and amend the abovementioned provisions so as to bring them into conformity with the Convention. Observing also the Government's indication that a process is under way for the drafting of supplementary implementing rules for the amended BLA, the Committee recalls that it has requested the Government to repeal or amend rule 10 of the Industrial Relations Rules (IRR) 1977, so that the authority granted to the Registrar did not interfere with trade union internal affairs and requests the Government to provide information on the progress made in this regard and to furnish a copy of the new Rules.*

*Right to organize in EPZs.* The Committee notes the detailed information provided by the Bangladesh Export Processing Zones Authority (BEPZA) in the Government's report on the manner in which the EPZ Workers' Welfare Associations and Industrial Relations Act 2010 (EWWAIRA) is applied. The BEPZA refers to 283 referendums (74.28 per cent of eligible industries) for Workers' Welfare Associations (WWA) carried out on the basis of principles of transparency and accountability. It is further indicated in the Government's report that the BEPZA will be in a position to consider the comments made by the Committee and the need for any changes to the law in light of the experience gathered through its enforcement.

Referring to its previous observation, the Committee recalls that it has commented in detail on the areas of the EWWAIRA which needed to be addressed to bring the Act into conformity with the Convention. This included the need to amend sections 6, 7, 8, 9, 12, 16, 24, which excessively regulated the formation of WWAs or their higher-level organization in a manner contrary to the Convention, and sections 10, 20, 21, 24, 27, 28, 34, 38, 46, 80 and 81 (to lapse on 31 December 2013), which permitted the Government's interference in the internal activities of the WWAs. The Committee notes from the discussion of the 2013 Conference Committee on the Application of Standards that the Government had expressed its intention to work with the ILO to consider the manner in which EPZ workers could be brought into the scope of the national labour law to ensure freedom of association, the right to bargaining and other issues concerning labour standards.

The Committee notes the Government's indication that a high-level committee has been formed to examine and prepare a separate and complete labour law as an international standard for EPZ workers. This committee has formed a sub-committee headed by the Director-General of the Prime Minister's Office and two meetings have already been held to prepare a draft EPZ labour law. ***The Committee hopes that the necessary measures will be taken in the very near future to guarantee the rights under the Convention to workers in export processing zones and requests the Government to provide detailed information in its next report on the progress made in this regard.***

Finally, the Government refers to a number of ILO technical cooperation projects in the country with the aim of improving the trade union registration system, providing capacity building for employers and trade unions, promoting workers' rights and labour relations in the export-oriented sector and raising the awareness of workers at factory level of fundamental principles and rights at work.

***Recalling the critical importance which it gives to freedom of association as a fundamental human and enabling right, the Committee trusts that significant progress will be made in the very near future to bring the legislation and practice into conformity with the Convention on all of the abovementioned points.***

***[The Government is asked to reply in detail to the present comments in 2014.]***



## Appendix II

### Right to Organise and Collective Bargaining Convention, 1949 (No. 98), Observation 2013/84

#### ***Bangladesh (ratification: 1972)***

The Committee notes the information provided by the Government in its report and particularly the amendments made to the Bangladesh Labour Act, 2006, (hereinafter, the BLA) on 22 July 2013.

*The Committee notes the comments made by the International Organisation of Employers (IOE) and the Bangladesh Employers' Federation (BEF) concerning the application of the Convention and requests the Government to provide its observations thereon with its next report.*

*Articles 1 and 3 of the Convention. Protection of workers in export processing zones (EPZs) against anti-union discrimination.* In its previous comments, the Committee had noted the comments submitted by the International Trade Union Confederation (ITUC) on 4 and 31 August 2011, concerning mass dismissal of workers in the garment sector in 2010 following the exercise of their trade union rights, as well as the Government's observations thereon. The Committee further notes from the communication of the ITUC under Convention No. 87 that, while the registration of 45 new unions in the ready-made garment sector can be seen as positive, it has a number of concerns relating to reports of anti-union acts. The ITUC also raises concern about the potentially broad interpretation that might be given to "disorderly behaviour" which has been added to the instances where an employer may fire a worker without notice and without compensation (section 23(4)(g)).

