



Responsible and Accountable Garment Sector Challenge Fund (RAGS)

Working Together for a Responsible RMG Sector –
Lessons Learned | November 2013

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Foreword



Working Together for a Responsible Ready-Made Garment Sector is the final report of the RAGS Challenge Fund which ran from 2010 to 2013, and was funded by UK aid from the Department for International Development (DFID). The report was prepared by the Fund Manager, Maxwell Stamp PLC.

This report is based on contributions from all the implementing organisations and their partners through individual reports and detailed interviews with the authors, and supplemented by our assessments of the various interventions RAGS supported.

Who is the report for?

The report is intended to be a vehicle for sharing the lessons learned during the life of RAGS for a number of audiences, in particular:

- 1 Companies and retailers who are buying and selling garments from key sourcing countries in the Ready-Made Garment (RMG) sector
- 2 Governments and regulatory bodies to aid understanding of the issues that need to be tackled to build a thriving RMG sector that generates economic growth and quality employment and livelihoods for workers, and meets national and international labour and social compliance standards
- 3 Implementing organisations themselves and the stakeholders they engage with in their ongoing work
- 4 Practitioners such as NGOs and consultants who work on labour rights and supply chain issues
- 5 Trade unions that represent the interests of garment workers
- 6 International donors and investors who are interested in building on the work that was undertaken by and through RAGS.

Timeliness of this report

This report is published at a time when there is a great deal of attention being paid to the working conditions, especially the health and safety, of workers in the garment industry. During the lifetime of RAGS there have been a number of high profile industrial accidents in RMG producer countries which have led to the preventable deaths of over 1,500 workers in the world's largest exporting countries of ready-made garments. More than ever, successful examples of how to improve working conditions are key for designing well-structured programmes and interventions to drive improvements in the sector.

We hope that this report contributes to building better businesses and better workplaces in an industry that holds much potential to fuel economic growth and provide decent work.

Note to reader: The information provided in this report was valid at the time of printing. Any subsequent updates are available from Maxwell Stamp PLC on request.

Acknowledgements

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In particular, we thank all the RAGS implementing organisations for providing the source material, and Elaine Jones for her structured approach to drafting this report. We would also like to express our gratitude to the RAGS Fund Management Team, in particular, Shahamin Zaman, Viraf Mehta, and Ian Steuart, for the intricate interviews with implementers and detailed assessments of the materials provided. The product of these committed efforts is enclosed.

The UK Department for International Development's advice and support in preparing this report along with the guidance of the RAGS Advisory Committee members were also instrumental.

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Dave Runganaikaloo
Maxwell Stamp PLC

Acronyms

AAB	ActionAid Bangladesh
AGOA	African Growth and Opportunities Act
ASK	Association for Stimulating Know How
AVA	Association for Voluntary Action
BBA	Bachpan Bachao Andolan
BGMEA	Bangladesh Garments Manufacturers and Exporters Association
CSR	Corporate Social Responsibility
DFID	UK Department for International Development
DISC	Developmental Initiatives for Social Causes
ETP	Effluent Treatment Plant
ETI	Ethical Trading Initiative
HWW	HomeWorkers Worldwide
IEMS	Institute of Extra Mural Studies, National University of Lesotho
ILO	International Labour Organisation
IO	Implementing Organisation
KTS	Kumbeshwar Technical School
LESRAGS	Lesotho Responsible and Accountable Garment Sector Project
MDG	Millenium Development Goal
MFA	Multi-Fibre Agreement
NGO	Non-Governmental Organisation
NHG	National Homeworker Group
OSHE	Bangladesh Occupational Safety, Health and Environment Foundation
PEG	Peer Education Group
PTF	People Tree Foundation
RAGS	Responsible and Accountable Garment Sector Challenge Fund
READ	Rural Education and Development Foundation
RMG	Ready Made Garment
S4Mi	Solutions 4 Management International
SACTWU	South African Clothing and Textile Workers' Union
SAI	Social Accountability International
SAVE	Social Awareness and Voluntary Education
SEWA	Self Employed Women's Association
WFTO	World Fair Trade Organisation
WWW	Women Working Worldwide

Executive Summary

This report is a compilation of the experiences and lessons learned following three-and-a-half years of implementation of a project funded by UK aid from the UK Department for International Development (DFID). RAGS – the Responsible and Accountable Garment Sector Challenge Fund – was set up in 2010 to support interventions that aimed at improving working conditions of women and other vulnerable workers in the Ready-Made Garment (RMG) industry in countries supplying the UK market. The goal of RAGS was to contribute to responsible, ethical production being the norm in the ready-made garments sector supplying the UK.

In the same year, 2013, that the RAGS project draws to a conclusion, over 100 retailers have signed a historic, legally binding, five-year commitment to a programme of improvement under the Bangladesh Accord on Fire and Building Safety. This report is therefore very timely and relevant.

Section 1 provides an introduction to the RAGS Challenge Fund and outlines the methodology applied for gathering the experience and lessons learned across the eleven projects it supported. The content of the report draws on individual reports submitted by implementing organisations (IOs) and their partners as well as follow-up interviews to gain further insights into what worked well, the challenges faced in the course of project implementation, and key recommendations for future interventions (and for different actors).

Section 2 gives an overview of the systemic issues which shape the RMG sector. This provides important contextual information within which the summary and analysis of individual project interventions need to be understood. This section draws on academic research undertaken by Thomas Bernhardt under the Capturing the Gains project coordinated by Dr Stephanie Barrientos from the University of Manchester (also funded by DFID) as well as other sources. The rapid growth in RMG production with a 70% increase in global exports (2000–2010) and its highly competitive nature which serves to keep wages low are important considerations whilst reflecting on the successes and challenges faced in implementing discrete, project-based interventions.

Section 3 – Drivers for Change – contains summary information and analysis on the various interventions supported under five key thematic areas:

3.1 Improving Management/Worker Communications draws on the lessons learned through a variety of approaches to training and capacity building for workers in Bangladesh and Lesotho by ActionAid Bangladesh, Women Working Worldwide and Skillshare International, respectively. The concerned IOs were able to raise awareness through practical exercises on labour law in contexts where there is often weak enforcement or where national legislation falls short of core ILO standards.

3.2 Promoting Responsible Business Practices through Certification Schemes looks through the lenses of two types of certification approaches – SA8000 and the World Fair Trade Organisation (WFTO) Fair Trade Principles. SAI worked with factories in India to train supervisors and managers to raise awareness on gender-based discrimination and training on the ILO gender auditing tool. A marked change in attitude from male supervisors and managers was reported as a result of this training. People Tree Foundation worked with its suppliers in Nepal and Bangladesh to apply innovative ways of communicating fair trade principles across its supply chain. Getting suppliers together to procure raw materials also led to marked cost savings and efficiencies in the value chain.

3.3 Promoting a Safe Environment whilst Improving Working Conditions through Efficiency Gains examines the experiences of Tesco Stores Ltd and Impactt Ltd in Bangladesh and India. By applying approaches which aimed to improve business efficiencies and better working conditions they construct a strong business case for investment in training programmes. The summary data from Impactt Limited shows significant improvements in productivity, wages and worker retention in India and Bangladesh. Similar results are exhibited through the Apparel Skills Academy recently established by Tesco and its piloted interventions

3.4 Delivering Improvements for Homeworkers summarises the experiences of SEWA, ETI and Monsoon Accessorize Limited in addressing the multiple issues faced by workers at the bottom of the supply chain in India. The experiences demonstrate that greater transparency in product costings, the application of piece rate calculations and organising homeworkers can lead to improvements for those workers who often remain invisible in global supply chains.

3.5 Reducing Child Labour draws together the lessons learned from the experiences of Global March Against Child Labour, Monsoon Accessorize Limited and WWW in India. Global March Against Child Labour highlights the importance of working together with law enforcement agencies, local authorities, schools and parents for the safe removal of child workers. Monsoon Accessorize Limited found that it had to address the issue of lack of quality education in the areas where it was sourcing from weavers in India in order to ensure that children did not fall into working with their parents. WWW worked with local NGOs and community authorities to tackle the root causes that lead to young girls being tied into Sumangali schemes and camp labour where they are often working in a situation of forced labour within a context of acute poverty.

Finally, **Section 4** draws some conclusions and summarises the recommendations for different categories of actors/stakeholders to promote scalable, replicable and sustainable change to working conditions in the RMG sector.

The rich variety of approaches taken by the individual IOs demonstrates that there are a range of strategies that can be employed to bring about positive change for RMG workers. The testimonies of workers themselves bear witness to the positive results from the different interventions. However, it needs to be acknowledged that there are deep-seated systemic issues within the industry as a whole which directly affect working conditions in individual workplaces. Time-bound, project-based interventions in specific factories or workplaces are extremely useful in demonstrating that well-designed, targeted interventions with the right level of support from key stakeholders can lead to improvements for workers and contribute towards better and more efficient businesses.

The RAGS Challenge Fund placed great emphasis on the principles of scalability, replicability and sustainability. The purpose of this report is to share its learning from these interventions so that they can be replicated and scaled up. For this to happen, there needs to be a concerted effort by multiple stakeholders to acknowledge that the RMG sector needs to address the deep-rooted systemic issues which are the causes of the dangerous and poor working conditions that continue to prevail in supplier countries.

A series of tragic accidents in Bangladesh and elsewhere has focussed the world's attention on working conditions in the RMG industry across the globe. This presents an opportunity for renewed efforts to build on the learning from RAGS which demonstrates that it is possible to improve working conditions for workers and help to build better businesses in the supply chain that operate efficiently, effectively and responsibly.

Introduction to the Responsible and Accountable Garment Sector Challenge Fund

Funded by UK aid from the UK Department for International Development (DFID), RAGS – the Responsible and Accountable Garment Sector Challenge Fund – was set up in 2010 to support interventions that are aimed at improving working conditions of women and other vulnerable workers in ready-made garment production industries in countries supplying the UK market.

The goal of RAGS was to encourage and contribute to responsible, ethical production being the norm in the ready-made garments sector supplying the UK by supporting voluntary approaches to ethical garment production and helping the garment industry to go beyond the first tier of supply chains and push more responsible labour practices further out into production networks. It supported both the private sector and civil society to strengthen market drivers for ethical trade, and sought to support collaboration and learning between them.

RAGS identified three key problem areas to be addressed:

- 1. Production Managers not being persuaded of the business case for better work and management**
- 2. Low awareness of decent work and labour rights**
- 3. Institutional barriers to scaling up ethical practices**

The Fund supported projects that aimed to introduce scalable and replicable improvements in areas such as:

- **freedom of association and collective bargaining**
- **the elimination of child labour and protection of children and young persons**
- **equality of opportunity and treatment of women;**
- **driving improvements in workers' wages**
- **working time and safe working conditions.**

The Fund allocation was £3 million with grants made on a match-funding basis. RAGS supported a total of 11 projects in India, Bangladesh, Nepal and Lesotho. The implementing organisations were the following:

- 1 ActionAid Bangladesh (AAB)**
- 2 Ethical Trading Initiative (ETI)**
- 3 Global March Against Child Labour**
- 4 Impactt Limited**
- 5 Monsoon Accessorize Limited**
- 6 People Tree Foundation (PTF)**
- 7 Self Employed Women's Association (SEWA)**
- 8 Skillshare International**
- 9 Social Accountability International (SAI)**
- 10 Tesco Stores Limited**
- 11 Women Working Worldwide (WWW).**



“ The goal of RAGS was to contribute to responsible, ethical production being the norm in the ready-made garments sector supplying the UK. ”

Lesson learning

The ultimate purpose of RAGS was to identify and develop scalable and replicable interventions in key labour areas through the projects it supported. Lessons learning compilation was therefore a critical output of the overall success of RAGS as well as its sustainability beyond the lifetime of the programme.

The process to capture the lessons learned consisted of the submission of reports by individual implementing organisations, followed up by interviews with key informants involved in project implementation, as well as the experience and observations made by the Fund Manager (Maxwell Stamp PLC) in managing RAGS.

Overview –

The Ready-Made Garments Sector

The premise underlying the RAGS Challenge Fund is that whilst the garment industry is an important source of employment in the targeted countries, the quality of employment falls short of international labour standards and the commitment of many UK and other High Street retailers and consumers to the norms of ethical trade.

Ample evidence exists of the poor working conditions in many garment supply chains from first tier production in factories, down to subcontractor units where there is often a prevalence of child labour, and further still to homeworkers at the bottom of the chain. The points of intervention of the implementing organisations in the RAGS project stretch all the way across this spectrum. The approaches applied to address these deficits in the decent work agenda are as varied as the complexity of the problems they seek to address. For this reason it is important to consider the lessons learned from the RAGS project within the context of the complexities of the garment sector itself.

The globalisation of the garment sector has been the subject of academic research and consumer campaigning for many years. Recent research has highlighted that the apparel sector is one of the most globalised sectors in the world with global exports of \$330 billion in 2010, an increase of 70% since 2000. (Bernardt, February 2013)¹ Yet, whilst it is an important export earner and source of employment and income in many developing countries, the development impacts are very mixed both within and between countries. If we take Bangladesh which is the world's second largest exporter of garments after China, employment has increased by almost 94% in the period 2000-2009 but real wages fell by more than 43% in the same period. (op cit). The country has had a number of industrial accidents such as factory fires and building collapses which have led to a large number of tragic deaths, including the recent Rana Plaza tragedy which resulted in the deaths of 1,133 workers. Bangladesh's expansion and ranking as the world's second largest exporter of garments is largely fuelled by its competitive advantage of having the lowest labour rates amongst the top 15 exporters of garments with workers earning an average of just \$0.22 per hour. (op cit). A further study by the Workers' Rights

Consortium published in July 2013, found that prevailing wages in Bangladesh provide just 14% of a living wage. Whilst there are many consumers who campaign for sweatshop-free garments, there are others whose appetite for cheap clothes is a key driver in the race to the bottom on price. The world of fast fashion, where many Brands renew their product offer as often as every four weeks, fuels a constant demand for garments.

