

The Readymade Garments (RMG) Sector of Bangladesh: Exploring Sustainability Dimensions

A dissertation

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Dedicated

to

Mr. Nurool Quader Khan

The pioneer of Readymade Garment Sector of Bangladesh

CERTIFICATION

I, Khan Md. Nurul Amin, declare that this dissertation, submitted in partial fulfillment of the requirements for the award of Master of Arts in Governance and Development(MAGD), in the BRAC Institute of Governance and Development (BIGD), BRAC University, is wholly mine unless otherwise referenced or acknowledged. The document has not been submitted for qualifications or other purposes at any other institution.

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DISSERTATION CERTIFICATE

It is my pleasure to certify that the dissertation entitled “Readymade garments (RMG) sector of Bangladesh: Exploring sustainability dimensions” by Khan Md. Nurul Amin has been completed under my direct supervision and guidance. So far my knowledge goes, the dissertation is an individual achievement of the candidate, and it does not reflect a collaborative work. I also certify that I have gone through the draft and the final version of the dissertation and found it generally satisfactory for submission to the BRAC Institute of Governance and Development, BRAC University in partial fulfillment of the requirements for the degree of Master of Arts in Governance and Development of the BRAC University.

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ACKNOWLEDGEMENT

I would like to express my heartiest thanks and gratitude to my supervisor, Dr. Niaz Ahmad Khan, for his great guidance and invaluable suggestions to conduct my research. His direction and affection have always inspired me in doing the work with care.

I am grateful to Professor Sultan Hafiz Rahman, Director of BRAC Institute of Governance and Development, BRAC University. I am expressing thanks to Professor Rasheduzzaman, academic coordinator, BIGD, BRAC University for his kind cooperation.

I must mention here that my wife, my two sons always helped me in various ways to complete the dissertation.

I cannot but convey my special thanks to my respondents for giving me their all out support.

And it is me who is responsible for any mistake in this study.

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LIST OF ABBREVIATIONS

BCWS	-	Bangladesh Center for Worker Solidarity
BDT	-	Bangladeshi Taka
BEPZA	-	Bangladesh Export Processing Zone Authority
BFID	-	Bank and Financial Institutions Division of Ministry of Finance
BGMEA	-	Bangladesh Garment Manufacturers and Exporters Association
BILS	-	Bangladesh Institute of Labour Studies
BKMEA	-	Bangladesh Knitwear Manufacturers and Exporters Association
BPSC	-	Bangladesh Public Service Commission
BRAC	-	Bangladesh Rural Advancement Committee
BSMMU	-	Bangabondhu Sheikh Mujib Medical University
BUET	-	Bangladesh University of Engineering and Technology
BUFT	-	BGMEA University of Fashion and Technology
CCD	-	Confraternity of Christian Doctrine
CDA	-	Chittagong Development authority
CMH	-	Combined Military Hospital
CPD	-	Centre for Policy Dialogue
CRP	-	Centre for Rehabilitation of Paralysed
DFID	-	Department for International Development
DFQF	-	Duty Free Quota Free
DIFE	-	Directorate of Inspection for Factories and Establishments
DMCH	-	Dhaka Medical College and Hospital
DoL	-	Department of Labour
EME	-	Emerging Market Economies
EPB	-	Export Promotion Bureau
EPZ	-	Export Processing Zone
EU	-	European Union
FBCCI	-	Federation of Bangladesh Chamber of Commerce and Industry
FD	-	Finance Division of Ministry of Finance
DFSCD	-	Department of Fire Service & Civil Defense
FRLR	-	Fundamental Rights and Labour Relations in Bangladesh
GDP	-	Gross Domestic Products
GIZ	-	Gesellschaft für Internationale Zusammenarbeit
GoB	-	Government of Bangladesh
GSP	-	Generalized System of preference
HOPE	-	HOPE is a charity foundation providing health services to needy people in Bangladesh particularly the women and children in rural areas
IBC	-	Industrial Bangladesh Council
IFC	-	International Finance Corporation
ILO	-	International Labour Organization
ISO	-	International Organization for Standardization
ISPR	-	The Inter-Service Public Relations
JICA	-	Japan International Cooperation Agency
LDC	-	Least Developed Countries
MFA	-	The Multi Fibre Agreement

LIST OF ABBREVIATIONS

MoC	-	Ministry of Commerce
MoHA	-	Ministry of Home Affairs
MoLE	-	Ministry of Labour and Employment
MoU	-	Memorandum of Understanding
NCCWE	-	National Coordination Committee for Workers Education
NGO	-	Non Government Organization
NICVD	-	National Institute of Cardio Vascular Diseases
NITOR	-	National Institute of Traumatology & Orthopaedic Rehabilitation
NTPA	-	National Tripartite Plan of Action on fire safety and structural integrity
PMO	-	Prime Minister's Office
PPP	-	Purchasing Power Parity
PSES	-	Promotion of Social and Environmental Standards in Industries
R&D	-	Research and Development
RAJUK	-	Rajdhani Unnoyon Kortipokhkhp (The Capital Development Authority)
RMG	-	Readymade Garment
SAFE	-	Social Activities for the Environment
T&C	-	Textile & Clothing
TCC	-	Tripartite Consultation Council
UK	-	United Kingdom
UNCTAD	-	United Nations Commission for Trade and Development
UNI Global Union	-	UNI Global Union is a global union federation for skills and services, gathering national and regional trade unions.
URI	-	University of Rhode Island
USA	-	United States of America
USD	-	United States Dollar
USFIA	-	United States Fashion Industry Association
USTR	-	United States Trade Representative
WTO	-	World Trade Organization

EXECUTIVE SUMMARY

The readymade garments (RMG) industry is the backbone of the economy of Bangladesh and work as a catalyst for the development of the country. That is why, sustainability of RMG sector is the extreme necessity of the growing economy of Bangladesh. This study has been conducted to explore selected sustainability dimensions of this important sector of the growing economy of this country. The main research tools include secondary literature review, focus group discussion, in-depth interview, uncontrolled simple observation. Shockwaves were sent worldwide after the loss of 1,136 lives when Rana Plaza collapsed on 24 April 2013. This incident occurred just months after the fatal fire at Tazreen Fashions in which 112 died. It was noticeable that the Ready Made Garment (RMG) sector of Bangladesh had reached a crucial juncture. These incidents have been the wake-up call for concerned quarters in recognizing the necessity of improving occupational safety and working condition in RMG factories. To maintain the confidence of the global buyers and to safe guard the lives of near about five million workers fundamental changes relating to safety, inspection, compliance, product innovation, market search had to be made to do business in descent manner. After that devastating industrial accident of the world, Government of Bangladesh, US government, Private sectors, BGMEA, BKMEA, International Labour Organization, International Buyers, Civil society, NGO, Development partners decided to work together to improve conditions of the garment factories in the country. Cooperation and collaboration between related stake holders for rights and workplace safety of workers are the necessity of the present moment. Improving worker and consumer welfare by upgrading skills and literacy should be a regular practice of the concerned stakeholders. Government must steer the total process along with all other related parties. RMG sector of Bangladesh requires breaking into new products through more neutral and rational trade policy and taxation and bonded warehouse schemes; and concerted efforts to attract foreign direct investment, to encourage investment and export diversification. Searching of nontraditional market besides traditional export destinations is one of the fundamental requirements for the sustainability of RMG sector of Bangladesh. If government can offer good governance to its citizens, no one will feel any necessity to raise her/his voice. And country will continue in peace and harmony. That will bring socio-political stability along with sustainable growth in every quarter in the country particularly for the RMG.

CHAPTER I

INTRODUCTION: THE CONTEXTUAL SETTING

Introduction

The readymade garments industry acts as the backbone of the economy of Bangladesh and as a catalyst for the development of the country. The country can take the pride in the sector that has been fetching billions of dollars as export earnings and creating jobs for millions of people in the country. The “Made in Bangladesh” tag has also brought fame for Bangladesh, making it a celebrated brand across the globe. That is why, this pivotal sector requires to be made sustainable.

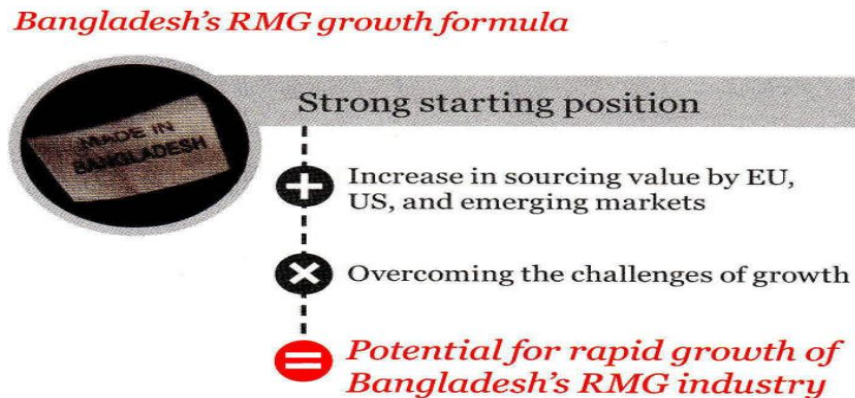
Bangladesh, which was once termed by Henry Kissinger (1923-2009) a “bottomless basket”, has now become a “basket full of wonders.” Garrett Hardin (1915-2003) the writer of the renowned article ‘Tragedy of the commons’ said during its inception that Bangladesh would not be a viable state. But the country with its limited resources has been sustaining 6% annual average GDP growth rate for decades and has brought about noteworthy social and human development.

It is really a matter of great curiosity to many – how the economy of Bangladesh maintains to grow at a sturdy pace, sometimes even when paddling against the wave. It has already attained lower middle income country status on 01 July, 2015. Now it is predicted that Bangladesh is achieving the middle-income country status by 2021. It is firmly believed that the dream will come true within the stipulated time and the RMG industry will certainly play a vital role in materializing the dream.

Bangladesh was one of the poorest countries in the world after the independence in 1971. There were no major industries in Bangladesh, when it was the part of Pakistan, due to discriminatory attitude and policies of the government of the then West Pakistan. So, rebuilding the war-ravaged country with no natural resources appeared to be the biggest challenge. The industry that has been making important contribution to reconstructing the country and its economy is none other than the readymade garment (RMG) industry which is now the only biggest export earner for Bangladesh. The sector accounts for 81% of total export earnings of the country. When single export earner – the jute industry – started losing its golden days, it is the RMG sector that substituted it, and then, to overtake it.

Following figure 1 shows how this sector started and got the momentum:

Figure 1: Bangladesh RMG - a growth formula



Source: McKinsey and Company, 2011, page-22

This advantageous starting position in terms of capacity, price, trade regulations and capability provided the base for positive RMG growth in Bangladesh. The strong demand of international buyers from Europe, the US, and promising markets will speed it up in the future.

Background of the RMG sector in Bangladesh

The clothing industry of Bangladesh began its expedition in the 1980s and has come to the situation it is in today. The pioneer of the readymade garment industry in Bangladesh is the late Nurool Quader Khan who was a brilliant civil servant in his initial career. He had a vision of how to bring a positive change for the country. In 1978, he sent 150 trainees to South Korea where they learned how to generate readymade garments. He set up the first RMG factory in Bangladesh named Desh Garments with those trainees to produce garments for export. At the same time, the late Akhter Mohammad Musa of Bond Garments, the late Mohammad Reazuddin of Reaz Garments, Md Humayun of Paris Garments, Engineer Mohammad Fazlul Azim of Azim Group, Major (Retd) Abdul Mannan of Sunman Group, M Shamsur Rahman of Stylecraft Limited, the first President of BGMEA, AM Subid Ali of Aristocrat Limited also came to the fore and established some of the first apparel factories in Bangladesh. Other far-sighted and hardworking entrepreneurs started RMG factories in the country following their footsteps. From then and onwards, Bangladeshi garment industry did not need to look back. Even with many difficulties experienced by the sector over the past years, it has impressed a niche in world market and kept continuing to show strong

performance. Different sources of impetus have contributed to the development and maturity of the industry at various stages since the early days. Such as child labour which Bangladesh learned about in 1994, and successfully made the industry free from child labour in 1995.

The Multi Fibre Agreement (MFA)-quota was a blessing to this industry to take root, progressively developed and matured. While the quota was approaching to an end in 2004, it was envisaged by many that the phase-out would acquire a massive upset in our export. Conversely, the post-MFA age is another story of success. Proving all the forecasts incorrect, Bangladesh dominated the post-MFA challenges. Now the clothing industry is Bangladesh's principal export earner with value of over \$24.49bn of exports in the last financial year (from July 2013 to June 2014).

Despite the impressive growth of our apparel industry, and its dazzling prospects, challenges are still there. One of the biggest challenges currently faced by our RMG industry is to make sure workplace safety and better working conditions for the millions of garment workers. Breaking through new market and new products are prime necessity of the time. Ensuring socio-political stability is the first and foremost requirement for the sustainability of the RMG sector in Bangladesh.

The question of sustainability of RMG sector in Bangladesh

The Tazreen fire and the Rana Plaza collapse, two major accidents, have brought the issue of workplace safety to the forefront and led all stakeholders to act consequently. Following the untoward incidents, a variety of platforms such as the Bangladesh Accord on Fire and Building Safety, the Alliance for Bangladesh Worker Safety and National Plan of Action have been formed to improve building and fire safety of Bangladesh's garment industry. All members of the Bangladesh Garment Manufacturers' and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers' and Exporters Association (BKMEA) are working all-out to carry out the remedial action plans recommended by the Accord, Alliance and National Plan of Action after inspections, even investing large amount of money. In addition, the factories which were set up in an unplanned way and housed in dangerous buildings have started repositioning to safer buildings. Moreover, a project has been taken to set up a well-planned garment industrial park beside the Dhaka-Chittagong Highway where the structurally weak garment factories will be able to transfer. Though, ensuring workplace safety at all garment factories is a gigantic task and will take time to achieve. But it is believed that the government of Bangladesh, BGMEA and BKMEA, with the support of global brands and international development partners, will be able to ensure the safety of the RMG industry and maintain the forward motion of socio-economic development in the country. A more magnificent future is waiting for the ready-made garment industry of Bangladesh with challenges on one side. A recent study jointly conducted by the United States Fashion Industry Association (USFIA) and the University of Rhode Island (URI) has made everyone more confident about

the potentials of RMG industry in Bangladesh. The study said that the US-based fashion companies are expected to boost their sourcing from Bangladesh in the next two years. A global management consulting firm, McKinsey, described Bangladesh as the next hot spot in apparel sourcing. The renowned firm anticipated that export-value growth of 7-9% annually and Bangladeshi apparel export will double by 2015 and almost triple by 2020 provided that it can effectively beat a few challenges including increasing infrastructure and skill of employees. It is the task of everybody of the state to protect the interest of this industry which has given the economy a strong base, created jobs for millions of people, especially for women, lifted them from the gulf of chronic poverty and given them a dignified life. Now it is needed to deal with all the challenges facing garment industry, paving the way for its further improvement.

The main highways namely Dhaka-Chittagong, Dhaka-Mymensingh, Dhaka-Tangail through which our apparel products and the raw materials for textile and clothing industry are transported from factories to harbor, are being widened (from two lanes to four lanes) and drive-worthy for tapping our export potential. This work needs to be finished as immediately as possible. Connection of gas to the factories and incessant power supply are prerequisites for the stable growth of this industry. Thus, the government should consider giving gas and electricity connections to RMG and textile units as the top priority. Producing the required number of skilled workers is another challenge and overcoming it will determine whether the country will be able to sustain the boom that is waiting to happen. Although Bangladesh Garment Manufacturing and Exporting Association (BGMEA) along with the government and other global organizations has taken the initiatives of developing skills of workers, nevertheless more initiatives as such are required to meet the demand of the industry and enhance the productivity of the industry. The budget allotment of the government for the skill development also required to be increased. Graduate and post-graduate degrees to students on fashion design, knitwear technology and apparel merchandising related subjects are offered by the BGMEA University of Fashion and Technology (BUFT). Nonetheless, to meet the current deficit of competent professionals in the mid-level of garment factories, fashion, textile and industrial merchandising related departments needed to be established at all of major public and private universities in the country. Bangladesh mainly produces five products – T-shirts, sweaters, trousers, men's and women's shirts. Moreover, it is dependent mainly on two markets namely the European Union and North America (the USA and Canada). Though it reduced its dependence on these two markets from 93% to 85% in last five years (From fiscal 2009-10 to 2013-14), it needs to diversify the destinations of apparel export and concentrate on high-end products like suits, lingerie, etc more for the sustained growth of apparel industry. Poor infrastructure, bureaucratic inefficiency and corruption are still the major challenging factors in industrialization and for growth of an industry. These are also escalating entrepreneurs' cost of doing business. Country is also losing price and delivery competitiveness

to its business competitor. The last but not the least, political stability of the country is the key to steady growth of the industry.

Bangladesh has come a long way starting from scratch and is now one of 10 new emerging countries in the world. The macroeconomic stability, 6% annual average GDP growth, robust performance of remittance and export, strong foreign currency reserve, and remarkable social and human development over the past decade – all reflect its underlying strengths. Given the dominance of the RMG industry in the overall economy of Bangladesh, this sector is to be protected. Rather than basking in the glory everyone should work hand in hand to retain sustainable growth and competitive edge of this industry.

Considering above introductory discussions, it is felt that research is needed to find out how RMG sector can be made sustainable. For these reasons this study is to look for sustainability dimensions of RMG sector of Bangladesh.

Concepts and connotations

Ready Made Garment (RMG) -

Ready Made Garment is that piece of clothing which is already made, primed without taking the previous order and measurement of the wearer. These kinds of costumes are made for the users comfort and to keep away from hassle of making dresses by the tailors. Economic and commercial convenience gives it a new dimension. Now a day's all developed countries people use readymade garments. Not only that, it has attained such popularity that all most all countries are going to be dependent on readymade garments. Wikipedia said that Ready Made Garments are mass-produced finished textile products of the clothing industry. They are not custom tailored according to measurements, rather generalized according to anthropometric studies. They are made from many different fabrics and yarns. Their characteristics depend on the fibers used in their manufacture. Ready-made garments are divided into the following types:

Outer clothing: Work wear and uniform, leisure wear, sportswear (e.g. suits, pants, dresses, ladies' suits, blouses, blazers, jackets, cardigans, pullovers, coats, sports jackets, skirts, shirts (short- or long-sleeved), ties, jeans, shorts, T-shirts, polo shirts, sports shirts, tracksuits, bathing shorts, bathing suits, bikinis etc.)

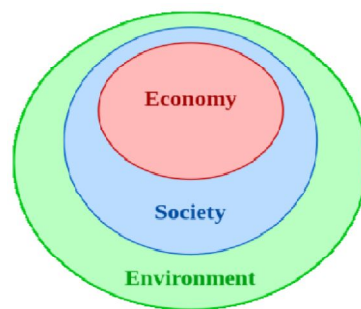
Underclothing (underwear): jersey goods, lingerie (e.g. underpants, undershirts, briefs, socks, stockings, pantyhose etc.)

Sustainability -

The word Sustainability means the ability to be sustained, supported, upheld, or confirmed. Sustainability could be defined as an ability or competence of something to be maintained or to sustain itself. It's about taking what we need to live now, without endangering the potential for people in the future to meet their needs (landlearnNSW.org.au). Sustainability is defined as a requirement of our generation to manage the resource base such that the average quality of life that we ensure ourselves can potentially be shared by all future generations. Development is sustainable if it involves a non-decreasing average quality of life (Asheim,1994).

Following figure-2 shows how sustainability can be ensured. The figure is indicating the relationship between the 'three pillars of sustainability', in which both economy and society are constrained by environmental limits. Most important segments of sustainability are depicted in the following figure:

Figure 2: Three pillars of sustainability



Source: www.wikipedia.org, accessed on 12/05/2015 at 05.36 pm

The 2005 World Summit on Social Development identified sustainable development goals, such as economic development, social development and environmental protection. This view has been expressed as an illustration using three overlapping ellipses demonstrating that the three pillars of sustainability are not mutually exclusive and can be mutually reinforcing. The three pillars have served as a common ground for many sustainability standards and certification systems in recent years. Some sustainability experts and practitioners have show four pillars of sustainability, or a quadruple bottom line. One such pillar is future generations, which emphasizes the long-term thinking connected with sustainability.

There is a sizeable literature on the environmental features of sustainability, work on the social part of sustainability lags behind (Carter and Rogers, 2008; Seuring and Müller, 2008a; Pullman and Dillard, 2010; Reuter et al., 2010; Sarkis et al., 2010). Social sustainability has only recently joined the mainstream management literature, driven by improved sensitivity in the developed world to ethical

issues (Harrison and Freeman, 1999; Quazi and O'Brien, 2000) and the business case for social reform: improvements in social sustainability have been associated to an enhance in competitiveness (Porter and Kramer, 2006, 2011). Yet many Multi National Companies are struggling with the management of social sustainability issues in their supply chains (Klassen and Vereecke, 2012) and successfully implementing improved conditions in upstream suppliers is a key contemporary challenge (Matos and Hall, 2007).

Social sustainability is also increasingly viewed as having a positive impact on productivity – hence, improvements can be good for business. In fact, there is proof from all suppliers and both buyers that social sustainability can lead to economic benefits. But social sustainability implementation has reduced child labour in Bangladesh's RMG industry – which, in isolation, is extremely positive – it has diverted children to other, less regulated and often more dangerous industries like construction. This highlights the complications of improving social sustainability in one particular industry when it is faced with tackling wider socio-economic problems (Huq et al, 2013).

The simple definition that sustainability is something that improves "the quality of human life while living within the carrying capacity of supporting eco-systems", though vague, conveys the idea of sustainability having quantifiable limits. But sustainability is also a call to action, a task in progress or "journey" and therefore a political process, so some definitions set out common goals and values. The Earth Charter speaks of "a sustainable global society founded on respect for nature, universal human rights, economic justice, and a culture of peace." This suggested a more complex figure of sustainability, which included the importance of the domain of 'politics'.

More than that, sustainability implies responsible and proactive decision-making and innovation that minimizes negative impact and maintains balance between ecological resilience, economic prosperity, political justice and cultural vibrancy to ensure a desirable planet for all species now and in the future.