The Committee further notes the Government's indication that the Bangladesh Export Processing Zone Authority (BEPZA) protects the rights of workers in EPZs and denies the existence of discrimination. According to the Government, there is no real evidence of discrimination and the BEPZA officers are constantly on the lookout for such behaviour. If any such was brought to the notice of the authority, actions are taken for reinstatement of members of the Workers' Welfare Associations (WWA). The Government refers to section 62(2) of the EPZ Workers' Welfare Association and Industrial Relations Act (hereinafter, the EWWAIRA), 2010, which provides that officers of the WWA shall not be dismissed without prior approval of the BEPZA Executive Chairmen, and indicates that a circular has been sent to all enterprises within the zones for the application of this section.

As regards the allegations of anti-union discrimination due to the employer's knowledge of union officers seeking registration, the Committee notes with *interest* that section 178(3) of the BLA has been amended so as to repeal the provision requiring the Director of Labour to send the list of officers of trade unions requesting registration to the employer.

As regards the functioning of the EPZ labour tribunal and the EPZ labour appellate tribunal under the EWWAIRA, the Committee notes the Government's indication that the EPZ Labour Tribunal and the EPZ Labour Appellate Tribunal have been established through Statutory Regulatory Orders (SRO) Nos 264-Law/2011 and 265-Law/2011 of 16 August 2011, and that there is no complaint of anti-union discrimination presented by EPZ workers before these courts.

The Committee further takes due note of information provided by the Government in relation to the constitution of the EPZ Workers' Welfare Fund, effective from February 2013, which will cover the expenses of counsellors, conciliators and arbitrators, as well as the establishment of the tribunals. According to the Government, while the BEPZA had already appointed conciliators and arbitrators, they did not continue as there were very few cases requiring their attention. Now, appointment of the conciliators as per the newly established fund is under process. In its report under Convention No. 87, the Government provides further information from the BEPZA that 90 counsellors under the BEPZA authority are working with a prescribed form to look after labour-related issues.

*The Committee requests the Government to provide its observations on the points raised by the ITUC concerning an increase in anti-union discrimination and trusts that the national mechanisms will be bolstered, including with an online database, so that workers may confidently report any such acts and seek an appropriate remedy. It requests the Government to provide information in its next report on the steps taken in this regard and on the role played by the counsellors mentioned above. It further requests the Government to send a copy of the BEPZA circular on section 62(2) of the EWWAIRA (which was not attached to its report) and available statistics concerning any complaints of anti-union discrimination, the BEPZA response and the sanctions taken and/or remedies awarded.*

*As regards the judicial proceedings concerning the dismissed workers who were charged with illegal activities (345/2011, Chief Judicial Magistrate Court, Dinajpur), the Committee notes the Government's indication that this case is still pending and requests the Government to provide information on the outcome once the judgment has been rendered.*

*Article 2. Lack of legislative protection against acts of interference.* In its previous comments, the Committee had requested the Government to take steps when reviewing the BLA to include a comprehensive prohibition against acts of interference which would cover acts of financial control of trade unions or trade union leaders, as well as acts of interference in internal trade union affairs. According to the comment of the IOE and the BEF, workers and employees of Bangladesh can freely exercise the right of association without hindrance, but outsiders interfere with their activities and mislead them for the purpose of political gain. *Observing that the recent amendments to the BLA do not appear to address its previous request, the Committee once again requests the Government, in consultation with the social partners, to review the BLA with a view to including adequate protection for workers' organizations against such acts of interference by the employer or employers' organizations and to indicate the progress made in this regard in its next report.*

*Article 4. Promotion of collective bargaining.* *The Committee notes with interest the amendments made to the BLA with the inclusion of section 202a, which enables unions and employers to contact experts for assistance in collective bargaining, and requests the Government to indicate how this is applied in practice and whether there have been any disputes under section 202a(2).*

