

# Branded Childhood

How garment brands contribute to low wages, long working hours, school dropout and child labour in Bangladesh

January 2017



**SOMO**



**STOP**



**CHILD LABOUR**  
School is the best place. At work.

# Colophon

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How garment brands contribute to low wages, long working hours, school dropout and child labour in Bangladesh

January 2017

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SOMO - Centre for Research on Multinational Corporations

Stop Child Labour

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## Acronyms

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<b>ACT</b>	Action Collaboration Transformation
<b>AFWA</b>	Asia Floor Wage Alliance
<b>BDT</b>	Bangladeshi Taka
<b>BLF</b>	Bangladesh Labour Welfare Foundation
<b>BSCI</b>	Business Social Compliance Initiative
<b>BTGWL</b>	Bangladesh Textile Garments Workers League
<b>CBSG</b>	Capacity Building Service Group
<b>CLEAR</b>	Country Level Engagement and Assistance to Reduce Child Labour (ILO)
<b>CSR</b>	Corporate Social Responsibility
<b>ETI</b>	Ethical Trade Initiative
<b>EU</b>	European Union
<b>FTA</b>	Foreign Trade Association
<b>ICN/LIW</b>	India Committee of the Netherlands/Landelijke India Werkgroep
<b>ILO</b>	International Labour Organization
<b>MoPME</b>	Ministry of Primary and Mass Education, Government of the People's Republic of Bangladesh
<b>MoU</b>	Memorandum of Understanding
<b>NCLWC</b>	National Child Labour Welfare Council
<b>NGO</b>	Non-governmental organisation
<b>NEP</b>	National Education Policy
<b>PACE</b>	Personal Advancement & Career Enhancement
<b>PPP\$</b>	Purchasing Power Parity \$
<b>SAI</b>	Social Accountability International
<b>SCL</b>	Stop Child Labour – School is the best place to work
<b>SOMO</b>	Stichting Onderzoek Multinationale Ondernemingen (Centre for Research on Multinational Corporations)
<b>UN</b>	United Nations
<b>UNICEF</b>	United Nations Children's Fund
<b>UNCRC</b>	United Nations Convention on the Rights of the Child
<b>US</b>	United States of America

## About the authors

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### **Stop Child Labour – School is the best place to work' (SCL)**

'Stop Child Labour – School is the best place to work' (SCL) is a coalition coordinated by Hivos. The coalition consists of the Algemene Onderwijsbond (AOB), Mondiaal FNV, Hivos, the India Committee of the Netherlands (ICN), Kerk in Actie & ICCO Cooperation, Stichting Kinderpostzegels Nederland and local organisations in Asia, Africa and Latin America.

SCL advocates for good formal education for children and a decent income and decent working conditions for adults. Cooperating with local organisations in Asia, Africa and Latin America that are committed to getting all children out of work and into school, SCL promotes the area-based approach to create child labour free zones: areas where the inhabitants are convinced that child labour should be eliminated and are prepared to take the necessary steps to get all children out of work and into school.

In addition, SCL promotes child labour free products by drawing the attention of businesses and Corporate Social Responsibility (CSR) initiatives to the need to eliminate child labour and, where possible, by collaborating with them. SCL lobbies with governments, the EU and national and international organisations for a more proactive policy against child labour, and calls on citizens to make their voices heard. This way SCL aims to encourage active involvement and commitment by all stakeholders worldwide.  
[www.stopchildlabour.eu](http://www.stopchildlabour.eu)

### **Bangladesh Labour Welfare Foundation (BLF)**

The Bangladesh Labour Welfare Foundation (BLF) is a non-governmental, non-profit, non-partisan organisation representing the interests of working people in Bangladesh. BLF works for the welfare of workers, working people, professionals, women, children, employees and families by undertaking various programmes and projects.  
[www.blf-bd.org](http://www.blf-bd.org)

### **Capacity Building Service Group (CBSG)**

Capacity Building Service Group is a specialised capacity building organisation with an interest in organisational development, training and research. Established in 2002, it has been carrying out consultancies with NGOs, government agencies, UN organisations and development partners.  
<http://cbsg-bd.org/>

### **The Centre for Research on Multinational Corporations (SOMO)**

The Centre for Research on Multinational Corporations (SOMO) is an independent, not-for-profit research and network organisation working on social, ecological and economic issues related to sustainable development. Since 1973, the organisation has been investigating multinational corporations and the consequences of their activities for people and the environment around the world.  
[www.somo.nl](http://www.somo.nl)

## Executive summary

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The Stop Child Labour Coalition commissioned the Centre for Research on Multinational Corporations (SOMO) to carry out this research into wage levels and working conditions in the export-oriented garment industry in Dhaka, Bangladesh. The research specifically looks into the relationship between wages and working conditions of adult workers and the extent to which their children attend school or are engaged in paid/unpaid work.

The objective of the research was to assess how the wages and working conditions of adult workers in export-oriented garment factories affect workers' abilities to meet basic needs, including housing, food and education. The aim is to answer the following questions:

- ❑ Are the wages of adult garment workers sufficient to cover their family's basic needs, including schooling costs for their children?
- ❑ Are the children of garment workers engaged in paid work in order to add to the family income so that the family's basic needs are covered?
- ❑ Are children of garment workers engaged in any unpaid work (e.g. household work)?
- ❑ If the children of garment workers do not attend school, what are the reasons for this?

The research was compiled through a combination of desk and field research undertaken by SOMO in cooperation with the Capacity Building Service Group (CBSG) and Bangladesh Labour Welfare Foundation (BLF). A total of 75 garment workers were interviewed – 57 female workers and 18 male workers. This gender division reflects the workplace reality in Bangladesh, where a majority – roughly 85 per cent<sup>1</sup> – of production workers are female. Only workers with children of school-going age were selected for the interview.

The 75 interviewed adult workers, ranging in age from 20 to 44, were employed at 14 different factory units at 10 different garment companies in Dhaka. All of these companies supply European and US brands and retailers. The interviews focused on wages, working hours and the daily activities of workers' children. The report includes first-hand stories of workers and their children. In order to protect their identities, workers' names have been changed to protect them from any retaliation or punishment by the factory management.

As well as the 75 interviews with adult workers, more in-depth interviews were carried out with 14 of these workers who have at least one child not attending school. Together, the 75 interviewed workers take care of 133 children of which 125 are of the school-going age. The in-depth interviews focused on the balance between work life and family life, the family's income and expenses, and their views on education and reasons why their child(ren) does/do not attend school.

Interviews were also conducted with 11 children who were not attending school at the time of the research. In addition to their parents' interviews, the children were asked about their own reflections on the reasons for not attending school and about the in-house (non-paid) or out-of-house jobs they were engaged in.

As well as this field research, SOMO also looked into the policies – including child labour and living wage policies – of the seven brands and retailers that source from one or more of the manufacturers where the interviewed workers are employed: C&A, Esprit, Gap Inc., H&M, Kmart Australia, Marks & Spencer and VF Corporation.

In addition, researchers also analysed relevant government regulations, policies and programmes on child labour, the education system and secondary data on child labour and school attendance.

### **What the research found**

Workers toiling in Bangladesh's 5,400 garment factories seldom reap the rewards of the industry's success. The majority of the approximately 4 million people working in the Bangladesh garment industry are female migrants who have left their rural villages for Dhaka – many living in cramped and substandard squatter settlements, without gas or electricity.

The vast majority of the interviewed workers (65 out of the 75) said that their basic wage was not enough to meet their families' basic needs and that they therefore needed to work overtime hours. One third of the workers worked more than 60 hours per week on a regular basis and yet the average total take-home salary was only a third of what would constitute a living wage. In order to cover their basic needs, interviewees had to compromise their life style by cutting costs for food, accommodation, medical treatment or their children's education. Twenty-nine of the 125 children in the school-going age, nearly one in four, do not attend school.

This report reveals that low wages have a major impact on the lives of garment workers and their family members, in particular on their children. Garment workers work extremely long hours in order to meet a standard of living that provides only the bare necessities of life. Almost all families have multiple income earners. From this research it is clear that the interviewed garment workers are in an extremely vulnerable position and their ability to (financially) cope with major life events, such as sickness, divorce, marriage and death, is limited.

In addition to low wages, long working hours also have a detrimental impact on garment workers' children. Not only do garment workers have little time to spend with their children, they also have little time for household chores or for taking care of young children. This research features stories of two children who were taken out of school to take care of younger siblings and six children who were taken out of school to take care of the household. Eleven children have been separated from their parents as they stayed behind in the home villages because their parents could not take care of them due to their demanding work schedule and high costs in the city compared to rural areas.

This research shows there is a link between child labour and low wages for adult workers. Low wages and long working hours have been found to play a key role in parents' decisions to take their children out of school. In a number of cases highlighted in this report, children were not only taken out of school to reduce expenses, but they were also needed to contribute to the family income and were also engaged in paid work. Children who work and do not go to school will end up in low-paid jobs later in their lives, a legacy they are likely to pass on to their children – thus perpetuating the vicious cycle of poverty.

Although there are an estimated 690,000 children engaged in child labour in Dhaka Division, child labour at export-oriented garment factories in Bangladesh has been greatly reduced over the past few years, in part due to buying companies' zero tolerance policies. However, this report focuses on another more hidden aspect of child labour. The working children featured in this report are not part of the buying companies' supply chains. They are working in other companies, sometimes in entirely different sectors. However, this form of child labour may be a consequence of the low wages in the export-oriented garment industry. By preventing workers from earning a living wage, the corporate actors – buying and supplying companies – are contributing to a system that perpetuates child labour and contributes to the violation of children's rights. If companies do not undertake urgent steps to work towards the payment of a living wage that enables adult workers to meet their basic needs, they will still be contributing to the problem of child labour and violation of children's rights in Bangladesh.

This report concludes with a series of concrete recommendations for brands and retailers sourcing from Bangladesh, for manufacturers, for the Government of Bangladesh and for other stakeholders arguing that, in order to combat 'indirect child labour', a robust living wage strategy is urgently needed.

## Chapter 1

# Introduction

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### 1.1 Background and objectives

The 'Stop Child Labour – School is the best place to work' (SCL) coalition has commissioned SOMO to conduct a research into wage levels and working conditions in the export-oriented garment industry in Dhaka, Bangladesh and the relationship between child labour and school attendance.

Under the umbrella of the 'Out of Work and into School' programme, the objective of the research is to assess how the wages and working conditions of adult workers in export-oriented garment factories affect workers' abilities to meet basic needs. The research also focuses on school attendance and the 'working life' of garment workers' children. The goal is to answer the following questions:

- Are the wages of adult garment workers sufficient to cover their family's basic needs, including schooling costs for their children?
- Are the children of garment workers engaged in paid work in order to add to the family income so that the family's basic needs are covered?
- Are children of garment workers engaged in any unpaid work (e.g. household work)?
- If the children of garment workers do not attend school, what are the reasons for this?

### 1.2 Research methodology

The Stop Child Labour Coalition (SCL) commissioned the Centre for Research on Multinational Corporations (SOMO) to carry out this research, which has been compiled through desk and field research undertaken by SOMO in cooperation with the Capacity Building Service Group (CBSG) and Bangladesh Labour Welfare Foundation (BLF).

#### 1.2.1 Field research

Field research was undertaken by CBSG, which gathered data by conducting a series of interviews with garment workers and their children. The interviews took place between March and July 2016. Processing and analysing the interview results was carried out by SOMO in collaboration with CBSG. BLF provided valuable advice and assistance during the field research and was responsible for the selection of respondents.

A total of 75 garment workers were interviewed – 57 female workers and 18 male workers. This gender division reflects the workplace reality in Bangladesh, where a majority – roughly 85 per cent<sup>2</sup> – of production workers are female.

As SCL is interested in the impact of wages in the garment industry on the ability of garment workers to send their children to school, only workers with children of school-going age were selected for the interviews. Identifying workers with children of school-going age was challenging as the majority of

garment workers are young women whose children have not yet started school. A considerable number of female garment workers are also unmarried and without children.<sup>3</sup>

It was beyond the scope of this research to identify whether married or pregnant women are discriminated against when they are looking for work in the garment industry or during their employment. However, research by other organisations shows that this kind of discrimination indeed takes place. A report by UNICEF, for example, speaks of cases of pregnant women being led to ‘voluntarily’ resign rather than being dismissed. Workers state that they sometimes receive an additional month’s salary to encourage such resignations.<sup>4</sup>

All of the interviewees worked at factories supplying European and US brands and retailers. The interviews focused on wages, working hours and the daily activities of workers’ children. The report includes first-hand stories of workers and their children. In order to protect their identities, their names have been changed. This is necessary to protect workers from any retaliations or punishment by the factory management.

As well as the 75 interviews with adult workers, more in-depth interviews were carried out with 14 of these workers who have at least one child not attending school. These more detailed interviews focused on the balance between work life and family life, the family’s income and expenses, and their views on education and reasons why their child(ren) does/do not attend school.

Interviews were also conducted with 11 children who were not attending school at the time of the research. These were all children of the 14 workers who took part in the in-depth interviews. In addition to their parents’ interviews, the children were asked about their own reflections on the reasons for not attending school and about the in-house (non-paid) or out-of-house jobs they were engaged in.

**Table 1: Overview of interviews**

Interview type	Number of interviews
Interviews with garment workers employed in export-oriented factories with children of school-going age	75
In-depth interviews with garment workers employed in export-oriented factories with children of school-going age with at least one child not attending school	14 (selected from the group of 75 interviewed workers)
Interviews with children of garment workers	11 (selected from the group of workers who participated in the in-depth interviews)
<b>Total interviews</b>	<b>100</b>

### Profiles of the interviewed adult workers

The average age of the interviewed garment workers was 31 years. The youngest respondent was 20 (female) and the eldest respondent was 44 (male).

Workers with different job types were interviewed, including cleaners, assistants/helpers in sewing or finishing departments, ironers, sewing machine operators, washing machine operators and quality controllers.

The tenure of the respondents at their factory ranged between two months and 16 years; the majority of the respondents had been employed at their factory for between two and three years.

**Table 2: Employment duration of adult workers**

Employment duration	No. of interviewed adult workers
Less than a year	14
Between 1-2 years	17
Between 2-3 years	17
Between 3-4 years	11
Between 4-5 years	6
Between 5-10 years	7
Between 10-16 years	3
<b>Total</b>	<b>75</b>

### Factories and garment companies

The 75 interviewed adult workers were employed at 14 different factory units at 10 different garment companies. The factories are located in Ashulia, Gazipur and Savar districts in Dhaka and employ between 600 and 5,500 workers each. All of these companies supply European and US brands and retailers such as C&A, Gap Inc. and H&M.

In the report, names of the factories are not disclosed to protect the interviewed workers from retaliation by their employers. Moreover, the findings related to wages and workplace conditions within the different garment companies are presented at an aggregate level. When there were notable differences on certain aspects, a more specific reference to a particular garment company is made. More specific details about the garment companies can be found in Chapter 3.2.

### Buying companies

While many international garment brands and retailers have their products made in Bangladesh, this report only mentions seven European and US brands and retailers. These companies were identified as buyers of the investigated factories through the companies' public supplier lists, as well as by analysing shipment data between Bangladesh and the United States from September 2015 to August 2016. The seven identified buyer companies are: C&A (Netherlands), Esprit (Germany), Gap Inc. (United States), H&M (Sweden), Kmart (Australia), Marks & Spencer (United Kingdom) and VF Corporation (United States).

It should be noted that a larger group of brands and retailers sources from the investigated factories and the responsibility to address the labour rights issues described in this report thus does not solely lie with the brands and retailers mentioned in this report. Due to a lack of transparency it is, however, difficult to uncover all buyer-supplier relations.