Sustainability of RMG sector in Bangladesh

Bangladesh has got challenges to make RMG sector sustainable. These challenges are inadequate workers welfare activities, limited product lines, untapped market, and political instability. These are the four challenges for the sustainability of RMG sector of Bangladesh. For a sustainable RMG sector, Bangladesh needs to ensure workers welfare along with safe working environment, product diversification especially going for high end products, market exploration particularly search for new markets both conventional and unconventional, and maintain a reasonable socio-political stability. In this study, the dimensions used to examine sustainability of the sector are as follows: 1) An exploration of the welfare status of the RMG workers, 2) Vertical extension for breaking through product diversification, 3) Horizontal expansion through market enlargement, and 4) Socio-political stability.

Problem statement

There are differences of opinion about the sustainability of the RMG sector of the country. Some thinkers gave more importance on the actions of the private sectors only. Another segment of the academician describes the inaction or positive action of the government as a prime factor. Combination of these two things is also mentioned in some study. Some played blame games. But in this critical juncture we seriously need to point out the role of the government from a neutral point of stance for the sustainability of RMG sectors. Otherwise a dire consequence is waiting for the economy and for the country as a whole. However, Joint effort from both private and public sector is needed to make RMG sector sustainable. Stakeholders such as buyers, donor agencies, development partners like World Bank (WB), International Monetary Fund (IMF), World Trade Organization (WTO) required to extend their cooperation for the sustainability of this potential sector of Bangladesh.

Sustainability of RMG could be defined as an ability or capacity of it to be maintained or to sustain itself in any adversity in the world market. Role of the government along with the private sector is the important factor in this regard. That is why; how to make the RMG sector sustainable and what more all stakeholders can do to make RMG sector sustainable are burning issues for this sector.

Illustrations of the problem

Sustainability of RMG in Bangladesh is a major concern for both private and public sector of the country. Due to the importance of RMG sector in the economy of Bangladesh, government needs to pay more attention for the development of this sector. Basically government cooperation for sustainability of RMG from various points of view is a concern for this growing manufacturing sector of the economy of Bangladesh. Duty free and quota free (DFQF) access and Generalized System of Preference (GSP) are denied by the United States government. USA is the largest buyer of RMG of Bangladesh. This action of the biggest buyer creates a hindrance to this sector. Ran plaza collapse followed by Tazreen Fashion fire has brought the workers welfare issue in front. International agencies, buyers, development partners, civil society organization both government and private sectors are to take necessary steps to mitigate these sorts of crises. Particularly government should create enabling environment for sustainability of this sector. Presently in the world market China is the leading country of RMG export. Bangladesh is the second largest RMG out sourcing country in the globe. For some valid reasons Bangladesh is now getting more importance to the worlds big buyers from the USA and the EU. "With garment buyers moving out of China, the sourcing caravan is moving on to the next hotspot Bangladesh," the latest report of McKinsey & Company said, providing an overview of the rapid growth of Bangladesh apparel sector with its prospect and areas of concern. Low wage and abundance of cheap labour are not enough to be the number one apparel out sourcing country. RMG sector would face some major challenges to achieve the

opportunity to attain the status of global hub. It needs to bring the sustainability in RMG outsourcing in Bangladesh. Sustainability dimensions are to be explored and bottlenecks of development to be removed or resolved to gain sustainability in the long run. Otherwise, Bangladesh will miss the train of opportunity in this competitive world market.

Significance of the problem

Readymade garments sector is facing realities which are very crucial for that industry and for the economy of Bangladesh as a whole. The United States of America the biggest export destination of RMG of Bangladesh is not giving DFQF access now. They have cancelled GSP for Bangladeshi RMG exporters. It is a big challenge for RMG sector of Bangladesh.

Poor standard of compliance set by the importers and development partners also creating barriers for Bangladeshi readymade garments to its desired growth. Situation created after well talked about Rana Plaza collapse and Tazreen Fashion Fire is big challenge for advancement of RMG sector of Bangladesh. Bangladesh garment exporters and manufacturers should take the lead to abide by the compliance issues set by the buyers and international agencies. New market search, new products innovation, and socio-political stability are also needed to be addressed properly for the sustainability of the RMG sector of Bangladesh.

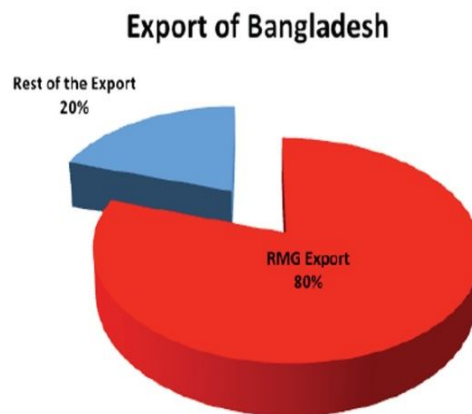
Social- The readymade garment industry has radically changed the lives of millions of Bangladeshis over the last two decades. RMG creates employment for near about five million people in the country, particularly for women. For their livelihood, sustainability of this sector is a necessity for this country. This sector is now the largest employer in Bangladesh. It helped solve unemployment problem of the state. The garment sector is the largest employer of women in Bangladesh. It has provided employment opportunities to women from the rural areas that previously did not have any opportunity to be part of the formal workforce. This has given women the chance to be financially independent and have a voice in the family because now they contribute financially. It has also contributed in savings, child labour, and population control. It has added significantly to economic growth at the macro level as well as reduced poverty rates at the household level. Women, in particular, enjoy unparalleled access to gainful employment– the industry provides work to about 3 million women, accounting for almost three-quarters of formal female wage employment in the country. Creating employment, poverty reduction and women empowerment are the major contribution of RMG in the social sector. It has also created an avenue to empower the marginalized people of the poverty stricken Bangladesh. RMG sector is enjoying the demographic dividend and leverage of low wage of the poor people of Bangladesh.

Political- If RMG sector faces problems social and economic sector of the country will become instable. Political situation will become volatile due to instability created by RMG sectors dilemma. It is to be kept

in mind that the political impasse is obviously a drag on the economy. This is not only the case to discuss; if we think back to judge the situation where there were no RMG sector in the country, what would happen to the political scenario of a poverty stricken economy like Bangladesh. Unemployment would go beyond control, poverty would be worsened, and lawlessness would grip the country in such a way that it could face famine and total political collapse. If Bangladesh could maintain political stability, this RMG sector would have taken Bangladesh to a new height.

Economic- In the year 2012-2013 RMG sector of the country earned US\$ 21515.73million and total export earning of that year is US\$27018.26million which is near about 81% of total export earnings. A country like Bangladesh cannot afford to take risk of losing these huge amount of foreign currency. The apparel industries in Bangladesh are the source of major export earnings, Major Player in the export, helping industrialization, contributed to GDP at 13.5%, helped growth of backward and forward linkage industries. This sector contributes 38% of value addition. It generates huge clientle base for banking, insurance and shipping. Transport, hotel, cosmetics, toiletries and related other economic activities have also flourished. It provides indirect employment to 0.80 million workforces in accessories industries related to garments. It also provides 0.2 million job to waste recycle industry related to RMG sector. For economic sustainability government and concerned stakeholders need more rigorous measures to take. Figure-3 explains the contribution of RMG in total export of Bangladesh:

Figure 3: RMG’s contribution to the Total Volume of Export from Bangladesh

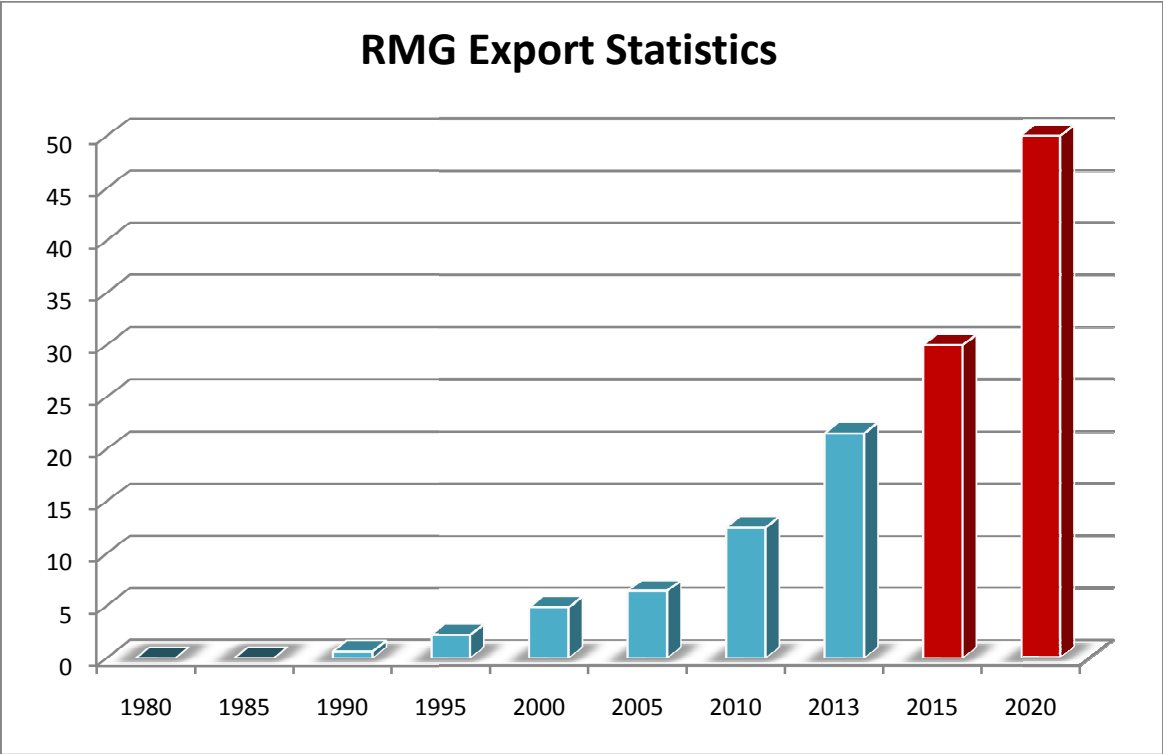


Source: www.bkmea.com, accessed on 10/6/2015 at 09.28 pm

Bangladesh is the world’s 2nd largest exporter of RMG at the moment next to China. RMG accounts for 81% of the country’s total exports. World’s largest RMG exporter China is losing its attractiveness and buyers are shifting to substitute sources. Fundamentally, they are considering price, capacity, quality,

speed and risk. It is to be mentioned here that Bangladesh, despite some of its limitations, stands out. Bangladesh currently offers two foremost advantages-- price and capacity. Bangladesh achieved a double digit growth in RMG exports in the last decade. Forecast for the next decade is a growth of 7- 9% with a projected export value of US\$ 30 billion by 2015 and US\$ 50 billion by 2021. Figure-4 depicts expected RMG export statistics in 2020.

Figure 4: RMG Export Statistics



Source: www.bkmea.com, accessed on 15/04/2015 at 09.28 pm

RMG thus constitutes a lifeline of the Bangladesh Economy:

- 4.5 million people are employed in RMG sector directly
- Of the total workforce near about 3 million are women
- 4.0 million more working in backward & forward linkage industries
- 20 million people depend on this industry for livelihood

Other beneficiaries of RMG sector are shown in the following table 1. That can help understand the contribution of RMG sector to the other sectors of economy of Bangladesh.

Table 1: Selected other beneficiaries of RMG sector

Banks & Insurance earn from RMG	Tk.4000 crore
Shipping earns from RMG	Tk.2550 crore
Transportation sector earns from RMG	Tk.1000 crore
Government earns from source tax	Tk.1325 crore
Ports earn as revenue	T.1240 crore

Source: www.bkmea.com, accessed on 13/06/2015 at 08.14 pm

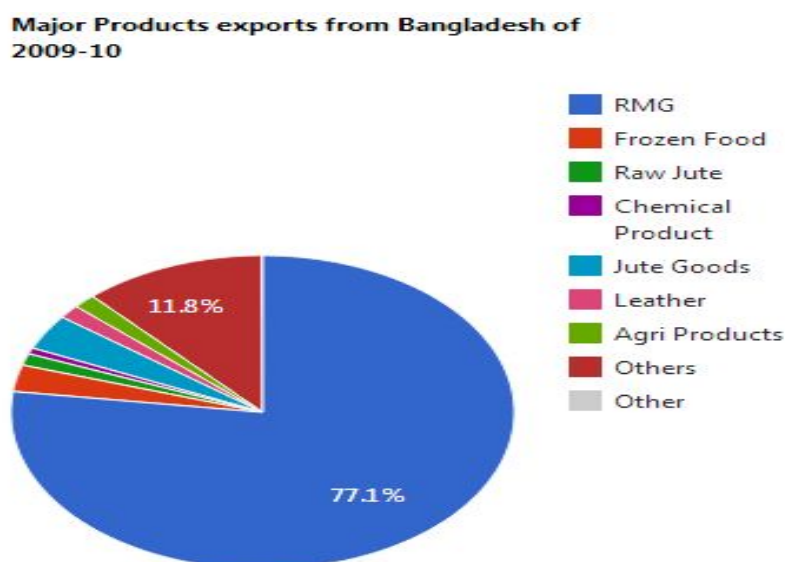
Selected literature review

Bangladesh is no more in the group of Least Developed Country (LDC). It has been declared as lower Middle Income Country by the World Bank on 01 July 2015. This is decided on the basis of per capita income which is at present 1340 US dollar. It is expected that Bangladesh can be graduated as middle income country with in 2021 if it can continue its growth at present speed. In this moment it needs to improve not only in economic sector but also in social and human development sector. Bangladesh's growth has been recognized. Goldman Sachs included Bangladesh in the "Next 11" emerging countries to watch following BRIC (Brazil, Russia, India, and China) and JP Morgan lists Bangladesh among its "Frontier Five" emerging economies in which it is worth investing.

Readymade garment sector is major contributor of the economy of Bangladesh. RMG sector is the largest export earning source of our country. Following figure shows that in 2009-2010 RMG occupied 77.1% of total export of our economy. Gradually share of the pie for it is increasing significantly.

Following figure-5 shows major product exports from Bangladesh. In that figure, it is found that RMG sector earns near about 4/5 portion of the economy of Bangladesh.

Figure 5: Major export products from Bangladesh



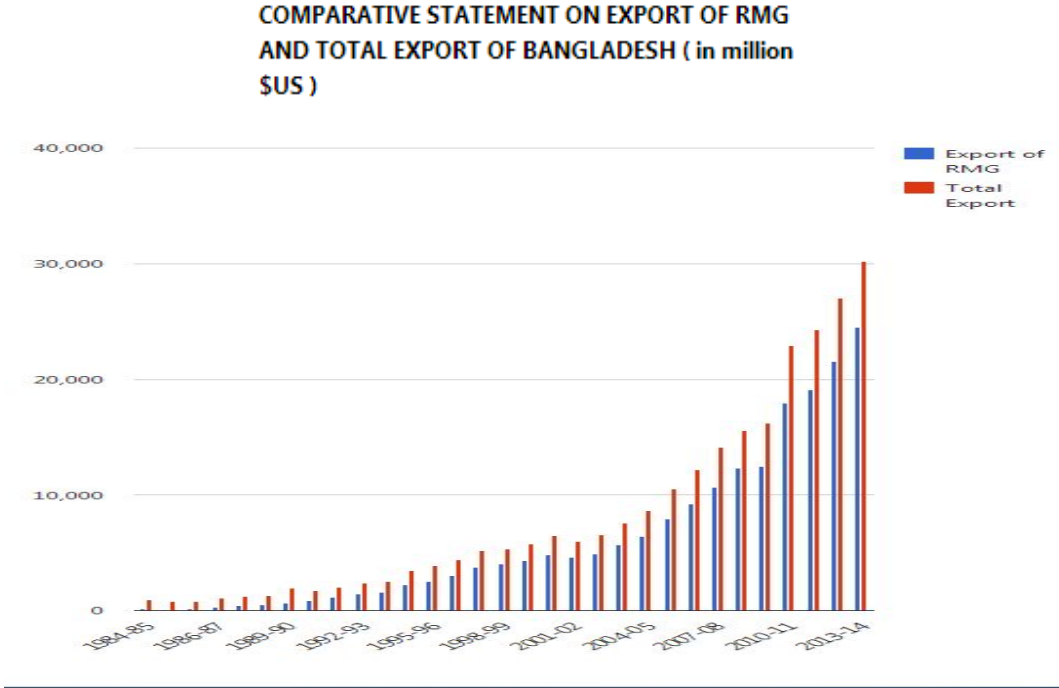
Source: www.bgmea.com.bd, accessed on 22/02/2015 at 09.23 pm

The robust Ready Made Garment (RMG) sector is playing a pivotal role in the economy. Bangladesh Garment Manufacturers and Exporters Association (BGMEA) mentioned in their website that RMG sector is the 81% export earning sector of Bangladesh which contributes more than 13.5% to GDP. It has brought a revolution in the society through poverty alleviation, employment and women empowerment. Due to vibrant RMG sector, Bangladesh is branded as one of the top apparel manufacturing countries in the world. According to statistics of World Trade Organisation, Bangladesh is the fourth largest clothing exporting country of the world (WTO, 2014). The statistics of FY 2008-09 shows that export figures for woven, light knit and sweater were US\$ 5.92 billion, US\$4.57 billion and US\$ 1.86 billion respectively. Up to 2012-13, RMG sector of Bangladesh are providing employment for more than 4.4 million people. According to Bangladesh Bank data, export shipment of readymade garment in July-August of FY 2013-14 was 4160.34 million US\$. The stout Ready Made Garment (RMG) sector is playing a central role in the economy.

On the other hand, the most important progress in the history of entrepreneurship development in Bangladesh is the massive growth of readymade garment (RMG) industries. When the first RMG entrepreneur, Mr. Nurul Kader, launched his venture in 1978, it was quite beyond anybody's imagination that the number could go beyond the mark of five thousand by the year 2010 (Banglapedia, 2012). Not only that, BGMEA came into being with 12 members in 1978 and got registered in 1983 with members

amplified to 134. Presently BGMEA has more than 5000 member factories fetching more than 80% of the country’s total garments export earnings (BGMEA, 2014). Following figure-6 shows comparative statement on export of RMG and total export of Bangladesh:

Figure 6: Comparative statement on export of RMG and total export of Bangladesh



Source: www.bgmea.com.bd accessed on 28/05/2015 at 08.14 am

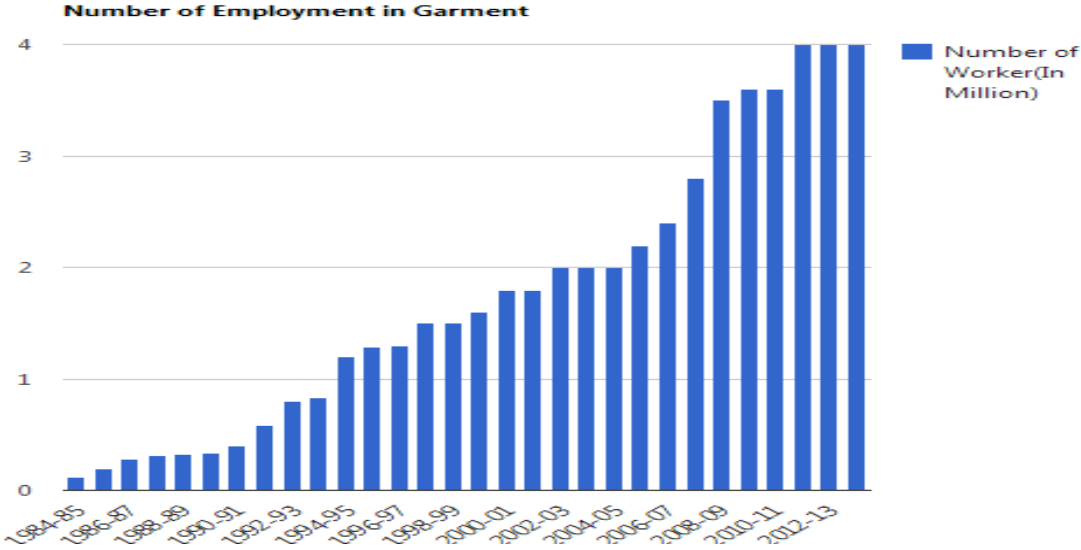
Dhaka Apparel Summit held in Dhaka, Bangladesh, from 07 to 09 December, 2014 aimed at branding of Bangladesh and drawing a road map to reach the export target of \$50 billion by 2021 when the country will celebrate the 50th anniversary of its independence. The global demand for apparel product is worth \$450 billion, which is expected to reach \$650 billion by 2021. To achieve the \$50 billion apparel export earnings target, Bangladesh needs to increase its share to 8.0 percent from the existing 5.0 percent in the world apparel market.

It will be difficult to achieve the target with a traditional business model. To find out proper ways and means, The BGMEA, the garment makers' platform, has set up a research organization the Centre of Excellence for Bangladesh Apparel Industry, the first of its kind in the country. The organization that comes into being on 07 December, 2014 will conduct research on the apparel sector and advise both the government and the manufacturers on how to drive the sector in the right direction. The garment makers'

platform in association with the International Labor Organization (ILO) will run the institute, which will be based in the BGMEA headquarters until a new office is found.

The summit is the first step towards building a positive image of the country and to send a message that Bangladesh is not a land of disasters and natural calamities. Bangladesh is a land of opportunities and business. Next figure 7 depicted number of employment in garment up to 2013:

Figure 7: Employment generation in the RMG sector



Source: www.bgmea.com.bd , accessed on 07/04/2015 at 07.06 pm

It is to be reiterated that the RMG sector, employing around 5 million workers to generate an export earnings of about US\$25 billion, 81% of the country’s total export earnings and over 13.5% of GDP. There are some bottle necks to reach the ambitious target to be achieved by 2021. To overcome these limitations government of Bangladesh requires to solve some crucial issues related to the development of RMG sector. ‘Compliance’ is a major issue in which government is to play the important role. Developing required infrastructure is the responsibility of the government. Enabling environment for doing business is also a major duty of the government. Besides the gas and power shortages, the government should address the issues such as developing the Dhaka-Chittagong highway, raising productivity, and facilitating product and market diversification. It is to be noted that productivity of Bangladeshi workers is lower than their competitors in other countries. Markets and work orders are not major problems; RMG sector has scope to export more. It needs a stable production cycle. Bangladeshi garment exporters have diversified their products over the years. Now, 30 percent of the total garment

exports are high-end products and manufacturers are making foray into newer segments such as suits, jackets and lingerie.