Other contextual factors which have influenced the industry are trade rules and regimes such as the Multi-Fibre Agreement (MFA). The MFA was a quota system which governed the international garment trade for 30 years from 1974 to 2004. The MFA was intended to help poor developing countries in the development of their export industry in garments and to attract foreign direct investment. When the MFA expired in 2004, there was concern over the likely impact on poor countries such as Bangladesh and those African countries like Kenya and Lesotho who had benefited under the MFA. The post-MFA period since 2004 saw a reshaping of the global garment industry with China being the key winner under the liberalised regime with a 191.46% increase in export trade in apparel. At the same time Lesotho's industry declined by 19%. (op cit). Although Lesotho's industry has been somewhat cushioned by the African Growth and Opportunities Act (AGOA), which gives it preferential access to the US market and has attracted "quota-seeking foreign investors" (op cit), this has not been sufficient to allow Lesotho to compete with Asia and the industry has declined. Whatever gains that are achieved as a result of the projects funded by RAGS in Lesotho to improve working conditions in the sector, these will only be sustained as long as there is a commercially viable garments industry. It remains to be seen how the sector will perform when the AGOA legislation expires in 2015 as scheduled.

¹ Capturing the Gains – Developing Countries in the Global Apparel Value Chain: a tale of upgrading and downgrading experience, Thomas Bernardt, February 2013, Working Paper 22



“The combination of economic recession with the constant pressure to reduce price has also contributed to an exacerbation of exploitative forms of labour throughout the supply chain in India.”

Another external factor which has influenced the evolution of the garments sector is the global economic recession which had its epicentre within the banking sector in the USA in 2008. Thomas Bernhardt's research cited above, found that of the top 15 global producers of apparel, only Bangladesh and Jordan were countries where employment did not fall in the wake of the crisis. Even within the life-time of the RAGS project, the decline in orders in India for example was cited by implementing organisations as a key challenge in gaining buy-in from factory owners in a context of economic crisis. In Bangladesh on the other hand, which emerged as a winner in terms of both market share and increased market value (Bernhardt op cit), the rapid expansion of the industry has created a shortage of labour resulting in very high turnover rates of workers and management which pose a challenge for sustaining change at factory level. In India, employment fell in the formal garments sector during the economic crisis (Bernhardt op cit). However, it should be borne in mind that informal employment is higher than formal employment in India.

The combination of economic recession with the constant pressure to reduce price has also contributed to an exacerbation of exploitative forms of labour throughout the supply chain. In India, for example, whilst not new, there are indications that child labour, including trafficked children, is increasing despite numerous sustained initiatives to the contrary. The use of third party labour contractors to avoid employment responsibility appears to be increasing. Of concern to companies and human rights workers alike are contract schemes such as “Sumangali” in southern India – where young women are contracted to work for a fixed period and are supposed to receive a lump sum at the end of the term – and “camp labour” where young women live in company-controlled hostels where the company also controls all the workers' time. The slave-like conditions endured by young female workers under these schemes are well documented. Migrant labour has also increased dramatically in the last decade in India. This virtual surge of highly exploitative labour practices cannot be attributed entirely to the global economic recession but it can be seen as a contributing factor.

Overview –

The Ready-Made Garments Sector

The gender dimension of employment in both the formal and informal sectors of the garment and textiles industry at a global level is a significant systemic issue to consider when tackling working conditions. Women make up the majority of the work-force in the garment industry. In Bangladesh, an estimated 80% of the work force in the garments industry is female.² In what has been described as the “comparative advantage of women’s disadvantage” (Arizpe and Aranda 1981 cited in Kabeer³), women are sought out for their cheap labour. Many of the RAGS projects were faced with the challenges associated with gender-specific abuses such as sexual harassment,

discrimination, and a lack of maternity benefits.

In Lesotho, labour law requires all employers to give 12 weeks’ maternity leave but paid leave varies according to the sector. In the textile sector the provision is for only two weeks’ paid leave. During the course of RAGS project, gains were made by IOs and other industry stakeholders in securing a government commitment to address the issue of the lowest level of maternity provision in Lesotho. In Bangladesh, women found respite and support in women’s cafés where they were also able to get advice on many issues, including domestic violence in the home which impacted on their physical and mental health at work.



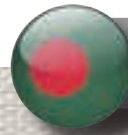
Case Study

The following extract from one RAGS project highlights the significant number of homeworkers working in the informal sector linked to the RMG industry in India:



In India, about 93% of the work force is in the informal sector out of which home-based work is a very common form of livelihood. More than 30 million homeworkers in India are engaged in various types of economic activities and are a crucial link in all types of supply chain. The textile industry has been identified as one of the key sectors of livelihoods for this category of workers. The industry is the second largest provider of employment in India; the apparel and Ready Made Garment (RMG) segment alone is valued at INR1 trillion annually and employs about 6 million workers. Yet about 80% of RMG workers are in the informal sector.

In Delhi alone, there are about 100 RMG suppliers relying on 2,000 contractors who use 75,000 home workers. These home workers are very vulnerable, facing low wages (often below minimum wage rates), poor working conditions, occupational health problems, long working hours, irregular payment and have little ability to negotiate. Homeworkers also lack opportunities to improve their skills that would enable them to offer better products in a competitive market and have a poor understanding of the supply chain. Many thousands of women do home-based work such as dyeing, printing, stitching and embroidery. They are additionally disadvantaged as social norms limit their access to education and employment opportunities. As a result, women often rely on middlemen who drop work to their homes, further decreasing their bargaining power. 51% among all women workers are home-based as against 11% of all male workers. Women homeworkers are most vulnerable in their respective supply chain. (source: SEWA Bharat).



Case Study

Hand-in-hand with the gendered division of labour and the issue of subcontracting is the large number of homeworkers in the RMG industry. There are a large number of homeworkers throughout South Asia. Data shows that roughly half of all women workers in the region are home-based workers.⁴

In Bangladesh, women found respite and support in women's cafés where they were also able to get advice on issues of domestic violence in the home which impacted on their physical and mental health at work.

A final consideration in understanding the context in the countries within which the RAGS projects were carried out is the lack of enforcement mechanisms of labour laws and health and safety regulations. This can be illustrated by the case study from Bangladesh opposite.

The Rana Plaza collapse in Bangladesh which killed 1,133⁵ workers brought the question of enforcement into sharp relief. As a consequence, much debate has ensued on how to ensure the application of the rule of law.

“In Bangladesh, women found respite and support in women's cafés where they were also able to get advice on issues of domestic violence in the home which impacted on their physical and mental health at work.”

This analysis of some of the contextual challenges is by no means exhaustive but highlights some of the issues faced by project implementers in their efforts to bring about lasting improvements to the working conditions of many thousands of workers in the RMG sector. These contextual issues have significant policy implications for any future interventions which aim to improve the quality of employment in the RMG sector. We shall return to this issue in the section on conclusions and recommendations (Section 4).

According to clause 205 of the Bangladesh Labour Law 2006, every employer/owner is bound to form a Participation Committee in his factory if 50 or more workers are employed. The number of workers elected to the committee cannot be fewer than the number of management representatives. Worker representatives should be selected by an election process. The committee should meet at least once every two months. The employer is also legally bound to submit the proceedings of every meeting to the Director of Labour and Conciliation within seven days of the date of the meeting.

According to clause 206, there are six main functions of Participation Committees:

- 1 To endeavour to promote mutual trust, understanding and co-operation between the employer and the workers
- 2 To ensure application of labour laws
3. To foster a sense of discipline and to improve and maintain safety, occupational health and working conditions
- 4 To encourage vocational training, workers education and family welfare training
- 5 To adopt measures for improvement of welfare services for the workers and their families
6. To fulfil production targets, improve productivity, reduce production costs and wastes and raised quality of products

In 2012, the Ministry of Labour and Employment published a report suggesting that 40% RMG factories have no functional participation committees. According to the Bangladesh Occupational Safety, Health and Environment Foundation (OSHE), in 2008 there were only 80 inspectors in total in the entire country responsible for all the industrial sectors in Bangladesh. However, there are around 5,150 registered RMG factories in Bangladesh, according to Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Source: ActionAid Bangladesh

2 Sudharshan, R and Shalini Sinha, Making Home-based Work Visible: A Review of Evidence from South Asia, WIEGO Working Paper No 19, January 2011

3 RAGS, Riches and Women Workers, Export Oriented Garment Manufacturing in Bangladesh, Naila Kabeer and Simeen Mahmud, Chains of Fortune: Linking Women Producers and Workers with Global Markets, 2004

4 Sudharshan, R and Shalini Sinha, Making Home-based Work Visible: A Review of Evidence from South Asia, WIEGO Working Paper No 19, January 2011

5 Disaster Management Information Centre, Ministry of Disaster Management and Relief: Situation Report on Building Collapse at Savar, Dhaka. Transmission Date: April 24 to May 14, 2013. The total number includes Reshma who was rescued live on the 17th day of the operation.

Drivers for Change: Lessons Learned

For the purpose of presenting the lessons learned from the RAGS projects, each IO's intervention was analysed under a heading which categorises the approach applied. The following section gives a summary of the interventions undertaken by the RAGS IOs. In some cases, an organisation will appear in more than one category as their strategy may have included various approaches. The following table sign-posts where each project is included:

Approach	RAGS Partner	Country(ies)
Improving Management/ Worker Communications	<ul style="list-style-type: none"> • ActionAid Bangladesh • Women Working Worldwide • Skillshare International 	<ul style="list-style-type: none"> • Bangladesh • Lesotho • Lesotho
Promoting Responsible Business Practice through Certification Schemes	<ul style="list-style-type: none"> • People Tree Foundation • SAI 	<ul style="list-style-type: none"> • Bangladesh & Nepal • India
Promoting a Safe Environment whilst Improving Working Conditions through Efficiency Gains	<ul style="list-style-type: none"> • Impactt Limited • Tesco Stores Ltd 	<ul style="list-style-type: none"> • India & Bangladesh • Bangladesh
Delivering Improvements for Homeworkers	<ul style="list-style-type: none"> • ETI • SEWA • Monsoon Accessorize Ltd • Women Working Worldwide 	<ul style="list-style-type: none"> • India (all projects)
Reducing Child Labour	<ul style="list-style-type: none"> • Global March Against Child Labour • Monsoon Accessorize Ltd • Women Working Worldwide 	<ul style="list-style-type: none"> • India

The sections on challenges under each of the headings relate to both challenges within the sector that were identified as needing to be addressed as part of programme design and those which became apparent during project implementation. The challenges have been divided into two categories: (1) challenges faced

in relation to national and international contexts and (2) challenges in project implementation. Equally, the section on key factors for success is derived from implementing organisations' reflections on what worked well in their experience and enabling factors that need to be considered in future interventions.

3.1 Improving Management/Worker Communications

The RMG industry is characterised by a relatively low level of awareness among workers of their labour rights and low levels of trade union membership. Consequently, workers often have no representative voice to negotiate improvements in their working conditions or to bargain collectively. At the same time, supervisors and managers in factories often lack the management skills that enable effective human resource practices and harmonious industrial relations. They also may be unaware of their legal obligations towards the workforce. Several of the RAGS projects focused on improving industrial relations between management and workers through a variety of approaches:

ActionAid Bangladesh targeted women workers for capacity building and basic training on labour laws as well as how to approach owners of factories to negotiate better working conditions. The project aimed to establish and empower the voice of the workers using peer education techniques to foster an environment where the labour force would be able to put pressure on relevant decision makers to improve working conditions and establish a better standard of workers' rights. The project aimed to make 200,000 women RMG workers aware of the 10 core elements of the Bangladesh Labour Law. The methodology applied was a bottom-up development strategy starting at the grassroots level with the workers themselves. An innovative approach was the introduction of women's cafés as safe places where women could access training, educational games, legal advice and counselling. The cafés are located in the slums where the workers live which means that the workers are not all from the same workplace. This was an important innovation given the high level of worker turnover in the sector. The women visit the cafés after work and during weekends.

ActionAid Bangladesh's priority was the establishment of Participation Committees at factory level in line with the Bangladesh Labour Law, which stipulates that every factory should have one. ActionAid Bangladesh employed peer education techniques whereby they identified and trained Peer Education Group (PEG) Leaders working in factories to teach other workers on Bangladesh labour laws and negotiation techniques with the end goal of establishing a Participation Committee. At a national level, the aim was to launch a campaign for a living wage. ActionAid estimated that they had reached over 208,000 workers by the end of the RAGS project in September 2013.

Women Working Worldwide (WWW) worked with local trade unions in Lesotho to increase women's union membership and leadership in union structures and to contribute to improving pay and maternity conditions through a worker training programme. The purpose of the project was to contribute to the reduction of poverty and towards the achievement of Millennium Development Goal 3 (MDG3) (promote gender equality and empower women) by empowering women workers to negotiate improved working conditions. The project supported engagement between Southern workers' organisations and UK retailers. A total of 163 trainers were trained reaching over 1,418 individual women workers.

Skillshare International implemented a project in partnership with trade unions in Lesotho. The Lesotho Responsible and Accountable Garment Sector (LESRAGS) project's aim was to strengthen the Lesotho garment trade unions to be able to play a full role in ensuring Decent Work principles are adopted, especially in the area of gender-sensitive issues. Skillshare worked with trade unions to deliver a Training of Trainers programme with shop stewards and union officials through a 12-week course delivered at the weekends with the Institute of Extra Mural Studies (IEMS) through an agreement with the National University of Lesotho. A five-day training course on Leadership Enhancement and Gender Mainstreaming in the Textile Industry was developed for managers and supervisors. The training covered gender, ILO core labour standards and the Decent Work agenda. The project undertook a range of activities such as radio programmes and lunch-time rallies with workers to boost trade union membership. The project included networking, mentoring and sharing of best practice between trade union federations and textile trade unions in the North (UK/Ireland) and South (Lesotho and Southern Africa).

A key development in Lesotho during the course of the project was the effort by multiple actors to promote a merger of four out of five of the trade unions in a process facilitated by the ILO and reinforced through the RAGS projects (WWW and Skillshare).