In its previous comments, the Committee had noted that according to the National Level Trade Union Federation of Workers (NCCWE), collective bargaining was limited as there was no legal provision for collective bargaining at the industry, sector or national levels. While observing the information provided by the Government in its last report that the settlement of disputes through bipartite negotiations was done at the industry level and that similarly, different issues were settled through bipartite negotiation or through conciliation at the sector level, such as tea sector, shrimp sector, etc., the Committee had once again requested the Government to amend sections 202 and 203 of the BLA in order to clearly provide that collective bargaining was possible at the industry, sector and

national levels. The Committee further notes that the Government's latest report indicates that three elections for collective bargaining agents have taken place as of November 2013. The Committee also notes the comments from the IOE and the BEF indicating that the BLA has been framed so as to encourage the employees to promote full development and utilization of collective agreements to regulate terms and conditions of employment. ***Observing that the amendments adopted in July 2013 do not address this issue, the Committee once again requests the Government to consider, with the social partners, the necessary measures to ensure that collective bargaining can effectively take place at all levels and to continue to provide statistics in its next report on the number of collective agreements concluded at the industry, sector and national levels respectively.***

Finally, the Committee notes the concerns raised in the ITUC comment relating to the amendments on participation committees (section 205 of the BLA), especially the concern that section 205(6)(a), which provides that "For an establishment where there is no trade union, until a trade union is formed, the workers' representatives to the Participation Committee shall run activities related to workers' interests in the establishment concerned", could undermine trade unions and usurp their role. ***The Committee requests the Government to provide its observations on this point and to indicate any measures taken to ensure that participation committees are not used to undermine the role of trade unions.***

*Promotion of collective bargaining in the EPZs.* The Committee recalls that in its previous comments it had observed that, despite the creation of WWAs in various enterprises in the EPZs, no information had been provided concerning the conclusion of collective agreements in the EPZs. The Committee further recalled, with reference to BEPZA Instructions 1 and 2, that excluding wages, working hours, rest periods, leave and conditions of work from the field of collective bargaining was not in harmony with *Article 4* of the Convention. The Committee takes due note of the comments made by the IOE and the BEF indicating that the Government may think over the need to leave room for collective bargaining in the EPZs and take action in conformity with *Article 4* of the Convention. The Committee further notes the information provided by the Government that out of a total of 421 enterprises operating in the zones, referendums were held for WWAs in 283 giving rise to collective agreements in 192 enterprises. ***The Committee requests the Government to transmit in its next report a few representative examples of these agreements, indicating the number of workers covered.***

***Encouraged by the discussion in the Committee on the Application of Standards in June 2013 concerning the application by Bangladesh of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), in which the Government expressed its willingness to review the EWWAIRA and consider the manner in which EPZ workers could be brought under the coverage of the BLA, the Committee requests the Government to indicate the progress made in this regard.***

*Articles 4 and 6. Tripartite wages commissions in the public sector.* In its previous comments, the Committee had requested the Government to take the necessary legislative or other measures to end the practice of determining wage rates and other conditions of employment in the public sector through simple consultation by means of government appointed tripartite wages commissions (section 3 of Act No. X of 1974) and had observed that the Government had not referred to any collective agreement in the public sector. The Committee notes the information provided by the Government in respect of the commissions and boards charged with reviewing minimum wages, all of which are constituted in accordance with tripartite principles. ***Taking due note of the Government's indication that there is no bar on the development of free and voluntary collective bargaining, the Committee requests the Government to provide statistics on the number and nature of collective agreements concluded in the public sector, including the approximate number of workers covered under each agreement.***

## Appendix III

### Statistics on the total number of trade unions/trade union federations registered by the Department of Labour as at 13 January 2014

#### Trade unions

Name of office	No. of trade unions	No. of members
Department of Labour, Head Office, Dhaka	279	406 479
Divisional Labour Office, Dhaka	2 924	695 158
Divisional Labour Office, Chittagong	1 370	552 469
Divisional Labour Office, Rajshahi	1 682	364 437
Divisional Labour Office, Khulna	1 005	300 712
<b>Total</b>	<b>7 260</b>	<b>2 319 255</b>

#### Trade union federations

Type of federation	No. of federations	No. of affiliated unions	No. of members
National federation	32	1 352	1 076 367
Industrial federation (different type)	82	337	276 021
Road transport federation (mechanical)	10	63	56 893
Road transport federation (rickshaws)	5	27	52 747
Garments	34	123	62 982
<b>Total</b>	<b>163</b>	<b>1 902</b>	<b>1 525 010</b>

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## Appendix IV

### Joint Statement

#### **Staying engaged: A Sustainability Compact for continuous improvements in labour rights and factory safety in the Ready-Made Garment and Knitwear Industry in Bangladesh**

The representatives of the Government of Bangladesh, the European Union (EU) represented by the European Commission and the International Labour Organization (ILO) met in Geneva on 8 July 2013 to promote improved labour standards and responsible business conduct in the Ready-Made Garment (RMG) and knitwear industry in Bangladesh. Representatives from industry (including brands, retailers and SMEs), employers, trade unions and other key stakeholders participated in the meeting and provided valuable input.