Foreign inspection agencies like Alliance and Accord have found more than 98 percent factories of the countries safe, according to BGMEA, has sent a positive message to the world.

Readymade Garments sector can continue to grow, in existing and newer markets. Newer products will emerge more slowly. Thus, more rapid export growth will initially rely on capturing higher market shares in Bangladesh's existing strengths, i.e., basic garments-both in current markets, and penetrating newer and dynamic markets such as Japan, China, ASEAN and India. In addition, many firms have already started to produce higher value garments, and this will expand the target market for Bangladesh. To achieve the above and sustain and accelerate export growth will require actions centered around four pillars. These are: (1) breaking into new markets through a) better exploitation of regional trading opportunities; and b) better trade logistics to reduce delivery lags and become more competitive in nearby markets, especially Asia; as world markets become more competitive and newer products demand shorter lead times, to generate new sources of competitiveness and thereby enable market diversification; (2) breaking into new products through a) more neutral and rational trade policy and taxation and bonded warehouse schemes; and b) concerted efforts to attract foreign direct investment, to spur investment and export diversification; (3) improving worker and consumer welfare by a) improving skills and literacy; b) implementing labor and work safety guidelines; c) making safety nets more effective in dealing with trade shocks; and (4) building a supportive environment, including a) sustaining sound macroeconomic fundamentals; b) easing the energy constrain; c) strengthening the institutional capacity for strategic policy making geared to the objective of international competitiveness to help bring focus and coherence to the government's reform efforts (World Bank, 2014).

Only cheap labor created by demographic dividend for Bangladesh will not be enough to make RMG industries sustainable in Bangladesh. Socio political stability is the prime issue to increase both local and foreign direct investment in this promising sector.

Bangladesh's per capita manufacturing value added is \$104.65, compared to China's 1,147.12 and India's 163.44. (BGMEA,2015). Productivity of labour in RMG sector is also very important in the competitive world. To improve productivity workers welfare is a must.

Bangladesh is facing socio political instability due to its inefficiency in leadership, lack of institutional strength.

Within this socio-political instability RMG has got this much robust growth. If there would not have any kind of instability, the RMG industries could have lion share of the world apparel market. It could have attained certain level of sustainability by this time.

The research objectives

Objective of this study is to find out sustainability dimensions of readymade garment (RMG) sector for healthy economy of Bangladesh.

Broad objective

The objective of this study is to explore selected sustainability dimensions of the readymade garment (RMG) sector of Bangladesh by focusing its current status, challenges and future potentials.

Specific objectives

Current situation

1. To examine the existing state, status and performance of the sector in relation to selected/identified sustainability dimensions.

Gaps and Challenges analysis

2. To identify the major problems, challenges and prospects of the sector with special reference to sustainability.

Recommendations

3. Based on the above observations of the study to elicit major lessons and furnish policy and functional recommendations.

The research methodology

Secondary literature review-

A Secondary Literature Review (SLR) is a review of the important literature for a given research subject. Secondary literatures consist of books, annual reviews, textbooks, Journals, Periodicals and Other publications. To find out sustainability dimensions of readymade garment sector for healthy economy of Bangladesh secondary literature review will be done. Related prevailing literatures will be studied and on the basis of that study research objective is to be fulfilled. Secondary sources that involve generalization, analysis, synthesis, interpretation, or evaluation of the original information are to be taken into consideration to attain the research objective. Secondary data will be used for this study from Ministry of Commerce, Government of the Peoples Republic of Bangladesh, Export Promotion Bureau of Bangladesh, Bangladesh Bank, Bangladesh Garments manufacturing and Exporting Agency (BGMEA), Bangladesh Knitwear Manufacturing and Exporting Agency (BKMEA), Research organizations, World Bank, World Trade Organization (WTO), Think tanks, Civil Society Organizations, Non Government Organizations.

Focus group discussion-

Focus group discussion (FGD) is a situational technique of qualitative research which has multi dimensional communication process. It is a prearranged discussion though structured in a flexible way. There may be between 6 and 12 participants that usually lasts one or two hours and provides the chance for all the respondents to participate and to give their judgment. Smaller groups and those with the range of same characteristics are likely to be more coherent and interactive. Focus group relies on discussion between participants about the topics offered and group members may manipulate each other by responding to ideas and comments that come up during the discussion. For the study, FGD will be conducted in various organizations. Such as: Ministry of Commerce (MoC), Bangladesh Garments Manufacturers and Exporters Associations (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Associations (BKMEA). Focus Group will consist of high officials of the Ministry of Commerce, Office bearers of BGMEA and BKMEA. Topic of FGD will be the sustainability dimensions of RMG sector of Bangladesh and its pros and cons.

In-depth interview-

The in-depth interview is a qualitative means of analysis, which proceeds as a classified and secure conversation between an interviewer and a respondent. By means of a systematically composed interview guide, which is permitted by the client, the interviewer ensures that the conversation encompasses the topics that are fundamental to ask for the sake of the purpose and the issue of the survey. In-depth interview will be conducted to get the information from Buying Houses of RMG of Bangladesh. Endeavour must be there to take interview of foreign buyers.

Uncontrolled simple observation-

Observation is the actively gaining of information from a primary source. To collect first hand information this process will be applied by field visit to some factories. These factories are to be located within the Dhaka city if not within the vicinity of Dhaka city due to some reasons like transport communication, traffic and some other constraints. Export oriented large size garment factories are to be taken into consideration. At this point, it may be relevant to mention my personal experience and institutional affiliations that have had relevance on the observations during the course of the study. I have got the experience to work in the Ministry of Commerce (MoC), Finance Division (FD) and Bank and Financial Institutions Division (BFID) of the Ministry of Finance, Ministry of Industry (MoI), Ministry of Home Affairs (MoHA). Firsthand experience of working in the power hose of the government gave relevant experience about the RMG sector of Bangladesh. Being in the government, I could experience the problems and prospects of RMG sector of Bangladesh from various points of view such as economic,

financial, environmental, social and political. This knowledge gave me new insight about the most prospective sector of our economy. This understanding will help me to work with the research topic.

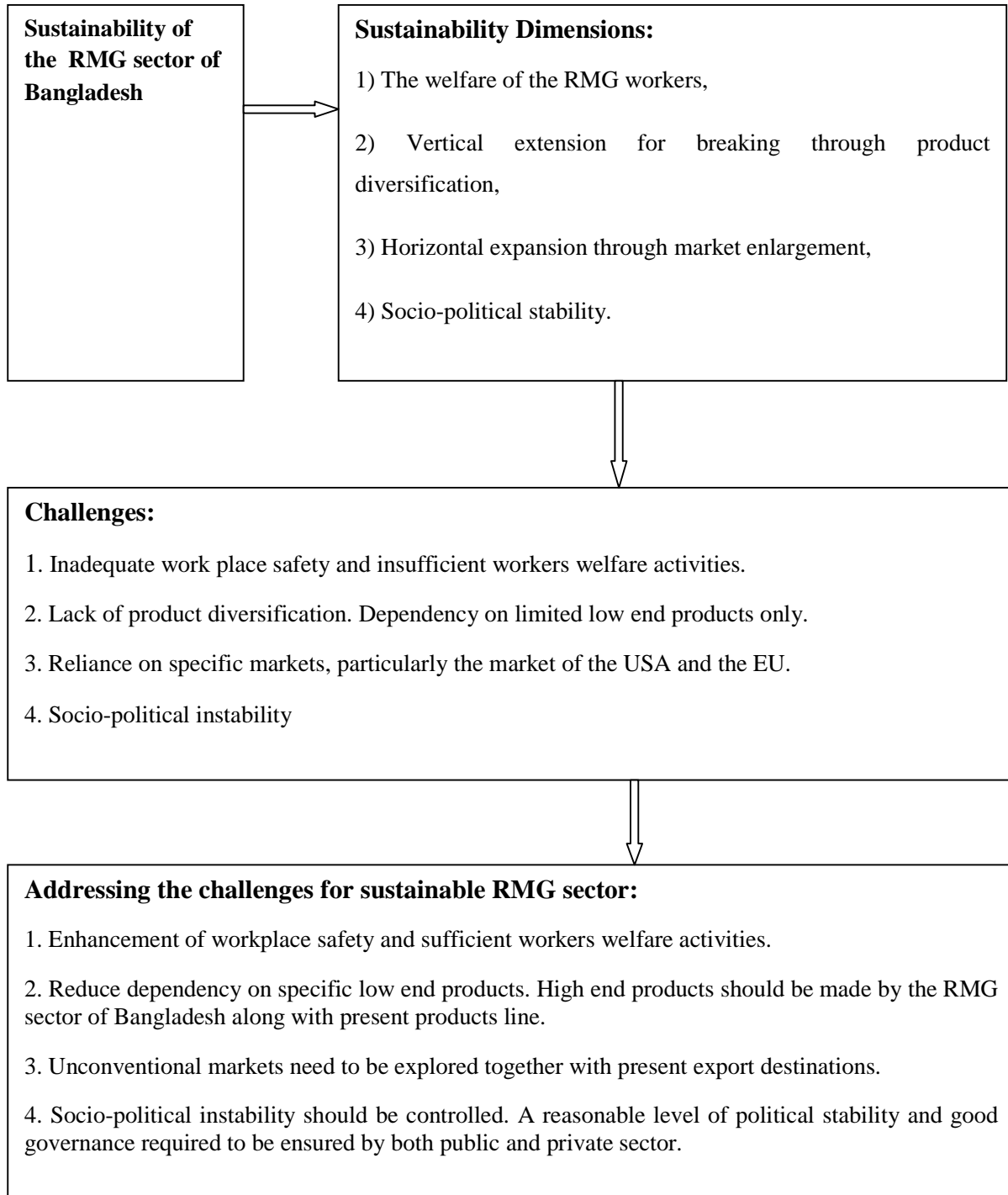
Limitations

Accessibility to and availability of secondary data is not sufficient to do the study in an in depth manner and limitations are also there to collect and utilize primary data. Time and resource constraint' are also major hindrances to this study. This research will look into the sustainability dimensions related to workers welfare, new market search, new product particularly high end products including present low end products, and socio political stability. These are the major issues concerned with the sustainability of RMG sector of Bangladesh. Some issues of the selected sectors may not be covered within this study. Not only that, due to some constraints other issues are not going to be discussed in this study. Those are remained for enthusiastic researchers of this sector. Spaces related to sustainability dimensions which are not covered in this study will remain for the next researchers to explore.

Analytical framework of the study

Analytical framework of the study is shown in the Diagram 1 below. Based on the earlier literature review, four dimensions of sustainability have been identified: 1) An exploration of the welfare status of the RMG workers, 2) Towards sustainability: Vertical extension for breaking through product diversification, 3) Towards sustainability: Horizontal expansion through market enlargement, 4) Towards sustainability: Socio-political stability. The study attempts to explore these dimensions of sustainability by focusing on the key challenges and means to overcome such challenges. Framework of the study depicted below in figure 8 will help better understand the analytical framework of the study.

Figure 8: Framework of the study



Source: Developed by the author

Organization of this dissertation

This document is divided into six chapters. After this general introduction and setting of the broader context of the study, the second chapter focuses on various welfare aspects of the RMG sector workers. This chapter shows that Workers welfare and workplace safety in RMG are concern of all related stakeholders. Particularly the USA (the largest buyer of RMG from Bangladesh) and European Union(the second largest buyer of RMG from Bangladesh) became very much sensitive about workers after Rana plaza collapse. Even the USA has cancelled GSP after the devastating industrial disaster of the world named Rana Plaza cave in. The USA and its allies have given some guidelines to improve the standard of the workers safety. Until these guiding principles are realized GSP would not be given to Bangladesh again. Not only that, Some renowned brands like 'Disney' has withdrawn its investment from Bangladesh. Second chapter elaborately studied and discussed the workers welfare and work place safety of the RMG workers of Bangladesh which is also the major challenge for the sustainability of this sector. 'Towards sustainability: Vertical extension through product diversification' is the point of discussion in chapter three. RMG export of Bangladesh is mainly dependent on low end products. Bangladesh largely produces five products – T-shirts, sweaters, trousers, men's and women's shirts. This chapter suggests to concentrate on high-end products like suits, lingerie, etc more for the sustained growth of apparel industry. The title of the chapter four is 'Towards sustainability: Horizontal expansion through market enlargement.' RMG sector of Bangladesh is dependent mainly on two markets namely the EU and North America. needed to diversify the destinations of apparel export for sustained growth of RMG industry. This chapter tries to explore that the increased exports to the non-traditional markets can reduce to some extent the overwhelming dependency on the traditional markets. Chapter five shades light on socio-political stability in the title of 'Towards sustainability: Socio-political stability.' Socio-political stability is the utmost necessity for economic development. A sustainable socio-political framework capable of exploiting opportunities for sustained technological progress is the basic requirement for the sustainability of RMG in Bangladesh. A suitable socio-political framework capable of exploiting opportunities for sustained technological progress is absent in Bangladesh. This chapter discusses how socio political stability can help RMG sector to be sustainable. Conclusion of this study is drawn in the chapter six whose title is 'Conclusion: Finding a way forward.' Bangladesh government declared the RMG sector as the thrush sector for the rapid growth of the economy. Thrush sector needs to get required administrative and logistic support. Declaring is not enough unless these supports are provided with due dignity. Government has tried and is trying to help RMG sustainable. Private sector is also trying to play their role. But still so many things are missing. In this chapter conclusion has been drawn along with policy recommendations and guidelines for sustainable RMG sector which will bridge the gap between the reality and requirement.

CHAPTER II

AN EXPLORATION OF THE WELFARE STATUS OF THE RMG WORKERS

Introduction

This chapter explores the current status and situation of welfare of workers in RMG industries of Bangladesh. Workers welfare and workplace safety are great concern of the all stake holders of major foreign exchange earner of the country. Particularly 'Rana Plaza' collapse has become the eye opener to the government, private sector, civil society, NGO, development partners, the USA and the EU.

A developing economy like Bangladesh has a surplus of unproductive labor in the primitive sector. These workers are attracted to the growing manufacturing sector called RMG sector where higher wages are offered. That is why; Bangladesh becomes the Textile & Clothing (T&C) hub due to its abundance of cheap labour. 'Development with Unlimited Supplies of Labor' model given by Sir William Arthur Lewis (23 January 1915 – 15 June 1991) is found appropriately set in the case of Bangladesh. More than 50 million people out of 160 million of the country are at the age of 15 to 30 years. This part of the population is the most effective workforce of the country. They are the major player in the industrial sector of Bangladesh, particularly in the RMG sector. This is the reason to say that demographic dividend of Bangladesh is exploited by the RMG sector only. Total economy of the country greatly depends upon this industrial sector. Role of labours are of paramount importance in this labour intensive export oriented industries. Proper management of labour is an essential matter for growth of this industrial sector.

But majority of the garments workers are unhappy with their toilsome labour but the security and safety net in the working place. The recent Rana plaza catastrophe and Tazreen fire tragedy with horrendous casualties created sensation not only in the country but also in the world. These kinds of incidence show that workplace safety and security of the garments workers in the country is in a very bad shape. At the cost of the sweat and blood of the poor and marginalized garment workers, country is earning billions of dollars and garment factory owners make their fate. But these workers are facing negligence and ill treatment both from factory owners and from the government.

Gender discrimination, working environment, conspiracy, wage, owner-worker relations, life-standard and socio-economic condition of the garment workers especially of women workers are the major issue in the field of RMG industry of Bangladesh.

Present situation

Shockwaves were sent worldwide after the loss of 1,135 lives when Rana Plaza collapsed on 24 April 2013. This incident occurred just months after the fatal fire at Tazreen Fashions in which 112 died. It was clear that the Bangladesh Ready Made Garment (RMG) sector had reached a crucial stage. These incidents have been the wake-up call for concerned quarters in recognizing the urgency of improving occupational safety and working condition in RMG factories. To retain the confidence of the global buyers and to safe guard the lives of near about five million workers fundamental changes relating to safety, inspection and compliance had to be made to do business in descent manner.

The Government of USA suspended Generalized System of Preferences (GSP) facilities for Bangladesh on 27 June 2013 availing since its inception and provided 'Bangladesh Action Plan-2014' to implement as a precondition for the restoration of the facilities.

The GSP is a preferential tariff system which provides for a formal system of exemption from the more general rules of the World Trade Organization (WTO). Specifically, it's a system of exemption from the most favored nation principle (MFN) that obliges WTO member countries to treat the imports of all other WTO member countries no worse than they treat the imports of their "most favored" trading partner. In essence, MFN requires WTO member countries to treat imports coming from all other WTO member countries equally, that is, by imposing equal tariffs on them, etc. GSP exempts WTO member countries from MFN for the purpose of lowering tariffs for the least developed countries, without also lowering tariffs for rich countries (Wikipedia, 2015).

The President Barack Obama-led US government in June suspended Bangladesh from the Generalised System of Preferences (GSP), which allows duty-free entry of over 5000 goods to the US market from least developed countries. Now, RMG products (which make up most of the US import from Bangladesh) are not included in the list of duty-free products in GSP, there will be an export fall of about \$40 million .At present, Bangladesh exports about \$5 billion worth of goods (mostly RMG products) to the USA every year and hence, the suspension from US GSP will account for a fall in export of about 0.8 %.

Losing the GSP facility will cost Bangladesh millions of dollars in taxes. It is also influence the European Union to take similar action, which would have a much bigger impact on Bangladesh and its garment sector.

In 2012, Bangladesh was spared about \$2 million in US duties on about \$35 million worth of goods under GSP programme, but it paid about \$732 million in US duties on \$4.9 billion of clothing exports not covered by the programme, according to Ed Gresser, a trade analyst with the Global Workers Foundation (Global Workers Foundation, 2015).

US Trade Representative Michael Froman told that "Our goal, of course, is not only to see Bangladesh restore its eligibility for (the trade) benefits, but to see Bangladeshi workers in safe, appropriate work situations."

Bangladesh's apparel came under scrutiny after the collapse of the Rana Plaza garment factory building in April that killed over 1,136 people and the Tazreen Fashions Ltd factory fire in November last year that killed more than 112.

The US sanction does not directly affect Bangladesh's main export, multi-billion-dollar clothing to the United States, since garments are not eligible for duty cuts under the Generalized System of Preference, or GSP programme. But it could influence the European Union to take similar action, which would have a much bigger impact on Bangladesh and its garment sector. The European Union buys more than \$12 billion in Bangladeshi garments each year, or roughly three-fifths of the country's production. Suspending Bangladesh from the GSP programme would increase US duties on an array of products the country exports to the United States.

The government has started to execute the fourteen guidelines set by the United States in a bid to regain GSP facilities, including establishing of a directorate for labour, withdrawal of cases against Babul Aktar and Kalpona Aktar and ensuring transparent investigation of the Aminul Islam murder.

The Government of Bangladesh (GoB) provided information to the Office of the United States Trade Representative (USTR) on 15 November 2013, 15 April 2014 for the review. On 16 November 2014, the latest development was sent to USTR for further review. The US administration assessed the development and appraised the steps taken by Bangladesh to make the RMG sector compliant.

However, most of the issues are resolved but few remain unresolved. Continuous efforts are going on.

The Government of Bangladesh (GoB) is intensely and pro-actively engaged in consolidating its efforts to take all precautionary measures for mitigating risk for further incidents. In this process, GoB has been actively engaged with International Labour Organization, development partners, exporters, buyers and workers associations in taking all possible measures. At present, all the actions taken by the government, private sectors and other stakeholders are being pursued without any interruption.

Government of Bangladesh has taken initiatives which are identified as immediate and medium term actions along with employers' workers organizations. International Labour Organization (ILO) played a catalytic role here to bring a development in this vital sector. These initiatives were integrated in the National Tripartite Plan of Action (NTPA) on fire safety and structural integrity which was formed following the Tazreen factory fire in November 2012. Key elements are already being implemented, including building and fire safety assessments; labour inspection reforms; occupational safety and health; rehabilitation and skills training as well as the launch of Better Work Bangladesh.

The implementation status of the NTPA is being monitored by the High Level National Tripartite Committee on Fire Safety and Structural Integrity headed by the Secretary, MoLE. The Committee already hold 4 meetings. Some issues relating to assessment of structural integrity were discussed and necessary approval was given. The Committee headed by Secretary, Ministry of Commerce is also having regular review of the NTPA. A standing committee headed by Secretary, Ministry of Commerce has been formed by the Cabinet Committee to review the implementation progress of the NTPA and decisions taken by the Cabinet Committee.

At present, all the actions taken by the government, private sectors and other stakeholders are being pursued without any interruption. To this end, a “Sustainability Compact” for continuous improvements in labour rights and factory safety in the Ready-Made Garment and Knitwear Industry in Bangladesh (“Sustainable Compact”) with the cooptation of International Labour Organization (ILO) was adopted by the GoB, European Union and the United States of America in Geneva on 8 July 2013.

Enhancement of compliance is very vital. Time is not far away when brands and buyers will not buy from us if we fail to comply with factory safety, fire safety, building integrity etc. Increasing number of products in particular, try to go to higher value/high end products. New market search should continue for the sustainability of RMG sector. Increase of labour productivity and make them happy are two major component of compliance. It is to be kept in mind that a happy worker is a productive worker. Productive workforce is the asset for sustainable RMG sector of Bangladesh. In Bangladesh, readymade garment (RMG) industry, starting its arduous journey in small strides in 1980s amid severe constraints, is now the country’s lead export earner accounting for around 80% of the country’s total exports. Bangladesh is now world’s 2nd largest exporter of RMG. The sector is now an industry of around 3,500 factories, US\$ 21.5 billion in exports and 4.5 million direct employees, most of whom are women from the poorer segments of rural areas.