### 1.2.2 Desk research

In addition to the information gathered through the interviews, researchers also analysed relevant government regulations, policies and programmes on child labour, the education system and secondary data on child labour and school attendance.

SOMO also looked into the policies – including child labour and living wage policies – of the identified buying companies.

### 1.2.3 Review procedure

SOMO has guidelines for review procedures stipulating that all companies mentioned in a public research report should be given the opportunity to review, respond to and comment on findings that directly relate to them. This is intended to avoid publishing any inaccuracies and is, as such, an essential element of ensuring high-quality research.

A draft version of this report was therefore sent to the seven brands and retailers that are known to have their goods produced in at least one of the factories where the interviewed workers are employed. SOMO received responses on the draft report from C&A, Esprit, Gap Inc., H&M, Kmart and Marks & Spencer. VF Corporation did not respond to the review request.

## 1.3 Outline

The report starts with a context description of the garment industry in Bangladesh, followed by information about Bangladesh's education system and policies and initiatives to eradicate child labour (Chapter 2). The next chapter presents the findings of the interviews with the 75 garment workers (Chapter 3), focusing on employment and working conditions. Chapter 4 zooms in on family income strategies, children's school attendance and children's engagement in paid and unpaid work. Chapter 5 reviews the policies and programmes of garment brands that (may) enable adult workers to take care of their families. The report ends with conclusions and recommendations.

## Chapter 2

## Context

## 2.1 The Bangladesh garment industry

The garment industry is vital for Bangladesh's economy. At a value of roughly € 17.6bn,<sup>5</sup> apparel and garments accounted for 79.3 per cent of the country's total commodity exports in 2013-14.<sup>6</sup> Bangladesh is also vital for the world's garment production. After China, Bangladesh is the largest exporter of textile apparel.<sup>7</sup>

The European Union's imports from Bangladesh consist almost entirely of textiles and textile articles. These accounted for 93 per cent of the import value of all commodities the EU imports from Bangladesh in 2015, which amounts to € 14.091bn. The 28 EU countries are Bangladesh's most important export partners, accounting for 46 per cent of the country's total exports of textiles and textile articles.<sup>8</sup>

**Table 3: Top five apparel export products and top export destinations for the year 2014**

Product description	% of textile and apparel exports/ export value	Top 5 export destinations
Woven men's/boys' suits, ensembles, jackets, trousers	16% € 3.94bn	Germany (14%) United Kingdom (9%) France (6%) Belgium – Luxembourg (3%) The Netherlands (3%)
Knitted t-shirts	16% € 3.93bn	Germany (20%) United Kingdom (10%) France (9%) Spain (8%) The Netherlands (6%)
Knitted sweaters	13% € 3.12bn	Germany (19%) United Kingdom (10%) France (10%) Spain (7%) Italy (6%)
Woven women's/girls' suits, ensembles, jackets, dresses, skirts, trousers	10% € 2.48bn	Germany (14%) United Kingdom (10%) Spain (9%) The Netherlands (3%) Belgium – Luxembourg (3%)
Woven men's/boys' shirts	7% € 1.77bn	Germany (13%) United Kingdom (12%) France (5%) Spain (3%) Italy (3%)

Source: The Observatory of Economic Complexity, <http://atlas.media.mit.edu/en/profile/country/bgd/>

In 2013-14, there were at least 5,400 operational garment factories in Bangladesh, employing over four million workers.<sup>9</sup> Most of these garment factories are concentrated around Bangladesh’s capital city Dhaka.<sup>10</sup>

## 2.2 Primary and secondary education in Bangladesh

The children of garment workers living in the poor areas of Dhaka can face challenges accessing quality education.<sup>11</sup> Although Bangladesh has made considerable progress towards achieving universal primary education and gender parity in schools over the last few decades,<sup>12</sup> school enrolment is on average lower in the areas where many garment workers live.<sup>13</sup>

The Government of Bangladesh is a signatory to the United Nations Convention on the Rights of the Child (1989), while the Primary Education Compulsory Act passed in 1990 made primary education free and compulsory for children between the ages of six and ten.<sup>14</sup> Primary education lasts for five years – from class I-V. There are public, private, religious (Madrakas) and non-formal primary schools (e.g. NGO-run schools). Secondary education lasts for seven years (ages 11-17) and comprises three cycles: junior secondary (class VI-VIII), secondary (class IX-X) and higher secondary education (class XI-XII). See also table 4 for an overview.<sup>15</sup>

**Table 4: Bangladesh’s education system**

	Class	Age category
Pre-primary education		3+
		4+
		5+
Primary education	I	6+
	II	7+
	III	8+
	IV	9+
	V	10+
Secondary education: Junior secondary	VI	11+
	VII	12+
	VIII	13+
Secondary education	IX	14+
	X	15+
Secondary education: higher secondary education	XI	16+
	XII	17+

Additionally, pre-primary education is available for children aged between three to five years old. In 2008, the Bangladesh Ministry of Primary and Mass Education (MoPME) approved the Operational Framework for Pre-primary Education, which includes the long-term objective that “all children,

3-5 years of age, are attending pre-school programs of some kind and have access to programs of health, nutrition, social, physical and intellectual development, and being initiated into formal education".<sup>16</sup>

### **Enrolment, attendance and drop-out rates**

Although data available on access to and enrolment in primary education is not unambiguous, Bangladesh has significantly improved its access to education over the past few decades. In 1970, the primary education enrolment rate was only 51 per cent. However, by 2010 the enrolment rate had increased to 90 per cent.<sup>17</sup> In 2015, the net enrolment rate registered by the Bangladesh Government was nearly 98 per cent.<sup>18</sup> Although gender disparity in education had been a problem in the past, initiatives by the Bangladesh Government and non-governmental organisations (NGOs) have successfully led to a high enrolment rate for girls.<sup>19</sup> The percentage of girls enrolled in primary school is currently higher than the percentage of boys enrolled in school – 98.8 per cent and 97.1 per cent respectively.<sup>20</sup> Secondary school enrolment is considerably lower than primary school enrolment, with 46 per cent of boys and 53 per cent of girls enrolled at secondary school.<sup>21</sup> It should be noted however, that enrolment does not necessarily mean that children are regularly attending school.

Despite high enrolment rates, the drop-out rate is high. UNICEF estimates that approximately 21 per cent of students do not complete primary school.<sup>22</sup> A 2013 survey by the Bangladesh Bureau of Statistics and the International Labour Organization (ILO) revealed that school attendance of girls aged five to 17 (thus including primary and secondary education) is 81.8 per cent while 77.3 per cent of boys in the same age category attend school.<sup>23</sup> A study for the United Nations (UN) Special Envoy for Global Education references data from the Bangladesh Government and reports that 24 per cent of girls and 33 per cent of boys do not complete primary school. In secondary school even more children drop out. Whereas until class VIII the dropout percentages are higher among boys, from class VIII onwards, a higher percentage of girls drop out of school.<sup>24</sup> In addition to low completion rates, repetition rates are high. UNICEF estimates that it currently takes 8.5 years to complete primary school (class I-V).<sup>25</sup>

High drop-out rates are explained by a combination of internal factors related to the quality and availability of the education offered and external factors related to the family situation of children. The quality of education is uneven among schools. A report for the UN Special Envoy for Global Education concludes that the education system in Bangladesh is generally more effective in student enrolment than in actual learning achievements. Overcrowded and unfit classrooms (e.g. not enough desks, benches and chalkboards), the lack of teachers and inadequate training of teachers, as well as few hours of school offered per day, are among the causes of the low quality of education.<sup>26</sup> Because of the lack of space and teachers to accommodate all children, 90 per cent of government schools run a 'double shift': half the students attend school in the morning and the other half attend in the afternoon. Hence children in a double-shift school may only receive between three and four hours of education per day.<sup>27</sup> Teaching methods are also poor and often not child-friendly. Another important factor affecting both enrolment and drop-out rates is the accessibility of schools, especially for those living in remote areas.<sup>28</sup>

Another significant factor for children dropping out of school and not attending secondary education is delayed entry. A household survey carried out by the Bangladesh Government in 2010 showed that between 7 and 9 per cent of children aged 9 to 10 years had not yet attended school. Consequently, many children are reaching their adolescence after just a few years of primary schooling. The social

norm for girls to marry at a young age and to take care of the household and the social norm for boys to enter into the labour market may be determining factors for school drop-out and lower enrolment rates for secondary education.<sup>29</sup>

The family's economic situation has a major influence on drop-out rates. Even though primary education is free, many families cannot afford the associated costs (e.g. transport to and from school, school supplies etc.). Many children leave school as they are needed to contribute to the household income.<sup>30</sup> An estimated 4.3 per cent of children aged 5-14 work and additionally 6.8 per cent of children aged 7-14 combine work and school.<sup>31</sup> Due to their parents' long working hours, children may also leave school to take care of the household and/or to look after younger siblings. For girls, early marriage can also be a factor for dropping out of school.<sup>32</sup> As the quality of education is a concern among parents, a growing number of parents choose to hire private tutors to enhance the learning achievement of their children, something that parents with insufficient economic means are unable to provide.

## 2.3 Child labour

### 2.3.1 Occurrence of child labour in Bangladesh

A 2015 survey by the Bangladesh Bureau of Statistics and the ILO estimates that there are 3.5 million working children in Bangladesh aged from 5 to 17. Of these children, an estimated 1.2 million are trapped in the worst forms of child labour. Child labour is most prevalent in rural areas.<sup>33</sup> According to the US Department of Labor, most children are working in the agricultural sector (45.5 per cent – farming or fishery), followed by the services sector (36 per cent – domestic work, pulling rickshaws and street work, working in hotels and restaurants, repairing automobiles) and industry (18.5 per cent – including salt mining, ship breaking, production of hand-rolled cigarettes, bricks, footwear, garments, textiles, carpentry etc.).<sup>34</sup>

Children are working under forced labour conditions, amongst others, in the dried fish sector and in brick kilns, usually to help pay off family debts to local money lenders. Some Bangladeshi children are victims of trafficking for commercial sexual exploitation in countries such as India and Pakistan. Bangladeshi children are also trafficked domestically for street work and domestic work. Gangs kidnap and force children to beg on the streets.<sup>35</sup> The highest concentration of child workers is found in Dhaka Division (province) where an estimated 690,000 children are engaged in child labour.<sup>36</sup>

### 2.3.2 International conventions referencing child labour

The United Nations Convention on the Rights of the Child (UNCRC) – ratified by almost all countries in the world, including Bangladesh – outlines the basic entitlements and freedoms that apply to all children without discrimination. The UNCRC defines the child as a person under 18 years of age. It acknowledges the primary role of parents and the family in the care and protection of children, as well as the obligation of the state to help them carry out these duties. The UNCRC consists of 41 articles and includes the right to life and the needs that are most basic to existence, such as nutrition, shelter, an adequate living standard and access to medical services; the right to education, play, leisure, cultural activities, access to information, freedom of thought, conscience and religion; the right to be safe-guarded from all forms of abuse, neglect and exploitation and the right to express opinions.<sup>37</sup> The Convention further includes four core principles that should underpin any action concerning

children, whether taken by governments, parents, communities or the private sector. These four core principles are: the best interests of the child; non-discrimination; child participation; and survival and development.<sup>38</sup>

In the area of labour practices, the primary normative basis is defined by the ILO, which sets international labour standards by adopting conventions that the ratifying countries have to implement in their legislation. After implementation, the conventions are binding for the implementing country. Eight of the ILO's conventions have been qualified as 'fundamental'. These conventions are binding upon every member country of the ILO, regardless of ratification.

Two of the fundamental ILO conventions are about child labour: Convention 182 on the Worst Forms of Child Labour (1999) and Convention 138 (1973) on the Minimum Age for Admission to Employment and Work.<sup>39</sup> Bangladesh has ratified the convention on the worst forms of child labour but has not ratified the minimum age convention. However, as both of these are fundamental conventions, they are binding upon every UN member country, regardless of ratification.

The two conventions outline that all work done by children under the age of 15 (Minimum Age Convention) – and all hazardous work done by children under the age of 18 (Convention on the Worst Forms of Child Labour) – is illegal. Hazardous work includes “work under particularly difficult conditions such as work for long hours or during the night or work where the child is unreasonably confined to the premises of the employer”.

### 2.3.3 Bangladesh national regulations regarding child labour

Under the Labour Act of Bangladesh, a child is defined as an individual not older than 14. For purposes other than work, a person under the age of 18 is considered a child. National legislation sets forth several minimum age levels for different kinds of employment. According to the Bangladesh Labour Act (last amended in 2013), the minimum age for admission to work is 14 years.<sup>40</sup> However, the Bangladesh Labour Act excludes the informal economic sectors in which child labour is most prevalent, including domestic work, street work, work in small workshops and work on small agricultural farms with less than five employees. According to UNICEF, 93 per cent of child labourers in Bangladesh work in the informal sector.<sup>41</sup> There are also other laws that deviate from the Labour Act. Both the Tea Plantations Ordinance<sup>42</sup> and the Shops and Establishments Act<sup>43</sup> set the minimum age for employment at 12. The minimum age for work in mines,<sup>44</sup> as well as for occupations connected with transport of passengers, goods or mail by train or handling of goods within the limits of any port,<sup>45</sup> is 15. For road transport services, workers should be at least 18 years old.<sup>46</sup>

According to the Factories Act, children aged 14 to 18 may not work for more than five hours per day. They may not work between 7pm and 7am.<sup>47</sup> In contrast, the ILO Minimum Age Convention stipulates that the minimum age for admission to work should be 15.<sup>48</sup>

### 2.3.4 Bangladesh Government programmes to eradicate child labour

In 2010, the Bangladesh Ministry of Labour and Employment published its National Child Labour Policy document, which outlines the government's main goals and strategies regarding the reduction of child labour. The policy aims to remove children from all forms of child labour, including the worst forms. To achieve this objective, the government has designed a broad set of measures that range from policy

implementation to health and nutrition programmes and the reintegration of children who have been rescued from hazardous working environments.<sup>49</sup> The strategy was operationalised in the country's National Plan of Action for Implementing the National Child Labour Elimination Policy (2012-2016). In May 2015, the National Child Labour Welfare Council (NCLWC) gathered for the first time.<sup>50</sup> This is the body responsible for guiding, coordinating and monitoring the implementation of the action plan.

Bangladesh' efforts to reduce child labour are supported by the ILO in their Country Level Engagement and Assistance to Reduce Child Labour (CLEAR) project, which runs from June 2015 to April 2017.<sup>51</sup> This includes four components: improving specific aspects of national legislation to make the legislative framework in compliance with international standards; improving monitoring and enforcement of laws and policies; building national capacity to develop, validate, adapt and implement the country's National Action Plan; and enhancing the implementation of national and local policies and programmes that can contribute to the reduction of child labour, such as basic education policies.<sup>52</sup>

The Bangladesh Government has funded and participated in a number of programmes that aim to eliminate and/or prevent child labour. In 2015, the government-funded programmes included a programme targeted at withdrawing children from hazardous labour through non-formal education and skills development training; a programme to provide integrated child protection services to children engaged in child labour; a programme to give out stipends to children of poor families; and a shelter project.