Drivers for Change: Lessons Learned

3.1.1 Challenges faced related to National and International Contexts in the RMG Sector

- *Lack of/low union representation in factories* means that workers are often denied the right to Freedom of Association and Collective Bargaining. The attitude of management to unions and workers in general was found to be a challenge in most of the projects' efforts to improve worker/management relations at the factory level. In ActionAid Bangladesh's attempts to promote the formation of Participation Committees, mid-level staff were often reluctant to allow this channel of communication as this would enable workers to have direct dialogue with senior management. Their unwillingness in this regard was attributed by ActionAid Bangladesh to mid-level managers' lack of awareness or understanding of the role (and legal status) of Participation Committees, coupled with their reluctance to share power with the workers.
- *Rivalry between trade unions* in Lesotho was a challenge experienced by Skillshare during project implementation. However, four out of the five trade unions did eventually agree to a merger and united efforts around the issue of the minimum wage.
- *The politics of the garment sector in Bangladesh* where many garment factory owners are also politicians was also found by ActionAid Bangladesh to be a complicating factor in law enforcement. Under law in Bangladesh there are supposed to be independently-elected Participation Committees at each factory but the norm is for members to be selected by management rather than elected by their peers. This, coupled with weak enforcement mechanisms in Bangladesh such as a very low number of factory inspectors (80 in 2008) in relation to a high number of factories (estimated at around 5,150 according to BGMEA – AAB Final LL Report), means that there is poor implementation of the law even where there is provision for worker representation. In addition, labour courts can often take 2-3 years to resolve disputes in Bangladesh.
- *Weak labour law* in Lesotho was found to be an issue by IOs working to improve the conditions of women workers especially on provisions for the implementation of a minimum wage and maternity benefits where the right to paid maternity leave in the garments sector was the lowest in the country at just two weeks.
- A challenge identified by Skillshare in Lesotho (and one related to the “globalisation” of garment value chains) was the *high number of foreign factory owners* with a low level of awareness of the cultural reality in Lesotho and their obligations as employers under national labour law.
- *High levels of worker turnover* in Bangladesh represented a challenge for the implementation of a peer-learning approach in the ActionAid Bangladesh project as this requires a transfer of learning over a sustained period of time. This was also a challenge for organising Participation Committees. High levels of worker turnover are driven by the rapid expansion of the garment industry where demand for labour has outstripped supply due to increased international demand for low cost garments from Bangladesh.
- *Excessive working hours* is an on-going issue in Bangladesh where workers are regularly exceeding 12-hour days and not receiving one day off in seven. ActionAid Bangladesh found that lack of time and fatigue was an impediment to the implementation of training and capacity building and the effectiveness of a training approach in such circumstances. The timing of training workshops was also a challenge in Lesotho where training was usually held at the weekend when the prospect of overtime for workers on a Saturday and the desire for extra income clashed with their interest in attending weekend training.
- *Low academic level of workers* was an obstacle in transmitting complex information about labour laws and calculation of wages in the ActionAid Bangladesh project. Skillshare in Lesotho also identified this as an issue.

3.1.2 Internal Challenges Related to Project Implementation

- *Shortage of staff* to attend to the women's cafés in the ActionAid Bangladesh project meant that the cafés could not be kept open all the time as was intended. This is a key consideration in designing a solution which relies on permanent staffing.
- *Exclusion of male workers* in the ActionAid Bangladesh project due to its initial focus on women only was seen as a challenge by female workers in factories as they identified the need for inclusion and support from their male colleagues for the project's interventions in the workplace.

- *Rivalry between trade unions* was a serious issue for both projects in Lesotho which impacted on the timing of the implementation of activities. This was exacerbated by party political affiliations in an election year.
- *Measuring impact of training* in terms of increases in trade union membership in Lesotho was a challenge due to incomplete and inaccurate records at the Ministry of Labour. In addition, as workers regularly changed their affiliations between rival unions this added another level of complexity.
- *Sustainability of project interventions* beyond the lifetime of the project was a challenge especially where there was a need for intensive support for new innovations such as the women's cafés in Bangladesh under the ActionAid Bangladesh project and with project-funded capacity-building programmes for trade unions in a challenging context such as in Lesotho. In both cases, IOs and local partners found ways of linking with other partners and initiatives to sustain on-going interventions beyond RAGS which would lead to a greater embedding of the changes.

3.1.3 Key factors for success

- *Adaptation to challenges is key in the face of adversity:* The problem of management attitudes to unions and workers was tackled by ActionAid Bangladesh by targeting management for training and negotiations. Alternative dispute mechanisms to mediate between workers and management through a process of negotiation proved successful in the ActionAid Bangladesh project in Bangladesh thus reducing the risk of industrial disputes.
- To address the challenge of high worker turnover in Bangladesh, ActionAid Bangladesh used the *women's cafés* as a point of coordination as this allowed contacts to be maintained.
- *Training workers to better negotiate:* In Lesotho, WWW project partners found that when people are skilled and trained they can articulate their arguments and negotiate for improvements. WWW trained over 1,500 workers in Lesotho to better articulate their demands. By selecting more educated workers to train others, ActionAid Bangladesh was able to overcome the challenge of low academic levels among workers.
- Skillshare in Lesotho found that, in spite of rivalry between unions, finding a common cause for *mobilisation* – such as the minimum wage or maternity rights – brought people together. Four out of the five trade unions agreed to a merger. The success of this “One Voice” approach led the government to seek ILO Expert intervention and an historic agreement between government, employers and workers on the criteria for fixing minimum wages in the textile industry.
- *Public campaigning* proved effective in raising support and galvanising public opinion. The WWW project spearheaded two campaigns in Lesotho to change the provisions for maternity cover, skills development, sexual harassment and gender discrimination, educational leave and livelihoods. These campaigns mobilised large numbers of people. Skillshare were also involved in supporting the campaign and noted that it led to national recognition of, and sympathy for, issues affecting the garment sector.
- *A training of trainers approach* applied by Skillshare where participants from trade unions were motivated to attend weekend training sessions and then go back to their workplaces and train others. Skillshare estimated that there had been an increase of 3,300 new workers becoming unionised as a result of the project.
- *Targeting supervisors and managers for training* as well as workers was an innovation that Skillshare introduced during the course of the project as they realised that this was vital for building mature industrial relations.

“I was not working properly and comfortably where I was working because our manager was always insulting us until I came to decision and resign. I went to another firm where the manager was saying we should finish twenty trousers within twenty minutes, as we did not reach that score we were always given warnings. Someone advised me to be a member of the union after telling her of my problems at the firm. Due to these many warnings some of my colleagues who were not members of any union were all dismissed but as I was a member of the union I remained working. My union is very important to me because it taught me my rights with my employers.” (Female garment worker, Lesotho)

Drivers for Change: Lessons Learned

- **Innovation in training techniques:** ActionAid Bangladesh introduced learning by games as a way of attracting workers into the women's cafés.



ActionAid Bangladesh cited some case studies of where workers had been successful in securing their rights as indicators of the success of the training and Participation Committees:

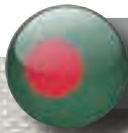
“The General Manager request me to show him overtime calculation and I myself confidently calculate the overtime calculation” says one worker who at first wasn't aware of the overtime payments she was due and how she would calculate her wages.”

(Source: ActionAid Bangladesh)

To overcome the problem of excessive working hours, ActionAid Bangladesh broke down the training sessions to shorten times. Peer learning was effective to reach a large number of workers through training of trainers. In the WWW Lesotho project, a training of trainers approach was applied through study circles. The model of study circles was developed by SACTWU (the South African Clothing and Textile Workers' Union), which involves individual workers talking to five other workers, who talk to five others and so on. It was found to be an effective way of discussing issues or disseminating information. SACTWU booklets on union organising and shop steward protocol, written for African countries, were also distributed to shop stewards.

- Including male workers in training by ActionAid Bangladesh proved effective to address the need expressed by women workers for support from their male colleagues.





Case Study

Looking Towards the Future – ActionAid Bangladesh



“At the onset of the project we encountered a lot of obstacles that hindered its applicability in the field. One of the main concerns was the mindset of the owners towards accepting Participation Committees as an active facet (of) their factories. On the one hand it is important to work with the workers. However, as important is the inclusion of owners and

management. There is also a need to not only fight for labour rights, but to look to develop the industry as a whole so it can benefit all parties involved, and contribute to Bangladesh as a developing nation. Furthermore, it was difficult to gauge the degree (to) which the workers would be empowered enough to take a stand against injustice in the workplace. During the course of the project, we realised that it is crucial to continue to fight for policy making changes on a national scale; however, on a smaller scale it is the workers themselves who also have to actively participate in this project in order to ensure its long term sustainability. The bottom-up approach we have taken to educate the workers will also ensure the sustainability of the project.”

3.2 Promoting Responsible Business Practice through Certification Schemes

There are two broad churches which have taken a certification approach to the application of standards governing working conditions in relation to international supply chains: fair trade and ethical trade. Fair Trade is a movement which emerged after the Second World War based on principles of solidarity that aimed to challenge the inequalities of the global trading system. Ethical trade grew out of the focus on Corporate Social Responsibility (CSR) during the 1990s in response to growing consumer concern about the working conditions in global supply chains.

Fair trade standards have been developed principally by two large global players – Fairtrade International which developed an accreditation system using a Fairtrade logo placed on products and the World Fair Trade Organisation (WFTO) which developed a set of norms for membership and a set of Fair Trade Principles and which has also launched a Fair Trade Guarantee System with a logo awarded to approved member organisations. People Tree

was one of the WFTO members that piloted the Fairtrade Guarantee System.

In the arena of Ethical Trade, there are numerous certification schemes, the first of which was developed by Social Accountability International (SAI) and is known as SA8000. The SA8000 standard for decent work covers issues of child labor, forced labor, health and safety, freedom of association and collective bargaining, discrimination, discipline, working hours, remuneration, and management systems.

The following section looks at the approaches undertaken by People Tree Foundation and SAI under RAGS which are not exclusively tied to accreditation activities per se but are better understood within the context of their broader vision and mission. People Tree Foundation is an independent charity which works alongside the People Tree Group, a pioneering Fair Trade organisation that buys and sells fashion-oriented garments sourced from Fair Trade producer groups. People Tree Foundation worked with the five NGOs under RAGS: Kumbeshwar

Drivers for Change: Lessons Learned

Technical School (KTS) in Nepal, and Thanapara Swallows Development Society, Artisan Hut, DevTech and Kumudini Welfare Trust Bengal in Bangladesh, all of whom work with producers in the People Tree supply chain. This includes skilled tailors working in garment production units as well as weavers of hand loom fabric and embroiderers working in the home-based or informal sector, especially focusing on women. The project had four areas of activity: capacity building with technical inputs, social review and the implementation of a Fair Trade Guarantee System, Joint Yarn Procurement Plan (JYPP), and broadening producers' market access through exposure visits.

SAI is a non-governmental, international, multi-stakeholder organization dedicated to improving workplaces and communities by developing and implementing socially responsible standards. SAI developed the SA8000 (Social Accountability 8000) – a voluntary standard for workplaces, based on ILO and UN conventions. SA8000 was the first labour standard to embed management systems, which is key to sustainable performance and continual improvement. Over the years, SAI has leveraged its experience from SA8000 to provide guidance, training and capacity building programs for the development and implementation of a wide range of social standards and codes. SAI's approach is deeply rooted in participatory workforce dialogue and multi-stakeholder engagement and SAI worked with partner brands, auditors, certification bodies, suppliers, workers' unions experts, and civil society and local groups to complete the project.

3.2.1 Challenges faced related to National and International Contexts in the RMG Sector

- *Achieving a fair wage:* People Tree Foundation found that ensuring fair wages to marginalised producers working on piece rates in the informal sector was very challenging. People Tree Foundation's partners agreed to work towards paying at least the minimum wage (as applied to the garment industry) to the home-working bobbiners and embroiderers in Bangladesh.
- *Hazardous working conditions down the supply chain:* In Bangladesh it was discovered that small-scale dye units used in the People Tree partners' supply chain had not been controlling the inputs and outputs in terms of water and chemicals. This had resulted in producers being exposed to hazards at work and the pollution of water as well as wasted chemicals and, hence, over-expenditure on chemicals.

- *Cultural norms preventing discussion of gender related issues:* Another important issue that SAI's multi-stakeholder committee raised was that the socio-economic, cultural, and religious backgrounds of workers and employers accompanied assigned gender roles and stereotypes which lead to gender discrimination and harassment. Feedback from factories indicated that one of the biggest challenges to moving the work forward was a pre-existing inclination to not discuss sensitive gender issues.

3.2.2 Internal Challenges Related to Project Implementation

- *Unforeseen circumstances:* People Tree volunteered itself and its suppliers with whom it partnered on the RAGS project to pilot a new Fair Trade certification system developed by the World Fair Trade Organisation (WFTO). Unfortunately, the system was changed at an international level during the course of the project, which was beyond the control of the project to influence, and which impacted on the project's implementation schedule.
- *High up-front costs:* When piloting a new system the pilots inevitably have to invest more in the development of the tools, the background research, and the groundwork to lay the foundations of the system than those who follow the established method once it is up and running. The RAGS project supported People Tree Foundation to cover these initial investment costs which would have been very difficult to fund otherwise. Although the aim of the new WFTO certification system is to be 100% sustainable through income from membership fees, it is likely that additional external funding may be needed for the next few years.



-
- *Filling the gaps:* Integral to the People Tree Foundation methodology for the implementation of the Fair Trade certification system was to undertake a baseline study to identify where gaps between the Fair Trade Principles and the reality of the working conditions in the workshops and production units further down the chain. Inevitably this unearthed weaknesses that needed to be addressed such as record keeping to check pay levels and dealing with effluent from dyeing processes. These formed part of the improvement plans to be carried out by each of the partner organisations.
 - *Working capital requirements:* People Tree Foundation is buying cotton clothing from four small-scale producers in Bangladesh, three of whom are hand weaving the cotton themselves. Prior to the project, the three hand-weaving producer groups all bought cotton yarn on the open market. By buying individually the quantity of yarn was not enough to buy directly from the spinners but by working together efficiencies of scale could be achieved. However, financing the joint procurement of yarn placed a financial strain on the producer partners.
 - *Tolerance and acceptance of unacceptable behaviour as normal among both men and women:* SAI conducted Labor Link surveys to capture worker voices and discovered that 85% of women (1,400 surveyed) and 83% of men (3,199 surveyed) felt that rude language was permissible when expressing production urgency. This high level of tolerance for unacceptable behaviour came as a surprise and reflected that more work was necessary at the level of awareness building than originally planned in the project.
 - *Lack of management systems and worker-manager engagement:* SAI's goal to engage the majority of the project on the worker-manager level contrasted with information gathered through research and at multi-stakeholder events. Years of research and experience have shown SAI that in order for worker-manager engagement to be effective, workers and managers first need to be separately engaged and trained, and then brought together. The dialogue that needs to take place in worker-manager engagement requires that each group be well-informed, feel empowered to express its perspective, and also understand the other group's perspective. SAI found that worker awareness was low and that engagement channels, even those required by law, were not very functional. The need for better operationalisation of the worker committees was detected through the training and improvements were subsequently recommended to the factories. Interviews and assessments showed that management's awareness of gender and homeworker issues was lower than anticipated. The management systems in the participating companies was also much less sophisticated than expected. The module on gender discrimination thus focused on how it can be addressed through management systems while benefitting workers at a larger level. SAI also adapted its workplan to incorporate more time and effort to building manager awareness and convincing them of the benefits of participating in the activities, and of involving workers.
 - *Difficulty creating impact for homeworkers:* SAI's MACs and research also showed that it is almost impossible to resolve issues among home-based workers without addressing the broader supply chain. Additionally SAI was initially dependent on ETI for the homeworker elements due to their expertise in this area. SAI also linked up with other organizations such as SAVE and Self Employed Women's Association (SEWA) to gain additional insights on issues faced by homeworkers.
 - *Training Fatigue:* With factories being presented with multiple trainings in the same time period from different organizations, SAI often encountered training fatigue. Thus SAI incorporated more time for factory recruitment, and engaged extensively with various stakeholders to conduct a deeper training needs assessment than originally anticipated. SAI also adapted its training and technical assistance offerings, expanding the types of modules and enabling a much more customised approach for each factory. Although time and resource-intensive, this customised approach enabled wider buy-in of factories, allowing SAI to exceed its participation targets and to garner positive feedback about the relevance and uptake of the modules. Due to the variation in the baselines levels of management systems maturity at the factories, as well as the range of modules offered, the results collected by SAI in terms of impact varied widely. Below is a synopsis of one factory's extremely positive experience with the RAGS project with significant improvements in all areas measured relevant to gender issues. This contrasts highly with other cases that reported zero impact within these measurements – we believe that the latter cases reflect factories that felt that they had already achieved high marks to start with, and the RAGS modules were helpful but in incremental ways rather than significant jumps in management system maturity levels.