The sector is not only contributing significantly to the country’s GDP, but also creating job opportunities for poor communities thereby playing a crucial role in poverty alleviation and women empowerment. Amidst this glorious achievement, the incidents of Tazreen fire and Rana Plaza collapse of factory building shocked and traumatized the whole nation and also posed major challenges to the future of this sector.

These incidents have been the wake-up call for concerned quarters in recognizing the urgency of improving occupational safety and working condition in RMG factories. The government of Bangladesh, private sector, workers’ associations, overseas buyers, development partners and International Labour Organization -- all have come up with available resources to put in place specific action programmes to this end.

Progress so far made demonstrates a renewed approach in governing the affairs of the country’s RMG sector. Yet, it remains a long-drawn and continuous process. The government, through various mechanisms, has been monitoring all activities so that steps taken in this regard are completed in a well-coordinated manner.

The case of Rana Plaza Disaster

Rana plaza, a 9 storied building on the outskirts of Dhaka at Savar, housed 5 garment factories -- New Wave Style Ltd, New Wave Bottom Ltd, Phantom Apparels Ltd, Phantom Tac Ltd and Ether Tex Ltd, all located at the upper floors. It collapsed morning 24 April, 2013 causing the worst ever factory disaster in modern times. At the moment of collapse, the factories were producing apparels for the global brands -- Wal-Mart, Benetton, Bonmarche, the Childrens Place, El Corte Ingles, Joe Fresh, Mango, Matalan and Primark.

The government and people from all walks of life rushed to the spot in an extraordinary solidarity with the victims, putting in all they could in the combined rescue operation that continued unceasingly for 19 days. Local people, doctors and students from adjacent hospitals and fire fighters were joined immediately by the Bangladesh Army, Rapid Action Battalion, Border Guard of Bangladesh, trained volunteers and medical teams. The Hon’ble Prime Minister herself coordinated the massive rescue operation. 2,438 people were rescued with from the ruins and as many as 1,135 died. Around 1,800 of the survivors suffered injuries -- a good number of them rendered crippled with hands or legs or both amputated. Among the deceased, a total of 844 bodies could be identified. 291 dead bodies could not be identified. 157 dead bodies were identified through DNA test.

The nation observed a day of mourning on 25th April, 2013. The Cabinet adopted a condolence motion on the 29th April 2013 in commemoration of the deceased. Following figure-8 describes the devastating Rana plaza collapse:

Figure 9: Rana Plaza Collapse



Source:www.dhakatribune.com, accessed on 25/04/2015 at 02.00 pm

Rescue initiatives

The rescue operation was carried out in two phases. The first phase, conducted with great caution, aimed mainly at rescuing the victims alive from inside the rubble. The second phase, conducted with heavy equipment, was meant to recover the dead bodies from the debris.

The first phase lasted for about 135 hours until hope for the last survivor faded. During this phase, the rescuers made the best use of their ingenuity and expertise in disaster management. People involved in the task demonstrated exemplary determination, risking their lives to rescue the survivors. Some of them braved down to more than 70 feet through the holes created in the wreckage in search of survivors and rescued many. Individuals, organizations, government agencies – all tried their level best to keep the survivors trapped in the debris alive as long as possible by supplying them oxygen, water, saline and food. Many rescuers were wounded and one of them lost his life in the course of his supremely heroic act. All these efforts made it possible to rescue people alive from the rubbles even 100 hours after the building collapse. The operation resulted in rescuing 2,438 victims alive. Rescuing more than two-thirds of the victims alive from the rubbles of such a catastrophic collapse is indeed a rare achievement by any standard. Despite all these efforts, unfortunately, more than 1,100 workers lost their valuable lives.

The second phase with the use of heavy equipment commenced when it felt certain that there were no more survivors. It continued until the recovery of all dead bodies from the debris. Operation, at this phase was also carried out cautiously so as to ensure that survivors, if any, could still be rescued.

The whole rescue operation was conducted in a very transparent manner. The electronic and print media covered the operation round the clock and a number of TV channels ran live telecast. The Inter-Service Public Relations (ISPR), Department of Armed Forces Division, responsible for coordinating the whole rescue operation, has constantly updated the media and the general public about the rescue operation and the next plan of action. Following figure 10 shows the partial view of the rescue operation of Rana plaza tragedy:

Figure 10: Rescue operation of Rana plaza tragedy



Source:news.priyo.com

Treatment, Compensation and Rehabilitation of Rana Plaza Victims

Treatment-

Immediately after the catastrophe, institutions as well individuals from all walks of life came forward and ensured the treatment of the victims. All those rescued were sent to hospitals for treatment. Victims were taken care at Enam Medical College Hospital, Apollo Hospital, United Hospital, Square Hospital, NITOR, DMCH, BIRDEM, BSMMU, NICVD, Kidney Hospital, Mental Hospital, Dhaka CMH, Savar CMH, Savar CRP, Savat upozila Health Complex and few other clinics and hospitals.

More than 1000 survivors received first aid during the first few days after the incident and 676 received treatment for 3 months in Enam Medical College Hospital.

- 418 of the victims were treated at CRP.
- Temporary health camps were established to provide first aid in close proximity to the place of occurrence.
- Doctors and medical students set up camps to provide treatment to the victims.

- 26 unfortunate workers lost their limbs. CRP, HOPE, CCD, BRAC and Thailand & Indian government provided artificial limbs to all of them.

Following figures in figure 11 describe partial picture of treatment of Rana Plaza victims:

Figure 11: Treatment of Rana plaza victims



Source:www.thedailystar.net



Source: The daily Star, 30/4/13

Initially, most of the hospitals provided free treatments to the injured. The government, BGMEA, NGOs, development partners made financial contribution to cover the cost of treatment of injured workers along with the support of general people. The government also took care of the injured volunteers.

Compensation-

- BGMEA made payment of salary & allowances for all 2790 employees of the 5 factories of Rana Plaza.
- Primark paid US\$ 2 million in short term financial aid to the victims or their dependents.
- MoU for payment to the victims of Rana Plaza and their families has been signed. Under this MoU, a trust fund has been established and all victims will be compensated. Around 3600 victims have been identified for compensation. A compensation cell has been in operation for processing the claims for compensation. Initially, all eligible claimants will receive a down payment of BDT 50,000 each by April 2014.

Others especially from PMO compensation to be included with above mentioned compensations.

Rehabilitation-

- All the survivors of Rana Plaza collapse who became fit and wanted to work were provided with jobs.
- With the support of ILO a coordination unit for rehabilitation of the survivors was established, staffed and made operational on 7th November 2013. The victims who visited the

unit were provided advice on medical support, job opportunities, small business and financial support.

- ILO provided support, including for skill development and re-employment, to the first batch of 50 injured survivors in collaboration with BRAC is currently on. Another programme of support has started for an additional 250 survivors at the initiative of Action Aid.
- Initiative has been taken for physiotherapy and psychotherapy of the victims.

Legal Action against those responsible for the tragedy



Savar police station filed a case against the owner of the building and the owners of the garments factories housed in Rana Plaza. Meanwhile, the owner of the building, his father and four owners of the factories have been arrested. The Capital Development Authority -- RAJUK filed a case against the owner of the building with Savar police station for violating building code. Two engineers of the Savar Municipality were taken to custody on charges of negligence of duties.

A total 11 cases were filed by the Directorate of Inspection for Factories and Establishments with concerned Labour Court alleging various charges against the owner of the building and the owners of the 5 garment factories.

As part of penal actions for gross negligence of duties, departmental proceedings were drawn against 7 field level officials of the Labour Directorate and the Department of Inspection for Factories and Establishments.

Actions to turn around

Tripartite Plan of Action on Fire Safety and Structural Integrity-

A Tripartite Plan of Action on Fire Safety and Structural Integrity adopted by the government is believed to be potentially capable of addressing the whole gamut of issues that have emerged following the building collapse. This Tripartite Plan of Action is a merger of the National Tripartite Plan of Action on Fire safety and the tripartite Joint Statement so as to provide an integrated platform for actions. The Ministry of Labour and Employment, Bangladesh Employers Federation, National Coordination Committee for Workers Education, Bangladesh Garments Manufacturer and Export Association, Bangladesh Knitwear Manufacturers and Exporters Association and Industrial Bangladesh Council signed the Tripartite Plan of Action on Fire Safety and Structural Integrity. ILO facilitated to engage tripartite

partners (GOB, Employers and workers) and provided technical support for developing the tripartite national action plan. Following table 2 describes action plan in the fundamental areas:

Table 2: Action Plan in three fundamental areas

Legislation and Policy	Administration	Practical Activities
<ul style="list-style-type: none"> • Submission of a labour law reform package to Parliament. • Adoption of National Occupational Safety and Health Policy • Review and, where necessary, adjustment of relevant laws, rules and regulations • Establishment of a Taskforce on Building and Fire Safety of the Cabinet Committee for the Ready Made Garment Sector 	<ul style="list-style-type: none"> • Recruitment of staff to fill currently vacant posts (Factory Inspectors and support staff), as well as 200 additional Labour Inspectors in the Department of Inspection for factories and Establishments. • Upgrading the Directorate of Inspection for Factories and Establishments to a Department • Implementation of mole project to strengthen capacity of the Department of Inspection for Factories and Establishments • Review and where necessary adjustment of factory licensing and certification procedures concerning fire safety including electrical, chemical and environmental safety • Consideration of the establishment of a one stop shop for fire safety licensing and certification <ul style="list-style-type: none"> • Development and introduction of unified fire safety checklist to be used by all relevant government agencies 	<ul style="list-style-type: none"> • Factory level fire safety needs frequent assessment • Development and implementation of a factory fire safety improvement programme • Assessment of the structural integrity of all active RMG factories • Development of a transparent and accountable industry sub-contracting system • Delivery of fire safety “crash course” for mid-level factory management and supervisors • Development and delivery of specific training on fire safety for union leaders • Development and delivery of mass worker education tools • Establishment of a worker fire safety hotline • Development and delivery of specific training on fire safety for Factory Inspectors • Strengthening the capacity of the FSCD • Development of guidelines for the establishment of labour-management committees on occupational safety and health and/or fire safety

Legislation and Policy	Administration	Practical Activities
		<ul style="list-style-type: none"> • Development and dissemination of self-assessment and remediation tools on fire safety • Development of a tripartite protocol for compensation of the families of workers who die and workers who are injured as a result of occupational accidents and diseases • Establishment of a publicly accessible database on safety issues in ready-made garment factories • Reemployment of the RMG workers who are rendered unemployed as well as rehabilitation of disabled workers

Source: Developed by the author

Following table 3 shows key players engaged in solving the problems created by RANA plaza collapse situations. Mainly the major stakeholders working for workers welfare in the RMG sector of Bangladesh after the catastrophic Rana Plaza cave in are mentioned below:

Table 3: Key Players engaged

Serial	Name of the institutions
1	Government of Bangladesh
2	International Labour Organization (ILO)
3	Employers Association
4	Workers Associations
5	Accord on fire and building safety
6	Alliance for Bangladesh's Workers safety
7	Development partners
8	Non Government Organization
9	Civil Society

Source: Developed by the author

The Government

While various Ministries and departments had taken the lead role in rescue and other activities related to Rana Plaza collapse, The Ministry of Commerce has played a coordinating role in Post- Rana Plaza reforms process to make the RMG a healthy sector for enabling the sector to remain engaged in export activities. Soon after Rana Plaza collapse the Ministry of Commerce in association with Ministry of Labour and Employment and Ministry of Foreign Affairs were engaged in adoption of Sustainability Compact titled “Staying engaged: A Sustainability Compact for continuous improvements in labour rights and factory safety in the ready-made garment and Knitwear Industry in Bangladesh” with Bangladesh government on 8 July 2013, with which the United States also got associated on July 19, 2013. The Government has declared the minimum wages for the workers of the readymade garments industry with an increase of 77% from the previous one. It has been implemented since 01 December, 2013. Now the minimum wage of garments workers is Tk 5300/- which is about US\$ 68. This demonstrated commitment of the Government of Bangladesh to make necessary reforms in order to ensure occupational safety and workers’ rights in the RMG sector and support of our development partners in helping the country in these efforts.

A Secretaries’ committee headed by the Senior Secretary, Ministry of Commerce and comprising secretaries of the Ministries of Labour & Employment and Foreign Affairs was established in September 2013 in order to ensure speedier coordination, monitoring and follow-up. The Committee meets at least once every month and is monitoring and coordinating all activities under various initiatives. The Secretaries’ Committee is also regularly interfacing with the group of Ambassadors to keep the development partners apprised of developments, address specific issues arising on the ground and discussing further steps/course of actions.

Besides, Hon’ble Commerce Minister himself monitors various issues the regular meeting of Social Compliance Forum. He also through arranging meetings with stakeholders address various contemporary issues related to factory assessment by the ACCORD, ALLIANCE and National Teams and disputes over trade union activities.

Legal Reforms



Source: www.newsporbdt.com, March 25, 2014 accessed on 12/07/2015 at .2.14pm

- **The Bangladesh Labour (Amendment) Act, 2013** was passed by the Parliament on 15th July 2013. Key changes made in the Act are:
 - Ensuring participation of the women workers in the executive committee of the trade union
 - Prohibition of transfer of members of the executive committee
 - Mandatory provision for formation of participatory committees in the factories where there is no trade unions.
 - Provisions for hiring external experts for collective bargaining by the workers
 - Mandatory requirement on creation of safety committees in factories with 50 workers or more
 - Requirement for establishment of workplace Health Centres in workplaces with over 5,000 employees and safety welfare officers in workplaces with more than 500.
- A committee headed by Secretary, Ministry of Labour and Employment has been formed for developing and promulgating rules/ regulations for effective implementation of the Bangladesh Labour (Amendment) Act, 2013. The Committee has finalized the draft on which 2 rounds of consultation have been held with the stakeholders.
- **National Occupational Safety and Health Policy, 2013** was adopted on 21th October 2013

- A high-level committee headed by Senior Secretary of Prime Minister's Office has finalized a draft law entitled "the Bangladesh EPZ Labour Act, 2014" to bring the existing EPZ Workers' Welfare Association and Industrial Relation Act 2010 in conformity with the Bangladesh Labour (Amendment) Act 2013. Consultations on the proposed draft have been held with the major stakeholders (investors in EPZs and leaders of Workers' Welfare associations).

Institutional Reforms

Department Inspection for Factories and Establishment



The Directorate of Chief Inspector for Factories and Establishment has been upgraded and renamed as Department of Inspection for Factories and Establishment on 15th January 2014. Subsequently, manpower of the organization has been increased substantially to 993. A total of 392 new posts for Inspectors have been created for the department. Now, the total number of inspectors is 575, while earlier it was only 183. The process of recruitment is going on and 67 inspectors have already been appointed.

Training programmes are being arranged for the manpower of this Department. As of April 2014, training has been provided to the newly recruited Inspectors. A comprehensive training programme is also being developed in collaboration with International Training Centre, Turin, Italy under the project "Improving Working Conditions in the Ready-Made Garment Sector" to be implemented by ILO.

Directorate of Fire Service and Civil Defense



বাংলাদেশ ফায়ার সার্ভিস ও সিভিল ডিফেন্স অধিদপ্তর

The Government has decided to establish 9 new Model fire stations in the RMG factory-dense areas. Acquisition of land is currently underway for the purpose.

Decision has been taken to create 218 new posts of Warehouse Inspectors in addition to the existing strength of 50 Inspectors.

Rajdhani Unnayaon Kortipokkhho



The Capital Development Authority (RAJUK), responsible for observance of building codes in the capital and surrounding areas, is processing recruitment of 132 Inspectors, in addition to the existing strength of 48 Inspectors.

Chittagong Development Authority



The Chittagong (commercial and port city) Development Authority (CDA) is also in the process of increasing its strength and manpower. Its proposal to increase the number of posts of Inspectors from 8 to 40 has been approved by the government.

Department of Labour

The Government has taken a move to increase manpower of the Department of Labour to 1,100 from the existing 712.

Assessment of Fire, Electrical and Building safety:

- The Government with support from ILO has developed a plan for assessment of building, fire and electrical safety of all 3,497 active RMG/Knitwear factories.
- As per the Plan, ACCORD and ALLIANCE Inspection teams will make assessment of 1,619 and 700 factories (out of which around 300 are common and will be inspected either by ACCORD or ALLIANCE). Remaining factories will be assessed by thirty(30) teams of qualified engineers led by Bangladesh University Engineering Technology (BUET) under the supervision of the National Tripartite Committee. The assessment activities by BUET will be carried out under the project 'Improving Working Conditions in the Ready-Made Garment Sector'. In order to ensure quality of inspection by the BUET, an international consulting firm has been appointed. Necessary equipment is also being procured for effective conduct of assessment.
- BUET Technical teams formed by the National Tripartite committee together with the technical teams of the ACCORD and ALLIANCE has agreed on a minimum common standard for assessment of fire, electrical and building safety of the factories on 8 November 2013. Assessment activities commenced in November 2013.

Progress in Assessment

BUET: The teams have already conducted preliminary assessment of 247 factories till 16 March 2014.

Accord: Out of the targeted 1,619 factories, fire and electrical safety assessment of 260 factories and building safety assessment of 220 factories have been completed as of 10 April 2014.

Alliance: Out of the targeted 728 factories, assessment of 431 factories has been completed as of 8 April 2014.

- The Government together with ILO, ACCORD, ALLIANCE and other development partners is in the process of mobilizing funds for remediation and restructuring the factories. As of April 2014, JICA has launched a project worth BDT 1 Billion for reallocation and remediation of factory buildings. IFC is also considering mobilizing the fund for remediation and restructuring.

Private Sector Initiatives

Bangladesh Garment Manufacturers and Exporters Association



- regular monitoring of fire safety and social compliance by 30 officials;
- inspection and monitoring of structural integrity of factory buildings by a team of 10 engineers;
- fire safety training to mid-level management and supervisors under a crash programme covering 1,800 factories;
- Completion of 161 three day fire safety training courses conducted by 35 trained specialists since November 2013;
- Establishment of labour cell to settle disputes between workers and management.

Bangladesh Knitwear Manufacturers and Exporters Association



- Training of 27,347 workers and staff of its member factories on fire safety.
- Recruitment of civil engineers to check the building safety of member factories;
- Implementation of a "Social Compliance Monitoring Programme" with the support from GIZ

Table 4 : Contribution to Rana Plaza victims by BGMEA*

Description	Amount (BDT Crore)
Treatment purpose	3.800
Salary	7.600
Prime Minister's Fund	2.000
Donation for pregnant workers delivery and treatment	.0420
100 days program. Eid celebration at CRP	.206
Fire Service, Anjuman, 9 Infan, Div& RAB	.450
Others	.310
Total	14.408

*Note: BKMEA contributed BDT 1 crore to BGMEA for this purpose

Source: www.bgmea.com accessed on 18/07/2015 at 11.48 am

Initiatives by Brand and Retailers

Primark took the first initiative to pay financial support to the victims of Rana Plaza and their dependents soon after the collapse totaling USD 2 million. Other Brand and retailers also took initiatives to support victims of Rana Plaza.



Photo credit : Pantha Rahman

Other Brands/Retailers

A number of other retailers/ brands have joined hands for creating Rana Plaza donors trust fund exclusively to cover payments of compensation to Rana Plaza victims and their families.

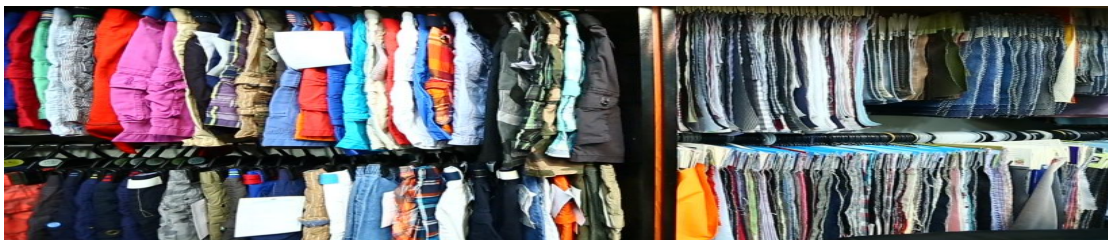


Photo credit: Pantha Rahman

ACCORD



More than 150 retailers /brands of 20 countries of European Union signed Accord on fire and building safety in Bangladesh and joined their hands to improve fire and building safety situation in Bangladesh.

ACCORD has organized itself as a Dutch Foundation, with two offices. The office in the Netherlands is responsible for managing the Foundation and for the relationships with all international stakeholders. It has opened a Liason Office in Dhaka, which is taking responsibility for all operations In Bangladesh.

Inspection teams of the Accord are going to conduct fire, electrical and building safety of those factories who supply garment to the signatory brands and retailers. Fire and electrical safety assessment of 260 factories and building safety assessment of 220 factories have been completed as of 15 April 2014. Inspection will cover 1619 factories and inspections are scheduled to be completed by September 2014.

As regards fire and building safety training program, the Accord has completed outreach programme for 1,600 factories and trained 160 resource persons of trade unions. It is in the process of preparing a audio-visual outreach programme for the workers to keep them aware of inspection and remediation plan and provide preparatory information related to the formation of safety and health committees in the factories associated with the signatories of Accord.

ALLIANCE



North American 26 buyers/retailers and brands have formed Alliance for Bangladesh's Workers safety in Bangladesh. Like are ACCORD, Inspection teams of ALLIANCE has also been conducting fire, electrical and building safety of those factories who supply garment to the signatory brands and retailers. Their inspection will cover around 728 factories (some of those will be covered by ALLIANCE). As of 8 April they completed inspection of 431 factories. They are planning to complete the assessment by July 2014.

ALLIANCE is implementing fire safety awareness programme. For this purpose they have conducted a base line survey and developed a training module for training of trainers. They have already trained 40 master trainers, who will be engaged in imparting training to 2 management personal and 2 worker representatives of each of their supplier factories so that they can train other employees of those factories. The ALLIANCE has also taken an initiative to establish hot line in 50 factories as a pilot project. Through these hotlines employees of these factories to inform about concerns related to fire and structural safety to Alliance Office in Dhaka.

