

### *Executive Summary*

*Employment in Global Supply Chains (GSCs) can involve insecure incomes and job prospects for workers as well as highly variable working hours and unsafe working conditions. GSCs can pose several challenges to the existence of trade unions and workers' rights. Trade Union Solidarity Centre of Finland SASK commissioned the study titled "Human rights risks and trade unions in KESKO Corporation's supply chain in Bangladesh: An exploratory study" aiming to explore working conditions and status of decent work of Kesko corporation's supply chain in Bangladesh in two factories named [REDACTED] and [REDACTED]. The objective of this study is to assess the status of working conditions and Trade Union Rights in [REDACTED] and [REDACTED]. This report is based on combination of primary and secondary sources of data. Evidences were generated from primary field data collection through individual interview and Focus Group Discussion (FGD) with workers and mid-level management of [REDACTED]. This study will contribute in minimizing knowledge gap in GSCs in Bangladesh in Ready Made Garment (RMG) and footwear industry in general and will help identifying the areas of improvements in these two factories in particular.*

*The major findings of this study are mentioned below. The profile of workers of two factories are almost same; the working conditions are different. These are mentioned separately.*

- It has been found that there is practice of submitting false document by the worker about their age which create possibility of having workers recruited below the age of 18 in [REDACTED].*
- Workers have no appointment card in their hands; management keeps it in office file;*
- The workers have no idea about the service book of workers and the workers are not clear about the status of employment whether it is permanent or not. It creates confusion among the workers; workers have no idea about the yearly increment of salary according to existing labor law of the country.*
- Workers have lack of knowledge about the rights and responsibilities; better understanding about the labor law will eliminate confusion and develop confidence among the workers;*
- The industrial relations in [REDACTED] is in chaotic situation; workers have complain about salary of [REDACTED] earn leave; and many workers left the job and some have been terminated. This created tensions and mistrust with the workers.*
- There is high drop out of the workers after receiving the monthly salary; and burden of workbad due to shortage of workers;*
- It has been found that some workers doing more overtime beyond the law which is more than two hours per day;*
- It has been found that there are confusion about the calculation of total overtime hours of the workers;*
- Some workers have allegation that there are irrational workbad and daily target due to*

*shortage of workers; and some workers told that there is practice of using abusive language of the supervisors and production manager;*

- *There is no provident fund for workers and also not have practice of profit sharing as mentioned in the law*
- *There is no trade union or participation committee in the factory*

- *Workers have appointment card, service book and safety security in the factory. There is practice of profit sharing among the workers.*
- *There is participation committee in the factory; but workers have no idea about its function;*
- *In the peak season there is practice of 12 hours duty. For more income workers are interested to do more work, this is against the labor law;*
- *It has been found that workers are not aware about the rights and responsibilities;*
- *Some workers told that there are few supervisors use bad words and slang with the entry level workers; if there are such practices that needs to be corrected.*

*The compliance report prepared by audit firms is very important in RMG sector. There are irregularities and corruption in compliance auditing system. The condition of RMG sector is not favorable to form trade union. The voices of workers are suppressed systematically; and participation committee does not represent workers completely.*

*Raising awareness about labor law and trade union rights is very important; it will help workers to understand about the benefit of formation of union in the factory. SASK can play an important role to strengthen the capacity building of existing trade union federations on raising awareness of workers' rights and formation of trade unions. SASK also can initiate campaign on benefit of trade union through its partners. The proper functioning of trade union in the factory will minimize the problems of compliance audit in the factory. The country like Bangladesh where democratic institutions are fragile, governance system is weak and corruption is a major problem, only the technical auditing system will not improve the situation as expected level. It needs to empower the worker by forming their union; this will have synergic effect on improving industrial relations and labor standards in RMG sector in Bangladesh. SASK can play critical role in this regards by strengthening capacity building of existing unions and federations through its partners.*

## CHAPTER ELEVEN

### CONCLUSIONS AND RECOMMENDATIONS

The RMG is a global industry. There is unfair and unequal distribution of the value among various participants in the value chain. To ensure decent work in this sector, responsibility should lie according to ratio of value chains. The major international companies have to take joint responsibility to ensure the rights of workers.

- Kesko has to devise strategies to ensure decent workplace in the supply chain and has to strengthen proper monitoring system. Kesko representative run inspections, visit workplaces and interact with workers.
- It is recommended that Kesko needs to take proper measure to address the issues of improvements mentioned in the report. The Trade Union Solidarity Centre of Finland SASK can engage with Kesko to address these issues through dialogue and lobby.
- To improve the independent auditing system, participation of concern stakeholders especially the labor representatives in audit system needs to be included. In order to overcome the deficiencies of existing audit system, workers participation in decision making needs to be strengthened.
- In order to ensure workers participation, right to association without fear needs to be ensured. To overcome the barriers of formation of trade union in the factory, Kesko can encourage its formation, promote social dialogue between representative of workers and owners. Kesko can also encourage employers to take initiative about raising awareness of workers on labor law and workers' rights; and also can encourage the employers about benefit of having workers participation and trade union in the factory.
- Raising awareness about labor law and trade union rights is very important; it will help workers to understand about the benefit of formation of union in the factory. SASK can play an important role to strengthen the capacity building of existing trade union federations on raising awareness of workers' rights and formation of trade unions. SASK can commission a mapping study on scope, opportunity and weakness of existing trade union organizations in a view to identifying feasible ways of trade union formation and capacity building. SASK also can initiate campaign on benefit of trade union through its partners.
- The proper functioning of trade union in the factory will minimize the problems of compliance audit in the factory.
- Only the technical approach like compliance audit will not help to implement labor law

properly; it has its socio political dimensions. The country like Bangladesh where democratic institution are fragile, governance system is weak and corruption is a major problem, only the technical auditing system will not improve the situation as expected level. It needs to empowerment the worker by forming their union; this will have synergic effect on improving industrial relations and labor standards in RMG sector in Bangladesh. SASK can play critical role in this regards by strengthening capacity building of existing unions and federations through its partners.