Drivers for Change: Lessons Learned



Case Study



Case study: SAI Improving Social Standards in the Indian Ready-Made Garment Sector

SAI's project Improving Social Standards in the Indian Ready-Made Garment Sector was divided into three phases intended to both improve conditions for homeworkers and to reduce workplace gender discrimination. Project locations included New Delhi, Bangalore, and Tirupur.

In phase one, SAI conducted workshops on "Management Systems to address Gender Discrimination" as well as a Training of Trainers for representatives

from Brand managers, freelance trainers and industry experts. SAI also conducted workshops on supply chain management for social performance focusing on homeworkers.

In phase two, SAI worked with 30 focused factories on the topic of gender sensitisation of worker committees and initiated continual improvement projects. All factories received training on a tailored version of the ILO process of gender auditing, which emphasizes a participatory approach to identifying gaps. The overall project approach was designed to avoid being prescriptive and to encourage the participants to come up with their own set of priorities. Factories were guided to map out areas of improvements inside factories in relation to gender. The aim was to engage workers and supervisors on gender issues in society as well as within factories and to collect feedback on the current effectiveness of the committees.

In phase three, SAI developed two auditor guidance documents – one on Sumangali Schemes (false apprenticeship in Tamil Nadu) and a second on auditing practices for gender discrimination in RMG factories in India. In addition, two Multi-stakeholder Advisory Committees (MACs) were established in New Delhi and Tirupur with the aim of gaining insights on gender discrimination in the textile and apparel industry as a whole.

Implementation Success

During the course of the project, SAI held 22 gender discrimination workshops across three cities – training a total of 605 participants and reaching 201 factories, surpassing initial targets by 50%. 94% of participants agreed (strongly agreed or agreed) that they would recommend the RAGS training experience to others while none of the participants felt negative about the training.

"The supplier participation was amazing, the agenda was well structured and simple but very effective. Interesting to note the... biases during discussion on (gender) role(s)..." (Brand Manager & SAI training recipient, India)

Outcomes

At one factory that participated in the SAI RAGS project, a new program has already been created in response to the RAGS training to continue the work started with the project. This is a direct testament to the ToT approach of the program. According to the factory's HR Manager, "Presently we are working on developing training material for this (RAGS training) to adapt it to our factory. Every month we are taking it in a monthly meeting to discuss discrimination, harassment and gender sensitization." This continuation of the SAI RAGS work speaks volumes to the outcomes related to awareness raising and establishment of buy-in for these gender issues.

"It was really encouraging to see how teams of men and women from different factories, working together, could compare existing problems and risks, and work out plans for progress... There is good appreciation of how this in turn leads to greater efficiency in factories." (Source: SAI)

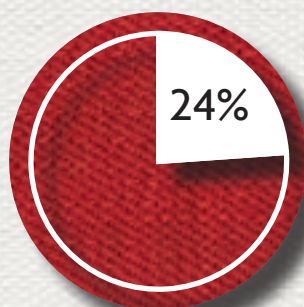
Impacts

While assessing project impact is not an easy task so soon after the end of a project of this nature, SAI feels the experience of one participating factory in particular is a testament to the types of impacts the project has achieved.

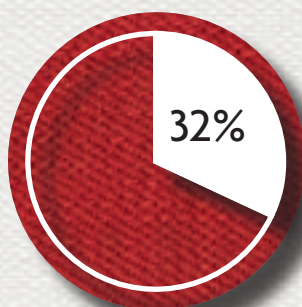
Prior to the RAGS project, the workforce at this factory was approximately 24% women. As a result of participating in RAGS, that percentage had risen to 32% and the company has set a target to surpass 50% and increase the number of women across all departments (see below).

The SAI RAGS trainings helped in creating an enabling environment for women by addressing concepts of gender and stereotypes in addition to issues such as sexual harassment and poor management systems for gender-related labour issues. Trained and sensitised workers will be better equipped to look at gender roles beyond stereotypes, leading to safer workplaces and societies.

**Female workforce
prior to the RAGS Project**



**Female workforce
as a result of participating
in the RAGS project**



**Female workforce
target set by company**



Drivers for Change: Lessons Learned

SAI Project – Sample Factory Impact		Baseline Score 1-5 (5 is highest)	Achieved Score 1-5
Policies and Procedures	Scope of factory's set of policies and procedures on gender equity and how are they defined and updated	2	3
	Senior management involvement in managing the gender equity policies and procedures and helping to equalize working conditions between male and female workers	2	4
	level of awareness of company's gender equity policies and procedures	2	4
Complaint Management System	Resolution of factory worker, whether an employee or contractor (homeworker, casual, seasonal or temporary), problems with the way she is being treated (for example, she is overlooked for training or promotion or being paid less than her male co-workers)	2	3
	Factory has individual responsible for handling complaints, and procedures for follow-up and reporting back	2	4
	Factory ensures that any person who files a complaint under the gender equity policies and procedures (so called "whistleblower" policy) in the workplace will be protected from retaliation	1	1
External Verification and Stakeholder Engagement	Identification of the external groups (such as women non-governmental organizations, trade unions and other external stakeholders) that are relevant to gender equity programme	1	2
	Factory's approach to communicating with external groups (such as women's non-governmental organizations, trade unions and other external stakeholders) regarding gender equity	2	2
	Factory involvement of external stakeholders in the company's gender equity programme	2	2

SAI Project – Sample Factory Impact		Baseline Score 1-5 (5 is highest)	Achieved Score 1-5
Internal Social Performance Team	Presence of a peer elected multi-departmental team with individuals specifically responsible for communicating and implementing gender equity policies and procedures throughout the factory workforce	3	4
	Training received by the people in charge of gender equity at factory (quality)	2	4
	Level of involvement of senior management, based on actions, in managing the gender equity policies and procedures and helping to equalize working conditions between male and female workers	2	4
Management of Suppliers and Contractors	Company assessment of the risks in supply chain related to gender equity	3	3
	Communication of requirements on gender equity to suppliers and contractors	2	3
	Monitoring of direct suppliers progress on improving gender equity	2	4
Risk Assessment and Monitoring	Factory monitors performance on gender equity appropriately	1	4
	company assessment of risk of issues relating to gender equity arising in the factory	2	2
	Method of tracking identified gender equity problems in the factory	2	2
Corrective Action System	Involvement in addressing problems on gender equity identified by workers, management staff or external auditors	3	5
	Methods to learn how to fix problems on gender equity	1	2
	Methods to resolve problems with gender equity	2	2

Drivers for Change: Lessons Learned

SAI Project – Sample Factory Impact		Baseline Score 1-5 (5 is highest)	Achieved Score 1-5
Training and Capacity Building	Quality of gender equity training programme in company	2	4
	For non-management workers, quality of training on gender equity	2	4
	Quality of training on gender equity for managers	2	4
	Quality of training provided to direct suppliers regarding gender equity programme	2	2
Worker Involvement and Communication	Methods for workers to learn about factory's policies on gender equity	2	3
	Availability of channels for workers to communicate their concerns and ideas on gender equity to management	3	3
	Company use of information gained from workers	3	4
	Company techniques to assure policies on gender equity are understood by workers	3	5

3.2.3 Key factors for success

- *Improving the conditions of informal workers:* The producers who supply the majority of fair trade buyers are primarily informal workers. Within the RMG sector these workers are predominantly located within subcontracted units. By encouraging manufacturers to assume responsibility for their own supply chains, as per the People Tree model, improvements were achieved not only in the primary place of production but also among associated sub contractors.
- *Supplier ownership:* SAI has also been successful in putting factories in the driving seat for improvements by a collaborative approach to project design, planning and implementation. SAI found that self-reflection is the most powerful way to facilitate change and relied on this method extensively which it described as “slow but rewarding”. Gender training surpassed targets by more than 100% due to suppliers taking ownership in this way.
- *Recognition of the need for more female managers in HR* by some of the participating factories in the SAI project marked a positive shift in attitude towards the issue of gender discrimination and the need to address it. A few factories started recruiting female HR executives in order to provide better linkages to women workers.
- *Re-emergence of gender as an important topic in factories:* When the SAI project began, none of the engaged factories were conducting training on gender sensitisation. After RAGS, factories started to include gender sensitisation as part of their induction and on-going training programmes. Factories are now in a better position to link to supplier programmes such as the one from GAP called PACE (Personal Advancement and Career Enhancement).
- *Utilization of worker surveys and technology:* The perspectives of workers compiled through worker surveys using mobile phones created an enhanced understanding of gender and sexual harassment issues which will help factory management to plan and design targeted improvements in working conditions. SAI reported that this was the first time a worker survey of this kind had been implemented in the RMG factories in India.
- *Innovative communication methods:* People Tree Foundation worked with artisans in Fair Trade organisations to implement a system for monitoring performance against the 10 Fair Trade principles as defined by the World Fair Trade Organisation⁶. This allowed for a process of self-reflection and continuous improvement. Information was translated into Bangla and posted on the workshop walls.

Ten Fair Trade Principles

Each principle was simplified and given a symbol with wording in the local language:



Principle One:

Creating Opportunities for Economically Disadvantaged Producers



Principle Two:

Transparency and Accountability



Principle Three:

Fair Trading Practices



Principle Four:

Payment of a Fair Price



Principle Five:

Ensuring no Child Labour and Forced Labour



Principle Six:

Commitment to Non Discrimination, Gender Equity and Women's Economic Empowerment and Freedom of Association



Principle Seven:

Ensuring Good Working Conditions



Principle Eight:

Providing Capacity Building



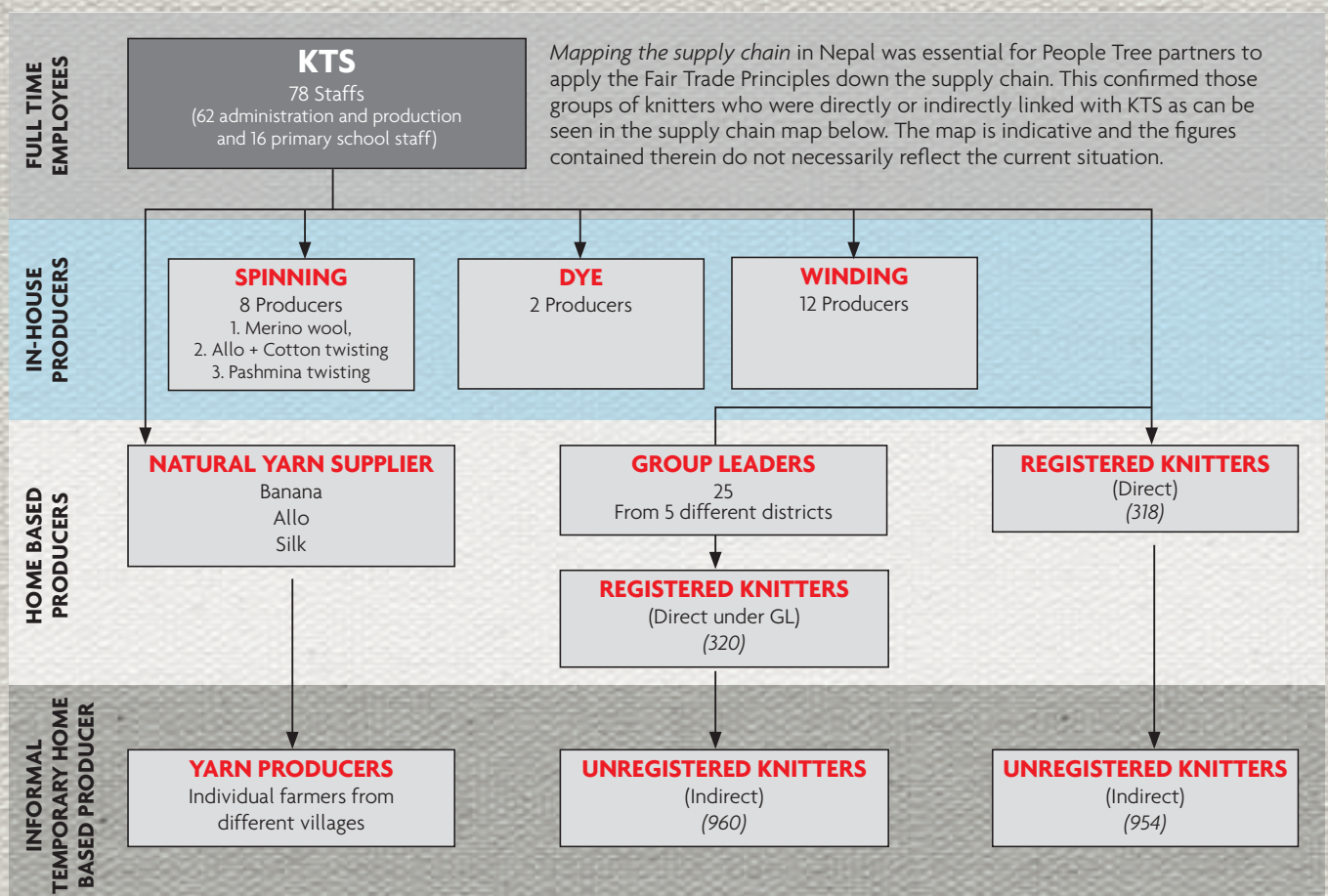
Principle Nine:

Promoting Fair Trade



Principle Ten:

Respect for the Environment



Drivers for Change: Lessons Learned

- *Finding appropriate technology for treating waste water:* Given their cost, conventional Effluent Treatment Plant (ETP) units are not appropriate to small-scale dye units. Low cost ETP units were built at People Tree partners' premises (Swallows, Kumudini and KTS) and a short guide on best practice in this regard was developed by People Tree.
- *Introduction of individual producer workbooks:* To track pay levels, workbooks were introduced for each People Tree producer in Bangladesh. To determine a fair wage, interviews and a time and motion study were carried out. The workbooks also made the relations between workshop owners and producers more transparent.
- *Capacity building for design innovation and quality:* To succeed in international markets, hand crafted items have to combine traditional skills with the needs of the market. People Tree provided extensive capacity-building training to their suppliers in Bangladesh to enhance their ability to make high-quality, hand-crafted garments. This has also made them more independent of People Tree as a buyer.