In addition to these government-funded programmes, a number of other actors fund and organise programmes that contribute to the reduction of child labour.<sup>53</sup> These include the World Bank, UNICEF, the EU, the US Department of Labor and various NGOs.<sup>54</sup> In other words, actors other than the Bangladesh Government play an important role in providing children with alternatives to a working life. The role of NGOs in the nation's education system is acknowledged in the National Education Policy (NEP) 2010 as a 'complementary stream' to formal (state-provided) education.<sup>55</sup> The government defines its position with respect to this complementary stream as follows: "the non-government voluntary organizations will be encouraged to conduct non-formal education programs following the curriculum of national primary education. Efforts will be made to make it accessible to the children from the backward, remote areas of the country and belonging to the most deprived groups".<sup>56</sup>

## Chapter 3

## Wages and working conditions – research findings

### 3.1 Labour migration

With a current population of over 17 million people,<sup>57</sup> Dhaka is the fastest growing city in the world. Every day, an estimated 2,000 people settle in Bangladesh's capital,<sup>58</sup> having left their home villages, trying to escape from rural poverty or fleeing from floods, cyclones and droughts that plague large parts of the country.<sup>59</sup> The city's drainage, waste management and transportation infrastructure are on the brink of collapse. An estimated 3.4 million Dhaka inhabitants live without gas or electricity in cramped and substandard squatter settlements.<sup>60</sup>

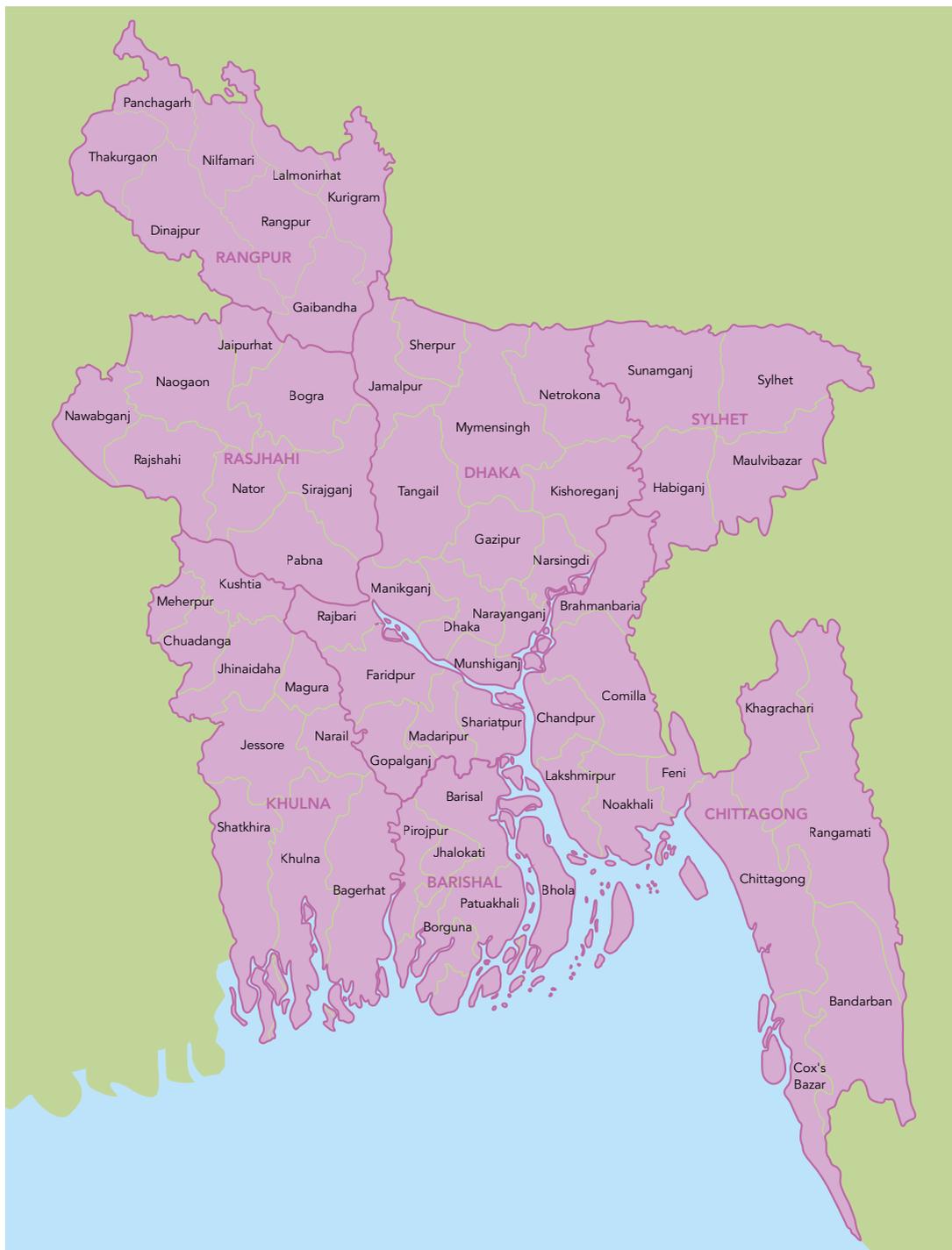
Many migrants find work in the garment industry. The majority of the approximately four million people working in the Bangladesh garment industry are female migrants who have left their rural villages. An estimated 83 per cent of female garment workers are internal migrants who have moved to Dhaka from rural areas.<sup>61</sup>

All of the 75 adult workers who were interviewed for this research have moved to Dhaka city from other places within Bangladesh. Most of the respondents came from other districts in the Dhaka Division, followed by migrants from Rangpur Division in the northern part of Bangladesh and Rajshahi Division in the north-western part of the country.

**Table 5: Home divisions of the 75 respondents**

Divisions	No. of respondents
Dhaka	23
Rangpur	16
Rajshahi	15
Mymensingh	7
Chittagong	6
Khulna	6
Barisal	2

Figure 1: Map of districts in Bangladesh



Map of districts in Bangladesh, [https://en.wikipedia.org/wiki/Districts\\_of\\_Bangladesh](https://en.wikipedia.org/wiki/Districts_of_Bangladesh)

The majority of the interviewed workers – 65 out of 75 – moved to Dhaka with their families. Ten of the interviewed workers moved to Dhaka without their children, leaving their sons and daughters (11 children in total) in the care of grandparents. The interviewed workers reported that life in Dhaka is expensive and that they could not afford to bring their children with them. More importantly, as the parents are working all day, there is no-one to take care of the younger members of the family. Despite the hardship of being separated from their children, these parents feel their sons and daughters are better off in their home villages.

### Interview: Laboni (31)

“My seven-year-old son is living with my mother in our home village in Mymensingh Division. Both my husband and I are working in a garment factory. Together we earn around 20,000 Taka (€ 233.60) a month. Each month I send 2,000 Taka (€ 23.36) to my mother for my son’s expenses. We also send 5,000 Taka (€ 58.40) per month to my parents in law. I work 10 hours a day so during the day there is no-one to take care of my son. Therefore we decided to leave him with my mother in our native village. I get to see my son twice a year during the Eid vacations. When we return to Dhaka my son often cries; he wants to be in Dhaka with his parents. I feel bad about not being able to be with my son but he is better off with his grandmother. I hope to be able to return to my home village in two years’ time. My husband will stay in Dhaka but I would like to return home and take care of my son.”

### Interview: Roslin (27)

“I have a son who is five years old. He is living with my parents in Tangail (Dhaka Division). I work from early in the morning to late at night. I don’t have time to take care of my son. Also, the living expenses in Dhaka are very high so it is better that my son stays with his grandparents. It hurts to be separated from my son but I know that it is the best decision. He goes to school and my parents take good care of him. Every month I visit my son. It has been nearly four years since I started working in Dhaka. I hope to return to my home town within the next five years. I want to save some money to start my own business when I return to my home town.”

### 3.2 Factories

The 75 workers interviewed for the research are employed at 14 different factory units at 10 different garment manufacturers. In Table 6, an overview of these garment manufacturers, their workforce, location and buyers is given.

**Table 6: Overview of manufacturers and buyers**

Company		Work force <sup>62</sup>	Location	Buyers
Company 1		5,500	Ashulia, Dhaka	H&M <sup>63</sup> , Gap <sup>64</sup>
Company 2	Unit A Unit B	3,800 880	Ashulia, Dhaka	H&M <sup>65</sup> , Gap <sup>66</sup> , Kmart <sup>67</sup>
Company 3	Unit A Unit B	1,600 2,500	Ashulia, Dhaka	Kmart <sup>68</sup> , C&A <sup>69</sup> , H&M <sup>70</sup>
Company 4	Unit A Unit B	800 1,000	Ashulia, Dhaka	C&A <sup>71</sup> , H&M <sup>72</sup> , VF Corporation <sup>73</sup>
Company 5		2,600	Ashulia, Dhaka	H&M <sup>74</sup>
Company 6		1,000	Ashulia, Dhaka	
Company 7		1,700	Gazirpur, Dhaka	C&A <sup>75</sup>
Company 8		3,200	Savar, Dhaka	Marks & Spencer <sup>76</sup>
Company 9		3,500	Savar, Dhaka	Marks & Spencer <sup>77</sup> , Esprit <sup>78</sup>
Company 10	Unit A Unit B	1,500 <sup>79</sup> 600	- Gazipur, Dhaka	

### 3.3 Wages

The minimum wage that the Bangladesh Government has currently set for garment workers is BDT 5,300,<sup>80</sup> which at the time of writing, is equivalent to € 61.90 a month.<sup>81</sup> Bangladesh has the lowest minimum wage in Asia. Unfortunately, the minimum wage falls far short of what would constitute a living wage.

A living wage is a wage paid for a standard working week, of 48 hours, meeting the basic needs of workers and their families and that provides for some discretionary income. It should be a net salary after taxes and (where applicable) before bonuses, allowances or overtime.<sup>82</sup> Basic needs include costs like housing (with basic facilities including electricity), nutrition, clothing, healthcare, education, drinking water, childcare, transport and savings. The best way to determine an actual living wage amount is through a continuing process of sound social dialogue between trade unions and employers.

In the absence of a negotiated living wage calculation for Bangladesh, SOMO refers to the living wage amount calculated by the Asia Floor Wage Alliance (see Box 1). The Asia Floor Wage Alliance has worked out a living wage calculation method for Asia, according to which a living wage in Bangladesh would amount to BDT 29,442 (€ 343,88).<sup>83</sup>

### Box 1: Living wage according to the Asia Floor Wage Alliance<sup>84</sup>

The Asia Floor Wage Alliance (AFWA) is an international alliance of trade unions, labour groups and activists working together to demand that garment workers across Asia are paid a wage that would be enough for them and their families to live on – in dignity and in safety.

AFWA developed a calculation method based on Purchasing Power Parity \$, (PPP\$) an imaginary World Bank currency, to calculate the living costs. This helped them to work out the minimum amount needed to constitute a living wage in 12 garment-producing countries in Asia.

The 2015 AFWA calculation for a regional living wage is PPP\$ 1,021 per month, which translates into BDT 29,442 (€ 343.88) for Bangladesh.

The assumptions used for this calculation are:

- A worker needs to be able to support themselves and the equivalent of two other adults or one adult and two children (a child is counted as half an adult).
- Basic needs include nutrition, clothing, housing, travel costs, healthcare and education.
- An adult requires an intake of 3,000 calories a day to be able to carry out their work.
- In Asia, food costs account for half a worker's monthly expenditures and 40 per cent is needed to satisfy other basic needs.
- A living wage includes 10 per cent for discretionary income, which is used for entertainment, savings and pensions, for example.

#### 3.3.1 Salaries without overtime

Wages in Bangladesh consist of a basic wage that is augmented by a number of legally required allowances and optional bonuses.

Including mandatory allowances, the wages of the interviewed workers range from between BDT 5,300 (€ 61.90) for an assistant sewing machine operator and BDT 14,084 (€ 164.50) for a sewing machine operator with 12 years' experience in the same factory. The average wage is BDT 7,326 (€ 85.57). While all interviewed workers earn the legal minimum wage or more, the average wage that interviewed workers earn for regular working hours (48 hours per week) is only 25 per cent of what represents a living wage, according to the Asia Floor Wage Alliance.

**Table 7: Wages and allowances of the 75 respondents**

In BDT	Basic wage	Housing allowance	Food allowance	Transport allowance	Medical allowance	Total
Average wage all workers	4,393	1,726	673	232	302	7,326

### 3.3.2 Bonuses

Bonus systems are common in the Bangladesh garment industry. There are two bonus schemes that apply to interviewed workers at all factories. These are the monthly attendance bonus and the festival bonus, which workers get during the two Eid festivals. The average monthly attendance bonus, which workers get if they are present every working day of that month, is BDT 539.78 (€ 6.30). The total festival bonus received by the workers is on average BDT 5,036.94 (€ 58.83), although calculations vary by factory. At company 4 and 5, the Eid bonus equals the basic salary; for other factories in this research, the bonus amount is 55 per cent of the workers' gross salary (the gross wage consists of the basic wage plus housing, food, transport and medical allowances).

At company 4 and 5, which supply C&A, H&M and VF Corporation, workers can get a maximum amount of one month's additional basic salary if they work instead of taking the authorised holiday leave of 18 days per year. The other factories use yearly attendance bonuses and target bonuses as incentives for workers.

### 3.3.3 Deductions

As well as deductions for the provident fund or loan deductions (see section 3.5), the interviewed workers reported deductions for being absent for work for reasons other than illness. In those cases, workers do not only miss out on their monthly attendance bonus, a portion of their basic salary is also deducted. Workers at company 2 and 3, which supply C&A, Gap Inc., H&M and Kmart, reported that – if a worker remains absent without informing their employer – BDT 1,000 (€ 11.68) is deducted from their salary.

## 3.4 Working hours and overtime

A regular working week consists of six days or 48 hours. On top of that, all the interviewed workers, except for one (a male team leader), reported that they work overtime on a regular basis. On average, these 75 interviewed workers worked 60 hours per week. One third of the workers – 19 female workers and 7 male workers – worked more than 60 hours per week on a regular basis. Working weeks exceeding 60 hours were reported at eight factories of companies 1, 2, 3, 4, 5 and 10. These companies supply big brands including: C&A, H&M, VF Corporation, Gap and Kmart.

**Table 8: Working hours of the 75 respondents**

Workings hours (per week)	
44-48	1 worker
48-52	1 worker
52-56	3 workers
56-60	44 workers
60-64	10 workers
64-68	13 workers
68-72	3 workers

### Excessive and unaccounted overtime

Workers reported that they are asked to do additional overtime in cases of urgent shipments. At two of the researched factories – companies 1 and 4 – workers reported that, in the month preceding the interview, they had to work five overtime hours on a daily basis and that their working weeks thus amounted to 78 hours. These factories include C&A, H&M and VF Corporations among their clients.

Three workers employed at company 5 supplying H&M said they regularly – two or three times a month – have to work until midnight. They start work at 8am and continue for 16 hours. Male workers sometimes have to continue until 2am, they said.

At three factories, workers told the interviewers that, if their working week exceeds 60 hours, they are paid for the additional hours separately, in cash, and that these additional hours are not included in their pay slips. Workers told the interviewers that they need the opportunity to earn more by doing additional overtime, even if it is beyond the legal limit of 60 hours per week. These three factories include C&A, H&M and VF Corporation among their clients.

Two workers, working for company 2 and 7, indicated that they are forced by their employer to work overtime. One of the workers said: “If there is a case of urgent shipment, then the line supervisors force the workers to work overtime even against their will.” The vast majority of the interviewed workers said they are not forced by their employer to work overtime. However, they do feel compelled to work overtime hours in order to complement their meagre wages. Without the overtime payments, workers told us, they would not be able to meet their families’ basic needs. These factories supply C&A, H&M, Gap Inc. and Kmart.

### Wages including overtime payments

Wages including overtime payments range between BDT 6,450 and BDT 16,495 (€ 75.34 and € 192.66) with an average of BDT 9,559 (€ 111.65). Even when overtime payments are included in the wages, not one of the 75 interviewed workers earns a living wage (as calculated by the Asia Floor Wage Campaign). The average total take-home salary is only a third of what would constitute a living wage.

The overtime rate per hour, which is usually double the normal rate per hour, is on average BDT 40.93 (€ 0.48).

