

Sustainable Growth in the Textile, Garment and Leather Industries

The situation

The fashion industry is one of Bangladesh's economic success stories. It is the second largest worldwide, in a highly globalised industry. The knitwear sector (which makes t-shirts) imports cotton/yarn (mostly from China, but also Egypt, India and Pakistan), whereas the fabric is mainly produced in Bangladesh. The same is true for sweaters. The fabric for denim (which is woven) comes from Pakistan and China. It is stitched then washed and packed in Bangladesh. Textiles has become a huge export business, which the government aims to grow from USD 28 billion in 2016 to USD 50 billion by 2021. Four million people, most of them women, are employed in the approximately 4,000 textile and garment factories. Leather exports currently add another USD 1 billion and the industry employs around 600,000 workers in roughly 400 factories and tanneries, which the government plans to expand to an export volume of USD 5 billion per year.

However, the time of rapid growth at all costs is over. Growing social pressure from consumers and consequently buyers in Europe and the US, are major factors in initiating a change of thinking within the industry. Greater attention is being paid to the working conditions and the environmental impact of these huge sectors.

While there are clear statutory requirements for compliance with social and environmental standards, many businesses are still not equipped to fulfil them. Regulatory frameworks are weak and government actors need expertise and personnel to enforce the legislation, while factories and tanneries require knowledge and qualified staff familiar with social and environmental norms.

The objective

The project "Promotion of Social and Environmental Standards in the Industry (PSES)" supports the government and actors of the private sector as well as civil society to pursue a course of sustainable economic growth in the textile, Ready-Made Garments (RMG) and leather industries in Bangladesh.

Our approach

The project is supporting Bangladesh's textile, RMG and leather sectors to manage sustainable growth. PSES is primarily concerned with developing sectoral strategies for sustainable growth as well as legislation and standards for safeguarding the environment and the rights of workers, including provisions for the inclusion of persons with disabilities. It builds on the work of its predecessor projects, which ran from September 2009 to June 2017.

Project title	Promotion of Social and Environmental Standards in the Industry (PSES)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Country	Bangladesh
Lead executing agency	Ministry of Commerce, Government of the People's Republic of Bangladesh
Project duration	2017 to 2020



Employees have access to safe drinking water, which is a legal requirement and contained in most codes of conduct provided by buyers

As a partner to business, government and civil society, PSES contributes to strengthening the systemic competitiveness of Bangladesh's textile, RMG and leather industries in their sustainable economic, social and environmental dimensions. PSES will particularly contribute towards implementation of the government's vision of further industrial growth by the industry business associations through building their capacities on strategy development and implementation, especially in regards to operationalisation of road maps. Another entry point is on facilitating among key public, private and civil society actors to implement different shared responsibility cooperation models. One focus is to enable workers and explicitly female workers in participation and co-determination in sustainability monitoring in the industry, like operational safety, environmental issues or social standards. The project works closely with the main textile production associations in developing realistic strategic plans that lay out concrete steps to be taken to maintain and increase market share while respecting workers' rights, improving their working conditions, and minimising environmental impact. At the same time, the project supports workers to learn about and assert their rights and responsibilities in the factories, increasing their voice in factory decisions and promoting a cooperative approach to factory management following a co-determination model.

The outcomes

Promoting social standards

While progress has been made, there is still a long way to go until working conditions meet international standards throughout the country. Consequently, in the area of social standards, the project seeks to promote good working conditions, while bringing occupational health and safety standards up to international norms.

Results

- **More than 1,000 partner factories** have delivered measurable improvements in their working conditions through PSES' factory improvement programme in the RMG and leather sectors
- **Around 2,400 Factory Compliance Officers** of RMG and leather factories have been trained in social standards
- **300 labour inspectors** of the Department of Inspection for Factories and Establishments (DIFE) under the Ministry of Labour and Employment (MoLE) have been trained on Bangladesh Labour Laws and Inspection Techniques in cooperation with the International Labour Organization (ILO)
- **Around 34,000 managers and workers** have received training in social standards and fire safety through business associations
- **More than 250,000 workers, mostly female**, have been made aware of their rights as well as responsibilities through women's cafés, for improvement of social dialogue and industrial relations in the RMG and leather sectors
- **Around 9,800 disputes** between workers and management in the garments sector have been resolved amicably through women's cafes
- **A mini fire brigade** has been piloted that shows the effectiveness of locating professional fire response teams and resources directly in industrial areas, reducing the risks to workers

Working Example

To maintain sustainable growth in the garment sector, in line with the international market, workplace safety has to be addressed properly. Narrow streets and traffic jams cause huge difficulties in fire services reaching most factories and establishments. So GIZ has introduced a Mini Fire Brigade (MFB). An extension of existing fire services, MFBs can play a vital role to prevent and contain industrial fires before they grow and until central firefighting units arrive. The MFB is staffed 24 hours a day with full-time professional fire-fighters from the Bangladesh Fire Service and Civil Defence (BFSCD), plus auxiliary fire teams from factories and volunteers from nearby communities. With an operating radius of about two kilometers, the response time is well within the critical first 8-10 minutes of a fire. The estimated value of saved property in the first year of the MFB's operation is about EUR 2.4 million.