- *Joint Yarn Procurement:* People Tree brought its Bangladesh partners together to coordinate the joint purchasing of yarn to get the best price and to ensure better synchronisation of delivery dates with the purchasing cycle. The producers then met and pooled their requirements.

A measure of success is the reduction in the level of chargeback due to delays (including air freight). This significantly contributes to the profitability of the organisations and the potential for longer-term income for producers.

3.3 Promoting a Safe Environment whilst Improving Working Conditions through Efficiency Gains

Impactt Limited and Tesco both developed training programmes which focussed on improving efficiency and productivity to deliver improvements in working conditions.





Impactt has worked with a broad variety of retailers, retailer partners, factories and project partners since 2001 to demonstrate that there is a strong business case for garment factories to improve labour practices as an integral part of improving their business performance. While good business and decent employment can go hand-in-hand, challenges remain in:

- developing scalable, cost-effective methodologies
- ensuring that workers, and in particular the most vulnerable workers, participate in defining how they will share in the gains
- making sector-wide change to eliminate 'sweatshop' undercutting and make good businesses and decent employment the norm, rather than the exception

RAGS offered Impactt the opportunity to build on this learning and roll out new ways of working sector-wide in India and Bangladesh.

Impactt Limited

Benefits for Business and Workers Model (BBW) is a training programme developed and implemented by Impactt Ltd, in a coalition of retailers and brands, with support from Rajesh Bheda Consulting in India and Bangladesh.

It focuses on improving the management systems of ready-made garment manufacturers, demonstrating the business benefits of providing better jobs and providing the tools and know-how to create and sustain change. The programme focused on productivity and quality to deliver improvements in business operations and working conditions.

The project consisted of two phases:

- Phase One (November 2010 – February 2012) – building management skills and improving working conditions in 10 pilot factories.
- Phase Two (March 2012 – July 2013) – group training and implementation support for 63 factories.

For the recruitment of factories to participate in Phase One, retailers identified shared facilities and worked through their commercial and ethical teams to prompt participation.

The objective of Phase Two was to build on the learning from Phase One to develop a programme which provided the same benefits to participants but at a much reduced cost and on a much larger scale. Impactt trained factories batched in groups of six for a six-month period according to geographical location and product type with factories hosting modules to enhance the practical nature of learning. Each factory was asked to release six managers for the training and paid a fee equivalent to around £2,000 plus local taxes. The total cost of training and support per factory in Phase Two was around £4,000.

Over a two-year period, BBW reached a total of 102,110 workers, including 54,186 women and 3,403 contract workers. The project also exceeded its target for women workers, reaching 8,240 women, 183% of target. This was due to the large size of the factories reached in South India, which have bigger workforces and a higher participation of women in the workforce.

Drivers for Change: Lessons Learned

In Bangladesh, overall the results of the Impactt programme exceeded the targets in all but one area. For Phase Two factories, daily efficiency and daily productivity increased by 18.28% and 17.07% respectively. Average monthly take-home

pay increased by an average of 491 Taka or 7.63% (equivalent to an increase in annual pay of £3.4 million across the workers employed by Phase Two factories).

Great Business Indicators (Bangladesh)		Baseline	Target	Achieved	% point difference	% change
Factories record sustained productivity and quality improvements	daily efficiency	47.00%	8%	55.59%	8.59%	18.28%
	daily productivity	13.51	8%	15.82	2.31	17.07%
	cut-to-ship ratio	95.55%	0.75%	96.64%	1.09%	1.14%
Increased worker retention	% of workers taking unplanned leave (per month)	7.90%	-20%	5.24%	-2.66%	-33.65%
	% labour turnover (per month)	9.72%	-11%	4.65%	-5.07%	-52.15%
	% workers leaving within 3 months of starting work	36.28%	-11%	36.95%	0.68%	1.87%

Impactt Limited: Phase 2 Aggregated Great Business Indicators –Bangladesh

Great Jobs Indicators (Bangladesh)		Baseline	Target	Achieved	% point difference	% change
Workers have better remuneration packages	Average take-home pay	6430Tk	+100 Taka	6921	491	7.63%
	% of workers earning at least minimum wage	100%	unchanged	100%	No change	No change
	% of workers receiving full overtime pay due	100%	unchanged	100%	No change	No change
	Basic pay of lowest paid worker	3000Tk	unchanged	3000	No change	No change
	Hourly rate (Taka)	25.87	5%	28.96	+3.09	11.94%
Workers do not work excessive hours	Average working hours (basic + OT hours)	250.10	-20 hours	243.63	-6.47	-2.59%
	% workers working more than 60 hours per week	42.11%	-5%	23.80%	-18.31%	-43%

Impactt Limited: Phase 2 Aggregated Great Jobs Indicators –Bangladesh

In India, Phase Two results in the Impactt programme were also stronger than Phase One results in the areas of efficiency, which increased in Phase Two by 26.27% as against 19.99% in Phase One, and take-home pay, which increased by 5.09% as against 2.5% in Phase One. Unlike Phase One where results were uneven, Phase Two results are positive

across the board, meeting or exceeding targets in all areas. This more balanced performance is largely due to greater integration between all elements in the curriculum and the effect of group working, which prompted the sharing of good practice and introduced the element of peer pressure on those who were lagging behind.

Great Business Indicators (India)		Baseline	Target	Achieved	% point difference	% change
Factories record sustained productivity and quality improvements	daily efficiency	40.92%	8%	51.66%	10.75%	26.27%
	daily productivity	26.10	8%	28.630	2.53	9.69%
	cut-to-ship ratio	95.86%	0.75%	97.18%	1.32%	1.38%
Increased worker retention	% of workers taking unplanned leave (per month)	14.44%	-20%	10.58%	3.85%	-26.68%
	% labour turnover (per month)	11.62%	-11%	8.59%	3.04%	-26.11%
	% workers leaving within 3 months of starting work	60.99%	-11%	38.51%	22.48%	-36.85%

Impactt Limited: Phase 2 Aggregated Great Business Indicators –India

Great Jobs Indicators (India)		Baseline	Target	Achieved	% point difference	% change
Workers have better remuneration packages	Average take-home pay	5197.20	+200INR	5461.81	264.60	5.09%
	% of workers earning at least minimum wage	100%	unchanged	100%	no change	no change
	% of workers receiving full overtime pay due	100%	unchanged	100%	no change	no change
	Basic pay of lowest paid worker	135 (INR per day)	unchanged	135 (INR per day)	no change	no change
	Hourly rate (Taka)	23.36	5%	25.22	1.87	7.99%
Workers do not work excessive hours	Average working hours (basic + OT hours)	216.83	-20 hours	212.03	4.80	-2.2%
	% workers working more than 60 hours per week	n/a	-5%		n/a	n/a

Impactt Limited: Phase 2 Aggregated Great Jobs Indicators –India

Drivers for Change: Lessons Learned

In Bangladesh, Tesco Stores Ltd created a training institute under the name of 'Solutions for Management International' (branded as S4Mi) to train mid- to lower-level management from RMG factories. The approach combines classroom training with shop-floor tutoring with the aim of increasing efficiency and productivity as a means to improve working conditions and levels of pay as well as making the RMG sector in Bangladesh more competitive as a whole. The project developed a three-year curriculum in collaboration with other Brands and organisations such as Impactt who were developing their own training programme in Bangladesh and India with similar aims. The curriculum combines a focus on developing people management skills with the technical aspects of improving productivity and efficiency.

3.3.1 Challenges faced related to National and International Contexts in the RMG Sector

- *Securing factories' commitment* was one of the main challenges faced in the Impactt programme. The recruitment of factories to participate in the project was difficult with Brands experiencing different levels of success in getting supplier factories to join. Some Brands made participation compulsory and agreed to suspend regular ethical auditing for the duration of the project. Impactt was only able to recruit 63 factories from its original target of 100. Tesco also had difficulty in getting factories to release managers for two-to-three days of consecutive training.

Tesco's Bangladesh Apparel Skills Foundation – operating as "Solutions 4 Management International" (S4Mi)

The programme offered by the institute comprises package of training of 42 days over one year at a cost of US\$10,000. The programme was designed to have interventions on three levels:

1. Building management skills – Supervisors were trained to disseminate learning across the factory. Factories received support from production technologists to improve productivity and achieve efficiencies.
 2. Development of sustainable training resources to assist replication and expansion of effective approaches – Through collaboration with partners such as Impactt and other agencies a curriculum was developed with can be replicated in other industries and other countries. S4Mi has been made available to other Brands with the aim to bring industry-wide improvements.
 3. Adopting better people management skills – Some of the Human Resources techniques introduced through the programme included:
 - 'Buddy systems' for new workers pairing new employees with others to ensure a speedy transition into their role
 - Induction system – accompanying the buddy system, the induction system helps (new) workers understand their rights and what is expected of them regarding holiday, leave and attendance
 - Easy Leave Policy – making it quicker and easier for workers to receive permission for leave
 - Exit interviews – allowing for feedback to the HR department
 - Supervisor training – means workers issues can be dealt with more effectively
 - Clearly defined job descriptions, including clear roles and responsibilities
 - Helping workers to understand the breakdown of their pay and where the calculation comes from.
- A concrete example of how a change in management practices reduced long working hours in the Tesco programme was the introduction of trackers to monitor the flow of raw materials supply. Delays in the supply of raw materials had caused interruptions to continuous production leading to 12-hour working days. As a result of the introduction of trackers, these incidences were reduced to zero and working hours were returned to normal.

- *Securing the engagement of top-level management* was an additional challenge for Tesco which introduced specific measures to address this.
- *Persuading factories to see the benefits of paying for training:* This is particularly challenging in a context of a downturn in levels of orders such as occurred in India during the lifetime of the RAGS programme and in Bangladesh where there has been a rush of free training on health and safety in the wake of deadly fires and building collapses.
- *Getting factories to pass on gains from productivity improvements into wages* was a challenge in the Tesco programme.
- *The need for further subsidy to create a market for training:* Whilst RAGS provided a much-needed boost to the start-up of the projects, there is the need for further financial support before they can be pushed past the “tipping point” (Impactt). Tesco created a training institute with physical infrastructure with the intention of establishing a stand-alone, sustainable academy to deliver training services at an accessible cost. To overcome the challenges of registering the institute in Bangladesh, they established a partnership with a local consultancy firm to provide management services. This will require on-going financial support from Tesco until S4Mi achieves a sufficient level of business to be independently commercially viable. The need for continued subsidy beyond the RAGS programme is a common feature of both the Impactt and Tesco projects.
- *Sustaining the changes made:* It was not possible for IOs to say if the changes made at factory level will be sustained beyond the life-time of the project.
- *Competing initiatives in countries:* There are now multiple workplace improvement programmes being undertaken in the RMG sector in both India and Bangladesh. Factory disasters such as the collapse of the Rana Plaza building in Bangladesh have increased the pressures and brought in multiple interventions which compete for factories’ commitment and time.
- *Frequent political strikes, or hartels, in Bangladesh* were found to impact negatively on the flow of the training programmes in the Tesco project as well as the implementation of other RAGS projects implemented in this country. Given that these are likely to continue it was considered important to factor this into the design of similar programmes in the future.

- In general, there is a *high turnover rate of the workforce* at both worker and manager level in Bangladesh. This poses a challenge for retaining the skills transferred to factory managers. Additionally, finding a pool of suitably qualified trainers was a challenge in the implementation of the Tesco programme. This was overcome by extended advertising for trainers across a wide network.

3.3.2 Internal Challenges Related to Project Implementation

- *Communicating with workers* that a reduction in working hours does not necessarily lead to a reduction in pay given a production-based bonus scheme which would off-set the decrease in pay as a result of the reduction in working hours.

3.3.3 Key factors for success

- *Peer pressure can be a great motivator:* Impactt found that working in groups of factories is more effective than working with individual factories which they attributed to peer pressure and opportunities for shared learning as well as an element of competitiveness.
- *In-factory training offers opportunities for practical learning:* Both Impactt and Tesco found that holding training in factories gave opportunities for on-the-job learning.

“ I feel like there has been lots of change in this factory over the last six months. There is less absenteeism and I am not taking leave because I can earn the attendance bonus. I am saving it for my daughter’s future. I am also using it to buy new things for my house. It is helping me across all aspects of my life. ”

(Tailor, India)

Drivers for Change: Lessons Learned

- *Roll out:* Tesco placed an emphasis on ensuring that the learning from training is rolled out across the whole factory in order for the changes to be effective across the work force. In the case of the Impactt project, the figures quoted are for the whole factory rather than for a trial line only.
- *Integrated approach:* Key to success is the links between the ethical and commercial teams which vary across Brands (Impactt). When commercial teams are involved, factory engagement in training can be part of commercial negotiations.
- *Buy-in from senior management:* To secure the engagement of top-level management, Tesco invited senior managers to opening seminars and introduced a requirement for monthly internal review meetings between trainees and their senior managers to review Key Performance Indicators.
- *Factory engagement:* Not surprisingly, Impactt found that the more engaged a factory was, the better its performance against the project targets. Larger factories also performed better than smaller factories as they tended to have better management systems and greater numbers of managers which made it easier to release them for training.
- *Translate productivity into better wages:* In the Impactt project, factories paying piece rates outperformed those paying on a monthly basis. This is because improvements in productivity translate more rapidly into improved income on a piece rate system.