**Table 9: Wages, allowances and overtime of the 75 respondents**

	Basic wage	Benefits			Total wage excl. OT	Total wage incl. OT	
		Housing	Food	Transport			Medical
Average all workers	4,393	1,726	673	232	302	7,326	9,559

### 3.5 Social security schemes

Bangladeshi law states that both employers and employees must contribute 7-8 per cent of their basic wage to a provident fund after one year of continuous service. A provident fund is a type of long-term collective savings plan, mainly for retirement, with funding contributions from both the employer and the worker, which serves as a security scheme for workers.<sup>85</sup> The employers bear the cost of maintaining such funds.<sup>86</sup> However, there is an exemption in place for fully export-oriented factories; these factories are not obliged to enrol their workers in the provident fund. As most of the garment factories in Bangladesh fall into this category,<sup>87</sup> many garment workers are not enrolled in any social security scheme.

Most of the workers interviewed for this study are indeed not enrolled in any social security or insurance scheme. Some workers said that, when accidents happen, colleagues donate money to the victim so that they can cover the costs of medical expenses. Only eight workers indicated that provident fund contributions are made in their name. It is not clear whether these contributions are made to an official government provident fund or a factory initiated provident fund.

### 3.6 Day care facilities

While the Factories Act of Bangladesh requires every factory employing more than 50 women to supply adequate accommodation for children under six years of age,<sup>88</sup> in reality most factories do not provide these facilities.<sup>89</sup> The researched factories do, however, all have day care facilities. Despite the availability of these day care facilities, two of the interviewed workers have taken their children out of school so that they can take care of their younger siblings. Generally, parents prefer to leave their children under the care of family members.

### 3.7 Trade unions

Bangladesh has ratified the fundamental ILO conventions on the right to organise and to bargain collectively (Convention 87 on Freedom of Association and Protection of the Right to Organise<sup>90</sup> and Convention 98 on the Right to Organise and Collective Bargaining).<sup>91</sup> However, there are many barriers for workers – both in law and in practice – in terms of enjoying their right to form and join unions of their own choosing. The amended labour law (2013) includes improved provisions regarding freedom of association and collective bargaining. However, there are still some serious concerns.

According to the ILO, the amended law eliminates the previous obligation to send employers the names of union leaders at the time of registration of a trade union at the factory or federation level. The amended law also allows workers to call on outside experts for advice during collective bargaining. However, a number of restrictions to workers' freedom of association rights that have been the subject of ILO concerns were not addressed by the amendments. These concerns include the reduction of the 30 per cent minimum membership requirement to form a union. The amendments also do not extend freedom of association and collective bargaining rights to workers in export processing zones.<sup>92</sup>

There are no trade unions active at the researched factories. During the in-depth interviews, workers were asked whether they were aware of their right to join a trade union and whether they were involved in any kind of trade union activities. Even though there are no unions active at the researched factories, three workers are involved in garment sector worker federations. Two of the interviewed workers, for example, are (individual) solidarity members of the Bangladesh Textile and Garments Workers League. Twelve workers indicated that they are not familiar with trade unions and their right to form and join a union. Several workers said they do not dare to join a union or that it would be impossible to organise workers in a union at their factory, as management is opposed to it. At companies 2 and 8, interviewed workers said management only allows for worker-management communication through Workplace Participation Committees (committees comprised of employer and employee representatives). Four workers employed at garment company 2 and 5 that supplies H&M, Gap and Kmart said they are afraid of losing their jobs if they join a trade union.

*"My only aim is to earn as much money as possible for my family. Because I work such long hours I hardly have any time to spend with my family, let alone to attend meetings of the trade union. Therefore, I am not interested to join a trade union."*

*Worker at company 5, which supplies H&M.*

*"Activities relating to trade union are highly censored, workers can only opine through the worker's representative of participatory committee."*

*Worker at a factory of company 2, which supplies H&M, Gap and Kmart.*

## Chapter 4

## Wages, working hours and the impact on families

### 4.1 Supplementary income and loans

The vast majority – 62 out of 75 – of the interviewees' households have multiple income earners. More than half of the households are dual-income households, with both parents earning an income. Twelve families have one adult income earner. Seven families have children (nine children in total) who are engaged in paid work and contribute to the household income.

**Table 10: Number of income earners within a household**

No. of income earners	No. of households
Single parent households with one adult income earner	3
Married couples with one adult income earner	9
Single parent households with children contributing to the household income	3
Single parents with other relatives contributing to the household income	2
Married couples with one adult income earner and child(ren) contributing to the household income	2
Married couples with two adult income earners	54
Married couples with two adult income earners with child(ren) contributing to the household income	2
<b>Total</b>	<b>75</b>

Forty per cent (32) of the 75 interviewed workers indicated that their salaries are not sufficient to make ends meet. They resort to different ways of supplementing their income. Many of these workers (28), including workers from a household with two adult income earners, indicated they have had to borrow money from relatives, neighbours or colleagues at zero interest. In Bangladesh, workers can also take small one-year loans from the factory against their provident fund at an interest rate of two per cent. Among the respondents, four workers have made use of this facility. Fifteen of the workers said they purchased food and other groceries on interest free credit and repaid the amount due after they received their salaries. Another three workers indicated that, in order to cover their basic needs and the education costs for their children, they have to compromise their style of living by cutting costs for food, accommodation or medical treatment.

## 4.2 School enrolment and attendance

The 75 interviewees take care of 133 children under the age of 18 – 63 boys and 70 girls. There are 125 children of school-going age (3-18 years). Within this broad age category, nearly one in four children does not attend school (29 children from 22 families). Contrary to the official nation-wide statistics, the percentage of girls not attending school is higher than the percentage of boys not attending school: 28 per cent of girls in the sample are not attending school versus 17 per cent of boys.

Within the age category of 6-10, for which education is compulsory, almost all of the respondents' children (57 out of 59 or 97 per cent) are going to school. However, after the age of 10, school attendance starts to decline. In the age category 11-14, 31 out of 40 children attend school (77.5 per cent) while in the age category 15-18 only four out of 16 children are going to school (25 per cent). Two of the boys (8 years old and 14 years old) have never attended school.

**Table 11: School attendance**

	Going to school			Not going to school		
	Boys	Girls	Total	Boys	Girls	Total
Children 15-18	1	3	4	6	6	12
Children 11-14	15	16	31	3	6	9
Children 6-10	29	28	57	1	1	2
Children 3-5	3	1	4	0	6	6
<b>Total</b>	<b>48</b>	<b>48</b>	<b>96</b>	<b>10</b>	<b>19</b>	<b>29</b>

**Table 12: Education level of all interviewed workers**

Level of education	Women	Men	Total	%
Never attended school	7	3	10	13%
Dropped out during primary education (class I-IV)	10	1	11	15%
Completed primary education (class V)	20	1	21	28%
Dropped out during junior secondary education (class VI-VII)	6	3	9	12%
Completed junior secondary education (class VIII)	5	5	10	13%
Dropped out during secondary education (class IX)	4	1	5	7%
Completed secondary education (class X)	5	2	7	9%
Completed higher secondary education (class XII)	0	0	0	0%
Obtained bachelor degree	0	2	2	3%
	<b>57</b>	<b>18</b>	<b>75</b>	<b>100%</b>

### Education of parents and children

Of the 75 adult interviewees, ten have never been to school (see table 12). And only a minority (33 workers) have enrolled in secondary school. Of these workers, most have dropped out before completing higher secondary education. Only two male workers have completed full secondary education and continued to study to obtain a bachelor diploma. The education of workers does not seem to have a direct correlation with their wages.

The education level of the 22 respondents who have at least one child above pre-primary school age who is not attending school is lower compared to the average education level of the total group of respondents. Of these 22 workers, seven workers have never attended school themselves. Three of the respondents who have attended school dropped out during primary school, but seven did complete their primary education. Only five workers ever attended junior secondary school which is the highest level of education completed by any of these parents.

When looking at the education of the children of the respondents, most of them attend a public or private school. Although more expensive than public schools, parents enrol their children in private schools as generally private schools are thought to offer better education. Some children attend a Madrasa (religious school). There is only one child that follows education outside the formal education system by attending an NGO-run school.

**Table 13: Type of school enrolment children**

Type of school	No. of children
Public	43
Private	36
Madrasa	16
NGO-run	1

### Reason for non-attendance/drop out

The interviews reveal that the main reasons for children not attending school are financial problems. In three cases, parents can not afford to pay for the education expenses (school fees, materials, transport). In seven other cases, children are needed to contribute to the family income. Another reason is the fact that garment workers put in a lot of overtime hours and therefore have no time to carry out household chores or to take care of young children and thus rely on their child(ren) to take care of these tasks. In addition, child marriage also seems to play a factor.

For a complete overview of the reasons for children of the interviewed workers not attending school see the annex to this report.

### Interview: Anuva & Kanta

Anuva is 9 years old. She went to school for two years, but then she started suffering from epilepsy. The family was burdened with an increase in expenditure because Anuva needed medical treatment, while Anuva's father also became unemployed around the same time. Because of their financial problems and Anuva's health issues, her parents decided to take her out of school. Her mother, Kanta (33), said that she and her husband want Anuva to go back to school.

"We are concerned about her future. If she gets well, we will get her enrolled at school again. It is essential to be educated in order to build a career, and education helps a person to attain respect."

Anuva herself also wants to go back to school: "I always saw my friends at school, and I also love reading. Books are full of interesting stories. It is boring to stay at home all day long. I do some household chores to keep busy during the day, but due to my illness I am not allowed to go to the fireplace or near the water. When I grow up, I want to become a doctor. Doctors help people to become healthy again."

*Kanta works at company 2, a supplier of H&M, Gap and Kmart.*

## 4.3 Children engaged in household work

The vast majority of the interviewed workers (65 out of the 75) said that their basic wage is not enough to meet their families' basic needs and that they therefore need to work overtime hours. As the previous chapter has shown, garment workers often work long hours. This has an impact on the time they can spend with their families but also on the time they can spend on household chores and childcare. One of the interviewed workers said:

"There is virtually no time to spend with my family. I have to work overtime in the factory to pay off the dowry money for my daughter. As long as my body and mind permit it, I will do as much overtime work as I can."

Seven children who are not attending school are now taking care of a large part of the household duties.

### Interview: Hamida and her family

Hamida is 27 years old and lives with her husband and three daughters (aged 3 months, 10 and 13) in Ashulia, Dhaka. Hamida comes from Gaibanda, a district in the northern part of Bangladesh and came to Dhaka to work in a garment factory. At the time of the interview she has been working as a sewing machine operator for over six years.

Hamida works six days a week. On top of the regular 48 working hours per week, Hamida works seven overtime hours per week on average. "I have a three-month old baby at home so I try to avoid working overtime hours. I want to go back home as early as possible to take care of my baby girl."

Including overtime payments, Hamida earns around BDT 7,600 (€ 88.77) per month. Hamida's husband is also employed. Together, Hamida and her husband earn BDT 22,000 (€ 256.96) on average per month. Each month they try to put aside some money: "We have three daughters so we need to save money for their marriages."

Hamida's 10-year-old daughter is attending school. She studies in class II. Her eldest daughter Amina left school at the age of 10 while she was in class III. "Amina loved to go to school, she had friends there and she loves to study but someone needed to take care of the household so there was no other solution then to take Amina out of school. When the baby is older I hope Amina can go back to school."

Hamida herself has never attended school. Amina spends six to eight hours a day taking care of her baby sister and performing different household chores including cooking, washing clothes and cleaning the house.

*Hamida works at company 2, a supplier of H&M, Gap and Kmart.*

### Interview: Jesmin

Jesmin is 14 years old and left school at the age of 12, after her father got ill and her family had to take on loans to pay for his medical treatment. Jesmin is sad that she had to leave school. "I liked going to school very much. I could play with my friends there, and I learned new things. I would like to go back, because studying can make me a good person and it will help me to get a better job."

Jesmin carries out household tasks, like shopping, cooking, cleaning and washing. This takes her 10 hours every day. Her 7-year-old sister, who is still in school, helps Jesmin after school hours. ◻

Her mother Monira says: “My daughter was unhappy when I told her she could not go to school anymore. She cried a lot, but I could not do anything. I cannot ask my relatives to help out because they already lent me a huge amount of money, and the expenses for books and other materials are too high.”

*Jesmin’s mother Monira works at company 5, a supplier of H&M.*

#### 4.4 Children engaged in paid work

The interviewees are struggling to make ends meet with the meagre wages they earn in the garment industry. Unexpected events, such as sickness, death, divorce or unemployment, often have a major impact as workers usually are not able to set aside money for savings and are also not enrolled in any kind of savings scheme.

As mentioned above, seven families need one or more of their children to contribute to the family income to make ends meet. Nine children from seven families are found to be engaged in out-of-house work. Six of these children work in the garment sector as helpers in a clothes shop, sewing operator and helpers in factories producing for the local market. The other children work outside of the garment sector as a furniture apprentice, assistant in a printing factory and helper in a bus. The following stories illustrate the financial hardship garment workers face and how, in some cases, they feel compelled to take their children out of school so that they can find a job and contribute to the family income.

The interviews with children who are engaged in out-of-house work reveal that they work long hours for little or no pay. Four children earn less than the legal minimum wage. One of the children, a helper in a bus, gets paid in-kind (in meals) and only receives an additional amount of BDT 1,000 (€ 11.68) per month. Their working weeks ranges from 48 to 72 hours a week.

##### Interview: Fatima, Mehedi & Mohammed

Fatima (31) has two sons: Mehedi (13) and Mohammed (14). She is divorced and lives with her two sons in Ashulia, Dhaka. Fatima comes from Khulna District in the south-west of Bangladesh. For the past six months, she has been working at the folding department of a garment factory. She earns around BDT 9,300 (€ 108.62) a month, including overtime payments. She works six days a week. On top of her regular 48 working hours per week, she performs around 12 hours of overtime every week. Fatima needs to work overtime hours to complement her income. However, she cannot provide enough for her family with just one income. Therefore, her youngest son had to stop going to school to find work. Her oldest son is still in school; he is studying at the Madrasa. ◻

Mehedi is a helper in a bus. He works 60 hours per week. He gets paid in-kind, receiving food from the bus driver. He also gets a little amount, around BDT 1,000 (€ 11.68) per month, which he gives to his mother. When he turns 14, the bus driver will pay him a monthly wage. The current family income is around BDT 10,000 (€ 116.80) per month.

Mehedi does not seem to mind that he had to leave school. He says: "I left school after completing class six. I didn't like to go to school. The teacher was always pressuring me to study more. I don't want to be in school, I am not good in studying. Since a year I am working as a bus helper. I assist the bus driver; I collect the fare from the passengers, clean the bus and assist the passengers. I like my work, the bus brings the workers to the EPZ. I know many of them and I like to move around the city. My father was also a bus driver. In the future I want to become a bus driver. I want to save a lot of money so that I can buy a car."

Fatima's other son has been helping with household chores since he was seven. Before and after school hours he helps with cleaning, cooking, washing and grocery shopping. He spends around four hours per day on household chores.

*Fatima works at company 2, which supplies Marks & Spencer and Esprit, among others.*

### Interview: Arif & family

Arif is 36 years old and lives in Ashulia, Dhaka with his wife and two sons, Rajib (17) and Jahid (14). Arif comes from Taingail, Dhaka District. Arif works as a washing machine operator. He has been with the factory for over four years.

Including overtime payments, Arif earns around BDT 8,300 (€ 96.94) per month. On average, Arif works eight overtime hours per week, on top of 48 regular working hours. All four family members are working and contributing to the family income. The total family income is around BDT 25,000 (€ 292) per month.

Arif has never attended school and his children do not attend school either. Jahid never attended school and Rajib dropped out in class V, at the age of 13. Rajib was sent to a Madrasa in Arif's native village but, due to the family's poor economic situation, Arif decided to take Rajib out of school.

