

Appendix 1: Bangladesh Political and Labour Relations Context

Economy	Society and polity	Garment industry characteristics	Garment industry labour relations
<p>*GDP per capita USD 752.16</p> <p>GDP per capita country rank: 161/187 countries (IMF, 2013)</p> <p>*Average annual GDP growth rate 2008-12: 6.2%</p> <p>*Poverty: % population living below \$1.25 PPP per day 2005 50.5% 2010 43.3%</p> <p>**5% unemployment and 40% under-employed</p>	<p>**Population, 2013 (est) 163.7 million; 89.5% Muslim; median age 23.9 years; literacy rate 57.7% of population 15 years old and over (CIA, 2013)</p> <p>Limited democracy with intense party political rivalry, instability and corruption.</p> <p>***2011 (rating out of 10) Judicial independence 3.07 Legal enforcement of contracts 1.15 Reliability of police 3.27</p> <p>****Corruption perceptions index Score 27/100; country rank 136/177</p>	<p>#Employment 3.6 million; 5,000; 13% of GDP and over 75% of total exports (Berg, et al. 2012); Labour productivity in 2011 77% compared to China, 100%; 25% shortage of skilled workers.</p> <p>#In 2011 Bangladesh accounted for 4.8 per cent of global garment exports, versus 0.6 per cent in 1990. Total exports increased from around 5 per cent of Bangladesh's GDP in 1990 to over 23 per cent in 2011</p>	<p>##High incidence of informal employment: 87% in 2010 – highest in the region.</p> <p>###Very limited worker protection by law, fragmented unions and confrontational labour relations resulting in low pay and inferior conditions</p> <p>###Workers earn around half the rate of comparable workers in other garment countries e.g. Sri Lanka and Vietnam. Arising from recent accidents the ILO and Bangladesh government are taking steps to improve the legal and institutional framework</p>

Sources:

* World Bank (2013) <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD>; IMF (2013) World Economic Outlook, Oct. 2013

- ** Central Intelligence Agency (CIA) (2013) <https://www.cia.gov/library/publications/the-world-factbook/geos/bg.html>
- *** Fraser Institute (2013) <http://www.fraserinstitute.org/uploadedFiles/fraser-ca/Content/research-news/research/publications/country-data-tables-efotw-2013-ch-2.pdf>
- **** Transparency International (2013), p.36 http://www.transparency.org/country#BGD_DataResearch
- # Berg, A., Hedrich, S., Kempf, S. and Tochtermann, T. (2011) Bangladesh's ready-made garments landscape: The challenge of growth. McKinsey & Company.
- ## ILO (2013) <http://www.ilo.org/global/about-the-ilo/activities/all/safer-garment-industry-in-bangladesh/lang--en/index.htm>
- ### Al Faruque, A (2009) Current Status and Evolution of Industrial Relations System in Bangladesh, International Labour Organisation: Geneva <http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1082&context=intl>

Appendix 2: The 10 Principles of the United Nations Global Compact

The UN Global Compact's 10 principles in the areas of human rights, labour, the environment and anti-corruption are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights
- Principle 2: make sure that they are not complicit in human rights abuses

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- Principle 4: the elimination of all forms of forced and compulsory labour
- Principle 5: the effective abolition of child labour
- Principle 6: the elimination of discrimination in respect of employment and occupation

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges
- Principle 8: undertake initiatives to promote greater environmental responsibility
- Principle 9: encourage the development and diffusion of environmentally friendly technologies

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Source: *UN Global Compact (2013) The Ten Principles*,
<http://www.unglobalcompact.org/abouttheGC/TheTenPrinciples/index.html>