Impactt also found that there was no difference in performance against indicators between those factories that had been obliged to participate in the project due to their buyers making it compulsory and those who had done so on a voluntary basis.

Do productivity gains translate into improved pay and working conditions for workers?

Phase One of Impactt's project enabled the trialling of methods for increasing workers' overall pay whilst reducing working hours. This is crucial for ensuring that workers benefit from productivity gains, and equally crucial for ensuring the sustainability of productivity gains. In Phase Two of the project, take-home pay increased by 7.63% whilst hours were reduced. This translates into an extra £4 million paid to workers over 12 months. This was achieved through undertaking a cost/benefit analysis by factory. This quantified the savings made from increased productivity and fewer quality problems thus demonstrating the business case for increases in bonuses for attendance, productivity and quality. The introduction of better skills training and promotion routes also increased workers' access to promotion and higher pay. In the case of Tesco's experience, the balance between reducing working hours and increasing pay was achieved through encouraging companies to introduce a production bonus.

“ We have been able to increase our knitting workers' incomes by one third, whilst also cutting their working hours and making it easier for them to take time off. Workers can go home on time and spend evenings and weekends with their families. Our workers stay with us for longer and have better skills. This makes us more productive, and our products are higher quality than ever. ”

(Director of Operations, RMG factory, Bangladesh)

3.4 Delivering Improvements for Homeworkers

Three out of the 11 RAGS projects had a focus on homeworkers in India with a fourth having one element with a focus on homeworkers.

The Ethical Trading Initiative (ETI) is a three-way alliance of companies, trade unions and non-governmental organisations (NGOs) which work in partnership to improve the lives of workers across the globe who make or grow consumer goods.

ETI established its homeworker project in 2002. A UK Homeworker Group comprised of retailers and brands, trade unions and NGOs which are engaged with this group of workers in developing countries around the world produced a set of guidelines on how retailers, exporters, suppliers and other supply chain players can take action to apply, implement and monitor the ETI Base Code in the context of homeworkers.

Project activities under the RAGS project included supply chain mapping, training for factory managers, contractors and homeworkers, looking at approaches to setting piece rates, establishing record-keeping systems to ensure transparency and accountability along the supply chain, and linking homeworkers with government services.

The National Homeworker Group (NHG) in Delhi is a multi-stakeholder group established with support from ETI to help improve the working conditions of homeworkers in India. The main objective of the NHG is to steer the implementation of the Homeworker Guidelines in different sourcing locations, through the establishment of regional homeworkers' groups, awareness raising, and capacity building.

The main aims of ETI's RAGS-funded Homeworker Project were to (1) create and test a scalable and replicable model of organisation and training for homeworkers in the Indian garment industry and (2) create a sustainable partnership able to implement the organisation and training model in and beyond Delhi and Bareilly. A training and orientation programme was developed for subcontractors, contractors and factories to help improve transparency and access to homeworking sites.

One of the cornerstones of ETI's Homeworker Project was to help artisans get official recognition of their skills in the form of Government of India Artisan Cards, which also make them eligible for government services and social security.

SEWA Bharat has been working with home-based women workers located in the eastern part of Delhi (Rajiv Nagar,

Sundernagri and New Ashok Nagar) since 2006. The slums predominantly comprise Muslim families who have traditional embroidery skills handed down from generation to generation. They originally belonged to western parts of Uttar Pradesh, Bihar, West Bengal and Madhya Pradesh and migrated to Delhi in search of better living opportunities. They currently reside in resettlement colonies located in the eastern part of Delhi.

SEWA Bharat provided a platform to some 1,800 women embroidery workers of Delhi to earn their living by linking them with global markets and opening avenues for them to obtain regular earnings through a SEWA Bharat distribution centre model which was initiated in 2006. In 2010, SEWA Bharat formed a producer company owned and managed by women artisans named Ruaab SEWA Artisans' Producer Company Limited to achieve program sustainability. The RAGS project aim was to consolidate the sustainability of the distribution centres working with 2,500 women and the Artisans' Producer Company as well as to undertake feasibility studies for the establishment of three new centres. SEWA was also a partner in the ETI homeworkers project.

Monsoon Accessorize, in partnership with the local NGO Association for Stimulating Know How (ASK), set out to tackle the problem of low wages and declining orders for home-based weavers in four villages in Barabanki, Uttar Pradesh, India. Monsoon introduced a focus on alternative livelihoods as it was not possible to reverse the decline in orders for hand-woven products. In addition, Monsoon realised that although they were willing to improve the piece rate on their own products through the application of the ETI piece rate methodology to ensure a minimum wage, this would potentially drive other buyers away from the weavers which could further exacerbate their already serious situation. The lack of quality education for children also drove Monsoon to create an educational element to the project to ensure that children remained in school and did not get drawn into child labour.

Women Working Worldwide with Homeworkers Worldwide in partnership with local NGO SAVE (Social Awareness and Voluntary Education), undertook a mapping exercise to identify homeworkers in Tirupur, Tamil Nadu, India. They identified women working in their own homes or informal home-based workshops undertaking a number of different types of subcontracted work such as checking, stitching, waste separation, weaving and embellishment for both national and export markets. SAVE supported the homeworkers to form 105 self-help groups who opened bank accounts, started saving and were able to access loans.

Drivers for Change: Lessons Learned

3.4.1 Challenges faced related to National and International Contexts in the RMG Sector

- *The irregularity of orders* is a key challenge for homeworkers. As well as the negative impact on income, the fluctuation in orders poses a challenge to group cohesion. In the case of the Monsoon project, the primary economic issue facing weavers was the decline in orders from export and domestic markets. While Monsoon Accessorize worked to help reverse this trend with new product development, weavers still experienced an overall decline in business of 50% or more and many struggled to meet the basic needs of their families. In the case of SEWA, the irregularity of orders was identified as the biggest challenge. There are four months of the year where there are hardly any orders at all which places a great strain on a membership-based organization like SEWA and often forces their members to take work from other contractors under very poor conditions. Lack of orders was also identified as the key issue for homeworkers in Tirupur by the WWW/HWW project.
- *Aversion to homeworkers:* In the ETI project, the decline in orders from Bareilly which had been a geographical focus of ETI's work on homeworkers prior to the project, led to the migration of male workers to Delhi. As well as the change in fashion trends away from the type of work done in Bareilly, many Brands preferred to source from small in-house production units which sprang up around New Delhi due to their nervousness about managing perceived ethical and commercial risks associated with sourcing from homeworkers. This left many female homeworkers without work and greatly impacted the gender composition of those workers undertaking hand work.
- *Low piece rates* are a serious challenge for homeworkers and those engaged in organizing homeworkers like SEWA. Although there are some Brands like Monsoon and others who have made an effort to introduce methodologies to improve piece rates, SEWA's experience is that most Brands are not prepared to engage in negotiations on the piece rate. The practice of not issuing purchase orders to the contractors with an agreed piece rate makes the process of negotiation even more difficult.



Case Study

Forced Migration and Increase in Vulnerability of Women Workers

Of late, a large number of subcontracted units have mushroomed up in places within and around Delhi. All these units have come up because there has been a pressure on factories for better monitoring of the homeworking supply chains. The factories ask their contractors to get the work done within Delhi where they can easily monitor processes and workplace conditions. However, the workers with the required skill set to do this task are found in Bareilly and Sikandrabad.

Because of this, the contractors, rather than sending work to these locations, started getting the workers to the units that were set up within Delhi. The work at these traditional locations started drying up which pushed more workers to move to Delhi to work in these units. The vast majority of workers who migrated from Bareilly and Sikandrabad were male while almost all of the women workers did not migrate. At the same time the volume of work that was going to these locations started going down, which affected the income earned by women in these locations. This has led to an increase in vulnerability of women with regard to their status within the families as well as in the society.

Though the decision to better monitor the supply chain was to help the homeworkers, hasty implementation has led to unimagined negative consequences.

Source: ETI.

-
- *Long credit periods* for payments to homeworkers compounds the problem of low piece rates. A standard credit period of 45 days from contractors can often be extended to 90 days. In a situation like SEWA's where they pay homeworkers from a revolving fund on delivery of goods, this presents serious cash-flow problems which can further undermine the efforts to improve the conditions of homeworkers. The ETI project found that payments to homeworkers can be delayed by up to nine months.
 - *Lack of awareness* among homeworkers on their rights, health and safety aspects, quality requirements, work place cleanliness etc, increases their vulnerability and often results in debts and penalties, putting additional pressures on the family to work excessive hours.
 - *Health problems* were reported in the mapping undertaken by SAVE in collaboration with WWW/HWW. Allergy to dust from the cloth; general aches and pains; headaches and pains in their back, neck and legs as well as eye strain were frequent problems.
 - It was also reported that there is something of a "closed shop" among the contractors and exporters in the RMG sector in India which makes it difficult to penetrate and gain business for relative newcomers on the block like SEWA. Therefore, even when Brands express a desire to purchase through the SEWA distribution centres, they are apportioned a very small slice of the order.
 - *The complexity of supply chains* with multiple tiers of subcontractors and extensive use of home working is often a key challenge to ensure visibility and traceability of supply.
 - There is a need to ensure *buy-in from subcontractors*. Subcontractors can feel threatened by activities to engage directly with homeworkers and so need to feel invested in the process.
 - *Quality control and timely delivery* is a challenge for homeworkers especially when clear specifications are not provided by the contractor or the buyers make changes to product specifications once production is underway. Short lead times also put extreme pressure on homeworkers to deliver within unrealistic time frames.
 - *The lack of quality educational provision* in Barabanki led the Monsoon project to introduce its own education programme for children who had dropped out of school. Without this, the risk of child labour would have persisted.
 - *The limited value and accessibility of government welfare schemes* was identified as a challenge by Monsoon. While there are government welfare schemes relevant to weavers, these are often inaccessible due to high levels of bureaucracy and corruption and have limited perceived value by weavers themselves.
 - *The education and livelihoods support* elements in these projects require grant funding in the medium term. Monsoon's introduction of a revolving fund for secondary livelihoods will help achieve sustainability within 3 years. ETI took the step of registering the National Homeworkers Group as an independent Foundation in order to move towards sustainability.
 - *Ethical codes of conduct* alone will not deliver improvements for homeworkers if the underlying economic system is weak. The introduction of education and livelihoods approaches goes beyond the normal remit of businesses applying ethical codes of conduct and requires additional support. Where there are support mechanisms such as company Foundations as is case with the Monsoon Accessorize Limited or with grant or core funding as with ETI these can be borne in the short to medium term.
 - *Addressing child labour* requires quality educational provision as well as activities to address economic barriers to education.
- ### 3.4.2 Internal Challenges Related to Project Implementation
- Monsoon initially faced a *lack of trust* with the local community. Building trust with the weaving community was essential to facilitate their engagement with the project activities, particularly the creation of 'Common Interest Groups'. This required intensive community consultation and rapport building, led by the local NGO ASK. SAVE field workers in the WWW/HWW also had to persist in their efforts to win the trust of homeworkers in Tirupur in order to establish Self Help Groups.

Drivers for Change: Lessons Learned



Case Study



WWW/HWW with SAVE in India

SAVE field workers in the WWW/HWW project in Tirupur organised homeworkers into Self Help Groups. Initial training was given in financial management of savings and loans, starting a bank account, running the group and holding regular meetings. In the second year of the project, SAVE supported the homeworkers in registering as unorganised workers with the Tamil Nadu Manual Workers' Welfare Board. In this case, trade unions could facilitate the registration process and the majority of the women joined a trade union specifically in order to access the benefits of the Welfare Board.

A 12 step training programme (including training of trainers and the production of a training pack) on women's and workers' rights provided interactive and effective learning which enabled women to make significant changes in their working and personal lives. This led to a range of benefits including: increased financial security, increased rates for work, access to social security schemes, membership of the Manual Workers Welfare Board, increased status at home and in the eyes of the community, freedom of movement and the ability to conduct social dialogue to improve facilities in the community such as bus services, street lighting, drainage and water supplies.

The groups are established on a sustainable basis and are self-sufficient, eventually supported through bank loans and on-going bank support. They are also self-replicating; with several groups reporting that they have encouraged other women homeworkers to establish their own groups. The project team, through various camps that were organised, made them aware of government programmes and helped them enrol under these schemes. The village level volunteers were trained to carry out these programmes beyond the project period.