Worker's Organizations

Concern and empathy expressed by a host of renowned international and national worker's organizations followed by their collaborative move to help improve work place safety and rights of the workers at their workplaces have contributed immensely to pave the way towards building a platform of harmonious coexistence of all stakeholders. The organizations include:

IndustriALL Global Union

UNI Global Union

IndustriALL Bangladesh Council

Bangladesh Garment and Textile Workers League

Bangladesh Garment Workers Independent Federation

Bangladesh Garment Textiles Leather and Shoes Workers Federation

Bangladesh Independent Garment Union Federation

Bangladesh Revolutionary Garment Workers Federation

National Garment Workers Federation

United Federation of Garment Workers

National Coordination Committee for Workers Education (NCCWE) and Industrial Bangladesh Council (IBC) have joined their hands for developing National Tripartite Plan of Action and are party to this Plan. Bangladesh Institute of Labour Studies (BILS) a labour institute of the country took following initiatives for Rana Plaza victims.

- BILS Information and Support Camp: About 30 volunteer did their best efforts to serve about 2000 people in five successive days after the collapse of Rana Plaza. From this information and support center a total of 1035 injured workers and victims' family members received the services.
- Health Camp: BILS health camp provided health checkup, follow up treatment, medicine and diagnosis to 161 injured workers.
- BILS support center: BILS provided follow up treatment, medicine and diagnosis, physiotherapy, and psychotherapy through support center. A total of 1158 victims have received follow-up treatment, 199 victims received 1901 times physiotherapy and 230 victims received psychological treatment.
- BILS is providing regular support to mentally imbalanced rescue worker admitted at National Mental Health Hospital.

Initiatives by the International Labour Organization



International Labour Organization (ILO) is at the forefront in providing technical support to the government in coordinating and implementing specific programmes. A high level ILO mission headed by Deputy Director General, Field Operations and Partnerships from 1-4 May 2013 came to Bangladesh. The mission resulted in signing a joint statement of tripartite partners. The ILO launched a US\$27.8 million, three-and-a-half year programme funded by Canada, the Netherlands and UK to support implementation of the NTPA and improve working conditions in the ready-made garment (RMG) sector.

ILO has also immediately released 2 million US dollar to address the immediate needs after Rana Plaza collapse. ILO, in collaboration with the government, is now implementing the project “Improving Working Conditions in the Ready-Made Garment Sector” funded by the Royal Dutch government, DFID-UK and Canada. Launched on 22th October 2013, the project has following five key components:

- Building and Fire safety assessment;
- Strengthening labour inspection & supporting fire and building inspections;
- Building occupational safety and health awareness, capacity and system;
- Rehabilitation and skill training for victims; and

- Better work programme;

ILO has been implementing a project titled ‘Promoting Fundamental Principles and Rights at Work’ funded by the United States Department of Labour. It aims to address specific challenges faced by workers’ and employers’ organizations by building local capacity in relation to freedom of association and collective bargaining. The project has been assisting the government with legal and policy initiatives to support compliance with international labour standards.

ILO has also been implementing the project “Promoting fundamental rights and labour relations in Bangladesh (FRLR)” funded by the Royal Norwegian government. It aims to promote better compliance with the international labour standards, particularly fundamental principles and rights at work in the readymade garments, shrimp processing, and shoe and leather sectors. It includes areas such as promotion of labour rights, supporting dialogue between employers, workers and the government, labour compliance, freedom of association and collective bargaining.

ILO is also implementing a project “Improving Fire and General building Safety in Bangladesh” aiming to create safe working environment in the Ready-Made Garment (RMG) industry in Bangladesh.

ILO decided to-

Support the implementation of the National Tripartite Plan of Action on Fire Safety for the Ready-Made Garment Sector in Bangladesh (NAP) to

- Empower workers to take an active role in their own safety, and to be able to speak out about unsafe conditions without any risk of retaliation;
- Work with factories that ensure a safe working environment, with each Member committing not to source from any Factory that the Member has deemed to be unsafe;
- Rapid implementation that is results-focused and non-bureaucratic;
- Providing safety inspection, and safety and empowerment training for 100% of Factories in the Members respective supply chains;
- A common standard for safety inspections and safety and worker empowerment training;
- Use of transparency to create accountability for all stakeholders involved;
- Sharing of information on training, current and future fire and building safety inspections and remediation actions;
- Strive to end unauthorized subcontracting within their supply chains, and review their internal policies to ensure application of best practices for addressing unauthorized subcontracting;
- Independent monitoring and verification of their work;
- Inclusion of diverse stakeholders in decision making and collaboration in implementation;
- A Bangladeshi focus, with a framework that engages and builds capacity of key stakeholders, including the Government of Bangladesh and Bangladeshi industry; and

- Commitment of substantial financial resources to accomplish these tasks, as well as encouraging and assisting in the establishment of sustainable mechanisms to meet these objectives.

Development Partners

All development partners have expressed their solidarity and provided all-out support in assisting improve occupational safety and workers' right situation in Bangladesh.

The European Union signed a sustainability Compact titled "Staying engaged: A Sustainability Compact for continuous improvements in labour rights and factory safety in the ready-made garment and Knitwear Industry in Bangladesh" with Bangladesh government on 08 July 2013, with which the United States also got associated on 19 July 2013.

During the last one year, development partners have contributed through financial support for implementation of the following programmes:

The Royal Dutch government, DFID-UK and Canada for the project the entitled "Improving Working Conditions in the Ready-Made Garment Sector,

United States Department of Labour for the project titled "Promoting Fundamental Principles and Rights at Work"

Royal Norwegian government for the project titled "Promoting fundamental rights and labour relations in Bangladesh (FRLR)"

GIZ, the German organization, has been implementing the project Rehabilitation of disabled persons, Assistance to handicapped victims of Savar, Promotion of Social and Environmental Standards in Industries (PSES).

Japan International Cooperation Agency (JICA) has launched a BDT 1 Billion project for remediation and restructuring of RMG factories.

The United States Department of Labour has contributed US\$ 1.5 million for implementing a project "Improving Fire and General building Safety in Bangladesh" aiming to create safe working environment in the Ready-Made Garment (RMG) industry in Bangladesh and US\$ 1.00 million fund to increase worker rights organizations' ability to monitor violations of fire and building safety;

Besides, support was provided by a number of other development partners for Rana Plaza victims.

Monitoring and Follow Up

To ensure proper coordination, continuation and effective implementation of the actions, various Committees have been formed:

- High-powered Cabinet Committee on RMG Industry comprising eleven relevant and senior Ministers (January 2013);
- Task Force on Building and Fire safety in Ready Made Garments Industry;

- Task Force on Expansion and Simplification of Ready Made Garments Industry;
- A 16-member Tripartite Committee headed by secretary, Ministry of Labour & Employment; and
- A standing committee headed by the Senior Secretary, Ministry of Commerce

Transparency

Ministry of Labour and Employment has been updating the progress of implementation of National Tripartite Plan of Action through its website.

Department of Inspection for Factories and Establishment has launched a publicly accessible data base on 3,497 active export-oriented RMG factories containing information about location of the factories, name of the owners, factory registration number, contact details, workers employed, status of membership with BGMEA and BKMEA. The website will be gradually updated to include all information relating to inspection.

The Ministry of Labour is in the process of developing online trade union registration at the website of the Department of Labour, which will facilitate registration of trade unions and will include updates on the status of application, number of factories registered, labour related disputes etc.

Since January 2013, 140 trade Unions have been registered by the Department of Labour in RMG sector.

The implementation status of Bangladesh Action Plan-2013 (As of 30 April, 2015)

The Government of USA suspended GSP facilities for Bangladesh on 27 June 2013 availing since its inception and provided 'Bangladesh Action Plan-2014' to implement as a precondition for the restoration of the facilities.

The Government of Bangladesh (GoB) provided information to the Office of the United States Trade Representative (USTR) on 15 November 2013, 15 April 2014 for the review. On 16 November 2014, the latest development was sent to USTR for further review. The US administration assessed the development and appraised the steps taken by Bangladesh to make the RMG sector compliant. However, most of the issues are resolved but few. Following table-5 mention the action plan and work in progress for the welfare of the workers Bangladesh, particularly in RMG sector:

Table 5: The Action Plan and work in progress

	Actions Proposed	Works Done	Works Ahead
Government Inspection for Labor, Fire and Building Standards			
1	Develop, in consultation with the International Labor Organization (ILO) and implementing in line with already agreed targets, a plan	Directorate of Inspection for Factories and Establishments (DIFE) to a Department with manpower of 993, out of which 575 are inspectors was upgraded on 15 January 2014. Major challenge was to recruit personnel in newly	Completion of recruitment for newly created post in RAJUK at the earliest

	Actions Proposed	Works Done	Works Ahead
	<p>to increase the number of government labor, fire and building inspectors, improve their training, establish clear procedures for independent and credible inspections and expend the resource and their disposal to conduct effective inspections in the readymade garment (RMG), Knitwear and shrimp sectors, including within Export processing Zones (EPZs).</p>	<p>created posts. However, 88 (38 against existing posts and 50 against newly created posts) new inspectors were recruited earlier.</p> <p>Long awaited authorization from the Bangladesh Public Service Commission (BPSC) for recruitment of additional 189 inspectors was received. 123 (107+1+15) out of 189 inspectors joined the service and the rest inspectors are expected to join very soon.</p> <p>In addition, the Government has started the process of strengthening other related institutions. 218 new posts of warehouse inspectors in the Department of Fire Service & Civil Defense (DFSCD), in addition to the existing strength of 50, have been created and the aforesaid inspectors have been recruited accordingly.</p> <p>Recruitment process for newly created posts of inspectors (150 inspectors at various categories, in addition to the existing strength of 48 inspectors) in the Capital City Development Authority (RAJUK) is in final stage.</p> <p>Initiatives have been taken to increase- manpower:</p> <p>The recruitment of 32 inspectors in addition to the exiting 8 inspectors in Chittagong Development Authority(CDA) are at the final stage.</p> <p>Department of Labour: Ministry of Labour and Employment has been working to increase of total strength from 712 to 1,100 but is at primary level.</p> <p>The MoLE, ILO and GIZ are implementing MoLE Compliance Capacity Building programme that includes basic inspector training.</p> <p>The ILO and GIZ have completed training of 40 newly recruited inspectors.</p> <p>An ILO project, ‘Improving Working Conditions in the Ready-Made Garment Sector’ is developing a comprehensive training program. They will provide training on occupational health and safety training for 750,000 workers in RMG sector with the cooperation</p>	<p>possible.</p> <p>Completion of approval process for strengthening CDA and DoL and recruitment of newly created post</p> <p>Continue training and completion of comprehensive training programme</p> <p>Continuation of inspection and completion of independent inspection</p>

	Actions Proposed	Works Done	Works Ahead
		<p>of BGMEA, BKMEA and Bangladesh Employers Federation.</p> <p>Decision to establish of 9 new Model fire stations in the RMG factory dense areas has been taken.</p> <p>DIFE and DFSCD have been following approved checklists for their inspection activities in RMG, shrimp and other sectors.</p> <p>Plans for independent inspection by the inspection teams of National Initiatives, ACCORD and ALLIANCE have been developed.</p> <p>Building and fire safety of the factories of EPZs are being monitored by the Engineering Department and fire safety team of BEPZA ; and</p> <p>Budgetary allocations for DIFE, DFSCD, RAJUK, DoL and CDA respectively have been increased.</p>	
2.	<p>Increase fines and other sanctions including loss of import and export licenses, applied for failure to company with labor, fire or building standards to levels sufficient to deter future violations.</p>	<p>Existing Acts (Labour Act, Bangladesh Fire Prevention and Fire Fighting Law, 2003, The Building Construction Act, 1952) provide for penalty, imprisonment, cancellation of licenses for violation of the Acts. Penalty has been increased through recent amendment in the Labour Act.</p> <p>Ministry of Commerce has instructed all concerned ministries and departments to take action (suspension and non-issuance of licenses and certificates) in line with the Importers, Exporters and Indenters (Registration) Order, 1981, regulations on bonded warehouse administered by the National Board of Revenue and existing arrangements for providing GSP Certificates for failure by the companies to comply with labour, fire and building standards.</p> <p>The competent authority relating to labour, fire and structural integrity are carrying out inspections and having fines pursuant to the provision of laws.</p> <p>Review panel working under the National Tripartite Committee has closed 32 non-compliant factories.</p>	<p>Ensuring effective implementation of the penalty provision of the acts and the instruction</p>

	Actions Proposed	Works Done	Works Ahead
3.	<p>Develop, in consultation with the ILO, and implement in line with already agreed targets, a plan to assess the structural building and fire safety of all active RMG/ knitwear factories and initiate remedial actions, close or relocate inadequate factories, where appropriate.</p>	<p>With the assistance of ILO and under the supervision on National Tripartite Committee (NTC), a plan for assessment of building, fire and electrical safety of all 3532 active export oriented RMG/Knitwear factories has been developed.</p> <p>A Common Standard has been developed for assessment of fire, electrical and building safety of the factories by all teams such as National Tripartite Plan of Action for Fire and Structural Integrity (NTPA); the Bangladesh Accord on Fire and Building Safety (ACCORD); and Alliance for Bangladesh Worker Safety (ALLIANCE).</p> <p>National Initiatives, ACCORD & ALLIANCE are carrying out the assessment for structural integrity, fire and electrical safety of the RMG factory buildings. The number of export oriented ready-made garment (RMG) factories in Bangladesh assessed for structural safety has risen to 2783, a major effort to push forward inspections taking place under the National Tripartite Plan of Action for Fire and Structural Integrity (NTPA). Two private sector companies- TUV-SUD Bangladesh Pvt Ltd, and Veritas Engineering & Consulting -were engaged in last January to carry out the inspections, the goal being to complete as many as possible by April 2015.</p> <p>By now National Initiatives, ACCORD & ALLIANCE have completed preliminary assessments of 2783 factories (845 under National Initiatives, 1291 by ACCORD and 647 by ALLIANCE). According to the recommendation of Review Panel, 32 factories have been fully closed and 26 factories have been partially closed for safety reason. Assessment reports have been sent to concern factory authorities and to the District offices of Inspection for Factories and Establishments. Implementation of Detailed Engineering Assessment is kept under close monitoring and supervision. All the factories have started remediation according to the recommendation of assessing authorities. In this regard DIFE has started monitoring those remedial measures</p>	<p>It is expected to complete by April 2015.</p> <p>Mobilizing the resources for remediation, restructuring and relocation of the factories</p>

	Actions Proposed	Works Done	Works Ahead
		<p>taken by factory owners. Two taskforces have already been formed to oversee the remedial measures of RMG buildings. The taskforces are working to implement the remedial measures taken by the factory owners. JICA has launched a project worth BDT 1,000 million for reallocation and remediation of factory buildings. IFC is considering mobilization of the fund for remediation and restructuring.</p> <p>Furthermore, the Government has also eliminated customs duties and other charges on import of fire resistance door, sprinkle system and equipment and emergency light in order to reduce the cost of compliance with fire safety standard.</p>	
4.	<p>Create a publicity accessible database/matrix of all RMG/knitwear factories as a platform for reporting labor, fire and building inspections, including information on the factories and locations, violations identified, fines and sanctions administered, factories closed or relocated, violations remediated, and the names of the lead inspectors.</p>	<p>The Government, with support from ILO, has developed a publicly accessible database of all active export-oriented RMG factories as of 30 March 2014. The database is available at the website of the Department of Inspection for Factories and Establishments (http://database.dife.gov.bd/). The database includes all related information of all export-oriented RMG factories including names and addresses, number of workers, and assessment reports of the factories carried out by the BUET, ACCORD and ALLIANCE inspection teams.</p> <p>The website is being updated on a regular basis. As of now, summary assessment reports for 1005 factories (ACCORD of 607 factories; ALLIANCE of 154 factories and BUET of 244 factories) have been uploaded in DIFE website, which may be viewed at the website of DIFE (http://database.dife.gov.bd/reports/safety-assessment-reports).</p> <p>Besides, initiative has been taken to launch another data bank at the website of the department of Labour. Meanwhile, an online registration system has been developed at the website of the Department of Labour (http://dol.mole.gov.bd/tradeunion/federation_return_form).</p>	<p>Gradual up-gradation of the database by incorporating all relevant information</p>

	Actions Proposed	Works Done	Works Ahead
5.	Establish directly in consultation with civil society an effective complaint mechanism, including a hotline, for workers to confidentially and anonymously report fire, building safety, and worker rights violations.	The Government of Bangladesh has launched a telephone help line for workers to make and resolve grievance relating to workplace safety and rights. The help line -0800445500- is run by the Department of Inspection for Factories and Establishment (DIFE) and has been established with the support of ILO and Royal Norwegian Government. Calls received will be dealt with DIFE, the Fire Service and Civil Defense Department or Department of Labour. In this initial phase the Help line targets ready-made garment workers in the Ashulia area. Once running smoothly, it will be promoted to workers nationwide.	Making the two other hotlines operational with the supports of the ILO
II. Ready Made Garments (RMG)/Knitwear Sector			
6.	Enact and implement, in consultation with the ILO, labor law reforms to address key concerns related to freedom of association and collective bargaining.	The Bangladesh Labour (Amendment) Act, 2013 was passed by Parliament on 15 July 2013. It has already come into force. Related rules have been drafted. Consultations with stakeholders are underway. The rules are now at final stage and expected to be presented in the Tripartite Consultation Council (TCC) within the shortest possible time. After recommendation of the TCC, the rules will be placed before the Ministry of Law for vetting. Hopefully the whole process will be completed by April, 2015. Emphasis is given on consensus.	Completion of consultation and adoption of the rules at the earliest.
7.	Continue to expeditiously register unions that present applications that meet administrative requirements, and ensure protection of unions and their members from anti-union discrimination and reprisal.	A total number of 301 trade unions in RMG sector have been registered by the Department of Labour (DoL) from 01 January 2013 to 31 January 2015. Labour unions and their members are protected through various the provisions of the amended labour act. In the amended Labour Act, 2013 there is a provision to form safety committee in every factory which will ensure occupational Safety and health of the workers.	Continuation of existing pace of registration.
8.	Publicly report information on the status and final outcomes of individual union	One IT firm has been contracted by the ILO to develop software for online registration system and reporting system with the Department of Labour under the	Necessary to launch the website

	Actions Proposed	Works Done	Works Ahead
	registration applications, including the time taken to process the applications and the basis for denial if relevant, and information on collective bargaining agreements concluded.	project 'Promoting Fundamental Principles and Rights at Work'. The on-line registration system will include trade union registration information, sector wise trade unions, sector wise federation, national federation, confederation etc.	
9.	Register non-governmental labor organizations that meet administrative requirements, including the Bangladesh Center for Worker Solidarity (BCWS) and Social Activities for the Environment (SAFE). Drop or expeditiously resolve pending criminal charges against labor activists to ensure workers and their supporters do not face harassment or intimidation. Advance a transparent investigation into the murder of Aminul Islam and report on the findings of this investigation.	As indicated in previous submission, Bangladesh Center for Worker Solidarity (BCWS) and Social Activities for the Environment (SAFE) are continuing their operation since August 2013. As of date, all charges against Babul Aktar and Kalpona Aktar have been withdrawn. Charge sheet against Mustafizur Rahman has been filed and in-absentia trial of the Aminul Islam case has commenced.	The issues are resolved
10.	Publicly report on the database /matrix identified above or anti-union discrimination or other unfair labor practice complaints received and labor inspections completed, including information on factories and locations, status of investigations, violations identified, fines and sanctions levied, remediation of violations, and the names of the lead inspectors.	One IT firm has been contracted by the ILO to establish a publicly reporting system are under the project 'Promoting Fundamental Principles on Rights at workers'. The databank will include factories and locations, status of investigations, violations identified, fines and sanctions levied, remediation of violations, and the names of the lead inspectors, training related information labour welfare related information, conciliation, minimum wages etc.	Necessary to Launch the said publicly reporting system as quick as possible

	Actions Proposed	Works Done	Works Ahead
11.	Develop and implement mechanisms, including a training program for industrial police officers who oversee the RMG sector on workers' freedom of association and assembly, in coordination with the ILO, to prevent harassment, intimidation and violence against labor activists and unions.	The Ministry of Home Affairs regularly organizes training programmes for industrial police with its own resources. The training programmes include training of trainers, in-service training for industrial police, basic training for industrial police, fire extinguishing and management course, photography and videography course, training on accounting, orientation course etc as well as Bangladesh Labour Act, Geneva Convention, UN Human Right Charter and other issues relevant to industry and labour.	Continuation of training programme for industrial police
III. Export Processing Zones			
12.	Repeal or commit to a timeline for expeditiously bringing the EPZ law into conformity with international standards so that workers within EPZ factories enjoy the same freedom of association and collective bargaining rights as other workers in the country. Create a government working group and begin the repeal or overhaul of the EPZ law, in coordination with the ILO.	A comprehensive "Bangladesh EPZ Labour Act, 2014", has been drafted, which has been in principle approved by the Cabinet on 7 July 2014. It is expected to be vetted by the Ministry of Law and sent to the Parliament though final cabinet approval.	Enactment of the new law at the earliest possible.
13.	Issue regulations that, until the EPZ law has been repealed or overhauled, will ensure the protection of EPZ workers' freedom of association, including prohibiting "blacklisting" and other forms of exclusion from the zones for labor activities.	BEPZA has abolished the practice of blacklisting workers in EPZs. There is no report of any blacklisting since early 2013. An aggrieved worker has full freedom to go EPZ Labor Tribunals and EPZ Labor Appellate Tribunal. As of April 2014, Workers Welfare Associations have been formed in 208 enterprises with the rights to collective bargaining. Workers Welfare Associations in EPZs enjoy rights to collective bargaining and will continue to do so in	Continuation of the present practice

	Actions Proposed	Works Done	Works Ahead
		<p>future.</p> <p>Since 1 January 2014, they have been allowed the right to strike in EPZs.</p>	
14.	<p>Issue regulations that, until the EPZ law is repealed or overhauled, will ensure transparency in the enforcement of the existing EPZ law and that require the same inspections standards and procedures as in the rest of the RMG sector.</p>	<p>Authority of the Executive Chairman of BEPZA in the EWWAIR Act, 2010 have been reduced by delegating some of the responsibility to the heads of each EPZ</p> <p>BEPZA has established a fund and is implementing “Constitution and Operation Procedure of EPZ Workers’ Welfare Fund-2012” in accordance with the EWWAIR Act, 2010.</p> <p>As of April 2014, BEPZA has appointed 03 Conciliators and appointment of Arbitrators is under process.</p> <p>In addition, the government has designated 8 labour courts for eight export processing zones and one appellate tribute for settling labour-related disputes in EPZs.</p> <p>As of April 2014, 114 labour cases have been filed in those courts and among those 42 have been settled by the courts and the others are awaiting to be settled.</p>	Continuation of the present practice

Source: Developed by the author

Key recommendations concerning workers welfare

Compliance-

Since the world concentrates more on compliance issues, Bangladesh has to carry out the remedies as per the instructions of Accord and Alliance, ILO, US government and European Union. Increase of compliance is very vital. Time is not far away when brands and buyers will not buy from us if we fail to comply with factory safety, fire safety, building integrity etc. Compliance includes following points which will ensure workers welfare also:

Ensuring safety of RMG factories-

Government of Bangladesh along with all local and international stakeholders are to carry out structural, fire and electrical safety RMG factories. Ensuring safety of RMG factories is the basic requirement for the safety of the workers.