Both Rajib and Jahid are working. Arif says that he needs his sons to contribute to the family income so his family can make a decent living. Moreover, according to Arif, it is more useful for his sons to acquire operational skills instead of going to school. ◻

Rajib: "I liked going to school, I learned a lot of new things. At the age of 13, I left school and began to work. Currently I work as a sewing operator. I don't think I will ever go back to school as it has been such a long time since I left school. I work six days a week and nine hours per day. The work pressure has increased lately, the workload has become heavier and in the past few months we often have to work night shifts. Supervisors are scolding us and pressuring us to work harder. I earn BDT 7,000 (€ 81.76) per month. I keep BDT 1,000 (€ 11.68) for myself as pocket money and for transport costs. The remainder of my salary I give to my parents."

Jahid started working as a sewing operator at a garment factory four months ago but recently he lost his job because the factory had to dismiss workers due to declining orders. Jahid: "I have never attended school. My parents did not want to send me to school. I also don't like studying very much. As everyone in the family was working in a garment factory, I also went to find work in a garment factory. I was working as a helper for four months. My job was to cut threads. I worked six days a week and eight hours a day. I liked my job as I was learning new skills there. I earned BDT 5,000 (€ 58.40) in a month of which I could keep 1,500 (€ 17.52) for myself. The rest I gave to my parents."

Although Arif, his wife and sons are all earning money, it is still difficult to make ends meet. "We try to minimize our expenses. We live in a tiny room and we cannot always afford nutritious food. My mother died some time ago and I had to spend BDT 5,000 (€ 58.40) on the funeral. It also cost me BDT 3,000 (€ 35.04) to travel to my home town. It means I had to spend an entire month of salary."

*Arif works at company 2, a supplier of H&M, Gap and Kmart.*

### Interview: Monira and her family

Monira (32) lives in Ashulia, Dhaka with her son Ashraf (17) and daughters Jesmin (13) and Selina (7). Two years ago, her husband was diagnosed with brain cancer and that is when the family got into serious financial problems. Six months ago, Monira's husband passed away. Monira explains that her husband's treatment was very expensive. They spent about BDT 250,000 (€ 2,920) and borrowed these expenses from relatives. This means she now has a large debt that needs to be paid off.

Monira: "A few of the lenders forgave my debts when my husband died, but I still have to repay 60,000 Taka (€ 700.80)." Due to the family's financial difficulties two years ago, at the age of 15, Ashraf left school. He first found a job at a biscuit packaging factory. Currently he is working at a clothes shop, where he works from 10am to 10pm each day arranging clothes on the shelves and helping customers and earns BDT 5,000 (€58.40) per month. ◻

Later on, Monira also had to take Jesmin, who was 12 at the time, out of school.

Monira works around 64 hours a week and her son works even longer – as many as 78 hours per week. Together, they earn BDT 15,500 (€ 181.04) per month. Given the debt obligations, this is not enough to cover all their basic needs. Monira has to cut down on nutritious food and telephone costs, and she cannot afford to send her children to school.

*Monira works at company 5, a supplier of H&M.*

### Interview: Shayla and her daughter Julee

Julee is 14 years old. She lives in Savar, Dhaka with her parents and her 11-year-old brother. She had been going to school for five years, but could not continue with class VI. She explained that her family's financial problems made it difficult to continue going to school: "Most of the other students take help from private tutors. Due to financial problems, my parents could not afford a private tutor anymore. Meanwhile, the teacher at school would scold me when I did not come to class well-prepared. I would not want to go back to school anymore. It takes a long time to complete a degree and besides, education does not guarantee that I will find work. Right now, I help my parents with household tasks and I also found work in a garment factory, thanks to one of our neighbours. I'm assisting the senior machine operator in the factory. I like my job, because it is not too difficult and I can develop my skills. With the salary I am earning (BDT 6,000, € 70.08), I can also contribute to my family's income. If I could change something about my work, I would like to work less hours."

Julee's mother Shayla thinks that her daughter is better off working at the garment factory: "My daughter is getting better and better at her job, and within a few years she will be promoted and get a higher salary. If she went back to school, she would not perform well. It seems that studying is difficult for her, unlike her brother who seems to be much happier to be studying. However, if she tells me that she wants to go back, I would send her to school again. I think it is important that education helps our country's children to find employment. Otherwise, the expenditure on schools would be a waste of money."

Money is a concern for Shayla, because she and her husband need to save income for their daughter's wedding. Julee's older sister got married a few years ago, and her parents had to spend around BDT 120,000 (€ 1,401.60). "We had to borrow BDT 100,000 (€ 1,168) interest free from a relative and covered the remaining part of the costs with our savings. Now, we have to save up money for Julee's wedding."

*Shayla works at company 2, a supplier of H&M, Gap and Kmart.*

## Interview: Chandni & daughter Saba

Until about a year ago, Saba (14) lived together with both her parents and her older brother and sister, but a lot has changed in the meantime. Her father abandoned her mother, her sister got married and moved out, and her brother moved back to their hometown after he had been involved in a conflict in Dhaka. Now Saba and her mother share a single room in Ashulia. She is helping her mother to make ends meet by working in a local garment factory.

“My brother and sister had both been contributing to the family income, and that allowed me to go to school. But my mother could not afford to pay all the living expenditures with only one income. I did well in school, I learned a lot of new things there and it is where I always saw my best friends. I want to go back to school, because I want to become a journalist when I grow up. I love reading the newspapers and watching the news channels. At the garment factory, I set buttons, attach labels, and cut extra thread. I work ten hours a day, six days a week and I earn 5,500 Taka (€ 64.24) per month. I’m not used to working such long hours, and I feel tired all the time. I don’t like my job.”

Saba’s mother, Chandni, explained that her husband and son left her behind with a large debt. Chandni and her husband took out a large loan (BDT 30,000, € 350.40) from a local NGO together because he was going to start a business. He took the money and left the repayment to her. Furthermore, her son was involved in a fight and was charged with a penalty of BDT 45,000 (€ 525.60) meant to cover the medical expense of the victim. Chandni is now also responsible for the payment of this fine.

In order to survive, Chandni has been cutting down her expenses on food, clothing, medical treatment and Saba’s education. She explains why she could not afford to send her daughter to school anymore: “The tuition fees are very high, beyond what poor families can afford. Moreover, the schooling is not very good. Without a private tutor, children are not able to get good marks for their exams. Therefore, most families spend a large amount of money on additional tutoring. I would prefer for my daughter to go to school, I don’t think she should be working. But at the moment I do not see another way.”

Chandni works six days a week. An official work day is eight hours, but Chandni is working a lot of overtime hours. On average she works 71 hours a week. “My daughter and I have to go to work early in the morning and we come back home at night. Therefore we only get to spend some time together at night.”

*Chandni works for company 4, a supplier of C&A, H&M and VF Corporation.*

## 4.5 Child marriage

Child marriage is a major concern in Bangladesh. While the legal age to marry in Bangladesh is 18 for women and 21 for men,<sup>93</sup> the majority of girls get married at a younger age. According to UNICEF, from 2008 to 2014, 18 per cent of girls in Bangladesh got married before they reached the age of 15 and 52 per cent got married before they turned 18 years old.<sup>94</sup>

Human Rights Watch lists several factors that contribute to Bangladesh's high rate of child marriage. Poverty is a major driver for child marriage: many parents of daughters see marriage as the best option to ensure that their daughter will be protected and fed, something that the parents might not be able to afford themselves. Marriage can also seem like the only solution to harassment and intimidation that unmarried adolescent girls frequently face. Prospective marriage candidates might go so far as to threaten to abduct the girl. When police or local authorities do not offer protection, parents might give in to the demands of these suitors. The cultural practice of dowry, while legally prohibited, is still widespread in Bangladesh. The practice creates additional pressure for parents to marry off their daughters at a young age, because dowries tend to be lower for younger brides.<sup>95</sup>

At least four children of the interviewed workers have married at a very young age (under 18). Among the interviewed workers, one woman explained about her daughter's child marriage and her dropping out of school subsequently (see Shirina's story).

Many of the interviewed workers themselves married at an early age and became parents at a young age too. The average age at which the interviewed workers gave birth to their first child was 20. Almost one-third of the interviewed workers were below the age of 18 when they had their first child. One worker had her first child when she was as young as 12 and another five workers were 14 when they first gave birth.

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## Interview: Shirina

Shirina (28) has a daughter (13) and two sons (6 and 9). She lives in a slum in Gaibandha, Dhaka. When she was 12 years old, her daughter claimed she was in a relationship. Her family was then forced to marry her off to this man. When she had been married for about 3.5 months, her husband demanded that the family pay a dowry of BDT 50,000 (€ 584). He would divorce her if they did not pay. Her family was afraid of what would happen if they did not pay, and thus they have already given him BDT 20,000 (€ 233.60) and are planning to pay the remaining money within three months. They are saving as much as possible to cover these costs.

Shirina's husband runs a small tea stall, which generates very little profit. Her nine-year-old son sometimes helps his father after school. Shirina works as a machine operator. Shirina: "I work overtime every day, for as long as my mind and body permit me to work. We have virtually no time to spend together as a family. If it weren't for the dowry money, our family earnings would be enough to meet our basic needs. But we have to cut down on expenses on food, clothing, medical treatment, out-of-pocket expenditures and transportation to save up money."

Shirina's son-in-law does not allow her daughter to go to school. Shirina hopes his mentality will change. "Children should attend school; it is absolutely necessary. Education leads to better job opportunities, and higher living standards. My husband and I want all our children to go to school, both our sons and our daughter. We know that she wants to go back as well." It is frustrating for her to see that her daughter is not allowed to study.

*Shirina works for company 4, a supplier of C&A, H&M and VF Corporation*

Chapter 5

# Buyers' policies

Companies have a responsibility to respect human rights throughout their supply chains. Companies should avoid and address adverse human rights impacts, even if they have not contributed directly to the violation of these rights. This responsibility is laid down in the United Nations Guiding Principles on Business and Human Rights, which were adopted by the United Nations Human Rights Council in 2011. According to these internationally accepted principles, companies should act with due diligence to avoid infringing the rights of others and to address any adverse impacts. Due diligence is a business process through which enterprises actively identify, prevent, mitigate and account for how they address and manage their potential and actual adverse human rights impacts<sup>96</sup>.

This chapter presents information about the policies and programmes of a selected number of brands and retailers that source from Bangladesh. The focus of this chapter is on the seven brands and retailers that were found to be sourcing from one or more of the manufacturers where the interviewed workers are employed.

The below profiles do not give a complete overview of the buying companies' codes of conduct and programmes. Rather, the focus is on specific policy provisions that enable adult workers to take care of their families, such as the provision of a living wage. This report does not analyse how the policies of buying companies have been implemented in practice.

In the table below an overview of the joint initiatives that the selected brands and retailers are involved in is presented. Short descriptions of these initiatives can be found throughout the chapter.

**Table 14: Buying companies' participation in corporate and multi-stakeholder initiatives**

Level of education	Action Collaboration Transformation	ETI	BSCI	Dutch Sustainable Garment and Textile Sector Agreement	German Partnership for Sustainable Textiles <sup>97</sup>
C&A	X	X		X	X
Esprit	X		X		X
Gap		X			
H&M	X	X			X
Kmart	X				
Marks & Spencer		X			
VF					

## 5.1 C&A

C&A is a retail chain that sells clothes for babies, children, men and women under a variety of 10 different house brands.<sup>98</sup> C&A has 1,575 stores in Europe and also has a (growing) presence in Brazil, China and Mexico.<sup>99</sup> C&A is member of the Ethical Trading Initiative (see Box 3).

### Transparency

This year, C&A disclosed its supplier list (first-tier suppliers).<sup>100</sup> During 2017, C&A will expand the disclosure to include first-tier production units in Brazil in Mexico. In addition, second-tier production units like laundries, embroiderers, printers and key fabric dyeing mills will be disclosed. C&A also plans to provide more information on the factories such as number of workers, gender distribution and key sustainability aspects.<sup>101</sup>

### Living wage

In C&A's Code of Conduct, the company states that it expects of its suppliers that "living wages are paid". The company details that "wages and compensation must (...) be sufficient to meet basic needs and provide some discretionary income for workers and their families".<sup>102</sup>

C&A is a founding member of the ACT (Action Collaboration Transformation) initiative<sup>103</sup> (see Box 2). In its Global Sustainability Report 2015, C&A reports that three of its supplier factories in Cambodia are piloting the ACT principles with the aim of "developing a replicable and scalable strategy to be expanded to other sourcing regions, with a common goal of empowering workers to bargain collectively". C&A writes that the programme will expand to Myanmar in 2016.<sup>104</sup>

### Child labour

According to C&A's code of conduct, workers must be at least 16 years, or older if required by local law. Workers performing hazardous work or working during the night must be at least 18 years of age.<sup>105</sup> If child labour is found at supplier factories, suppliers must provide minimum wage payment to the child until he/she reaches the legal minimum age. A health screen prior to departure is also required, as well as compensation for transportation and accommodation for a child's relatives to take her/him back home. If the child is willing to attend lessons, suppliers must bear the school fees until the child meets the legal minimum age, at which point the employee should be given the opportunity to be re-employed.<sup>106</sup>

In order to remediate (potential) cases of child labour at factory premises, C&A works with local children's rights NGOs that are in charge of the remediation process. In the case of Bangladesh, C&A works with SHEVA, which ensures that children below 16 years old identified at factory premises: are being paid the monthly salaries from factory management until they are no longer a child; are being enrolled to a proper school based on their age; and that the child's school participation is monitored with the child's parents and school teachers.<sup>107</sup>

## Box 2: Action Collaboration Transformation (ACT)

ACT was set up in 2015 and brings together brands, retailers, manufacturers and trade unions to address the issue of living wages in the textile and garment supply chain. ACT aims to improve wages in the industry by establishing industry collective bargaining in key garment and textile sourcing countries, supported by responsible purchasing practices.<sup>108</sup>

ACT describes industry collective bargaining as a mechanism that brings together national representatives of manufacturers and workers (employer associations and trade unions) to negotiate and agree wages and conditions that will apply to a whole industry sector within that country. The collective agreements that result are legally binding and enforceable. ACT set out to develop mechanisms to support and enable manufacturers to provide workers with a living wage and good working conditions, but no concrete definition of a living wage or any implementation steps are yet known or have been disclosed.<sup>109</sup>

IndustriALL has signed a Memorandum of Understanding (MoU) with each of the brands involved in the ACT process. The MoU is explicit in identifying the development of industry bargaining in garment-producing countries as essential to achieving living wages and the need for effective recognition of workers' rights to freedom of association and collective bargaining in order for this to be realised.<sup>110</sup>

Members of ACT are currently: Arcadia, ASOS, C&A, Coles, Debenhams, Esprit, H&M, Inditex, K-Mart, N Brown Group, New Look, Next, Pentland, Primark, Target, Tchibo, Tesco and Topshop/Topman.

## Box 3: ETI on living wages

The UK-based Ethical Trading Initiative (ETI) is a multi-stakeholder initiative aiming to improve working conditions through sharing best practices and joint learning. ETI members include companies, international trade union bodies, labour rights organisations and development NGOs. By becoming a member, a company commits itself to adopting and implementing the ETI Base Code and to undertaking activities intended to promote respect for workers' rights within its supply chain.