The participants acknowledge the positive impact of the RMG and knitwear sector in Bangladesh over the past three decades and its contribution to economic development, employment, higher income level and skills in Bangladesh, as well as its positive impact on eradication of poverty, empowerment of women and progress on the timely attainment of some of the Millennium Development Goals (MDGs). This also enhances trade amongst countries and creates global wealth. As the RMG and knitwear industry holds further growth potential in Bangladesh, participants emphasise the importance of a balanced development of the sector, with safe and secure work places for further expansion of trade.

Bangladesh and the EU welcome and encourage the continued efforts of the ILO to bring together the various relevant stakeholders to work together to address the challenges of labour standards and factory safety in Bangladesh. The National Tripartite Plan of Action on Fire Safety and Structural Integrity in the Ready Made Garment Sector in Bangladesh and the Joint Statement by Tripartite Partners (government, employers, workers) with the ILO constitute key references for intensifying efforts to improve labour standards, including freedom of association and occupational safety and health, in Bangladesh's RMG and knitwear sector. Adoption and effective implementation of a Bangladesh Labour Law reform, consistent with international core labour standards, would form another important step in that direction. In this regard, the EU

intends to support Bangladesh's work on the implementation of the Labour Law to help Bangladesh create the framework for a successful launch of the Better Work Programme.

Bangladesh reiterates its continuing efforts to effectively implement in law and practice the international labour standards embodied in the fundamental ILO Conventions and other ILO Conventions that it has ratified. The EU will continue to assist Bangladesh to meet its obligations in this respect. Bangladesh is committed to continue to work with the ILO and other relevant national institutions to improve the overall framework in the area of occupational safety and health, including the ratification of other relevant ILO Conventions.

Companies, including brands and retailers, should ensure respect of ILO core labour standards as well as national laws across their value chains. Bangladesh and the EU expect them to act consistently with the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy as appropriate, as well as to expand dialogue with workers' organisations and representatives.

Bangladesh and the EU welcome the fact that major fashion and retail brands sourcing RMG from Bangladesh are coordinating their efforts to help improve safety in the Bangladeshi factories which supply them. In this respect, the progress made in developing implementation plans is recognised and the importance of engaging with national stakeholders to ensure consistency between various initiatives is underlined. We call upon other brands and retailers doing business in Bangladesh to initiate similar measures.

The present Compact covers the following areas:

1. Respect for labour rights, in particular freedom of association and the right to collective bargaining,
2. Structural integrity of the buildings and occupational safety and health, and
3. Responsible business conduct by all stakeholders engaged in the RMG and knitwear industry in Bangladesh.

Progress on the implementation of actions in these areas will be followed up by Bangladesh and the EU with the support of the ILO, as appropriate. Bangladesh, the EU and the ILO will maintain close cooperation to ensure a comprehensive, balanced and complementary approach and consolidate the initiatives. The importance of providing expertise and technical assistance to Bangladesh to support the implementation of the agreed actions is recognised. They commit to a follow-up meeting in 2014 to take stock of progress made on the actions outlined in this Compact.

1. Respect for labour rights

Building on commitments already made, Bangladesh commits to pursue its efforts to improve of labour standards and factory safety through:

- a) Adoption in July 2013 of the amendments to the Bangladesh Labour Law aimed at improving the fundamental rights of workers, and thereafter ensuring entry into force of the amended Labour Law by the end of 2013. The amended Labour Law will provide improved protection, in law and practice, for the fundamental rights to freedom of association and the rights to collective bargaining, as well as Joint Committees for the improvement of occupational safety and health.
- b) Conforming to all the existing ILO rules, procedure and practices in appraising the actions taken with respect to the implementation and enforcement of the revised Labour Law. Effective implementation and enforcement of the Labour Law will be monitored through regular reports by the Government of Bangladesh to the ILO Committee of Experts and social partners' observations submitted to the same Committee, in compliance with the conclusions of the ILO Committee on Application of Standards. Effective implementation includes the rapid issuance and implementation of all rules required by law, including for the free election of workers' representatives and the functioning of participation committees, as committed by the Government of Bangladesh at the ILO Conference Committee on the Application of Standards in June 2013. In this respect, the ILO commits to provide technical assistance to Bangladesh towards implementation and follow-up concerning freedom of association and the right to

collective bargaining, including for the effective application of the law regarding union registrations, union discrimination cases, and unfair labour practice claims.

- c) Consulting closely with the ILO to develop and adopt additional legislative proposals to address conclusions and recommendations of the ILO supervisory monitoring bodies, in particular with reference to ILO Convention No. 87 (Freedom of Association and Protection of the Right to Organise) and Convention No. 98 (Right to Organise and Collective Bargaining). The ILO will assist Bangladesh in reviewing the adequacy of the reforms in meeting ILO requirements.
- d) Taking all necessary steps, with support from the ILO, to further improve exercise of freedom of association, ensure collective bargaining and the application of the national Labour Law to Export Processing Zones (EPZ), including ensuring that the Ministry of Labour inspectors and other regulatory agencies have full authority and responsibility to conduct inspections. The Government of Bangladesh will form an intra-governmental working group for these purposes. The Government of Bangladesh reaffirms its commitment to the enforcement of national law and review of legislation where appropriate to ensure the protection of EPZ workers' freedom of association and collective bargaining rights, including the prohibition of blacklisting and ensuring the establishment of the right to strike by Workers' welfare associations from 1 January 2014 in the EPZs for exercising these rights. The Government of Bangladesh will engage with the ILO to work towards building capacity and raising awareness on freedom of association and rights and their impact on development, productivity and adaptation at the workplace.
- e) Continuing, in coordination with ILO, the education and training programmes on fundamental principles and rights at work and on occupational safety and health designed for workers, trade union representatives and employers and their organisations, representatives on participation committees and safety committees and other relevant stakeholders, as early as possible in 2013.
- f) Achieving eligibility for the Better Work Programme, a partnership between the ILO and the International Finance Corporation (IFC), in order to improve compliance with labour



standards and to promote competitiveness in global supply chains in the RMG and knitwear industry. To this end the Government of Bangladesh commits to do all within its power to enable the Better Works Programme in Bangladesh to start as soon as possible following the adoption of amendments to the labour law under consideration in the Parliament of Bangladesh. The Government of Bangladesh will act expeditiously to register independent trade unions and to ensure protection of unions and their members from anti-union discrimination and reprisals. Once initiated, the Better Work Programme will include capacity building for social partners and support in development of social dialogue at the enterprise level. This should be done in coordination with the ILO and the IFC, and in cooperation with social partners, as defined by the ILO, as well as industry and worker representatives.

- g) Completing the upgrading of the Department of the Chief Inspector of Factories and Establishments to a Directorate with a strength of 800 inspectors, having adequate annual budget allocation, and the development of the infrastructure required for its proper functioning. The Government of Bangladesh will move to recruit 200 additional inspectors by the end of 2013. The Directorate will regularly visit and assess industrial establishments to enforce national labour laws, including on working conditions in factories, freedom of association and collective bargaining. Inspections should be conducted in a fully transparent and accountable manner.
- h) Creating, with the support of ILO and other development partners, a publicly accessible database listing all RMG and knitwear factories, as a platform for reporting labour, fire and building safety inspections, which would include information on the factories and their locations, their owners, the results of inspections regarding complaints of anti-union discrimination and unfair labour practices, fines and sanctions administered, as well as remedial actions taken, if any, subject to relevant national legislation.
- i) Launching, by 31 December 2013, with the support of the ILO, skills and training programme for workers who sustained serious injuries in the recent tragic events and redeploying the RMG and knitwear workers that were rendered unemployed as well as rehabilitated workers.

- j) Conducting, by 31 December 2013, with the support of the ILO, a diagnostic study of the Labour Inspection System and develop and implement a resulting action plan, including appropriate measures.