Strengthening the labour inspectorate-

That the labour inspectorate required a complete overhaul if it was to be effective. The Government of Bangladesh needs to rebuild the Department of Inspections of Factories and Establishments (DIFE). Accountability and transparency of DIFE must be ensured. A public data base and website where inspection reports can be accessed will represent a step towards transparency and openness for the inspection service.

Strengthening the fire service-

The Fire Service and Civil Defense Department (FSCD) should strengthen as per the need of the present requirements. Emphasis has been placed on enhancing its capacity to carry out inspections and respond to incidents. This department needs to inspect factories more effectively, develop emergency action plans and carry out evacuation drills to ensure factory occupants evacuate buildings safely when the alarm sounds.

Beyond inspections-

The completion of RMG factory inspections is a vital step towards improving safety in the sector. The challenge is to continue momentum already created. Bangladesh must ready its institutional, regulatory and oversight mechanisms concerning to building and fire safety to ensure a safe working environment once support from external partners ends.

Enhancing occupational health and safety-

To build a culture of Occupational Safety and Health and the skills to implement it is a most important challenge for the RMG sector. Through training and education and the support of broad awareness campaigns and materials, workers and employers will benefit from improved safety practices and be better able to fulfill the objectives of the National Action Plan on Fire and Building Safety.

Launching a Better Work Programme for Bangladesh-

The Better Work Programme is to improve working conditions and promote competitiveness in the global garment industry. It will promote compliance with international labour standards and national law in global supply chains as a basis for building socially responsible export strategies, and by enhancing enterprise-level economic and social performance.

Establishment of an Employment Injury Insurance Scheme-

The experience of setting up a system to deliver compensation in the aftermath of the Rana Plaza highlighted the requirement for an Employment Injury Insurance (EII) Scheme to be established. This would benefit employees, spread the financial risk amongst employers and enhance the image and reputation of the Bangladesh RMG sector in the eyes of the world.

Collaboration and coordination-

Government of Bangladesh, Government of the USA, the EU, ILO, FBCCI, BGMEA, BKMEA, Buyers, Accord, Alliance, and NGO's, Civil Society Organizations, Collective Bargaining Organizations and other stakeholders should collaborate each other and work with coordinated effort to ensure workers welfare in the RMG sector the country. Government of Bangladesh should play pro active and coordinating role.

Enhancing workers rights-

The Government of Bangladesh, other stake holders particularly employers' and workers' organizations should try hard to strengthen dialogue and improve working conditions. Government should address specific challenges faced by workers' and employers' organisations by building local capacity in relation to freedom of association and collective bargaining. A significant public advocacy on rights and workplace cooperation needed to promote a greater dialogue among the public. Recognizing that the greater part of garment workers are women, special emphasis is to be given to ensure the rights of women.

Conclusion

Ensuring RMG factories are safe is the fundamental requirement for ensuring workers' welfare for sustainable RMG sector in Bangladesh. As Government of Bangladesh, US government, Private sectors, BGMEA, BKMEA, International Labour Organization, International Buyers, Civil society, NGO, Development partners are working together; this sector will soon have safe environment for workers. Strengthening the labour inspectorate will help monitor factories to maintain required standard. Strengthening the fire safety will bring security of life of the poor garment workers. Bangladesh must ready its institutional, regulatory and oversight mechanisms relating to building and fire safety to ensure a safe working environment once support from external partners ends. Building a culture of Occupational Safety and Health and the skills to implement it is a major challenge for the RMG sector. Improve working conditions and promote competitiveness in the garment industry in Bangladesh are most important target to be fulfilled. Workers rights should be enhanced keeping everything into consideration. For the risk management and mitigation of the workers, Employment Injury Insurance (EII) Scheme to be established. This would benefits employees, spread the financial risk amongst employers and enhance the image and reputation of the Bangladesh RMG sector in the eyes of the world. Cooperation and collaboration between related stake holders for rights and workplace safety of workers are the necessity of the present moment.

Improving worker and consumer welfare by improving skills and literacy; implementing labor and work safety guidelines; making safety nets more effective in dealing with trade shocks; and building a

supportive environment, including sustaining sound macroeconomic fundamentals; easing the energy constrain; strengthening the institutional capacity for strategic policy making geared to the objective of international competitiveness to help bring focus and coherence to the government's reform efforts.

Without fulfilment of abovementioned points the workers welfare in the RMG sector in Bangladesh will remain a far cry.

CHAPTER III

TOWARDS SUSTAINABILITY: VERTICAL EXTENSION FOR BREAKING THROUGH PRODUCT DIVERSIFICATION

Introduction

This chapter explores the current status and situation of the RMG products of Bangladesh. Endeavour is there to find out how RMG products of the country can be made diversified and switch over to high value garments along with present low value products. Bangladesh largely produces five products – T-shirts, sweaters, trousers, men’s and women’s shirts. We need to concentrate on high end products like suits, lingerie, etc more for the sustained growth of our apparel industry. Following table-6 major apparel items exported from Bangladesh:

Table 6: Major apparel items exported from Bangladesh

Major Apparel Items Exported From Bangladesh, in Million USD					
Year	Shirts	Trousers	Jackets	T-shirt	Sweater
1995-96	807.66	112.02	171.73	366.36	70.41
1998-99	1043.11	394.85	393.44	471.88	271.70
2001-02	871.21	636.61	412.34	546.28	517.83
2004-05	1053.34	1667.72	430.28	1349.71	893.12
2007-08	915.6	2512.74	1181.52	2765.56	1474.09
2008-09	1000.16	3007.29	1299.74	3065.86	1858.62
2009-10	993.41	3035.35	1350.43	3145.52	1795.39
2010-11	1566.42	4164.16	1887.5	4696.57	2488.19

Source: www.bgmea.com, accessed on 19/07/2015 at 12.33 pm

Bangladesh requires to go for more fashionable, more complexes or more sophisticated items like the most frequently cited categories are outerwear and formal wear for value markets, and an expansion of existing products as well as flat knits for mid-market players. This means that the value market will be the key volume supplier, while the mid-market will exhibit more dynamic growth that is higher Compound Annual Growth Return (CAGR). Also, many Western mid to up market buyers have recently begun or have tangible plans to source from Bangladesh (McKinsey, 2011).

Safeguard or inability

Bangladesh was not shaken by the world economic meltdown in 2007-08 as its economy is not well co integrated with its major trading partners as well as it produces and exports low value products particularly low value RMG. But there should not have any sense of satisfaction for that. Because an economy like Bangladesh needs to grow and be co integrated with its major trading partners. Otherwise it will remain in the back bench throughout its whole life. No Bangladeshi citizen likes to remain seated in the Back bench of the world economy. International credit rating agencies like Standards and Poor, Moody and the Goldman Sachs Group, Inc. the leading global investment banking, securities and investment management firm identified Bangladesh as one of the most prospective country of the world economy. United Nations Commission for Trade and Development (UNCTAD) mentioned in its report of 2013 that Bangladesh is the second best Foreign Direct Investment destination in the world. To grow bigger and compete with the largest RMG exporter China, Bangladesh is badly needed to go for producing high end products. These high value products include suits, lingerie, jackets and other high value garments. For the sustainability of RMG sector of Bangladesh, breaking through new products or going for producing costly item are the demand of this moment. This vertical extension will give a big to the present RMG sector of Bangladesh.

In RMG production, Bangladesh has some advantages, which are described in the following table 7:

Table 7: Domestic controllable factors of the RMG sector of Bangladesh

Factors	Percentages of Diff. Type	Strengths
Low cost of production	81.54%	Strength
Good quality	60%	Strength
High turnover ratio	44.62%	Strength
Simple technology (labor)	43.08%	Strength
Short payback period	23.08%	Strength

Source: www.textilelearner.blogspot.com , accessed on 20/07/2015 at 03.38 pm

For this domestic controllable factors Bangladesh is presently enjoying second position in RMG export in the world. But it is not the point of satisfaction to retire. For long term sustainability RMG of Bangladesh must go for high value products along with present popular low value items. Men’s wear, women’s wear, children’s wear, casual wear, down wear, accessories, garment auxiliaries, all departments has high value products. Bangladesh should aggressively start producing and marketing to occupy more world share of the RMG market.

Move to high value range

Bangladesh has traditionally operated at the lowest rung of the RMG product line. Low value-high volume buyers have mainly sourced from Bangladesh due to noteworthy cost competitiveness. Following table 8 mentions apparel manufacturing labour costs in some important RMG exporting countries:

Table 8: Apparel manufacturing labour costs

Country	Labour cost in 2008 in Us dollar/hour)
Bangladesh	0.22
Cambodia	0.33
Vietnam	0,38
India	0,51
China	0.55-1.08
Turkey	2.44

Source: Jasin-o'Rourke, Group, LLC, 2010

However, with rising wage rate, Bangladesh’s competitiveness will critically be hampered and may result in shifting of orders if necessary measures are not taken. As one of the part of that measure, RMG sector needs to undertake a long term plan for product innovation which should allow them to cater to higher value segment. Low technology base and labor-intensive garment manufacturing is suited to meet the factor endowments of early economies. They make an ideal platform on which earlier developers are established to advance industrialization. The case of Sri Lanka can be cited here as an example. Sri Lanka has an advantage in not being overly reliant on a few specific product types (Kelagama, 2009).

Recommendations on Product diversification

One of the major limitations to RMG export growth is the need of diversification in products and markets. A tiny range of products (shirts, trousers, T-shirts, sweaters, jackets) makes up 60 percent of RMG export. High end products should be the ultimate dimension of Product Diversification of RMG sector of Bangladesh.

Dynamic marketing and promotional drive

Dynamic marketing and promotional drives would be needed to break into markets for other RMG products that Bangladeshi producers can produce competitively. Both private and public sector should work hand in hand to get success in this regard. Comparative advantage related to product diversification must be taken into consideration.

Research and Development

Since Research and Development (R&D) and market research to expand the product mix and public support in this area will be critical, a comprehensive research center built on public-private partnership should be established. Its role would be to gather and disseminate information effectively to local manufacturers on the newest developments in products and markets, including information on fabric developments, blends, colors, patterns, latest fashion trends and design forecasting, as well as providing customer service to overseas buyers buying from Bangladesh.

Institute for RMG study

More institutes like BGMEA University of Fashion and Technology should be established in both public and private sectors to study various dimensions of RMG sector particularly product diversification.

Conclusion

Bangladesh mainly produces low value RMG which has the risk of facing more competitors. It is also hindrance to acquire more profit, and sustainability. Bangladesh should not depend on few products rather it should diversify its RMG products to make the sector resilient for any kind of financial situation of the globe. A break through is a requirement for long term existence of this sector. RMG sector of Bangladesh requires breaking into new products through more neutral and rational trade policy and taxation and bonded warehouse schemes; and concerted efforts to attract foreign direct investment, to spur investment and export diversification.

CHAPTER IV

TOWARDS SUSTAINABILITY: HORIZONTAL EXPANSION THROUGH MARKET ENLARGEMENT

Introduction

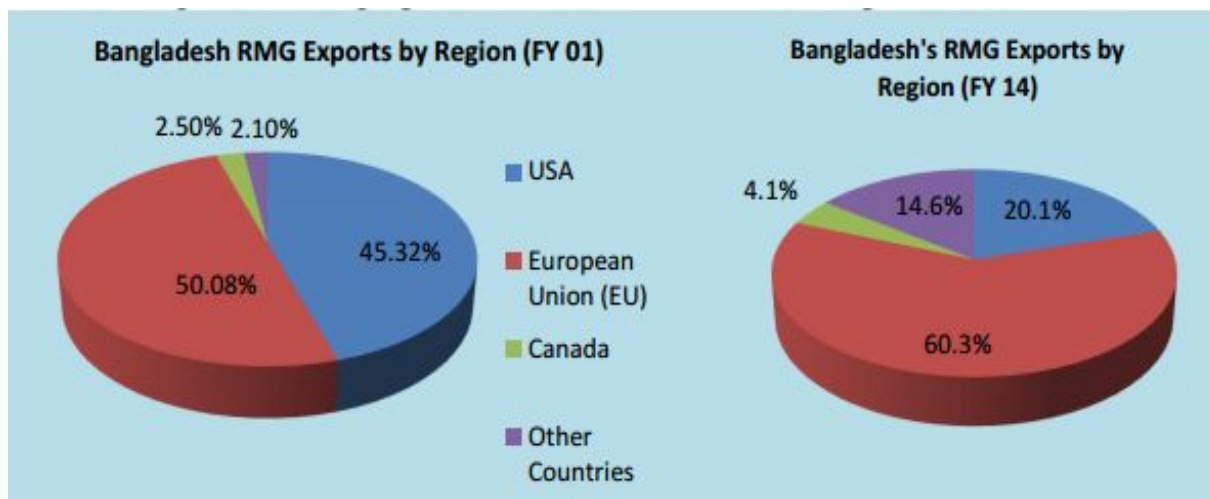
This chapter explores the current status and situation of RMG export market of Bangladesh. Its main buyers of apparel items are the USA and the EU. Dependency on these two export destinations may be threat to the sustainability of the most vibrant economic sector of the country. Efforts are there to find out alternative and nonconventional export destinations of Bangladeshi apparel products.

Bangladesh is recognized as a major frontier market by worldwide financial institutions (World Bank, 2014). Bangladesh's exports have grown strongly and two folded their world market share between 1995 and 2012, due to success in garments, catering largely to the EU and USA. Since 2009, it has become the world's second largest RMG exporter, making it exceptional amongst LDCs in its high share of manufactures in total exports, which reached 90.1 percent in 2012 compared to about 21.1 percent for LDCs (World Bank, 2014).

RMG sector of Bangladesh is dependent mainly on two markets namely the EU and North America (the United States of America and Canada). Though it reduced dependency on these two markets from 93% to 85% in last five years (From fiscal 2009-10 to 2013-14), it needed to diversify the destinations of apparel export for sustained growth of RMG industry. The increased exports to the non-traditional markets will reduce to some extent the overwhelming dependency on the traditional markets. Following figure 12 shows the geographical diversification of RMG exports of Bangladesh in FY 2001-14.

Appendix 1 and 2 show that RMG export of Bangladesh is facing challenges. That made the government, private sector concerned mainly apparel industries, researchers and development partners. Alternative apparel export destinations are to be sought for the sustainability of the RMG sector of Bangladesh.

Figure 12: Geographical Diversification of RMG exports in FY2001-14



Source: www.bangladeshbank.org.bd, accessed on 07/07/2015 at 05.06 pm

The most promising markets for Bangladesh RMG exports in the medium to long-term depends on the countries of North America, EU, Japan, and the emerging market economies (EME). Up until now, it appears that Bangladesh has gained a strong footing in terms of its RMG exports in the markets of North America (USA and Canada) and EU, and is making inroads into Japan and the EMEs. But other countries such as Australia, Brazil, Chile, China, India, South Korea, Mexico, Russia, South Africa and Turkey are looking to be the more prospective markets, followed by Malaysia, New Zealand, Norway, Saudi Arabia and Thailand.

The most hopeful development in this sector has been the opening of new markets for export of RMG. Of the entire exports in the first quarter of the fiscal year 2012-13, about US\$530 million came from number of new countries. These new export destinations Bangladeshi RMG are Russia, Japan, China, India, Australia, South Korea, South Africa, New Zealand, Malaysia and Turkey. In the near future more new destinations are expected to be included in the list because of the vigorous efforts of the BGMEA, BKMEA and the EPB (EPB, 2014).

To achieve the \$50bn export target within 2021 Centre for Policy Dialogue (CPD) urged the government and RMG factory owners to focus on non-traditional market exploration.

The apparel exports to the non-traditional markets recorded a sharp growth by over 37% to US\$1.37bn in the first half of the fiscal year 2014-15, braving the political turmoil throughout the year of 2014. RMG export of Bangladesh in non-traditional markets is depicted in the following figure 13:

Figure 13: RMG export trend to non-traditional markets in FY 2013-14



Source: EPB, 2014

The relatively new markets include Australia, Brazil, Chile, China, India, Japan, Korea, Mexico, Russia, South Africa and Turkey. Export to Turkey recorded the highest growth as the value stood at \$335m with a rise of 106.5% in the first half of the financial year 2014-15. It was followed by Russia 73%, Chile 32%, China 60%, and India 53%. Only Brazil registered a negative growth by 4% to \$89m compared to previous export value of \$93m (BGMEA, 2014).

Examples of potential nontraditional market for RMG of Bangladesh

India-

One of the most important limitations to apparel export growth is the lack of diversification in products and markets – not least, as noted below – the giant market of neighboring India.

Bangladesh’s export to India is not increasing considerably largely due to the lack of capacity building of the exporters. The second obstruction is absence of institutional strengthening while the third is lack of product diversification for the export destinations. The major challenges are the capability issues as the customs are not aware of trade certification standards. These sorts of trade barriers should be eliminated to boost up export to India, particularly RMG.

The population of India is 1,267,401,849 as of July 1, 2014. India's population is corresponding to 17.5% of the total world population. India positions number 2 in the list of countries by population. The population density of India is 386 people per Sq. Km. 32% of the population is urban (410,404,773 people in 2014). The median age in India is 26.6 years (Ministry of Human Resources, India, <http://mhrd.gov.in/>). This statistics shows that India is a big market for Bangladesh, mostly for RMG. India is the next door neighbor having 4500 km land boundary (Porous border). Not only that, for some

other reasons like low transportation cost, high demand low value RMG products India is the potential market for Bangladesh. Bangladesh is to explore this most prospective market.

China-

China the world's second biggest economy could become the next big export market for Bangladesh, particularly for apparel products. China's domestic RMG market is around \$310 billion. Chinese importers sourced \$100 million worth of clothing items in first 9 months of 2013 from Bangladesh, and their target is to reach \$1 billion mark in 2014.

Bilateral trade between China and Bangladesh has been growing fast that arrived at \$8 billion in 2012 and could exceed \$10 billion by 2014. However, the trade imbalances favor Beijing heavily. China, nonetheless, has offered duty-free access to 4,721 Bangladeshi products to address the imbalance. Similarly, other South Asian countries are likely to benefit from China's rising consumer market. India and China have an extensive trade relations and the bilateral trade between the two countries could reach \$100 billion in the next couple of years (CPD, 2014). Joined with China's own structural shift and South Asia's some exceptional advantages it is very possible that the latter could become an important source destination for the former's imports, as early as by this decade. There are several reasons behind this optimism. First, China and most East Asian countries' demographic window closes at a time when South Asia stocks the highest number of working age population with a median age of about 25. International comparison of industrial performance is shown in table 9 where Bangladesh is occupying better position in respect to the world and south Asia but China is showing near about double performance than Bangladesh.

Table 09: International comparison of industrial performance

Indicator	Year/Period	China	Bangladesh	South Asia	World
Manufacturing Value Added (MVA), average annual real growth rate (in %)	2005-2010	10.6	5.8	7.2	2.0
	2010-2012	8.1	6.0	5.6	2.3
MVA per capita (at constant 2005 prices in US\$)	2005	967	95	141	1240
	2012	1147	108	154	1277
MVA as percentage of GDP (at constant 2005 prices in US\$)	2005	33.8	17.4	15.2	16.6
	2012	34.4	17.8	15.4	16.7

Source: United Nations Industrial Development Organization (UNIDO), 2014

Thus, the region is in a position to produce a host of labor intensive manufacturing products, catering China's consumers, among others. Second, Beijing is beefing up both bilateral and regional trade and investment relations with South Asia. It is developing key infrastructure, including deep sea ports, and planning to set up a number of industrial parks in its South Asian neighborhood. This could be supplemented by the Asian Highway network, which is currently underway in many parts of Asia, including South Asia, to facilitate a seamless connectivity in the region. Beijing is actively working with India, Bangladesh and Myanmar to develop an economic corridor under the aegis of BCIM. It is also planning to build up the China-Pakistan Economic Corridor, which is expected to include construction of an oil pipeline from Gwadar's port to northwestern China (World Bank, 2015). Following figure 14 shows China's past and projected import. Gradual development of its import makes the RMG sector of Bangladesh optimistic to be an important exporter to China.

Figure 14: China's past and projected import



Source: World Development Indicators, World Bank, 2012

Bangladesh is almost on the edge to become world's number one exporter of RMG product, leaving behind China. At present Bangladesh accounts for 5% of world RMG export while China's share is 30%. But China is gliding from its top position, losing 5% of its contribution annually due to labor scarcity and high labor expenses. Most of the lower end RMG products may have already been captured by Bangladesh. The prospect for sequestering the upscale products also looks bright. Even Chinese investors are also coming to Bangladesh to explore export possibilities from here.

Russia-

According to Purchasing Power Parity (PPP) Russia is the sixth largest economy of the world. It is one of the biggest non-traditional RMG export destination of Bangladesh. In 2013 Bangladesh exported 49 Crore 8 Lakh and 80 Thousand US dollar. Bangladesh is presently occupying third position in knitwear export in Russia covering 06.76% of its apparel market and fifth in woven wear export covering 04.83% of total readymade garment market of Russia. China is also topping the list here followed by Belarus, Italy, and Turkey. If Bangladesh can remove tariff barriers through bilateral free trade agreement with Russia, it will be able to reduce its dependency on present market in the USA and the European Union (CPD, 2015).