In the course of the first year of the WWW/HWW project, SAVE developed and published a set of training materials for use with the homeworker groups. These were used in small groups, sometimes at the SAVE office and at other times in the localities where the women lived. The course consisted of 12 modules, covering basic workers' rights; women's rights and role in the family, community and society; brand name and label recognition. Each module had a printed sheet distributed to participants and posed a series of questions with original paintings illustrating the points to be discussed. The team of five field workers was initially trained so that they in turn could carry out training with group leaders, who would then train their members. In the second year of the project, the majority of the groups received refresher training. In the course of the two year project, SAVE organised 105 homeworkers groups on the SHG model involving 1,279 women. The clearest measurable impact was an increase in economic security for the women through their participation in loans and savings schemes and access to social security schemes. (WWW External Evaluation, May 2013)

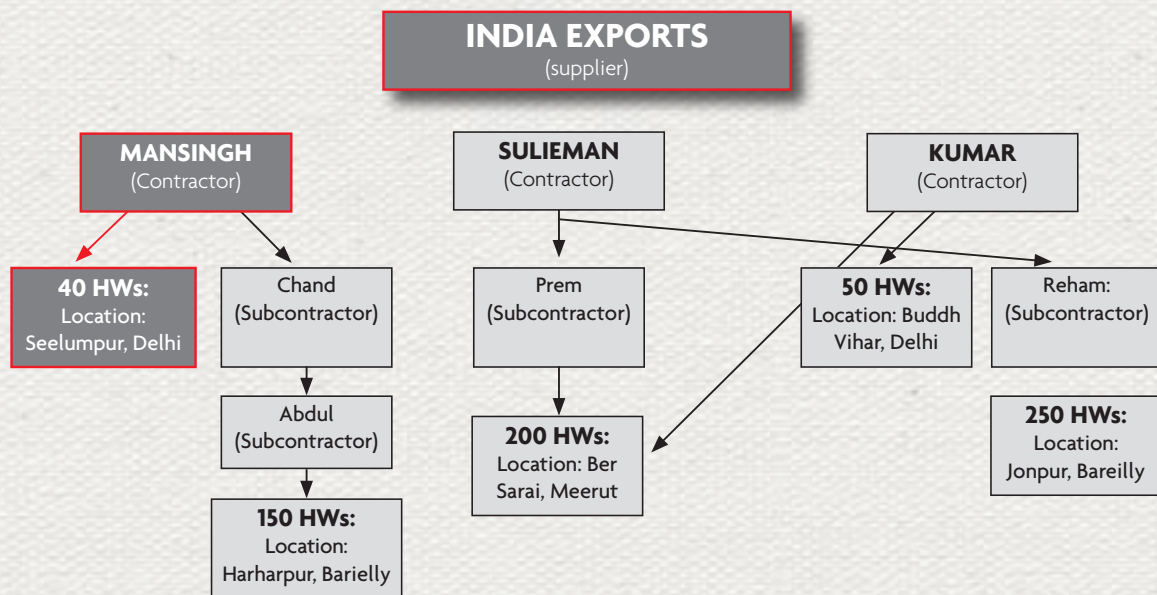
3.4.3 Key factors for success

- *Organising homeworkers* in various ways was instrumental to the success of these projects. Monsoon supported the formation of 132 Common Interest Groups among weavers for improved access to credit and secondary livelihoods support leading to an increase in income of 91%. SEWA organised homeworkers around its distribution centres to provide guidance on product design, distribute raw materials, and ensure quality control and timely delivery of orders. ETI's NHG applied a cluster approach around geographical areas where homeworkers are concentrated rather than limiting to organising those attached to a particular contractor. This also facilitated the resolution of business issues faced by homeworkers in relation to particular subcontractors by enabling a direct dialogue between homeworkers and contractors further up the chain.
- *The training and orientation programmes for factories, contractors and subcontractors* in the ETI programme helped them become sensitized about the conditions faced by homeworkers. At the same time the homeworkers were made aware of their rights and other business issues that impact their earnings. SEWA and ETI collaborated on delivering training on Health and Safety while SEWA established an information desk to facilitate linkages to government schemes and children's education programmes which are mostly accessed by home-based workers in SEWA's community.
- *Engagement and close coordination with subcontractors:* To face the challenge of complexity in the supply chain, Monsoon required subcontractors and weavers to identify homeworkers involved in each order and to trace and record payments. In the ETI project, the pre-existing National Homeworkers' Group which is made up of local representatives of brands, subcontractors, exporters, NGOs and trade unions, meant that greater visibility of the supply chain was possible.
- *Building relationships and shortening the chain* is the main way in which SEWA has developed commitment to buy from some global Brands as well as providing them with the opportunity to see the reality of homeworkers first hand. This has resulted in Brands exerting pressure on their contractors and export houses to issue purchase orders for greater transparency and guaranteed piece rates. ETI developed a model purchase order to ensure that contractors are more transparent about the piece rate paid to homeworkers and the terms and conditions of the order.
- *Commitment to the payment of a fair piece rate* by all stakeholders is essential to achieve a minimum wage for homeworkers. Monsoon highlighted the need for open costings and clarity of where additional costs get absorbed as key. Monsoon and ETI took a partnership approach, ensured the involvement of suitably qualified and competent NGOs on the ground and involved subcontractors through building the business case. ETI developed a methodology for the correct calculation of piece rates to achieve the minimum wage. Monsoon undertook time and motion studies to calculate the correct piece rate with the collaboration of subcontractors. The application of the ETI piece rate tool has been applied to all Monsoon orders with the Barabanki weavers since 2012 leading to increased earnings. SEWA, Monsoon and ETI introduced a pass book system for individual homeworkers to record all orders and payments for greater transparency. Monsoon supported weavers to supplement income from weaving through setting up secondary livelihoods such as small grocery stores and barbers shops. This required the provision of technical support and micro-credit.



Drivers for Change: Lessons Learned

Contracting Layers in the Indian RMG Supply Chain



- *Mapping the supply chain* to improve the visibility of homeworkers is a challenge but also a factor for success as it improves traceability and transparency. There is some debate about the value-added and function of multiple layers in the supply chain. Some say that the multiple layers of contractors extract value and reduce the returns to those further down the chain like homeworkers while others say that the subcontractors play a valuable role in outreach to homeworkers. Whereas a structure such as SEWA's distribution centres provides a means to shorten the chain, where this form of intermediation does not exist, in other cases eliminating multiple layers of subcontractors may also remove the links that reach into vast and dispersed geographical areas. The Brands involved in the NHG undertook an extensive supply chain mapping exercise using the tool provided in the ETI Homeworker Guidelines. The diagram above provides an example of a typical supply chain involving homeworkers.

In the course of action-research with the groups in the WWW/HWW project, SAVE documented the labels and brand names of the garments on which the women were working and tried to identify the supply chains

involved. In spite of difficulties in tracing the supply chain back to the retailer, one major retailer member of ETI was identified and negotiations on pay rates and regular work were entered into as a result.

"I am highly thankful of my lord that he has given me opportunities to help my weavers (Labourers), as I also belong to weaver's family, so I feel their grievances, hit and shocks. In Zaidpur, Before Monsoon intervention, my people (weavers) were facing lot of problems like poverty and heavy debt due to lack of adequate wage and heavy interest rate of money lender. Now due to intervention of ASK... my people (Weavers) are getting extra-payment for their work. Most of them are sending their children (to) the school and accessing health facilities and also having food for three times in a day and these all became possible due to WEP and ASK initiatives."
(Subcontractor, Barabanki, India)

- *Regularity of orders* is seen as paramount in tackling homemaker vulnerability. SEWA has diversified its product range and is working with smaller international buyers to secure more regular orders.
- *Ensuring quality and timely deliveries* are key to gaining confidence with international buyers. SEWA has provided training to its homemaker members and also arranged exposure visits to export houses so that they understand the requirements. They have also developed a core team of homemakers who work a certain number of hours at a production unit which helps with quality assurance and on-time delivery.
- *Skill upgrading and understanding the market* is important for homemakers to adapt to changing trends and the need for innovation. SEWA provides homemakers with regular training to expose them to fashion trends while Monsoon has worked with weavers for new product development to ensure continued orders.
- *Gaining recognition of homemakers' rights* through increasing their visibility and formal registration as artisans in India increases their access to government welfare schemes where they can realise their rights and benefits.

In Tirupur in the HWW/WWW project, the groups organised by SAVE facilitated access to government benefits, for example schemes for girls, educational loans, and widows' and old age pension, etc. Women received information about the numerous schemes operated by the Tamil Nadu state government but they also received support to access these benefits which require a considerable amount of paperwork. Since many of the women were migrants from rural areas, they had to apply in their home village for their papers. They also found that approaching officials as a group, rather than as an individual woman, facilitated the process.

- *An experienced local partner* with the right skills and approach is essential to assist global Brands build rapport and interact with multiple stakeholders (e.g. from homemaker to international buyer).
- *Access to savings and credit schemes* in the SEWA, Monsoon and WWW/HWW projects in India demonstrates how increased incomes can lead to more secure livelihoods.

“SEWA has enabled me to earn around Rs 10,000 during peak season which was not possible for me three years back when I used to take work from middlemen. I could hardly manage Rs 2,000 even during peak season.”

(Homeworker, Sunder Nagri Centre, India)



“Now I have an artisan card I can go to the better hospitals for treatment... and what's more, the cards have given us recognition. I have learned that I am a worker and that I have rights as a worker – I have an identity.”

Homeworker, India (source: ETI)

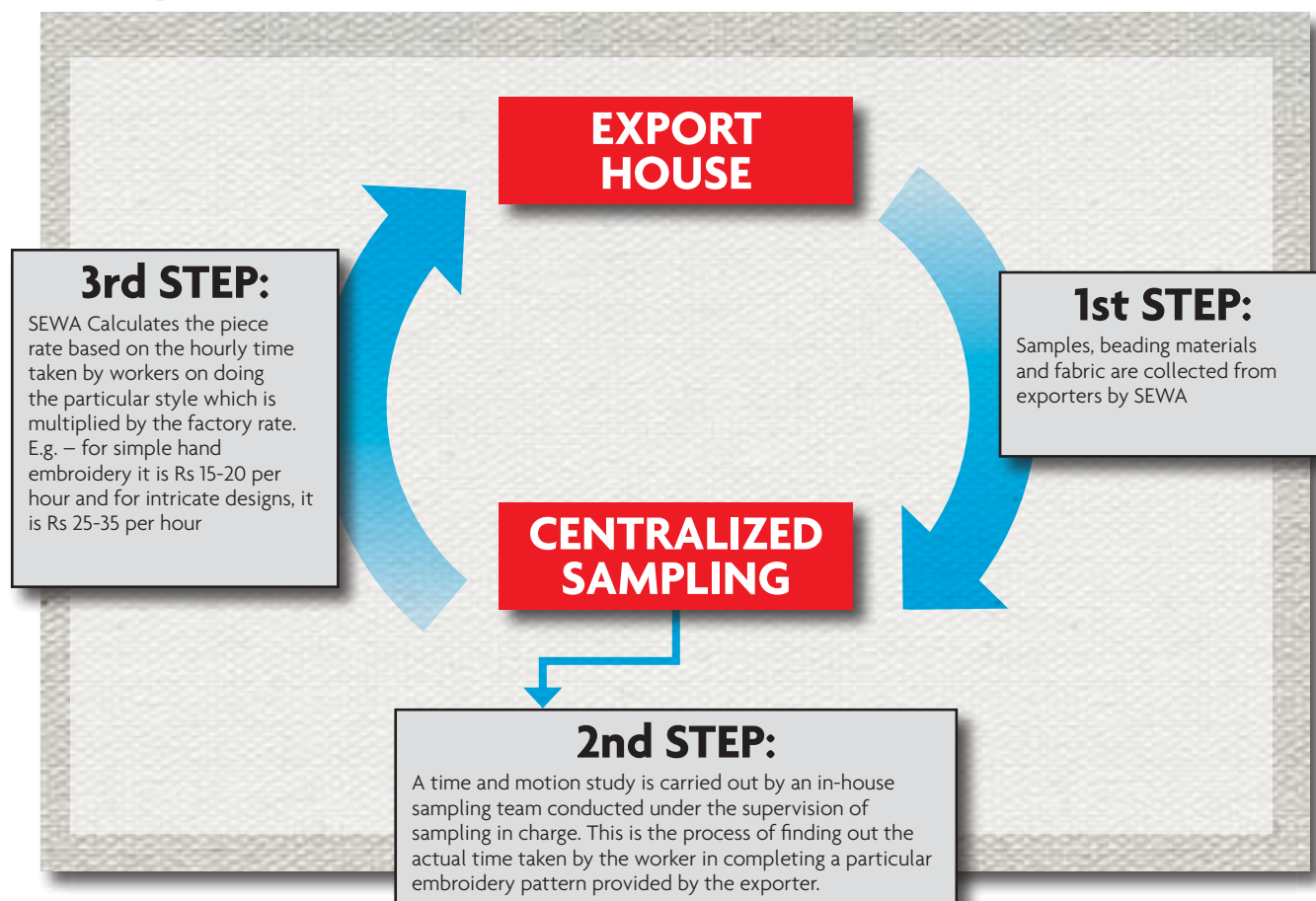
Drivers for Change: Lessons Learned



“Being in SEWA since the last three years, I don’t like to take work from the contractors any more. I get work and money on time from the SEWA centre, which is our own centre. It has also given courage to many Muslim women like me to come out of their homes. I am happier now”

SEWA shareholder, India

How SEWA applied the ETI methodology for calculating a fair piece rate:



3.5 Reducing Child Labour

“Not Made by Children” is a project implemented by the Global March Against Child Labour in partnership with Developmental Initiatives for Social Causes (DISC), hosting the Garment Workers’ Union affiliated to INTUC, and Bachpan Bachao Andolan (BBA). The project aimed to contribute to the development of a responsible and accountable garment supply chain in three garment clusters in India (National Capital Region, Bangalore and Tirupur), by eliminating the worst forms of child labour and trafficking for forced labour. It envisaged strengthening the efforts against child labour and trafficking for forced labour through the improvement of inspection and monitoring processes in the garment supply chain, coordinating with law enforcement agencies for rescue/withdrawal and rehabilitation of child labourers in the garment supply chain, promoting decent work for adults, sensitising garment workers and subcontractors for streamlining industrial relations (as well as communities in source areas of child trafficking), and raising awareness of garment consumers in the UK and India in promoting ethical consumerism.

Sumangali/camp labour is an issue that has come to light to UK retailers sourcing from Tamil Nadu since SOMO/ICN published their report “Captured by Cotton” in May 2011 and a follow-on report in April 2012, “Maid in India”.⁷ Anti-Slavery International also published a report on five companies in 2012. The Tirupur People’s Forum also issued a report as early as 2007. Sumangali/camp or hostel labour cover schemes promoted to ease the garment industry labour shortage aimed at young women in particular, aged from 14 and up to around their early 20s. The schemes vary but generally contract women to work for a three year period, with accommodation and food provided (though often charged for), a basic rate of pay and a lump sum payment at the completion of three years. Other hostel schemes offer accommodation for the women (camp labour), but women have no freedom of movement. In many cases a range of rights are violated, the worst constituting bonded labour or slavery. Other issues include long working hours, with workers awoken at night to undertake forced overtime, non-payment of wages, poor living conditions and food quality, and abuse, along with paperwork being confiscated and workers not being allowed to leave the premises.

Mapping work carried out under the WWW project by local partner NGO READ across three blocks in the Pudukkottai area revealed large numbers of young women working on such schemes and uncovered continued abuses by companies and their agents. This provided a body of research evidence on which to base an awareness campaign and on which to organise and train the young women. (WWW External Evaluation Report, 2013)

Sumungali/camp labour – the source of the problem

“Why do they go? Because in Pudukkottai there is a drought so there are few opportunities for work here. Agriculture is not flourishing and land is being sold for property development. Ten years ago, there was gem-cutting but this is now in decline. Apart from this there are the quarries and the brickworks. People think that working in garments is better than this.