The ETI Base Code describes living wages as 'enough to meet basic needs and to provide some discretionary income'. ETI further explains that this means that workers should be able to earn – within a standard working week and without overtime – wages sufficient for them and their families to enjoy a decent standard of living. Although ETI does not publicly disclose

information regarding members' adherence to its policy, the initiative has set out the following expectations for its members:<sup>111</sup>

- 1 Member companies have a responsibility to support enabling conditions for payment of a living wage in their supply chains. ETI expects its members to set clear, time-bound targets for practical actions that will contribute to the achievement of living wages in their supply chains.
- 2 Free and fair collective bargaining should be the basis for establishing living wage levels. ETI members should encourage their suppliers to respect freedom of association and enter into collective bargaining. They should strongly discourage their suppliers from any behaviour that would prevent workers from exercising their right to form or join trade unions or avoid any genuine opportunity to bargain collectively. They may also work together to promote sectoral collective bargaining. Where local conditions – such as laws – prevent unionization ETI members should help suppliers find ways of allowing workers to have a voice in wage negotiations.
- 3 Company members should seek to influence government policy that supports living wages. Actions at national level may include supporting those lobbying governments to ensure effective, inclusive mechanisms to set and review statutory minimum wage levels so that they keep pace with living costs, as well as calling for better implementation of such laws and policies.
- 4 Company members should be aware of other dynamics influencing wages.
- 5 Company members are accountable for their actions to enable living wages and should be transparent about progress. ETI members are expected to make public their commitment to the standards set out in the ETI Base Code, including living wages. ETI expects all members to report on the actions they have taken to support living wages, and provide verifiable evidence of these actions and their outcomes (e.g., improvements in wage levels), as part of the existing membership reporting requirements.
- 6 Learning lessons and developing good practice. Members are expected to share what they are learning from their experience of working to improve wages.

## 5.2 Esprit

Esprit is an international fashion brand with headquarters in Germany and Hong Kong. The company has a presence in over 40 countries with approximately 900 directly managed retail stores and over 7,800 wholesale points of sale. The company operates two brands: Esprit and edc.<sup>112</sup> Esprit is an active member of BSCI and currently has a seat on the BSCI Steering Committee.<sup>113</sup> As of this year, Esprit is disclosing its supplier list<sup>114</sup>.

### Living wage

In its Supplier Code of Conduct, Esprit outlines it expects workers in its supply chain to be paid wages and compensation for regular working hours that satisfy their basic needs, including food, clothing, housing, education and healthcare, as well as a reasonable amount of discretionary income for unexpected costs and savings.<sup>115</sup> In its 2015/2016 sustainability report, Esprit confirms it is aware of the importance of assuring that workers in its supply chain earn a decent living.

In September 2015, Esprit joined the ACT initiative.<sup>116</sup> On its website, Esprit states, “rather than calculating a living wage, Esprit believes it [a living wage] is best achieved by facilitating the development of nation- and industry-wide collective bargaining agreements in key garment and textile producing countries, where workers’ representatives and factory management can negotiate wages and any other aspect of working conditions deemed appropriate by both parties.”<sup>117</sup>

### Child labour

According to Esprit’s Code of Conduct, the minimum age of employment should be 16. However, if the local age for completing compulsory education is lower or if the local minimum age law is set at 14 or 15, this lower age may apply. Suppliers should not employ young workers less than 18 years of age at night, or in conditions that compromise their health, their safety or their moral integrity, and/or which harm their physical, mental, spiritual, moral or social development.<sup>118</sup>

If child labour is found at supplier factories, the supplier “shall seek a sensitive and satisfactory solution to terminate such child labor and support children to attend and remain in school until no longer a child, all in the best interests of the child”.<sup>119</sup>

### Supplier relations and purchasing practices

In a reaction to a draft version of this report, Esprit indicated that it is in the process of narrowing down its supplier base. By bringing down the number of suppliers, the company intends to have fewer and deeper relationships with suppliers, which will allow for discussions on a wide range of topics, including living wages.

During buying discussions, Esprit enters into a dialogue with the supplier on the various elements of the manufactured cost for each individual garment based on an open book policy that includes workers’ wages, overhead and margins. With this approach, the company strives to ensure that the purchase price of each individual garment is reasonable in relation to the actual production costs.<sup>120</sup>

Esprit is an active member of BSCI and currently has a seat on the BSCI Steering Committee.<sup>121</sup>

### 5.3 Gap Inc.

Gap, headquartered in the United States, is a retailer offering clothing, accessories and personal care products for men, women, children and babies under five different brands: Gap, Banana Republic, Old Navy, Athleta and Intermix. Gap's clothes are available in 90 countries worldwide through 3,300 company-operated stores, almost 400 franchise stores and e-commerce sites.<sup>122</sup> As of September 2016, Gap is disclosing its supplier list<sup>123</sup>.

#### **Living wage**

Gap is member of the Ethical Trade Initiative and has thus committed to implementing the ETI Base Code, including its clauses regarding living wages.

Gap states in its Code of Vendor Conduct that supplier factories are obligated to pay wages and overtime premiums in compliance with the applicable laws. Factories are furthermore "encouraged to provide wages and benefits that are sufficient to cover workers' basic needs and some discretionary income".<sup>124</sup> Gap is engaged in advocacy to increase the minimum wage in different countries, including in Cambodia and Myanmar.<sup>125</sup>

#### **Child labour**

Gap's Code of Vendor Conduct states that all workers shall meet the applicable legal minimum age requirements or are at least 15 years of age, whichever is greater. If the minimum legal age is higher under local law, the higher age applies. No workers under the age for mandatory schooling shall be employed. Workers under 18 should not be working in conditions that could pose a danger to their health, safety or development.<sup>126</sup>

In 2007, Gap launched the P.A.C.E. (Personal Advancement & Career Enhancement) programme. Initially, the programme was targeted at female workers in Gap's supply chain. In 2013, the scope was expanded to include women in communities beyond the workplace. Later on, in 2016, a dedicated programme was designed for adolescent girls (aged 13 to 17) in schools and other community settings. The P.A.C.E curriculum includes the following subject areas: communication skills, financial literacy, health and wellness, problem-solving and decision-making, and self-esteem. Gap aims to reach one million girls and women around the world by 2020 through the P.A.C.E programme.<sup>127</sup>

#### Box 4: Business Social Compliance Initiative (BSCI) on fair remuneration

The Business Social Compliance Initiative (BSCI) is an initiative of the Foreign Trade Association (FTA), which supports its participating members to integrate social compliance in their global supply chains. To this end, BSCI has developed a Code of Conduct and a social auditing methodology and implementation system that addresses 11 core labour rights principles. Full observance with this Code is not mandatory for members, but “part of a long-term vision which participants and producers strive to achieve through ongoing, step-by-step efforts”, according to BSCI’s website. BSCI is furthermore not a multi-stakeholder initiative as NGOs and trade unions are not involved in its core decision-making structure.<sup>128</sup>

BSCI’s Code of Conduct includes the principle of “fair remuneration”, which is observed by business partners if the remuneration received by workers is sufficient to provide them and their families with a decent living and includes the social benefits legally granted. Furthermore, as a minimum, business partners have to comply with local minimum wage laws or the industry standards based on collective bargaining – whichever amount is higher.<sup>129</sup>

In official BSCI audits, auditors review whether there is “satisfactory evidence that the auditee provides sufficient remuneration that allows workers to meet a decent standard of living”. In order to assess this, auditors calculate a living wage estimate relevant for the region. Their estimate should be based on the Social Accountability International (SAI) method, “or an equivalent reference from governments, trade unions or NGOs”. Moreover, the auditee is encouraged to make an initial estimate of the region’s living costs before the audit takes place, using the BSCI’s ‘Fair Remuneration Quick Scan’ template. The variables include the average number of children in a family, the most common source of energy, and the average cost in local currency of things like education, food, housing, and energy.<sup>130</sup>

## 5.4 H&M

The H&M Group is one of the world’s leading fashion companies. It has six fashion brands: H&M, COS, Monki, & Other Stories, Weekday and Cheap Monday.<sup>131</sup>

H&M is member of the Ethical Trading Initiative. In 2015, the company signed a Global Framework Agreement with global union IndustriALL. The FGA stipulates how H&M and its suppliers will work with IndustriALL and its affiliated unions towards strengthening social dialogue and respect for freedom of association, as well as other labour standards in all H&M’s sourcing countries. In each country National Monitoring Committees will be set up that should play a key role in conflict resolution and strengthening industrial relations. These committees are comprised of H&M representatives and union leaders from IndustriALL affiliated unions. The Bangladesh National Monitoring Committee was set up in March 2016.<sup>132</sup>

H&M publishes a supplier list which in addition to address details includes a supplier grading<sup>133</sup>.

### **Living wage**

H&M states that “all textile workers should be able to live on their wage”.<sup>134</sup> In the company’s Sustainability Commitment, which is signed by all suppliers and other business partners, it is explained that “a fair living wage should always be enough to meet the basic needs of employees and their families, and provide some discretionary income”.<sup>135</sup> H&M is currently working towards its goal for all its strategic suppliers to have pay structures in place to pay a living wage by 2018.<sup>136</sup>

In 2011, H&M partnered with the Fair Wage Network to develop its living wage approach.<sup>137</sup> According to H&M, the main focus is to contribute to pay structures enabling fair living wages, as well as to improve the dialogue between the employers and the factory employees.<sup>138</sup> In Bangladesh, H&M set up a social dialogue training centre in April 2014.<sup>139</sup>

In 2013, H&M started piloting its Fair Wage Method in three factories, two of which are located in Bangladesh.<sup>140</sup> In 2015, 68 of the brand’s strategic supplier factories in China, Bangladesh and Cambodia joined the Fair Wage Method.<sup>141</sup> In response to a draft version of this report, H&M indicated that currently the number of participating factories is 160.<sup>142</sup>

H&M is also a member of ACT and is engaging with the governments of four countries, including Bangladesh, to strengthen wage legislation.<sup>143</sup>

### **Child labour**

According to H&M’s Code of Conduct, nobody shall be employed at an age younger than 15 (or 14 where ILO Convention 138 makes an exception) or younger than the legal age for employment if this is higher than 15. In addition, all legal limitations regarding employment of people below the age of 18 must be followed. Children below 18 should be protected from any hazardous work, night shift and any kind of work that might hamper their development or impose any physical harm. The employer shall develop, or participate in, and contribute to policies and programmes that provide transitional arrangements for any child found to be performing work in the workplace to enable them to attend and remain in quality education until no longer a child.<sup>144</sup>

H&M has an aspirational requirement that its business partners should “actively engage with local communities and stakeholders to promote education and sustainable solutions to address child labour and youth unemployment”.<sup>145</sup> It is unclear whether H&M is keeping track of the extent to which this aspirational requirement is being reached by its business partners. Although no position on childcare facilities is explicitly taken in H&M’s Sustainability Commitment, H&M’s supplier checks reportedly include several criteria with respect to childcare.<sup>146</sup>

### **Supporting NGO programmes**

Through H&M’s Foundation, the company is working with UNICEF in a global programme that aims to increase access to quality early childhood development programmes for the most vulnerable children around the world. Its local programme in Bangladesh aims to support children of school-going age in the slums of Dhaka who are not in school, or who are at risk of dropping out of school.<sup>147</sup>

## Box 5: National initiatives towards a sustainable garment and textile sector

### The Dutch Sustainable Garment and Textile Sector Agreement

In March 2016, a coalition of industry organisations, trade unions, civil society organisations and the Dutch government presented an agreement on international responsible business conduct in the garment and textile sector which went into force in July 2016. As of November 2016, the agreement is signed by 57 companies.<sup>148</sup> The parties have agreed to work together to:

- achieve substantial progress towards improving the situation for groups experiencing adverse impacts in respect of specific risks in the garment and textile production or supply chain within 3-5 years;
- to provide individual enterprises with guidelines for preventing their own operation or business relationships from having a (potential) adverse impact in the production or supply chain and for resisting it if it does arise; and
- to develop joint activities and projects to address problems that enterprises in the garment and textile sector cannot resolve completely and/or on their own.

The parties identified nine priority areas, including living wages and child labour. Companies that signed the agreement are obliged to perform due diligence and to focus particular attention on the priority themes. This means that, with regard to these themes, companies should identify any possible adverse impact, set specific objectives and take measures that are suitable in the light of the insights resulting from their due diligence process. The Covenant has its own operational complaints and disputes mechanism whose rulings will be binding on the Covenant secretariat and the company concerned.<sup>149</sup>

### The German Partnership for Sustainable Textiles

The Partnership for Sustainable Textiles, established in October 2014, aims to bring about the continuous improvement of social, ecological and economic sustainability along the entire textile chain.<sup>150</sup> At the time of writing, the Partnership brings together 129 companies, trade unions and civil society organisations.<sup>151</sup> In the Plan of Action, several priority issues are defined, including living wages and child labour.<sup>152</sup>

## 5.5 Kmart Australia

Kmart is a retail chain operating more than 190 stores across Australia and New Zealand.<sup>153</sup> Kmart discloses a list with suppliers in high risk countries<sup>154</sup>.

### Living wage

In its ethical sourcing code and supplemental standards, Kmart states that suppliers should “comply with all laws regulating local wages, overtime compensation, and legally mandated benefits”.<sup>155</sup> The ethical sourcing code does not refer to living wages. However, in 2015, the company launched

a research project to better understand the challenges and opportunities associated with paying a living wage for workers in its supply chain and later also joined the ACT initiative.<sup>156</sup>

### **Child labour**

Kmart asks suppliers to comply with the minimum employment age limit set by the ILO or the country of employment. Its ethical sourcing code and supplemental standards references ILO Convention 138, which stipulates that the minimum employment age is the local compulsory schooling age, but not less than 15 years of age (subject to ILO or national government exceptions) and hazardous work by anyone under the age of 18 is illegal. Kmart further asks that suppliers implement and communicate to its workers a written policy in which the youngest age for hired workers is specified. Kmart also asks that suppliers verify and document that they do not hire workers below the legal age limit and comply with all legal restrictions involved with the hiring of workers below 18 (e.g. related to overtime hours, night work, safe working conditions).<sup>157</sup>

### **Supporting charity programmes**

Kmart's sourcing team in Bangladesh supports the Room to Read project, which aims to improve literacy and gender equality in education in the developing world.<sup>158</sup>

## **5.6 Marks & Spencer**

Marks & Spencer is one of the UK's leading retailers, with 1,382 stores worldwide, offering food, clothing and home products under its own brand.<sup>159</sup> Marks & Spencer publishes a supplier map which in addition to address details provides information about the factories' workforce<sup>160</sup>.

### **Living wage**

In its 2014 'Plan A' (Plan A is the name of the company's sustainability strategy) report, Marks & Spencer details that it aims to "implement a process to ensure our clothing suppliers are able to pay workers a fair living wage in the least developed countries we source from, starting with Bangladesh, India and Sri Lanka by 2015. We will achieve this by ensuring that the cost prices we pay to our suppliers are adequate to pay a fair living wage."<sup>161</sup>

The company developed a buying tool that takes into account a fair living wage for workers in its supply chain and that should ensure that the cost prices the company pays to its suppliers are adequate as a fair living wage. As the company recognised, this purchasing practice does not automatically result in factories paying a living wage. M&S engaged in a number of (unspecified) collaborative programmes to stimulate this.<sup>162</sup> However, information about how the company calculates a living wage could not be found.

In its 2015 'Plan A' report, M&S claims it has achieved its ambition to implement a process to ensure its clothing suppliers are able to pay workers a fair living wage in the least developed countries it sources from, starting with Bangladesh, India and Sri Lanka, without specifying the steps it has taken.<sup>163</sup> However, according to the NGO Labour Behind the Label, data from interviews with workers in M&S factories in the three target countries shows that these workers are in reality not earning a living wage as they did not have access to, or had to cut their expenses on, nutritious food, running water and decent accommodation.<sup>164</sup>

M&S's ambition for the future is to support the payment of a 'fair wage' to all workers in its supply chain.<sup>165</sup> However, the report does not describe the concrete steps they are planning to take in order to achieve this goal. In 2016, the company reports that – in the context of this goal – it is in the process of joining the ACT collaboration, in addition to an on-going collaboration with the Ethical Trading Initiative.<sup>166</sup>

### **Child labour**

M&S has a specific child labour policy and procedure applicable to its direct suppliers. Should child labour be found further down its supply chain, M&S commits to working with its direct suppliers to address the issue. Without mentioning ILO Convention 138 specifically, its suppliers should not employ workers who are younger than the minimum age of employment in their country or as written in a supplier's own policy. Moreover, hired workers should not be below the age of completion of compulsory education. In no circumstances should workers below the age of 15 be hired. Young workers should not work in night shifts or in hazardous conditions. Also, their health, working conditions and working hours should be regularly monitored.