Women's Café affiliated workers are constructive and peaceful and work as a bridge between workers and management, helping us solve problems effortlessly.

Major (Retd) Lutfur Motin
Assistant Director, Natural Denim Ltd.

It was my dream to talk to my factory owner one day, but now my factory owner often calls me to resolve disputes in my factory.

Ruma
Peer educator group leader, Women's Café

Promoting environmental standards

The expansion and success of the textile, RMG and leather industries have brought major environmental challenges such as increased demand for raw materials, depletion of natural resources, and increased pollution leading to substantial health and environmental threats. A lack of strong regulatory framework, little investment and insufficient expertise are some of the key reasons why factories often fail to comply with standards. Consequently, the project is assisting textile, RMG and leather industries to enhance safety (such as through proper chemical management), create a healthy working environment, and reduce pollution, thereby promoting the sustainable development of these industries.

Results

- **More than 300 factories** and tanneries have significantly improved their environmental standards in areas such as solid waste and wastewater management, electrical safety, water reduction, chemical management and energy consumption
- **National standards and guidelines for sludge management** have been developed jointly with the Department of Environment (DoE)
- **The International University of Business Agriculture and Technology (IUBAT)** now offers a certificate course on wastewater management using toolkits, training modules and training provided by GIZ
- **More than 50 DoE officials, 150 local consultants and 350 factory staff** have been trained on environmental management and environmental standards. Topics included advanced chemical management, electrical safety, environmental management system, waste water management, sludge management, environmental inspection and recycling effluents after treatment
- **GIZ's 'Resource Efficient Management of Chemicals (REMC)'** toolkits were revised in 2017 in line with emerging global requirements. They are being used in many countries worldwide.

Inclusion of persons with disabilities in the labour market

The textile, RMG and leather sectors are becoming more interested in recruiting persons with disabilities to work in their factories, considerably improving their lives and enabling them to participate more fully in society. At the same time, there is an urgent need for suitably trained personnel in the industry. The project is addressing the situation through capacity building of agencies for placing persons with disabilities in the labour market. An 'Inclusive Job Centre' was established in 2015 on the premises of a national non-government organisation, Centre for the Rehabilitation of the Paralysed (CRP) in Dhaka. The centre assesses disabilities of clients, matches them to positions in the textile and garments sectors, and prepares them for the work with suitable training opportunities and employment.

The project, in association with its partner Centre for Disability in Development (CDD), has so far supported **more than 180** factories to introduce measures for the inclusion of persons with disabilities like barrier-free access, disability inclusive workplace, recruitment of persons with disabilities and inclusive company guidelines. At the same time, the project targets factory owners, encouraging them to recruit persons with disabilities and supports them to find individuals to fill relevant positions. Through an outreach programme disabled persons learn about the possibility to return to work. The project has been promoting the implementation of National Skills Development Policy 2011 and UN Convention on the Rights of Persons with Disabilities in association with National Skills Development Council Secretariat and factory associations.



Our experience says that a person with disability can perform even better and are usually more loyal to the factories. However, there are some challenges in employing disabled persons, for example, workplace cooperation and ergonomics. We need to overcome these with the support from all. We do also need special assistance to ensure a disability friendly work place. Our factories are individually trying to address all the areas and concerns, but they need more awareness and training to develop a culture of workplace cooperation.

Siddiqur Rahman

President, Bangladesh Garment Manufacturers and Exporters' Association (BGMEA)



To maintain environmental standards water samples are being collected for analysis

Rodney Reviere
rodney.reviere@giz.de



Skill development, comfort and acceptance at work - a washroom for employees with disabilities

Results

- **About 700 persons with disabilities** have been registered at the Inclusive Job Centre, where 450 persons with disabilities received counselling and job retention and referral support
- **More than 180 persons with disabilities** got support in finding a suitable job in a factory
- **More than 500 persons with disabilities** have successfully completed training to obtain vocational qualifications or to exercise their rights
- **More than 2,200 women were trained** on vocational qualifications to obtain employment in the garment and textile industries
- **More than 500 people** affected by the collapse of the Rana Plaza factory building were reintegrated into economic activities after completion of training on entrepreneurial skills development, counselling, mentoring, etc.



My husband is proud that I earn more than him.

Arzina Khatun started as a helper at New Dacca Industries Ltd, a garment factory of Beximco Group. Promoted to Production Reporter, she is studying for a Bachelor of Arts (B.A.) degree, while working to advance her career. The Inclusive Job Centre (IJC), supported by PSES, has arranged an artificial limb for Arzina and will assist her in finding a position within Beximco management once she has completed her B.A.

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Promotion of Social and Environmental Standards
in the Industry (PSES)
GIZ Bangladesh
PO Box 6091, Gulshan 1
Dhaka 1212, Bangladesh
T +880 2 5506 8744-52, +880 9 666 701 000
F +880 2 5506 8753
E giz-bangladesh@giz.de
I www.giz.de/bangladesh

Photo credits

GIZ BD/ Md Aminul Hasan
GIZ BD/ Sabrina Asche

Text

Rodney Reviere

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