The European Commission in the context of EU development assistance will:

- k) Provide assistance to rehabilitate those permanently disabled by the Rana Plaza collapse, including through: (i) exploring the possibility of reallocating funds under the current EU-funded Technical and Vocational Education and Training (TVET) project implemented by the ILO; and (ii) the existing EU-funded Better Work and Standard (BEST) cooperation programme with Bangladesh.
- l) Promote a focus on skills development in future EU assistance to Bangladesh.
- m) Consult with the ILO, the Government of Bangladesh and other donors to see which of the actions from the ILO Programme Outline 2013-2016 ‘Improving Working Conditions in the RMG Sector in Bangladesh’, including those in relation to the Better Work Programme for Bangladesh, could be supported technically or financially by the EU under the next programming cycle (2014-2020).
- n) Explore further funding possibilities within the upcoming programming period 2014-2020, including through the Thematic Programme Global Public Goods and Challenges, which specifically includes a component in support of the implementation of EU commitments on decent work.

*2. Structural integrity of buildings and occupational safety and health:*

Bangladesh commits to:

- a) Implement the National Tripartite Plan of Action on Fire Safety and Structural Integrity in the RMG industry in Bangladesh with the support of ILO, in accordance with the established milestones and timelines, as stipulated in the Programme of Action. This will be coordinated and monitored by the Bangladesh National Tripartite Committee with the support of the ILO.

- b) Assess the structural building safety and fire safety of all active export-oriented RMG and knitwear factories in Bangladesh by June 2014 – with the most populated factories assessed by the end of 2013 – and initiate remedial actions, including relocation of unsafe factories. ILO will play a coordinating role, including assisting in mobilisation of technical resources required to undertake the assessment.
- c) Develop, with the assistance from the ILO and other development partners, the publicly accessible database described in paragraph 1.h), to record: the dates of labour, fire and building safety inspections; identification of inspectors, violations identified, fines and sanctions administered; factories ordered closed and actually closed; factories ordered relocated and actually relocated; violations remediated; and information on management and worker fire and building safety training activities subject to relevant national legislation.

The European Commission, in the context of EU development assistance, will:

- d) Extend the social compliance component in the EU's on-going BEST programme with Bangladesh. This specific component aims to improve working conditions and to strengthen overall competitiveness in the textiles and RMG and knitwear sector. This extension will allow the programme to provide more training on social compliance and occupational safety and health.
- e) Extend future technical assistance, including Aid for Trade, to address labour standards, including health and safety at work and adequate levels of social dialogue and collective bargaining in Bangladesh and in other countries in the region facing similar problems.

### *3. Responsible business conduct*

Bangladesh and the EU as represented by the European Commission remain engaged to support and promote socially responsible supply chains:

- a) Bangladesh, the EU and also the ILO welcome the fact that major fashion and retail brands sourcing garments from Bangladesh are coordinating their efforts to help improve safety in the Bangladeshi factories which supply them. They recognise the progress made

in developing implementation plans and underline the importance of engaging with stakeholders to ensure effective implementation of and consistency amongst the various initiatives.

- b) They welcome the fact that over 70 major fashion and retail brands sourcing RMG from Bangladesh have signed an Accord on Fire and Building Safety to coordinate their efforts to help improve safety in Bangladesh's factories which supply them. In this context, they encourage other companies, including SMEs, to join the Accord expeditiously within their respective capacities. They recognise the need for appropriate involvement of all stakeholders for an effective implementation of the Accord.
- c) The EU and Bangladesh recognise the need for multi-national enterprises (MNEs)/brands/retailers to deepen discussion on responsible business conduct with a view to addressing issues along the supply chain. We encourage retailers and brands to adopt and follow a unified code of conduct for factory audit in Bangladesh.
- d) Bangladesh and the EU take note of the work by European social partners in the textile and clothing sector started on 26 April 2013 to update their 1997 and 2008 Codes of Conduct on fundamental rights, in the framework of the European Sectoral Social Dialogue Committee for Textile and Clothing.

Bangladesh and the EU, along with the ILO, welcome the support of representatives from industry, employers, trade unions and other key stakeholders to the Compact, as well as their continued commitment to improved labour standards and responsible business conduct in the RMG and knitwear industry in Bangladesh.

Geneva, on 8 July 2013