M&S child labour procedure further describes the actions to be taken if underage workers are found to be producing for its suppliers, either directly or indirectly. Suppliers are expected to work with M&S to implement a remediation plan that matches the needs and circumstances of the child and in principle sets out a plan for the child's transition back to school. If child labour is found at a supplier before M&S sourced from that supplier, M&S commits to provide that supplier with a best practice guideline, which includes a child labour remediation plan.<sup>167</sup>

### **Supporting NGO programmes**

Among its partnerships with NGOs, M&S concluded one with UNICEF that focuses on improving children's lives. Within the partnership, M&S's funding has gone towards early learning centres and, in Bangladesh specifically, to an integrated social services model to create so-called sustainable communities in Bangladesh.<sup>168</sup>

## **5.7 VF Corporation**

VF Corporation is an apparel and footwear company. The company has a portfolio of over 30 brands, including Timberland, Lee, Wrangler and the North Face.<sup>169</sup> VF Corporation has published a list with VF owned, operated and tier 1 suppliers<sup>170</sup>.

### **Living wage**

VF's Global Compliance Principles only reference the expectation that suppliers must compensate their workers fairly, but without further going into detail as to what that means beyond the legal minimum standards of compensation.<sup>171</sup>

On its website, VF Corporation states that it works closely with NGO partners, factory owners and workers to advance living wages. With regard to living wages, the work the company does in collaboration with Social Accountability International (SAI) is highlighted. The work with SAI includes a research project that aims to help VF Corporation assess whether the wages the company pays within its

company-owned manufacturing facilities are aligned with basic needs (which include food, clean water, clothes, shelter, transport, education and discretionary income).<sup>172</sup> However, as two-thirds of VF Corporation's production comes from external suppliers,<sup>173</sup> a large part of its supply chain falls outside the scope of this project.

### **Child labour**

VF's Global Compliance Principles do not specifically mention ILO Convention 138, but follows the convention's norms with regard to child labour. Its suppliers should not employ workers below 15 (or 14 where consistent with ILO guidelines) or younger than the age for completing compulsory education in their country if that is above 15. Moreover, production facilities are expected to observe all legal requirements for work of employees under 18 years of age, especially those related to working hours and working conditions.<sup>174</sup>

## Chapter 6

# Conclusions and recommendations

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## 6.1 Conclusions

This report reveals that low wages have a major impact on the lives of garment workers and their family members, in particular on their children. Garment workers work extremely long hours in order to meet a standard of living that provides only the bare necessities of life. Almost all families have multiple income earners, as wages in the garment industry are not sufficient to provide for a family's basic needs.

From this research it has become clear that the interviewed garment workers are in an extremely vulnerable position and their ability to (financially) cope with major life events, such as sickness, divorce, marriage and death, is limited. Workers are not able to save money nor do they participate in any savings or insurance schemes. When confronted with unexpected or major events, adult workers have to resort to other coping strategies. This includes taking out loans; further reducing expenses – including taking children out of school to cut schooling costs; or generating more income by sending children to work.

In addition to low wages, long working hours have an impact on garment workers' children. Not only do garment workers have little time to spend with their children, they also have little time for household chores or for taking care of young children. This research features stories of two children who were taken out of school to take care of younger siblings and six children who were taken out of school to take care of the household. Eleven children are separated from their parents as they stayed behind in the home villages as their parents could not take care of them due to their demanding work schedule and high costs in the city compared to rural areas.

Other reports have also pointed out the negative impacts of low wages for garment workers and their dependents (see Box 6). As this research shows, there is a link between child labour and low wages for adult workers. This report demonstrates that low wages and long working hours have been found to play a role in parents' decisions to take their children out of school. In a number of cases highlighted in this report, children were not only taken out of school to reduce expenses but they are also needed to contribute to the family income and are engaged in paid work. Children who work and do not go to school will end up in low-paid jobs later in their lives a legacy they are likely to pass on to their children – thus perpetuating the vicious cycle of poverty.

Companies should avoid and address adverse human rights impacts. This responsibility is laid down in the United Nations Guiding Principles on Business and Human Rights (UNGPR), which were adopted by the United Nations Human Rights Council in 2011. According to the UNGPR, companies should act with due diligence to avoid infringing the rights of others and to address any adverse impacts.

If they are associated with an adverse impact, the type of action that is required from a company to address the impacts depends on the company's link and relation to the impact. Companies may be

causing or contributing to adverse human rights impacts or they may be linked to adverse human rights impacts through its operations, products or services (for more information see Box 7).

All companies reviewed in this report have policies in place regarding the payment of living wages and elimination of child labour. While all of the brands and retailers have policies in place that should ensure workers are paid a living wage, the results of this research show that this still is far from reality.

### **Box 6: Reports on the impacts of low wages and poor working conditions on garment workers' children**

Two recent reports shed light on the impacts of wages and working conditions of adult garment workers on the well-being of their children.

UNICEF<sup>175</sup> looked into working and living conditions of female garment workers and the impacts on their children and concluded that children of garment workers are at high risk of dropping out of school and engaging in child labour activities to supplement family income. Likewise, a report by Swedwatch<sup>176</sup> describes that many children of garment workers drop out of school and start working long before they turn 16. In addition, Swedwatch's report highlights the poor living conditions of garment workers and their families and the inability to provide sufficient nutritious food for themselves and their children due to their low wages.

UNICEF's report highlights eight impact areas in which the working conditions and living conditions of garment workers affect the rights of children. These are:

- 1 Inadequate maternity protection
- 2 Challenges for breastfeeding
- 3 Limited childcare options
- 4 Poor health and nutrition of working mothers
- 5 Low wages and working hours
- 6 Child labour in the informal sector
- 7 Lack of decent living conditions
- 8 Poor access to health services and education.

Child labour at export-oriented garment factories in Bangladesh has been greatly reduced over the past few years, in part due to buying companies' zero tolerance policies. However, this report focuses on another aspect of child labour. The working children featured in this report are not part of the buying companies' supply chains. They are working in other companies, sometimes in entirely different sectors. However, this form of child labour is a direct consequence of the low wages in the export-oriented garment industry. By preventing workers from receiving a living wage, the corporate actors – buying and supplying companies – are contributing to a system that perpetuates child labour and violation of children's rights.

All companies – to varying extent – have developed child labour policies. However, these policies are limited to addressing child labour at supplier factories and do not take into account indirect child labour where the children of garment workers are compelled to work – either in-house or elsewhere – due to their parents' low wages and long working days.

If companies do not undertake serious steps to work towards the payment of a living wage that enables adult workers to meet their basic needs, including being able to cover schooling costs for their children and not having to rely on their children's supplementary income, they are de facto contributing to child labour.

### **Box 7: United Nations Guiding Principles on Business and Human Rights<sup>177</sup>**

International human rights law is binding for states and does not directly apply to companies. However, it has been acknowledged at the UN level that companies have the responsibility of respecting human rights. This notion was formalised with the adoption of the 'Protect, Respect and Remedy' framework in 2008, followed by the adoption in 2011 of the Guiding Principles on Business and Human Rights, which outline how states and businesses should implement the UN framework.

The 'Protect, Respect and Remedy' framework rests on three pillars. The first is the state's duty to protect against human rights abuses by third parties, including business enterprises, through appropriate policies, regulation and adjudication. The second is the corporate responsibility to respect human rights, which means that business enterprises should act with due diligence to avoid infringing on the rights of others and to address any adverse impacts. The third is the need for greater access by victims to effective remedy, both judicial and non-judicial.

An important principle under the corporate responsibility to respect human rights is for companies to act with due diligence. Due diligence can be understood as a business process through which enterprises actively identify, prevent, mitigate and account for how they address and manage their potential and actual adverse human rights impacts. The process should include assessing actual and potential impacts throughout their business operations, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed. (Potentially) affected rights holders, or their legitimate representatives, should be engaged in a meaningful manner.

Due diligence implies more than just an assessment of risks for the company; the purpose is to understand and address risks and abuses that the company's activities pose to rights holders, such as factory workers, their dependents and communities, including in its supply chain and through its other business relationships. Moreover, due diligence requires companies to see to it that future violations of human rights are prevented and that adverse impacts are

mitigated. Remediation and redress for victims of human rights abuses is an important principle under the corporate responsibility to respect human rights.

### **Responsibility scenarios**

The type of action that is required from a company to address a particular adverse impact depends on the company's link and relation to the impact. The link between the company in question and the adverse impact can be roughly classified into one of three categories:

- **Causing:** a company is causing an adverse impact when it is the main actor in the violation (directly carrying out the abuse) through its own actions or omissions. The company can be expected to stop, prevent, mitigate and remedy the adverse impact it has caused or could potentially cause.
- **Contributing to:** a company is contributing to an adverse impact if its actions or omissions enable, encourage, exacerbate or facilitate a third party to create a negative impact. A company may be contributing to an adverse impact together with a business relationship (for example, in a joint venture) or via business relationships in its value chain. In this scenario, a company is expected to stop, prevent and remedy the adverse impact it has contributed to or risks contributing to in future. Additionally, the company should use its leverage to change the practices of business relationships so they mitigate or prevent their adverse impact.
- **Directly linked to:** if a company is not causing or contributing to an adverse impact, the company can still be directly linked to a negative human rights impact committed by a business relationship through its operations, products or services. In this case, the company is expected to use its leverage to change the practices of business relationships so they stop, mitigate and/or prevent their adverse impact.

## **6.2 Recommendations**

### **Recommendations for brands and retailers sourcing from Bangladesh**

In accordance with the United Nations Guiding Principles on Business and Human Rights (see Box 7), companies should identify, prevent and mitigate potential and actual human rights violations in their supply chains. This means that companies need to proactively look into the human rights risks of their activities, including their supply chain and business relations, and develop strategies to address these risks. Due diligence requires that business enterprises have policies and processes in place through which they can both know and show that they respect human rights in practice. Showing involves communication, providing transparency and accountability to individuals or groups that may be impacted, as well as to other relevant stakeholders.

This report demonstrates the importance of the payment of living wages. Although there are multiple causes, child labour is also inherently linked with low adult wages. In order to combat 'indirect child labour', a robust living wage strategy is essential.

SCL and SOMO are of the opinion that the responsibility to address and remediate child labour also extends to 'indirect child labour', to which low wages are a contributing factor. While all of the buying companies featured in this report have child labour policies in place, these policies are limited to addressing child labour at supplier factories. These policies do not take into account indirect child labour where the children of garment workers are compelled to work – either in-house or elsewhere – due to their parents' low wages and long working days.

Brands and retailers sourcing from Bangladesh should:

- ❑ Assess the impact of current purchasing practices, pricing strategies and cost structures, wages and working conditions in their supply chain and on its effects on the rights of children. Be transparent about the results of this assessment.
- ❑ Ensure that their purchasing practices are in line with policies to work towards living wages and policies to address excessive working hours.
- ❑ Ensure that their purchasing practices – including pricing policies and lead times – do not put pressure on suppliers to implement extreme cost-cutting measures that will lead to consequences like poverty wages, excessive overtime and child labour.
- ❑ Develop and implement a strategy (including pricing strategies and cost structures) towards implementing a living wage. Where possible this can be done within multistakeholder and/or sector initiatives and through working together with suppliers and other stakeholders to ensure workers in their supply chain are paid a living wage.
- ❑ Ensure workers in its supply chain are able to exercise their right to freedom of association and collective bargaining and are sufficiently empowered to engage in negotiations on living wages and decent working conditions.
- ❑ Ensure there are childcare facilities at the factory sites of their suppliers that are fully operational and accessible for garment workers and offered free of cost and meeting the needs of the parents and their children.
- ❑ Where possible, contribute to the provision of quality formal education for all children by advocating this in cooperation with civil society and other relevant organisations.
- ❑ Make use of the Asia Floor Wage Alliance 10 Steps to achieve a living wage. See the box below.

### Asia Floor Wage Alliance 10 Steps to achieve a living wage<sup>178</sup>

- Endorse the principle of a living wage in company policy
- Respect freedom of association
- Enter into dialogue with unions and labour-rights groups
- Publicly commit to a living-wage benchmark
- Amend purchasing practices
- Conduct pilot programmes involving suppliers, trade unions and labour support groups
- Advocate for governments of sourcing countries to endorse minimum living wages
- Act in a transparent way
- Collaborate with other stakeholders
- Present a roadmap with a concrete timeline for payment of a living wage.

#### **Recommendations for manufacturers producing garments in Bangladesh**

The corporate responsibility to respect human rights also applies to manufacturers, which should:

- Address and end all labour rights violations, including excessive and unregistered overtime.
- Be honest and transparent about costing structures and production capacity and engage in negotiations with buyers on prices that make the payment of a living wage possible.
- Respect workers' right to freedom of association, including by allowing for genuine independent worker representation and the establishment of trade unions at factory level.
- Respect workers' rights to collective bargaining and participate in wage negotiations with workers' representatives to establish and pay a living wage and to provide decent working conditions.
- Ensure there are fully operational childcare facilities at the factory sites and make sure these facilities are accessible for the workers and offered free of cost (to be included in the price calculation of the buyers) and meeting the needs of the parents and their children.

#### **Recommendations for living wage initiatives (multi-stakeholder initiatives and sector improvement initiatives)**

- Develop a clear plan of action and timeline of at most five years for the initiative and members to implement a living wage.
- Be transparent about results of programmes aimed at the establishment and payment of living wages.
- Promote and facilitate cooperation in living wage programmes among corporate members.
- Include the suppliers of member companies and relevant (local) stakeholders in the development and implementation of the programme.

### **Recommendations for the Bangladesh Government**

In line with the UN Guiding Principles on Business and Human Rights, the Bangladesh Government should in the first place ensure that the rights of workers are protected – through appropriate policies, regulation and adjudication. To this end, the Bangladesh Government should:

- ❑ Ratify all relevant ILO Conventions, in particular the ILO Convention 138: the Minimum Age for Employment Convention.
- ❑ Develop, implement and enforce national labour and human rights laws and legal regulations, in accordance with international norms and standards to address labour issues described in this report. Equally important is an effective labour inspection.
- ❑ Initiate a revision of the legal minimum wage for garment workers and make sure such a revision will be discussed in a tripartite setting, involving employer associations, trade unions as well as government representatives.
- ❑ Play a constructive and facilitating role towards bringing together corporate and non-governmental stakeholders in order to discuss a roadmap to living wages and resolve on-going labour issues in the garment sector.
- ❑ Improve the education quality and infrastructure and make sure that all children, with specific focus on those from lower-income and migrant families, receive full-time quality education without charging fees or paying (hidden) education-related costs. Moreover, in addition to enrolment, efforts should be made to increase attendance as well as school completion within the standard timeframe.
- ❑ Facilitate the reintegration of working children into the formal schooling system through transitional education, including bridge courses and classes as well as counselling of children and parents.
- ❑ Promote and facilitate access to and enrolment in pre-primary education to ensure that an increasing number of children attend school before the compulsory age of education.
- ❑ Enforce national laws regarding the legal minimum age for marriage and the Dowry Prohibition Act.