Thailand-

The trade between Thailand and Bangladesh is worth over \$1.2 billion, but Bangladesh exports account for less than \$100 million. Bangladesh should seek market for some specific products like apparels, jute and jute products, leather and leather goods, medicines, sacks and bags, and chemical products. Thailand should give Bangladesh market access, as it has achieved the 'higher middle income country' status. But no country generally gives access to goods and services of other countries in its own market until highest level of economic diplomacy does not take place. It is to be remembered that Thailand is prospective market for RMG of Bangladesh (Market News, 2015).

Brazil-

Brazil can be a big destination of RMG of Bangladesh. It has the potentials to import the RMG from Bangladesh. It a big country, vibrant economy and it has the prospect to grow higher in a faster pace. So Bangladesh should follow aggressive economic diplomacy to grab the fastest growing market of Brazil (EPB,2014).

Mexico-

Mexico has free market and a trillion dollar economy. Mexico has over 90 percent of its trade under free trade agreements, which it has with more than 50 countries that include Japan, Guatemala, Honduras, El Salvador, and the European Free Trade Area. Bangladesh should sign bilateral free trade agreement with Mexico and other nontraditional RMG export market, in order to promote the RMG sector. Not only that, Bangladesh should sign bilateral free trade agreement with the non-traditional markets of the world (BGMEA, 2014).

Chile-

The country enjoys the highest sovereign bond rating among the Latin American countries. Chile has a market-oriented economy, and is reputed for the presence of strong financial institutions. Moreover, Chile's high degree of foreign trade is due to its 57 bilateral and regional trade agreements. These include

its agreements with the European Union, China, India, Mexico, and South Korea. Hence, signing a bilateral trade agreement with Chile to fasten its promotion of RMG sector in that country is needed (BGMEA, 2014).

Myanmar-

Myanmar is a potential market for the RMG of Bangladesh. It needs to penetrate in that market very carefully. Bangladesh has 285 Km of land border with Myanmar. It can be a sustainable market for Bangladeshi RMG for positive reasons like growing economy, low transport cost, increasing buying capacity of the people of Myanmar etc (Author's view).

Africa-

Africa is a wide spread market for Bangladeshi RMG. Particularly South Africa has the prospect to use Bangladeshi RMG. Not only that, some developing countries of African continent show eagerness about RMG of Bangladesh. Economic diplomacy, positive venture to explore new market in this area can find Bangladeshi RMG a sustainable market (EPB, 2014).

Buyers' preference-

Leading garment buyers in the world are increasingly relying on Bangladesh RMG sector to meet their needs. This is because of lower price and compliance with most of the issues raised by them. The foreign buyers are feeling increasingly convinced about Bangladesh RMG entrepreneurs' ability to implement the international standard compliance issues. According to BGMEA, out of 3500 RMG factories over 2000 are already complying with the international standard. Many of these factories have obtained international standard certificates like ISO-series. On the basis of these certificates Bangladesh RMG factories are now on top in the list of buyers. Factories that have earned these certificates are now way ahead in the highly competitive market of RMG. Due to steady progress in compliance in the RMG units buyers have become confident about sustainability of their capacity. As the situation has significantly improved no bargaining is being struck by buyers on this issue. Most of the buyers sustain their confidence level on the basis of reports from their representatives in Dhaka assigned to supervise the compliance issues. Besides the representatives, Social Compliance Forum, representing manufacturers, buyers, labor organizations and government representatives ensure that RMG factories put into action of the compliance issues seriously (EPB, 2014).

Linkages-

Fabric, fibers cotton under spinning, yarns under weaving and knitting, grey fabrics as finished products under dyeing, printing and finishing all come under the phases of the backward linkage process for readymade garments industry. The basic raw materials for the readymade garments are interlining, labels, buttons, and sewing thread. Packaging materials such as neck birds, back boards, plastic collar stays, tissue paper, hang tangs, pins and clips, hangers, polybags, zippers, drawstrings, and exported cartoons.

The required 70% accessories are provided from local backward linkage industries. But in fabric manufacturing the picture is not the same. The development phase of woven fabric is not satisfactory.

Bangladesh is to smoothens the services of the forward linkage industries to the RMG sector and help support backward linkage industries.

Recommendations

Aggressive economic diplomacy-

A country like Bangladesh seriously need aggressive economic diplomacy to grab major share of world apparel industry as the RMG sector of this country has got the prospect to grow in a higher speed to the highest level. Bilateral free trade agreement should be signed with the prospective countries.

Reduce bureaucracy-

Unnecessary bureaucracy should be minimized in all spheres of trade and investment in Bangladesh.

Productivity and responsible sourcing-

Increased productivity and responsible sourcing are important. Responsible sourcing stems from better relationships between buyers and suppliers, and recommended one unified compliance audit by all buyers.

Forward linkage and backward linkage-

The process of readymade garments is interlinked with the each phase of development. RMG is very much dependent on the backward and forward linkage industry. If the backward support is not available in the local market, the production process will be hampered, likewise, if the forward linkage is not supportable the lead time will be increased and the market may be lost.

Reduce lead time-

In garments sector, the lead time is a very important factor. Reducing lead time can attract more buyers. Linkage can help cover the lead time.

Textile industry-

Textile industry of Bangladesh is one of the largest in the world. Providing more support to textile sector is the requirement because it works as backward linkage industry. This backward linkage will give the chance to enjoy competitive price in the world apparel market which is a major factor for sustainability of RMG sector in Bangladesh.

Conclusion

Exploration of nontraditional market besides traditional export destinations is the fundamental necessity for the sustainability of RMG sector of Bangladesh. Negotiation for duty free access to these non traditional markets is the key to success for exploring new markets. Aggressive economic diplomacy and political commitment will expedite the accomplishment of exploring new markets. To sustain and accelerate RMG export growth Bangladesh needs actions to break into new market through better exploitation of regional trading opportunities; and better trade logistics to reduce delivery lags and become more competitive in nearby markets, especially Asia; as world markets become more competitive and newer products demand shorter lead times, to generate new sources of competitiveness and thereby enable market diversification.

CHAPTER V

TOWARDS SUSTAINABILITY: SOCIO-POLITICAL STABILITY

Introduction

This chapter explores the current status and situation of the socio-political situation of Bangladesh which has remarkable impact on proper growth and sustainability of the RMG sector of the country. Present status and its way of improvement is main subject of this chapter. Socio-political stability is defined as a peaceful environment that a country is supposed to striving for. Political stability is the situation of the government of a country that precludes the possibility of open revolt because the government is governing correctly and the people are happy and benefit from the policies of the government. This stability is created by the country's administration with the highest level of commitment to the mandate of the people. It is implied that government has a contract with residents to ensure peace and tranquility in the country. This can be achieved through social justice confirmed by the government at the cost of its accountability and transparency. The fundamental duty of a state is to offer Socio-political stability to its citizens who all are paying tax for that. Socio-political stability is the basic requirement for healthy economic growth. Socio-political instability severely affects economic growth in short and long run. Socio-political instability is considered detrimental to long-run growth also. Long term growth is considered as the foundation of the sustainable economic progress. When long term progress of the economy is hampered, the socio-political instability gets more focus to solve the causes of instability. Without resolving the causes of instability, sustainability in economic growth remains a far cry. Political unrest affects the production process both directly and indirectly. The direct impact is through lower economic activity and indirect effect is through disturbance of various channels and means of production. With the political unrest cooling down slowly, many economic activities have started to get back on track. However, it will take some time and require high expenditures to get some of the smashed establishments functioning. All the special effects of political unrest on the economy are in fact intertwined as they all lead to lower economic growth that leads to high unemployment, high income erosion and high poverty. If such a circumstance persists for a long period it can give rise to social problems as well.

Socio-political instability is the outcome of misgovernance in the country. Intolerance in political culture, lack of institutional strength, disregards to the institutions, malpractices, corruption are some causes of instability in a country. Lack of accountability and transparency in public sector create the pavement for

instability in the country. Without the governments misdeeds instability cannot occur in a country. Democracy in true sense can manage to establish stability in the country. When instability starts in a democratic country, that country should start practicing more democracy. That means problems of democracy can be solved by the optimum use of democracy. In that situation Rule of law must be the rule of thumb.

Bangladesh in the recent past in terms of domestic political instability caused by hartals (Strike), oborodhs (Blockade) and deadly violence for months. As a result, the economy had to bear the brunt in many ways.

Present scenario

Hartals and oborodhs have been a fact of life in Bangladesh for decades. They have in recent years been changed into a wholesale replacement for democratic checks and balance. Political leaders are trying to justify their wicked activities in the name of democracy; though occupying the state power is the ultimate goal. No political party could avoid massive corruption, abusing state authority after being in the power. This type of violent political practice causes severe harm to the country. People's life becomes shattered for Hartals and oborodhs. Economic growth of this poor country faces setback in most of the time for so called political activities and protests. International and local trade, investment, industrialization and other economic activities are disrupted due to such immoral activities of the major political parties.

Figure 15 depicted below shows the devastating effects of hartal and oborodh on the growing economy of Bangladesh.

Figure 15: Devastating effects of hartal and oborodh



Source: The Daily Star, last modified: 01:53 AM, March 08, 2015

Socio-political stability is the utmost necessity for economic development. A sustainable socio-political framework capable of exploiting opportunities for sustained technological progress (Rostow, 1960) is the basic requirement for the sustainability of RMG in Bangladesh. A suitable socio-political framework capable of exploiting opportunities for sustained technological progress is absent in Bangladesh. Democracy in true sense can bring socio-economic stability in a country with an important and encouraging effect on economic growth. Macro-political certainty and micro-political adjustability is conducive to sustained economic growth and expansion (Feng, 1997) which Bangladesh is lacking most. The crisis of governance is now the dominant aspect of Bangladesh to maintain both economic growth and social development. Due to imperfections existing in political markets political institutions become dysfunctional. Other institutions are also performing at their lowest level. (Roy,2005). Bangladesh, characterized by high population density, low resource base, recurrent natural disasters, and persistent socio-political instability, has come a long way since its independence in 1971(Mujeri, 2004). A winner-take-all version of democracy that Bangladesh practices is taking its inexorable toll on the economy (Zaidi, 2012).The rule of law and human rights in the country became increasingly tenuous, corruption remained a pressing issue, and the political environment continued to be turbulent and uncertain (Ahmed, 2013). For this socio-political instability, Bangladesh faces martial law, military intervention, interference of international organizations and big countries. Democracy always remains in life support here and local and international vested interest groups enjoy the benefit of this situation. A serious image crisis in this global village is a challenge for Bangladesh. For this negative perception about this country investment particularly foreign direct investment (FDI) hampers severely. And economic growth suffers seriously. Bangladesh requires coming out from the situation in which it is moving around. That is why, to ensure democracy in true sense, rule of law, tolerance in political culture, elimination of corruption, and last but not the least good governance in all sphere of administration is basic need for this most prospective country.

When economic growth faces serious setback, RMG sector also face dire consequences. The very success of RMG sector could have been multifold if socio political stability could be ensured. Japan finds the progress of RMG in Bangladesh as a miracle within this massive sociopolitical instability and substantial misgovernance (JICA, 2015).

Policy reversal, highest level of intolerance in political culture, violence, violation of human rights has become a common issue in Bangladesh (Human Rights Watch, 2014). Rampant corruption, inefficiency in both public and private sector crippled the desired growth of the most prospective economy of the world. Inefficient and partisan bureaucracy, both military and civil, immoral political practices by the political leaders including Member of Parliament and Ministers are paralyzing the total system. 'Invisible

hand of the god' is helping to sustain and run Bangladesh. As a result, political conflict and social instability originated from political unrest engulfed the best practices of the few people of the country (Roy, 2005).

Rule of law has become a dream to the citizen of Bangladesh. Police is found involved in all sorts of malpractices. A well-developed judicial system is required to provide the rule of law. Markets are ineffective without the rule of law, for example to ensure compliance with contracts. But in Bangladesh the Judicial norms and practice have been derogating for years. Recently a number of allegations have mounted surrounding judiciary. Justice Gazi Saidur Rahman, Bangladesh Supreme Court (High Court Division) said in an interview that lower courts depend not on law but on the amount of bribe(Assignment Point,2014). Army has become corrupt and acts like a business organization. Total Bureaucracy in Bangladesh is highly politicized (Jahan, 2006). Corruption, favouratism, nepotism are widely practiced in this institution. Weberian model of bureaucracy is not in place to ensure an efficient and control oriented system. Due to the absence of this external control which are the building blocks for a formal, rule based and honest public sector, Bangladesh is identified as one of the most corrupted country of the world. In Transparency International Bangladesh report of 2014 Bangladesh is in 145th position among 174 countries of the world. Bangladesh needs to bring an abrupt change in its bureaucracy to make it professional.

As political unrest continues to take a toll on the economy of Bangladesh, major sectors have sustained a loss equivalent to Tk. 4900 crore or 0.55 per cent of GDP of FY2015 during January to mid-March of 2015 (CPD, 2015).

Due to the political unrest of the country, RMG sector of Bangladesh losses billions of taka every day. The blockades have put the garment sector in a tight corner as exporters are counting losses from order cancellation and rising transport costs. Buyers are cancelling orders as exporters fail to congregate the lead time due to transport crisis. Some buyers are also imposing penalties in case of delayed shipment, cutting prices of garment products and transport costs have surged by around 30 percent due to expensive air shipment. Many factories have halted production as they can't bring imported raw materials from ports. The BGMEA's research and development team has collected three-day data (December 1-3) from 10 exporters to assess the overall losses caused by the blockade. Orders worth \$3.96 lakh were cancelled during the period, while the exporters spent \$3.08 lakh on air shipment. Many small factory owners may go bankrupt due to failing shipment on time. So that's the trap: the golden goose (RMG) is caught between a rock and a hard (BGMEA, 2015).

Political disorder in Bangladesh has cost the apparel industry Tk 4.5 billion in 2015. In 2013, the apparel industry had to bear air shipment cost of Tk 5,000 crore and had to offer discounts totaling to Tk 9,000 crore due to political mayhem in that year. The daily production value in the garment sector is estimated at Tk 430 crore per day. So, even if half of it is interrupted, the blockade is disrupting output valued at Tk 215 crore per day. The working of the apparel industry is normally not affected by strikes and unrests, but supply of raw materials, accessories, etc. and transportation of export goods becomes affected. Political leaders in the country need to ensure a safe supply chain for the industry, by resolving the deadlock and offer a safe environment for RMG sector (BGMEA, 2015). In August, 2014 Garment factory workers clashed demanding a Tk 8,000 minimum monthly wage. Many factories closed for clashing. The owners finally agreed to pay Tk 5,300 as prescribed by a government-endorsed wage board on Nov 4. In November, 18,800 people lost their work for fire in Standard Group. The factory was among the ten biggest in the country and it was the biggest supplier of Gap in Bangladesh. The loss to the firm could run into more than US\$100-million (CPD, 2015).

McKinsey finds a need for a new level of collaboration with regard to compliance, in which forces join across government, suppliers, buyers, and other stakeholders to anchor ethical and sustainable business practices along the value chain. The future development of RMG sector of Bangladesh depends on addressing these serious issues now.

In order to leverage the best of what Bangladesh has to offer in the way of sourcing opportunities, apparel companies' needs to prepare themselves accordingly. They should plan to upgrade supplier management, revisit their sourcing and country strategies to secure the benefits, move quickly, and not ignore the importance of managing the risks. This will of course also involve hiring top talent, upgrading and further professionalising the local setup, improving logistics management, and strengthening supplier relationships.

Recommendations

Socio-political dependability-

Socio-political stability is the key to steady growth of the industry. It creates conducive environment for sustainable growth of trade and industry in a country. Democracy in true sense, peaceful transfer of power, Policy continuation, tolerance in political culture, institutional form of politics are some of the mentionable points to ensure socio-political stability which Bangladesh seriously lack behind. That is why, Bangladesh requires socio-political stability for the sustainability of RMG sector in the country.

Rule of Law-

Rule of law is the pre requisite for the total development of the RMG sector in the country. Sustainability of any economic activity mainly depends on the social justice ensured by the rule of law. Rule of law is facing a big question mark in Bangladesh. It has the biggest room of improvement.

Strengthening institutions-

State and government institutions are badly needed to be strengthened. They should be allowed to work accordingly. Reward and punishment should be in practice.

Better infrastructure-

Availability of power and gas, Inadequate infrastructure, bureaucratic inefficiency and corruption are still the major problematic factors in industrialisation and for growth of an industry. These are also increasing entrepreneurs' cost of doing business. We are also losing price and delivery competitiveness to our business competitor.

Low rate funding-

Access to low-rate funding for factory relocation were identified as top priorities necessary for advancing the sector.

Low interest rate-

High Bank loan interest rate is a barrier to sustainability of RMG sector in Bangladesh. Rate of interest should be in a reasonable rate in comparison to countries which are the competitors of Bangladesh.

Image building and brand development-

Image building and branding can achieve a high level of value addition and enhance Bangladesh's reputation as a quality supplier of apparel. As branding is an expensive investment, incentives and opportunities should be provided to exporters, such as through a 'Brand Fund' and by encouraging foreign collaboration to launch collective brand names through corporate marketing companies. Investments in skills, design and advertising will be essential for the "Made in Bangladesh" label to make its mark in the global marketplace. For this, an active promotion campaign will be required by the industry, government, and EPB. Local and international exhibitions should be held with aggressive efforts to attract foreign buyers. Bangladesh embassies abroad should appoint dynamic business-oriented commercial officers whose main job will be to promote export products through direct contact with potential buyers.

Public goods and Public Bads-

Public goods are to be provided without rivalry and without excludability. In present situation of Bangladesh, public goods are also occupied by ruling party men. These are to be made free to provide services to the citizens. In some cases government may not be able to provide services to the citizens but

should not create obstacles by the hooliganism of the party in power. These hindrances can be termed as public bads. Twentieth-century government was all about public goods. This century will be all about public bads (Arrow, 2007). Government must come out from these public bad practices. Governance of public good and public bads is the sole responsibility of the government. For the lack of governance on public goods and public bads, RMG sector of Bangladesh face the sufferings.

Governance improvement-

Misgovernance anywhere is a severe threat to good governance everywhere in the country. Bangladesh is now facing rampant corruption, nepotism, favouratism and all other bad practices of bad governance. Lack of good governance is a major barrier in development of the economy of Bangladesh. RMG sector is the worst victim of misgovernance in the country. Every sector of the country suffers from bad governance. Bangladesh needs to have solid institutional frameworks, sound rule of law, proper control structures, appropriate checks and balances, effective civil service system, appropriate accountability and transparency; and for these political leaders, bureaucrats and donor-agencies have to work in line.

So, overall improvement of the governance system of the country is a dire necessity for the development of the RMG sector also. Improvement of the total governance scenario is a must for the RMG sector as well as for the country as a whole.

Conclusion

Considering the situation government of Bangladesh, it requires improving worker and consumer welfare by humanizing skills and literacy. Stringent enforcement of labour law and work safety guidelines are the prime duty of the government. Safety net programmes need to be made more effective in dealing with trade shocks. Sustaining sound macroeconomic fundamentals including building a supportive environment is the sole responsibility of the government particularly the political authority. Infrastructures including utility services are to be flawless and responsibility lies on the shoulder of the government. Institutional capacity must be built for strategic policy making which will gear the objective of international competitiveness to help bring focus and coherence to the government's reform efforts. Entrepreneurs are key persons to act accordingly to grab the opportunities keeping close cooperation with government, international agencies, buyers, civil society organizations, and all other stake holders. Establishing rule of law for ensuring social justice by the state is the major task for confirming socio-political instability. Executive, judiciary, legislature, these three organs of the state should act accordingly. Public media and social media can also be utilized for good governance in the country. If government can offer good governance to its citizens, no one will feel any necessity to raise her/his voice. And country will continue in peace and harmony. That will bring socio-political stability along with sustainable growth in RMG as well as in every sector in the country.

CHAPTER VI

CONCLUSION: FINDING A WAY FORWARD

Introduction

This chapter has the endeavor to conclude the discussion and find a way forward by chalking out policy and functional recommendations. These suggestions are drawn on the basis of the study which is explained in the previous chapters. It is to be mentioned here that these recommendations are not exhaustive. Further study might help to find out more of these kinds. Searching out sustainability dimensions was the ultimate target of the study. At the last part of this research four sustainability dimensions are pointed out. These are 1) Workers welfare, 2) Product diversification, 3) New market exploration, and 4) Socio-political stability. Following table 10 can help better understand in a nut shell how sustainability of the RMG sector can be achieved.

Table 10: Sustainable RMG sector of Bangladesh

	Challenges	Addressing the challenges	Sustainability Dimensions
Sustainability of the RMG sector of Bangladesh	<ol style="list-style-type: none">1. Inadequate work place safety and insufficient workers welfare activities.2. Lack of product diversification. Dependency on limited low end products only.3. Dependency on specific markets. Particularly the market of the USA and the EU.	<ol style="list-style-type: none">1. Enhancement of workplace safety and sufficient workers welfare activities.2. Reduce dependency on specific low end products. High end products should be made by the RMG sector of Bangladesh along with present products line.	<ol style="list-style-type: none">1. Workers welfare2. Product diversification.

	Challenges	Addressing the challenges	Sustainability Dimensions
	4. Socio-political instability	3. Unconventional markets need to be explored together with present export destinations. 4. Socio-political instability should be controlled. A reasonable level of political stability and good governance required to be ensured.	3. New Market exploration. 4. Socio-political stability

Source: Developed by the author

Bangladesh government declared the RMG sector as the thrush sector for the rapid growth of the economy. Thrush sector needs to get required administrative and logistic supports. Declaring is not enough unless these supports are provided with due dignity. Government has tried and is trying to help RMG sustainable. Private sector is also trying to play their role. But still so many things are missing. Following recommendations will bridge the gap between the reality and requirement.