“Problems at work include: hostels – physical conditions are not good; food, bathrooms and toilets – not good; food is insufficient and not on time; compulsory overtime with long hours of work – average at least 84 hours a week; no sick leave; no rest time; verbal abuse particularly in first six months; interrupted when they sleep; no social security; restricted freedom of movement – they can’t go out. Nowhere to complain. Not allowed to go to toilets. Sometimes they have to work beyond the three years to make up time. When a girl dies, there is no compensation. The supervisors have favourites and demand sexual favours from them.” (READ Senior Field Worker, India)

Drivers for Change: Lessons Learned

3.5.1 Challenges faced related to National and International Contexts in the RMG Sector

Global March identified the following challenges as hindering project implementation:

- *Insufficient knowledge and capacity of the enforcement agencies:* While there are legal measures for prohibition, prevention, protection, prosecution and rehabilitation of child labourers, including provisions of Free and Compulsory Education for All Children, the presence of a large number of child labourers in the ready-made garment supply chains is largely due to insufficient capacity of the enforcement mechanism. Global March reported that a culture of denial meant that some government officials were often unwilling to declare rescued children as bonded labourers which would have triggered the issuance of a release certificate and entitled the children to statutory compensation as well as access to other social welfare benefits such as housing.
- *Lack of recognition of workers' unions and decent work agenda* by the factory management means that very few workers are affiliated to trade unions as many workers fear that they will lose their jobs if they join the union.
- *Poor engagement by the garment industry, including lack of ownership and action:* While Global March was successfully able to facilitate a multi-stakeholder garment steering group on child labour with Brands/retailers, manufacturers, the manufacturers' association, trade unions and child rights' organisations over the project period, the challenge was to transform this group from a loose dialogue platform to coordinate and deliver pilot actions towards eliminating child labour in garment supply chains in India. Industry representatives were reported to be unwilling to provide financial support for pilot activities and lacking in transparency in revealing the location of subcontractor units where child labour is most prevalent.

- *Traditional social roles for women:* The combination of poverty combined with irregular orders for women homeworkers as well as their need to juggle their child-care roles with work means that children are often drawn into home-based work. Women are also often confined to their houses and not allowed to go outside to attend training sessions.
- *Lack of engagement at the factory level* in trying to tackle sumangali/camp labour schemes means that there was very little potential to exert pressure for change on the abusive practices of employers through the WWW/HWW READ activities in Tirupur. The activities focussed on awareness-raising with young women at the village-level with the net result that many did not return to the factories (although some did as they were driven to work because of their financial situation).

3.5.2 Internal Challenges Related to Project Implementation

- *The need for additional resources:* To break the stalemate as a result of the reticence of industry representatives to contribute to the funding of a pilot scheme to create a child-free hub, RAGS provided Global March with additional funding to demonstrate that this is possible.



3.5.3 Key factors for success

- *A multi-pronged approach:* In spite of the challenges faced with engaging with official authorities, Global March and its partners consistently pursued a strategy of law enforcement and engaging statutory authorities to provide remediation to child labourers as a long term solution. By successfully applying the legal provisions of the Indian Penal Code, a combination of legal action, direct intervention, campaigning and lobbying, and organising workers to realise their rights and improve working conditions to retain adult workers, all contributed to the successful removal of 2,578 child labourers.
- *The importance of state involvement and the application of the rule of law:* The long-term impact of converging law enforcement mechanisms to provide reparation and remediation for child labour is exponential. Any action that has a legal base becomes replicable and is sustained by the State. Once the child labourer is rescued through a legal process, the entire child protection machinery is activated towards providing rehabilitation, education and other social benefits to the child and his/her family. This ensures that the child's chances of being re-trafficked or falling into other vulnerable employment are reduced. In Punjab, in the face of seemingly insurmountable

challenges by the local administration, Global March's partner BBA approached the Court for the adoption and implementation of a State Plan of Action for elimination of child labour and the National Human Rights Commission for proper implementation of the law. This led to court orders which directed the local government authorities to respond effectively to complaints of child labour and file regular reports with the Court.

BBA filed complaints in Jaipur with the State Commission for Protection of Child Rights. As a result, 400 children were rescued by the State Commission for Protection of Children. These children were in the process of being trafficked for work in the garment sweatshops in Jaipur.

- *Cooperation between different entities:* In the face of continued problems with the local administration and law enforcement actors in Tirupur, BBA tried different strategies. One of its strategies was to approach the anti-trafficking wing of the police at Tirupur with whom 16 trafficked child labourers working in garment sector were rescued. However, this was not possible with other child labourers who were not trafficked. To ensure that child labourers could be provided support, BBA adopted the strategy of withdrawing children from work and enrolling them in schools. In this process, the school authorities and the community members, especially parents, played a vital role.



Drivers for Change: Lessons Learned

- *The effectiveness of awareness raising and capacity building:* Through the labour inspectorate awareness-raising and capacity building workshops, and direct liaison with the labour departments, District Task Forces on child labour, police, and other government departments during the project, Global March and its partners were able to support and strengthen the labour inspectorate mechanism in enhancing the rescue and rehabilitation efforts of child labourers beyond the garment sector.

“I did not have much knowledge about how various laws can be applied to ensure that justice is meted out in a child labour situation. During the training that was organized by Global March Against Child Labour, I learned about how various law enforcement actors can collaborate to ensure rescue and rehabilitation of child labourers. The resource materials that were provided to us by the organisers were very useful and, in particular, I found the pocket book on various laws that are required for holistic rehabilitation of a rescued child labourer extremely beneficial. It is a concise book that I easily carry to work and refer whenever I have any doubts.” (Senior Labour Inspector, India)

- *Whole family engagement:* To ensure that women could leave their homes to attend training sessions arranged under the Global March project, social workers persuaded husbands and families of the benefits this would bring to the household. The women themselves organised child care at the training sessions. By working with the workers and their families within their communities to understand individual concerns as well as community issues, this helped to cement the relations between the workers, worker mobilisers and the trade union. This has been especially successful in sensitising not only the workers themselves, but also their families and children on decent working conditions, on issues of education, child labour, and social security and government entitlements. Considering that the majority of the workers enrolled in the trade union during the project are migrant workers from either neighbouring districts of Karnataka or neighbouring states, it is important that their concerns and vulnerabilities as migrant workers were mapped and understood by the union to optimise their participation and advocate for their rights including those of their families and children.
- *Community outreach:* To overcome the challenge of management attitudes to trade unions Global March's trade union partner was able to enrol 2,000 new members during the project life time in line with its target. Worker organisers visited workers in their residential locations during holidays. The union created Area Committees which were effective in recruiting new members.

WWW/HWW partner READ's dedicated field workers were tenacious in their efforts to reach young women in their villages of origin to research the working conditions in the factories who are operating sumangali/camp labour schemes of contracting young women workers. Some 4,000 workers were surveyed.

READ organised sangams at village level and around 686 young women joined up. Training in health and hygiene, the law and leadership was provided to women and volunteers supporting the sangams. Individual support was provided to women in claiming monies owed to them from the companies they had left. Many women and their families were linked to social security benefits, and some found alternative training schemes or jobs. An accompanying public awareness campaign was carried out, to raise awareness in schools, Panchayats (village councils) and



Case Study

Gram Sabha (meetings of voters at Panchayat levels which take place twice a year) of the situation in the factories (don't send girls to work there) and the need for girls to complete their education. (WWW External Evaluation Report, May 2013).

- *Tangible benefits from Union membership:* Due to the interventions of the Garment Workers Union in the Global March project it has been observed, as well as validated through workers' surveys, that minimum wages were being paid on time. Working hours were controlled and within the permissible limits. Interventions have resulted in the improvement of occupational safety and health conditions prevalent in the garment factories. Garment workers have become moderately aware of their rights and privileges, child labour issues, the importance of education and the social security schemes provided by the government.
- *The importance of an integrated approach:* Global March Against Child Labour, WWW with READ and Monsoon's educational element applied a combination of strategies that contributed to reducing child labour in project areas.



Monsoon's support for non-formal educational centres:

Although combating child labour was not the primary focus of the Monsoon project, it was realised early on that the lack of quality education facilities was a contributory factor to high school drop-out rates which posed a risk for children getting drawn into child labour. In addition, adolescents who had dropped out of school had few alternatives to access vocational training. As a result, Monsoon included the creation of six non-formal educational centres and a vocational training component into the project in Barabanki. As a result the following positive results were achieved:

- 300 non-school going children from vulnerable weavers families (aged 5-12 years) to attend 6 Non Formal Education Centres with at least 75% pass rate, a maximum 5% drop out rate and at least 75% attendance
- 150 out-of-school adolescents from weaver families (aged 13-17 years) to attend the Bridge Education and Skill Development Program
- 100 children to be mainstreamed into formal schools in the year 2013
- 300 children have been enrolled and attended 6 Non Formal Education Centres [with 97% pass rate and 74% attendance rate]
- 190 youth from the weaver families completed skill development programs such as computer software courses, driving, mobile repairing, beautician etc
- 243 adolescents from weaver families have accessed education and training opportunities

Conclusions and Recommendations

As can be seen from the summary of the lessons learned in the body of this report, there were substantive gains made in the areas that the RAGS Challenge Fund set out to address through the eleven projects that were carried out in India, Bangladesh, Lesotho and Nepal.

The table below gives some of the highlights achieved through the collective efforts of the RAGS programme:

Programme Highlights		
Total no of workers benefiting from freedom of association, collective bargaining, and industrial relations in targeted factories/workplaces.	313,213	139% of target
Total no of workers receiving higher income from efficiency gains	97,777	130% of target
Total no of child labourers rescued or withdrawn from targeted factories/workplaces.	1,774	197% of target
No of factory managers and supervisors trained on gender awareness and homeworker management	893	179% of target
No of new Peer Education Groups formed in Bangladesh	20,583	114% of target

The projects have generated an important body of learning and a bank of resource materials which will be available for download from <https://www.gov.uk/responsible-and-accountable-garment-sector-challenge-fund> and <http://localresourcesnetwork.net>.

However, as can be seen from the challenges identified in relation to the national and international contexts in the RMG sector, these contextual issues continue to be a barrier to driving sustainable change in the garments industry.

There are reasons to be optimistic that change may come at a systemic as well as an individual work-place level. The collapse of Rana Plaza leading to the deaths of 1,133 workers in Bangladesh shocked the world and led to the historic Accord on Fire and Building Safety led by a coalition of trade unions and NGOs. 87 global Brands signed up to the Accord as of July 2013. Unlike previous voluntary initiatives, the Accord is a legally binding contract between trade unions, companies and NGOs.

Another incident in India, the brutal rape and subsequent death of a young medical student, resulted in much soul searching regarding the increase in sexual assaults. The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act 2013 was finally passed in India thereby explicitly acknowledging that sexual harassment in the work place is a serious issue. Now every employer has to establish an Internal Complaints Committee by law.

The UK Action Plan on Business and Human Rights was launched by the Foreign and Commonwealth Office on 4th September, 2013. The plan sets out what actions the government has taken on business and human rights and what it aims to do in the future. It also makes clear the expectations of companies to carry out due diligence to identify, prevent and mitigate human rights risks and committing to monitoring and evaluating the implementation. As Professor John Ruggie noted in his speech at the launch of the Action Plan, it is not about doing good, but rather about doing good business.

As part of the process of pulling together the lessons learned from RAGS implementing organisations, all were asked to reflect on policy messages and recommendations which could inform future interventions in the RMG sector. The following section is a compilation of the reflections from the RAGS implementing organisations and their project partners.

“Responsible action by the private sector on human rights is good for business and communities; it helps create jobs, customers and a sense of fairness; it contributes to a market’s sustainability and therefore its potential to generate long-term growth.”

(Good Business: Implementing the UN Guiding Principles on Business and Human Rights).

Key Recommendations and policy messages from RAGS:

To Retailers, Suppliers and Exporters:

- Buyers need to look at getting suppliers to go beyond auditing once suppliers are approved to have them engage in training and capacity building programmes.
- Buyers need to work with their contractors and suppliers to ensure the application of the ETI piece rate methodology to complex supply chains and the use of work books as adopted in Fair Trade supply chains to ensure the payment of a minimum wage to homeworkers.
- Recognition of homeworkers and that home-based work provides an essential source of income; working with Fair Trade Organisations has made a significant impact in this area.
- There is need for open costings for transparency and to ensure that increases in pay are properly allocated. Suppliers and exporters should be transparent at all levels, including on the issuance of Purchase Orders by suppliers to contractors, the introduction of passbooks by contractors to homeworkers, and on payment of at least the minimum wage on time.
- The sustainability and regularity of orders is as important as payment of fair piece rate in terms of addressing economic insecurity.
- Industry needs to acknowledge that child labour exists and must work with civil society in a transparent and open manner. Furthermore, corporations should follow a practice of disclosure of their business impact on social and environmental issues, across their supply chains. There are now newer forms of exploitation such as precarious employment of migrant workers and the vulnerabilities to their children which need urgent attention.
- The project in Lesotho added value to and built on synergies with Better Work forming a partnership programme between the ILO and the International Finance Corporation that aims to improve both compliance with labour standards and competitiveness in global supply chains. Occupational health and safety should be a priority for all stakeholders in order to maintain Lesotho as a “decent destination for sourcing”.
- There is a compelling business case for gender equality. Factories with better gender equality have better retention of workers and better work-place relations in a context where there is a shortage of workers and migration of skilled workers to other sectors. This leads to economic growth of the operations.

To Governments and Donors:

- Governments should create tax breaks for those companies who undertake training programmes aimed at improving working conditions in their countries.
- The inclusion of trafficking in the Criminal Law Amendment Bill 2013 in India has the potential for replication and scaling up. The enforcement of the legislation and its provisions would have a strong impact on the organised crime networks that operate to bring underage children and also adults in forced labour situations into a range of businesses and sectors.
- The capacity-building of labour inspectors in India needs to be scaled-up and institutionalised to respond to the new and emerging forms of child labour, trafficking, forced labour and migration of adult workers and families. Through a combination of strategies the state machinery can effectively respond to these issues.
- Child labour can only be addressed effectively if there is a quality education available, including provision to assist with children who have dropped out of school, and the economic barriers to education are addressed.
- There is a strong need for the creation of local institutions that can take responsibility for these kinds of projects beyond their completion. This is key for sustainability.
- The government of Lesotho should have an industry policy that supports backwards linkages to the industry. The granting of work permits should be for experts with specialised skills. Skills transfer should be a priority.
- Ratification of ILO Convention 177 on Homeworkers in all sourcing countries.
- There is a need for continued funding from donors such as DFID to support work down the supply chain based on cutting edge research provided by research projects such as Capturing the Gains. In this respect, the Trade in Global Value Chains Initiative (TGVCI) is a welcome addition.
- The recommendation was that there is a strong need to replicate the learning from RAGS into other sectors.



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