## Annex

# Overview of families with children that are not attending school

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### Respondent 1

(employed at company number 5)

Female, age 32

#### Family situation

Married, three sons (13, 8 and 2.5 years old)

#### Average working hours per week

60 (the respondent worked 69 hours per week in the month preceding the interview)

#### Garment worker and family income (including registered overtime)

Average monthly income garment factory: BDT 9,000

Both parents are working and together earn around BDT 15,500 per month

#### Education level, parent

Class V, primary education

#### School attendance of children/children's engagement in work

Not one of the children is attending school. The 13-year-old son was taken out of school when he was in class IV due to financial problems. He is now working as an apprentice in a furniture shop and does not receive a salary, only lunch money. The 8-year-old boy has never attended school and stays at home to take care of his younger brother who is still too young to attend school.

#### Reason for non-attendance/engagement in work

- Financial problems
- Child needed for supplementary income
- Child needed to take care of younger sibling

### Respondent 2

(employed at company number 5)

Female, age 32

#### Family situation

Widow, one son (17) and two daughters (13, 7)

#### Average working hours per week

60 (the respondent worked 64 hours per week in the month preceding the interview)

#### Garment worker and family income (including registered overtime)

Average monthly income garment factory: BDT 9,000

Mother and eldest son are working and earn a combined family income of BDT 15,500 per month

#### Education level, parent

Class III, primary education

#### School attendance of children/children's engagement in work

The 17-year-old son left school at the age of 15 and started working in a biscuit packaging factory. He now works in a clothing shop, where he earns BDT 7,000 a month. The 13-year-old daughter left school to take care of the household.

#### Reason for non-attendance/engagement in work

- Financial problems due to sickness and death off husband
- Child needed for supplementary income
- Child needed to take care of household

### Respondent 3

(employed at company number 5)

Male, age 44

#### Family situation

Married, three sons (16, 9, 4)

#### Average working hours per week

60 (the respondent worked 62 hours per week in the month preceding the interview)

#### Garment worker and family income (including registered overtime)

Monthly income garment factory: BDT 7,600

Father and eldest son are working and together earn

BDT 14,000 per month

#### Education level, parent

Did not attend school

#### School attendance of children/children's engagement in work

The oldest son left school at the age of 14 and has been working in a printing factory ever since. The son earns around BDT 3,500 per month.

#### Reason for non-attendance/engagement in work

- Financial problems
- Child needed for supplementary income

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### Respondent 4

(employed at company number 5)

Male, age 40

#### Family situation

Married, two daughters (12, 4)

#### Average working hours per week

60 (the respondent worked 62 hours per week in the month preceding the interview)

#### Garment worker and family income (including registered overtime)

Monthly income garment factory: BDT 8,800

The respondent's salary is the only source of income

#### Education level, parent

Class IIX, junior secondary education

#### School attendance of children/children's engagement in work

The 12 year old is attending school. The youngest daughter of four has never been to school

#### Reason for non-attendance/engagement in work

- The child has not yet reached the compulsory age of education
- It is not yet regular practice in Bangladesh to send children to pre-school

### Respondent 5

(employed at company number 4)

Female, age 34

#### Family situation

Widow, two daughters (14, 12), living together with younger sister

#### Average working hours per week

55

#### Garment worker and family income (including registered overtime)

Monthly income garment factory: BDT 7,700

The respondent's salary is the only source of income

#### Education level, parent

Class V, primary education

#### School attendance of children/children's engagement in work

The 14-year-old daughter is mentally challenged and was taken out of school at age 10 after her condition deteriorated due to the death of her grandmother. The 12-year-old daughter is attending school.

#### Reason for non-attendance/engagement in work

- The mental condition of the child prevents her from attending school

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### Respondent 6

(employed at company number 4)

Female, age 28

#### Family situation

Married, two sons (9, 6) and one daughter (13)

#### Average working hours per week

60 (respondent worked 64 hours per week in the month preceding the interview)

#### Garment worker and family income (including registered overtime)

Monthly income garment factory: BDT 9,800

Both parents are working, the combined income is BDT 15,000

#### Education level, parent

Class I, primary education

#### School attendance of children/children's engagement in work

The daughter, age 13, married at age 12 as the social norm required this of people who are in a relationship. The daughter's husband does not allow her daughter to attend school. The daughter currently helps out in the household. The two sons, age 9 and 6, are attending school.

#### Reason for non-attendance/engagement in work

- Child victim of child marriage
- Child needed to take care of household
- Child not allowed to attend school

## Respondent 7

(employed at company number 4)

Male, age 32

### Family situation

Married, two daughters (11, 3)

### Average working hours per week

60 (the respondent worked 62 hours per week in the month preceding the interview)

### Garment worker and family income (including registered overtime)

Monthly income garment factory: BDT 8,600

Both parents are working, combined family income is BDT 18,500

### Education level, parent

Class VI, junior secondary education

### School attendance of children/children's engagement in work

The 11-year-old daughter is attending school. The youngest daughter of three has never been to school.

### Reason for non-attendance/engagement in work

- The child has not yet reached the compulsory age of education
- It is not yet common practice in Bangladesh to send children to pre-school

## Respondent 9

(employed at company number 1)

Female, age 35

### Family situation

Married, three sons (18,16,12) and one daughter (7)

### Average working hours per week

60 (the respondent worked 66 hours per week in the month preceding the interview)

### Garment worker and family income (including registered overtime)

Monthly income garment factory: BDT 9,600

Both parents are working, combined family income is BDT 18,000

### Education level, parent

Did not attend school

### School attendance of children/children's engagement in work

The oldest son, aged 18, left school at age 12 after the husband became unemployed due to a work injury. After he left school, the son helped out in the household, but remained idle for most of the time. He would like to complete a vocational course in an attempt to get a technical job. The two younger sons, age 16 and 12, are attending school.

### Reason for non-attendance/engagement in work

- Financial problems after the husband lost his job due to a work injury
- Not able to pay for cost of schooling

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## Respondent 8

(employed at company number 3)

Female, 31

### Family situation

Married, one son (9) and one daughter (4)

### Average working hours per week

60 (the respondent worked 64 hours per week in the month preceding the interview)

### Garment worker and family income (including registered overtime)

Monthly income garment factory: BDT 10,600

Both parents are working, combined family income is BDT 15,000

### Education level, parent

Class IIX, junior secondary education

### School attendance of children/children's engagement in work

The 9-year-old son is attending school. The youngest daughter of four has never been to school.

### Reason for non-attendance/engagement in work

- The child has not yet reached the compulsory age of education
- It is not yet regular practice in Bangladesh to send children to pre-school

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## Respondent 10

(employed at company number 2)

Female, age 34

### Family situation

Married, one son (12) and one daughter (age unknown).

Her daughter currently lives with her husband

### Average working hours per week

59

### Garment worker and family income (including registered overtime)

Monthly income garment factory: BDT 9,500

Both parents are working, combined family income is BDT 22,000

### Education level, parent

Class IX, secondary education

### School attendance of children/children's engagement in work

The 12-year-old son is currently attending school. The daughter married in 2014 before the age of 18 and is currently living with her husband.

### Reason for non-attendance/engagement in work

- Child victim of child marriage
- Child needed to take care of household

### Respondent 11

(employed at company number 7)

Female, age 28

#### Family situation

Married, one daughter (10). She also lives together with her father-in-law and brother-in-law (15)

#### Average working hours per week

58

#### Garment worker and family income

(including registered overtime)

Monthly income garment factory: BDT 8,200

Both parents are working, combined family income is BDT 9,400

#### Education level, parent

Class V, primary education

#### School attendance of children/children's engagement in work

The respondent's 15-year-old brother-in-law is neither attending school, nor engaged in work. The respondent's daughter, age 10, is attending school.

#### Reason for non-attendance/engagement in work

- Child lacks interest to attend school

### Respondent 13

(employed at company number 8)

Female, age 28

#### Family situation

Married, one son (12) and one daughter (4)

#### Average working hours per week

60

#### Garment worker and family income

(including registered overtime)

Monthly income garment factory: BDT 10,000

Both parents are working, combined family income is BDT 22,000

#### Education level, parent

Class I, primary education

#### School attendance of children/children's engagement in work

The 12-year-old son is attending school. The youngest daughter of four has never been to school.

#### Reason for non-attendance/engagement in work

- The child has not yet reached the compulsory age of education
- It is not yet regular practice in Bangladesh to send children to pre-school

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### Respondent 12

(employed at company number 4)

Female, age 40

#### Family situation

Separated, one son (age unknown) two daughters (19, 14). She currently lives together with her youngest daughter.

#### Average working hours per week

60 (the respondent worked 71 hours per week in the month preceding the interview)

#### Garment worker and family income

(including registered overtime)

Monthly income garment factory: BDT 11,000

Mother and eldest daughter both work, combined family income is BDT 19,000

#### Education level, parent

Did not attend school

#### School attendance of children/children's engagement in work

The eldest daughter, age 19, started working in a garment factory at the age of 16. She currently lives with her husband. The youngest daughter, now 14, left school at the age of 12. She currently also works in a garment factory and helps out in the household.

#### Reason for non-attendance/engagement in work

- Child needed for supplementary income
- Child needed to take care of household
- Not able to pay for cost of schooling

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### Respondent 14

(employed at company number 8)

Female, age 32

#### Family situation

Married, one son (16)

#### Average working hours per week

57

#### Garment worker and family income

(including registered overtime)

Monthly income garment factory: BDT 12,000

Both parents are working, combined family income is BDT 20,000

#### Education level, parent

Class V, primary education

#### School attendance of children/children's engagement in work

To the disappointment of his parents, the son left school at the age of 14. He did not engage in any household or income-generating activities. Early 2016 he left his native town for Dhaka to work in the garment industry. He has not yet found a job.

#### Reason for non-attendance/engagement in work

- Child lacks interest to attend school

### Respondent 15

(employed at company number 2)

Female, age 33

#### Family situation

Married, one daughter (9)

#### Average working hours per week

57

#### Garment worker and family income

(including registered overtime)

Monthly income garment factory: BDT 9,300

The respondent's husband is unemployed so the family relies on the respondent's salary

#### Education level, parent

Did not attend school

#### School attendance of children/children's engagement in work

Due to economic hardship the daughter had to leave school.

On average, she spends about one and half and hours per day in helping out her mother in small domestic chores.

#### Reason for non-attendance/engagement in work

- Financial problems
- Not able to pay for cost of schooling

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### Respondent 16

(employed at company number 9)

Female, age 41

#### Family situation

Married with one son (14) and one daughter (5)

#### Average working hours per week

60 (the respondent worked 64 hours per week in the month preceding the interview)

#### Garment worker and family income

(including registered overtime)

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#### Education level, parent

Class IIX, junior secondary education

#### School attendance of children/children's engagement in work

The 14-year old son is attending school. The youngest daughter of five has never been to school.

#### Reason for non-attendance/engagement in work

- The child has not yet reached the compulsory age of education
- It is not yet common practice in Bangladesh to send children to pre-school

### Respondent 17

(employed at company number 2)

Female, age 31

#### Family situation

Divorced, two sons (14, 13)

#### Average working hours per week

59

#### Garment worker and family income

(including registered overtime)

Monthly income garment factory: BDT 9,600

Both parents are working, combined family income is BDT 22,000

#### Education level, parent

Class V, primary education

#### School attendance of children/children's engagement in work

The younger son, age 13, was reluctant to study and recently left school to become a helper in a bus. He currently only receives food and pocket money.

#### Reason for non-attendance/engagement in work

- Financial problems
- Not able to pay for cost of schooling
- Child lacks interest to attend school

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### Respondent 18

(employed at company number 2)

Female, age 35

#### Family situation

Married, one son (11) and two daughters (17, 15)

#### Average working hours per week

59

#### Garment worker and family income

(including registered overtime)

Monthly income garment factory: BDT 9,600

The husband is working as a daily labourer and the daughter as a helper in a local garment factory. Combined family income is BDT 18,000

#### Education level, parent

Did not attend school

#### School attendance of children/children's engagement in work

The eldest daughter has completed primary level of education and got married at the age of 17. She currently lives with her husband and is taking care of the household. The 15-year-old daughter left school at the age of 13. Initially she stayed home to help out in the household. Currently she works in the local garment industry as a sewing machine helper.

#### Reason for non-attendance/engagement in work

- Financial problems, pay off a dowry
- Not able to pay for cost of schooling
- Child needed for supplementary income
- Child needed to take care of household
- Child lacks interest to attend school

### Respondent 19

(employed at company number 2)

Female, age 23

#### Family situation

Divorced, one daughter (7), living with parents, one brother (10) and five sisters (17, 15, 15, 14, 11)

#### Average working hours per week

58

#### Garment worker and family income

(including registered overtime)

Monthly income garment factory: BDT 7,800

Daughter is also working in the garment industry.

Combined family income: BDT 15,000

#### Education level, parent

Class V, primary education

#### School attendance of children/children's engagement in work

The respondent's daughter (7), brother (10) and youngest two sisters (14 and 11) attend school. Her sister who is 17 also works in a garment factory. The twin sisters who are 15 help out in the household.

#### Reason for non-attendance/engagement in work

- Child needed for supplementary income
- Child needed to take care of household

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### Respondent 20

(employed at company number 2)

Female, age 27

#### Family situation

Married, three daughters (13, 10, 1)

#### Average working hours per week

55

#### Garment worker and family income

(including registered overtime)

Monthly income garment factory: BDT 7,700

Both parents are working. Combined family income is BDT 22,000

#### Education level, parent

Did not attend school

#### School attendance of children/children's engagement in work

The eldest daughter, age 13, left school at the age of 10 to help out with household chores and take care of the youngest daughter. The 10-year-old daughter is currently going to school.

#### Reason for non-attendance/engagement in work

- Child needed to take care of household
- Child needed to take care of younger sibling

### Respondent 21

(employed at company number 2)

Male, age 36

#### Family situation

Married, two sons (17, 14)

#### Average working hours per week

56

#### Garment worker and family income

(including registered overtime)

Monthly income garment factory: BDT 8,300

Both parents and both sons are working.

Family income: BDT 25,000

#### Education level, parent

Did not attend school

#### School attendance of children/children's engagement in work

The eldest son, age 17, left school at the age of 13 to start working. He currently works as a sewing operator in an embroidery factory. The younger son, age 14, has not attended school at all. He started working as a sewing machine operator in early 2016.

#### Reason for non-attendance/engagement in work

- Child needed for supplementary income
- Child lacks interest to attend school

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### Respondent 22

(employed at company number 9)

Male, age 38

#### Family situation

Married, one son (12) and one daughter (4)

#### Average working hours per week

59

#### Garment worker and family income

(including registered overtime)

Monthly income garment factory: BDT 8,300

Both parents are working.

Combined family income is BDT 20,000

#### Education level, parent

Class VI, junior secondary education

#### School attendance of children/children's engagement in work

The 12-year-old son is attending school. The youngest daughter of four has never been to school.

#### Reason for non-attendance/engagement in work

- The child has not yet reached the compulsory age of education.
- It is not yet regular practice in Bangladesh to send children to pre-school

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## Branded Childhood

How garment brands contribute to low wages, long working hours, school dropout and child labour in Bangladesh

This research looks into the relationship between wages and working conditions of adult workers and the extent to which their children attend school or are engaged in paid/unpaid work.

Interviews with 75 garment workers and a number of their children reveal that low wages have a major impact on the lives of garment workers and their family members, in particular on their children. Garment workers work extremely long hours in order to meet a standard of living that provides only the bare necessities of life. This research shows that the interviewed garment workers are in an extremely vulnerable position and their ability to (financially) cope with major life events, such as illness, divorce, marriage and death, is limited.

Low wages and long working hours have been found to play a key role in parents' decisions to take their children out of school. As several cases highlighted in this report illustrate, children were not only taken out of school to reduce expenses, but also to contribute to the family income. Children who work and do not go to school will end up in low-paid jobs later in their lives, a legacy they are likely to pass on to their children – thus perpetuating the vicious cycle of poverty.