Policy and Functional Recommendations

Compliance-

Compliance of norms and rules set by the buyers, development partners, USA, EU, ILO, NGO, Civil Society and all other stake holders. Government and factory owners are to play their respective roles.

Government-RMG sector of Bangladesh has to remove its weaknesses through following the standard compliance practices. The Government of Bangladesh needs to pay more attention to closely monitor compliance.

Factory owners-Factory owners should give more rights to workers in terms of better payment, safe working conditions. This can be done by following standard compliance practices. That will encourage more people to work in this industry. Not only that, productivity will be increased. As a result, Buyers will also be motivated to purchase more RMG item from Bangladesh.

Administrative-

Administrative reforms can be achieved with the active participation of the both public and private sector.

Public sector

Recommendations related to administrative reforms are the main responsibility of the government. Government of Bangladesh must ensure following things for better RMG sector of Bangladesh (This list is not exhaustive):

- a. Creating enabling environment for investment, both foreign and domestic.
- b. Aggressive economic diplomacy
- c. Signing bilateral trade agreement with the countries of the present and prospective market
- d. Creating regional and sub-regional Free trade area.
- e. Strengthening infrastructure at the optimum level.
- f. Minimizing bureaucratic bottle necks
- g. Creating individual division or ministry only meant for the RMG
- h. Specialized public sector bureaucrats for RMG
- i. Coordination and collaboration with all stake holders
- j. Development of human resources for the RMG sector through skill development.
- k. Ensure tourism facilities for the foreigners, particularly hospitality industry should be given due support to grow at the optimum level.
- m. Nepotism and favouritism should be avoided in public administration.

Private sector

Private sector has the most important role to play for the sustainability of the RMG sector of Bangladesh. It is the ultimate beneficiary of this sector. So, industrialists, traders, trade organizations must play their own role. Otherwise, severe setback will engulf the total RMG industry and private sector will be the first victim. BGMEA, BKMEA, FBCCI, RMG industry owners have to decide how they want to react to the changed situation. Private sector of Bangladesh must ensure following things for better RMG sector of Bangladesh (This list is not exhaustive):

1. Training the workers to enhance productivity.
2. High end products should be given preference along with low value products.
3. Workers welfare must be guaranteed.

4. Collaborate government to improve the total condition of the RMG sector.

Financial-

Recommendations related to financial reforms are not responsibility of the public sector only. Both the sectors should play their respective roles.

Public sector

1. Bank interest rate should be lowered.
2. Financial support for the performing growing industries.
3. Export oriented industries should be given all kinds of cooperation
4. Ensure good governance in financial sector

Private sector

1. Repayment of loans should be the part of the culture of business.
2. Backward and forward linkage industries are to be set in Bangladesh
3. Delivery lag should be reduced.
4. Lead time should be reduced as less as possible.
5. Earn the confidence of the Buyers by building mutual trust.

Political commitment with impartial behavior of the government is a necessity for a sustainable RMG sector in Bangladesh. Good governance is the key factor for the improvement of the economic activities of the country. Government is to take the major responsibility to establish good governance in the state and related stake holders should join hand in hand with it.

Last but not the least, Socio-political peace and harmony should be established by the guaranteed socio political stability.

Recapitulation and Conclusion

Sustainability of RMG sector is the utmost necessity of the growing economy of Bangladesh. To make the sector sustainable some measures are necessary for this moment. Workers welfare came into the middle of discussion regarding RMG sectors long term sustainability after Rana Plaza collapse. After that devastating industrial accident of the world Government of Bangladesh, US government, Private sectors, BGMEA, BKMEA, International Labour Organization, International Buyers, Civil society, NGO, Development partners decided to work together to improve conditions of the garment factories in the country. Now it is the need to ensure safe environment not only for the factories only but for the hardworking workers. Labour inspectorate is to be strengthened to monitor mechanisms relating to building and fire safety to ensure a safe working environment for the garment factories. This safety measures and monitoring system must continue once support from external partners' ends. Bangladesh needs to build a culture of Occupational Safety and Health and the skills. Improve working conditions and

promote competitiveness in the garment industry in Bangladesh are most important target to be fulfilled. Workers rights should be enhanced keeping everything into consideration. Cooperation and collaboration between related stake holders for rights and workplace safety of workers are the necessity of the present moment. Improving worker and consumer welfare by improving skills and literacy should be a regular practice of the concerned stakeholders. Government must steer the total process along with all other related parties.

RMG sector of Bangladesh requires breaking into new products through more neutral and rational trade policy and taxation and bonded warehouse schemes; and concerted efforts to attract foreign direct investment, to encourage investment and export diversification. Bangladesh generally produces low value RMG which has the risk of facing more competitors. It is also hindrance to acquire more profit, and sustainability. Bangladesh should not depend on few products rather it should expand its RMG products to make the sector resilient for any kind of financial situation of the globe. A break through is a necessity for long term survival of this sector.

Searching of nontraditional market besides traditional export destinations is the fundamental requirement for the sustainability of RMG sector of Bangladesh. Negotiation for duty free entrance to these non traditional markets is the key to success for exploring new markets. Aggressive economic diplomacy and political commitment will expedite the accomplishment of exploring new markets. To sustain and accelerate RMG export growth Bangladesh requires actions to break into new market through better exploitation of regional trading opportunities; and better trade logistics to reduce delivery lags and become more competitive in nearby markets, particularly Asia; as world markets become more competitive and newer products demand shorter lead times, to generate new sources of competitiveness and thereby facilitate market diversification.

Taking the situation into account, government of Bangladesh needs improving worker and consumer welfare by humanizing skills and literacy. Tough enforcement of labour law and work safety guidelines are the prime duty of the government. Safety net programmes need to be made more effective in dealing with trade shocks. Sustaining sound macroeconomic fundamentals including building an encouraging environment is the exclusive responsibility of the government particularly the political authority. Infrastructures including utility services are to be flawless and responsibility lies on the shoulder of the government. Institutional capacity must be built for strategic policy making which will gear the objective of international competitiveness to help bring focus and coherence to the government's reorganization efforts. Entrepreneurs are key persons to act accordingly to capture the opportunities keeping close cooperation with government, international agencies, buyers, civil society organizations, and all other stake holders. Establishing rule of law for ensuring social justice by the state is the major task for

ensuring socio-political instability. Executive, judiciary, legislature, these three organs of the state should work as they are assigned for. Public media and social media should be utilized for good governance in the country. No one will feel any necessity to raise her/his voice if government can offer good governance to its citizens. That will bring socio-political stability along with sustainable growth in RMG as well as in every sector in the country.

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Appendix-1



তৈরি পোশাকের রফতানি বাড়ল মাত্র ৪ শতাংশ

বৃহস্পতিবার, ৯ জুলাই ২০১৫



সদ্য সমাপ্ত ২০১৪-১৫ অর্থবছরে তৈরি পোশাকের রফতানি বেড়েছে মাত্র ৪ শতাংশ। আগের বছর দেশের প্রধান এ পণ্যের রফতানি প্রবৃদ্ধি ছিল ১৪ শতাংশের কাছাকাছি। পোশাকের আয় কম আসার প্রভাব পড়েছে মোট রফতানি আয়েও। এ কারণে মোট রফতানি আয়ের প্রবৃদ্ধিও কমে গেছে। সব পণ্যের গড় রফতানি প্রবৃদ্ধি দাঁড়িয়েছে ৩ দশমিক ৩৫ শতাংশ। আগের অর্থবছরে (২০১৩-১৪) প্রবৃদ্ধি ছিল প্রায় ১২ শতাংশ। গত অর্থবছরে শুধু আয়ে প্রবৃদ্ধি কমেছে তা নয়, এ সময় লক্ষ্যমাত্রা থেকে আয় কম হয়েছে ৬ শতাংশ। এ নিয়ে টানা তিন বছর রফতানি লক্ষ্যমাত্রা অর্জিত হলো না। মূলত তৈরি পোশাকের রফতানি প্রবৃদ্ধি কম হওয়ায় সার্বিক রফতানি প্রবৃদ্ধি কম হয়েছে বলে মনে করছেন বিশ্লেষকরা।

বাণিজ্য বিশ্লেষকদের মতে, তৈরি পোশাকের রফতানি প্রবৃদ্ধি এ হারে কমে যাওয়ার প্রধান কারণ দীর্ঘ সময় ধরে চলা সহিংস রাজনৈতিক অস্থিতিশীলতা। এ ছাড়া প্রধান প্রধান বাজারে ভোগ চাহিদা কমে যাওয়ার কারণেও রফতানি কমেছে। বেসরকারি গবেষণা সংস্থা সেন্টার ফর ডায়ালগের (সিপিডি) অতিরিক্ত গবেষণা পরিচালক খন্দকার গোলাম মোয়াজ্জেম এ প্রসঙ্গে গতকাল সমকালকে বলেন, ডলারের বিপরীতে প্রায় সব মুদ্রার বিনিময় হার কমছে। এতে ডলারে বাংলাদেশি পোশাক কিনে দর হারানো স্থানীয় মুদ্রায় বিক্রিতে মুনাফা কম পাচ্ছেন আমদানিকারকরা। এ কারণে তারা বাংলাদেশের পোশাকের আমদানিতে কিছুটা নিরুৎসাহ

দেখাচ্ছেন। তার মতে, রানা পাজা ধস এবং তাজরীন ফ্যাশন কারখানার অগ্নিকাণ্ডের সূত্র ধরে শেয়ারড ভবনের (একই ভবনে পোশাক কারখানাসহ অন্য কাজে ভাগাভাগি করে ব্যবহার) কারখানায় রফতানি আদেশ কমিয়ে দিয়েছেন ক্রেতারা। এর প্রভাবও পড়েছে রফতানি আয়ে।

রফতানি উন্নয়ন ব্যুরোর (ইপিবি) সর্বশেষ প্রতিবেদন অনুযায়ী, সমাপ্ত অর্থবছরে রফতানি আয় এসেছে তিন হাজার ১১৯ কোটি ৮৪ লাখ ডলার। লক্ষ্যমাত্রা ছিল তিন হাজার ৩২০ কোটি ডলার, অর্থাৎ আয় কম হয়েছে ২০০ কোটি ১৫ লাখ ডলার। একক মাস হিসেবে অর্থবছরের শেষ মাস জুলাইয়ে আয় হয়েছে ৩০৫ কোটি ৪০ লাখ ডলার। ৩২৬ কোটি ডলারের লক্ষ্যমাত্রা থেকে আয় কম হয়েছে ৬ দশমিক ২৩ শতাংশ। তবে প্রবৃদ্ধি হয়েছে ৯ শতাংশের মতো। এপিবি গতকাল পণ্য অনুযায়ী রফতানি আয়ের প্রতিবেদন প্রকাশ করেছে।

প্রতিবেদন অনুযায়ী, পোশাক রফতানি থেকে আয় এসেছে দুই হাজার ৫৪৯ কোটি ১৪ লাখ ডলার। এর মধ্যে ওভেন থেকে এসেছে এক হাজার ৩০৬ কোটি ৪৬ লাখ ডলার। আর এক হাজার ২৪২ কোটি ৬৮ লাখ এসেছে নিট পণ্য রফতানি থেকে।

ইপিবির তথ্য অনুযায়ী, ২০১২-১৩ অর্থবছরে পোশাকের রফতানি প্রবৃদ্ধি ছিল ১২ দশমিক ৭০ শতাংশ। আয়ের পরিমাণ ছিল দুই হাজার ১৫১ কোটি ৫৭ লাখ ডলার। ২০১৩-১৪ অর্থবছরে আয়ের পরিমাণ ছিল দুই হাজার ৪৪৯ কোটি ১৮ লাখ ডলার। ওই সময়ে প্রবৃদ্ধি হয়েছিল ১৩ দশমিক ৮৬ শতাংশ। আলোচ্য সময়ে প্রবৃদ্ধি এবং লক্ষ্যমাত্রা থেকে আয় কমেছে এ রকম বড় পণ্যের মধ্যে রয়েছে চিংড়ি, সব ধরনের হিমায়িত মাছ, চামড়া, পাট, টেরিটাওয়েল ইত্যাদি। অন্যদিকে রফতানি বাড়ার তালিকায় রয়েছে চামড়া পণ্য, পাটের সুতা, পাটের ব্যাগ, বৈদ্যুতিক সামগ্রী ইত্যাদি।

Appendix-2



যুক্তরাষ্ট্রের বাজারে চাপে পড়বে বাংলাদেশি পণ্য

বৃহস্পতিবার, ৯ জুলাই ২০১৫



স্বল্পোন্নত ও উন্নয়নশীল ১২৭ দেশের জন্য সম্প্রতি মার্কিন যুক্তরাষ্ট্রে অগ্রাধিকারমূলক বাজার সুবিধা বা জিএসপি কর্মসূচি নবায়ন করা হয়েছে। আগামী মাস থেকে এসব দেশ থেকে পণ্য নিতে মার্কিন আমদানিকারকরা শুষ্কমুক্ত সুবিধা পাবেন। অন্যদিকে আফ্রিকার দেশগুলোকে বিশেষ আইনের আওতায় শুষ্কমুক্ত সুবিধা আরও ১০ বছর বাড়িয়েছে যুক্তরাষ্ট্র। ফলে বাংলাদেশি পণ্য যুক্তরাষ্ট্রের বাজারে প্রতিযোগিতা সক্ষমতায় পিছিয়ে পড়বে।

গত দুবছর যুক্তরাষ্ট্রের জিএসপি কর্মসূচি কার্যকর ছিল না। বাংলাদেশসহ সব দেশের পণ্য আমদানিতে শুষ্ক দিতে হয়েছে মার্কিন আমদানিকারকদের। এখন অন্য দেশগুলো জিএসপির আওতায় রফতানি করবে। গত দুবছরে পরিশোধিত শুষ্কও ফেরত পাবেন মার্কিন আমদানিকারকরা। সদ্যসমাপ্ত অর্থবছরে বাংলাদেশ থেকে যুক্তরাষ্ট্রে ৫৭৮ কোটি ৩৪ লাখ ডলারের পণ্য রফতানি হয়েছে। ২০১৩-১৪ অর্থবছরে এর পরিমাণ ছিল ৫৫৮ কোটি ৩৬ লাখ ডলার।

শ্রম অধিকার প্রতিষ্ঠায় যথাযথ অগ্রগতি না হওয়ায় ২০১৩ সালের জুন মাসে বাংলাদেশের জন্য জিএসপি সঙ্গিত করে ওবামা প্রশাসন। পরের মাসে জিএসপি কর্মসূচির মেয়াদ শেষ হয়। এ কর্মসূচি নবায়ন করতে দুই বছর সময় লাগল। জিএসপি নবায়নের সময় বাংলাদেশের সঙ্গিত থাকা সুবিধা ফিরিয়ে দেওয়া হবে বলে সরকারের পক্ষ থেকে আশা করা হয়েছিল। শেষ পর্যন্ত- আর তা হলো না।

বাণিজ্য সচিব হেদায়েতুল্লাহ আল মামুন সমকালকে বলেন, মার্কিন জিএসপি নবায়ন হয়েছে বলে তারা শুনেছেন। বাংলাদেশেরও জিএসপি ফেরত পাওয়ার বিষয়টি প্রক্রিয়াধীন আছে। তবে নাম প্রকাশে অনিচ্ছুক মন্ত্রণালয়ের একজন উর্ধ্বতন কর্মকর্তা সমকালকে বলেন, যুক্তরাষ্ট্রে গত ডিসেম্বরে জিএসপি পর্যালোচনার পর এ নিয়ে এখন পর্যন্ত- কার্যত নতুন কোনো তৎপরতা নেই। ইউএসটিআরের পক্ষ থেকেও আর কোনো সাড়া পাওয়া যায়নি। আগামী শুনানি কবে হবে এ বিষয়ে নিশ্চূপ রয়েছ ইউএসটিআর। তিনি বলেন, জিএসপি নবায়নের সময় বাংলাদেশের সঙ্গিতাদেশ প্রত্যাহার না করা বৈষম্যমূলক আচরণ। যুক্তরাষ্ট্রের সঙ্গে বাণিজ্য ও বিনিয়োগ সহযোগিতা চুক্তির (টিকফা) আগামী বৈঠকে বিষয়টি তুলে ধরবে বাংলাদেশ।

আফ্রিকার দেশগুলো যুক্তরাষ্ট্রে রফতানিতে আলাদা অগ্রাধিকারমূলক সুবিধা পাচ্ছে। বাণিজ্য উন্নয়নের মাধ্যমে দারিদ্র্য বিমোচনে এসব দেশকে রক্ষায়ও আফ্রিকান গ্রোথ অ্যান্ড অপারচুনিটি অ্যাক্ট (আগোয়া) নামে আইন করে ক্লিনটন প্রশাসন। ২০০০ সালে ২ অক্টোবর কার্যকর হওয়া ১৫ বছর মেয়াদি ওই আইন এ বছর শেষ হওয়ার আগেই নতুন করে ১০ বছরের জন্য নবায়ন করা হয়েছে।

আগোয়াভুক্ত দেশগুলোর শুল্কমুক্ত সুবিধার মেয়াদ বাড়ানোর কারণে বাংলাদেশের রফতানিতে কী ধরনের প্রভাব পড়বে তা অনুমান করা যায় জার্মানিভিত্তিক আন্-জর্জাতিক পরামর্শক প্রতিষ্ঠান ম্যাকেক্সের এক জরিপ প্রতিবেদনে। গত মে মাসে প্রকাশিত ওই প্রতিবেদনে বলা হয়, আগামী পাঁচ বছরে সাব সাহারান দেশগুলো পোশাক খাতের জন্য গুরুত্বপূর্ণ হয়ে উঠতে পারে। ২০২০ সালের মধ্যে আফ্রিকা থেকে আমদানি বর্তমানের ১০ গুণ করতে চায় পশ্চিমা ব্র্যান্ডগুলো। ২০৩৫ সালের মধ্যে আফ্রিকার সাব-সাহারান দেশগুলো পোশাক রফতানিতে এ খাতের এক নম্বর রফতানিকারক চীনের সমক্ষতা অর্জন করবে।

বিজিএমইএ সভাপতি আতিকুল ইসলাম সমকালকে বলেন, এতগুলো দেশ একসঙ্গে শুল্কমুক্ত সুবিধা পেলে বাংলাদেশ ক্ষতির মুখে পড়বে। অনেক দেশই কম-বেশি পোশাক রফতানি করে এখন। অন্য দেশগুলোর জিএসপি নবায়নের পর বাংলাদেশের এ সুবিধা পুনরুদ্ধারে সরকারের পক্ষ থেকে জোর লবিং প্রয়োজন। পাশাপাশি তৈরি পোশাক যাতে জিএসপির আওতায় রাখে সে বিষয়েও সরকারের ভূমিকা জোরালো হতে হবে।

বেসরকারি গবেষণা সংস্থা সেন্টার ফর ডায়লগের (সিপিডি) অতিরিক্ত গবেষণা পরিচালক খন্দকার গোলাম মোয়াজ্জেম সমকালকে বলেন, ওখুব বেশি সমস্যা হবে না কারণ, জিএসপি পাওয়া দেশগুলোর রফতানি পণ্য আর বাংলাদেশের রফতানি পণ্যের মধ্যে মিল কম। অনেক দেশেরই রফতানি তালিকায় তৈরি পোশাক নেই। তবে সঙ্গিত হওয়ার আগে যে সব পণ্য মার্কিন জিএসপি সুবিধা পেত, সে সব পণ্য কঠিন চ্যালেঞ্জের মুখে পড়বে।

২০১৩ সালের ২ সেপ্টেম্বর থেকে জিএসপি সঙ্গিত হওয়ার সিদ্ধান্ত- কার্যকর হওয়ার আগে প-স্টিক সামগ্রী, সিরামিক, চা, ফার্নিচার, সবজি, তামাক জাতীয় পণ্য, খেলার সরঞ্জাম, রান্নাঘরের সামগ্রী, গলফ সামগ্রী, চশমা, লবণ, পাথর, সিমেন্ট, জাহাজসহ রফতানি তালিকার

ছোটখাটো আরও কিছু পণ্য যুক্তরাষ্ট্রে জিএসপি সুবিধা পেত। এসব পণ্য রফতানিতে মিশ্র প্রবণতা লক্ষ্য করা গেছে। কোনোটির বেড়েছে, কমেছে কোনোটির। সার্বিকভাবে যুক্তরাষ্ট্রে পণ্য রফতানি কিছুটা বেড়েছে।

পাস্টিক দ্রব্য প্রস্তুতকারক ও রফতানিকারক সমিতির পরিচালক ইউসুফ আশরাফ সমকালকে বলেন, জিএসপি নবায়নের ফলে কঠিন প্রতিযোগিতার মুখে যুক্তরাষ্ট্রে পাস্টিক পণ্য রফতানি বড় ধরনের হুমকির মুখে পড়ল। গত দুই বছর কোনো দেশের জন্য মার্কিন জিএসপি ছিল না। এতে বাংলাদেশের জিএসপি সঙ্গিত থাকলেও ভারসাম্যপূর্ণ প্রতিযোগিতা ছিল। এখন জিএসপি নবায়ন করায় যেখানে অন্য দেশ শূন্য শুল্ক সুবিধা পাবে সেখানে বাংলাদেশকে গুণতে হবে ১৫ শতাংশ।

দেশের পোশাকের মোট রফতানি আয়ের ২০ শতাংশের বেশি আয় আসে যুক্তরাষ্ট্র থেকে। ইউএস ডিপার্টমেন্ট অব কমার্সের অফিস অব টেক্সটাইল অ্যান্ড অ্যাপারেলসের (ওটেক্স) তথ্য অনুযায়ী, দেশটিতে পোশাক রফতানিতে প্রতিযোগীদের কাছে ক্রমে পিছিয়ে পড়ছে বাংলাদেশ। গত সেপ্টেম্বরে তৃতীয় অবস্থান হারিয়েছে ইন্দোনেশিয়ার কাছে। সর্বশেষ তথ্য অনুযায়ী, বাংলাদেশের অবস্থান এখন ষষ্ঠ। চীন, ভারত, ভিয়েতনাম, পাকিস্তান, মেক্সিকো রয়েছে বাংলাদেশের আগে।