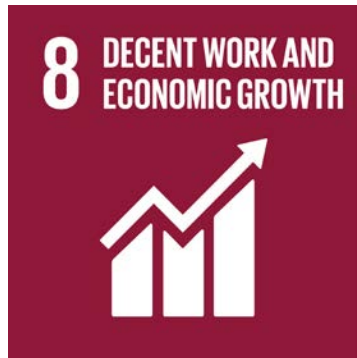


# SUSTAINABLE DEVELOPMENT GOALS

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## **SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

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### **Introduction**

The International Covenant on Economic, Social and Cultural Rights of 1976 considers the ‘inherent dignity of the human person’ as a primary precondition for ‘freedom, justice and peace in the world’. The provision of decent work is an important aspect in the pursuit of such dignity. Workplace safety, living wages, career development, the right to unionise, freedom of expression, non-discrimination between genders and races, non-exploitation of workers including children and women and social protection for the family are some of the key principles of decent work (ILO, 2019). SDG 8 is designed to address these important issues. As an intermediate goal, it is likely to help achieve the other SDGs as well.

Poor and unsafe working environments have caused a significant number of industrial disasters around the world, killing or affecting thousands of innocent workers. The exploitation of labour, including slavery, human trafficking and forced labour, remain a significant problem across many parts of the world. In this context, full and productive employment along with the provision of decent work and their contributions to sustained, inclusive and sustainable economic growth and prosperity have long remained an issue of debate. While inclusive, sustainable and sustained economic development is a key precondition of decent work (Sachs, 2015), growing inequality and exploitation of labour pose a challenge to such development (Galbraith, 2019). It is important to understand the contextual variation and requirements of a development agenda where the so-called ‘one-size-fits-all’ approach should not be imposed by any government, international development agencies, and multilateral or regional organisations. Building partnerships, both locally and globally, is an important way forward in this regard.

### **Decent Work and Economic Growth**

Although economic growth and development and the expansion of the middle class worldwide are making the global human development situation somewhat better, the gap between rich and poor continues to widen. In a study of the evolution and growth of inequality from the industrial revolution to the present, French economist Thomas Piketty (2014) blamed the concentration of wealth at the high end of society and the lack of its redistribution for the worsening level of inequity in the world. Ensuring decent work with decent level of living wages for all may help reduce this gap. However, the recently published *World Employment and Social Outlook* shows a serious ‘decent

work deficit' with a global unemployment rate of 5 per cent—equivalent to a number in excess of 172 million people in 2018 (ILO, 2019a). The Report also highlights that almost 1.4 billion workers were in vulnerable employment in 2017 with an additional 35 million expecting to join this category by 2019. The situation in developing countries is much worse, with three out of four workers considered to be in vulnerable employment.

Although a great deal of wealth has been created worldwide since 1990s, the global economy grew in an unbalanced, haphazard manner without any significant policy coordination (UN/DESA, 2017). Bretton Woods institutions such as the International Monetary Fund and World Bank were established on a multilateral, collaborative platform. However, none of these organisations promoted the concepts of decent work and sustainable development. Similarly, the nine rounds of General Agreement on Trade and Tariffs and the subsequent formation of the World Trade Organisation helped global trade and investment flourish while ignoring the core theme of decent work and inclusive and sustainable development. In essence, market-driven development rode primarily on profit and growth which undermined the core values of human development (Polanyi, 1944; Sen, 2004).

### **Decent Work and the Readymade Garment (RMG) Industry in Bangladesh**

Bangladesh is the 8<sup>th</sup> most populous country in the world. The Bangladeshi economy is ranked 41<sup>st</sup> in the world, with one of the fastest GDP growth rates (Trading Economics, 2019). In 2019, the country's GDP growth forecast is estimated to be 8%, again one of the highest in the world (ADB, 2019). Bangladesh is now poised to become a middle-income country by 2021. Nonetheless, any such economic upturn and associated industrial activities do not always happen in a sustainable manner (O'Neill et. al., 1996). Bangladesh, where such development trajectory has been fraught with numerous negative effects on its economic, social and environmental sustainability is no exception.

With more than 4500 garment production factories, Bangladesh is the world's second largest RMG exporter after China, earning US\$34.1 billion in 2018-2019 financial year and employing more than four million workers, 80% of whom are women (As-Saber, 2013, Mirdha, 2014, BGMEA, 2019). However, the industry has long been known for its decent work deficit. It is marred by issues such as appalling working conditions, low wages, unsafe and unplanned infrastructure and lack of freedom of speech and right to union. Incidents of fire and building collapses are common place. In 2013, the horrific Rana Plaza disaster was the worst industrial accident in Bangladesh that claimed at least 1,135 lives and left hundreds more missing, wounded or incapacitated. The scale and gravity of the disaster generated a chorus of condemnations from all around the world and mobilised global opinion to revamp and improve building structures and working conditions within the industry (As-Saber 2013). The need for a collaborative, all-out approach was immediately recognised by the government of Bangladesh, the International Labour Organisation (ILO), major trade union bodies and the industry employer organisation, Bangladesh Garment Manufacturers and Employers Association (BGMEA).

The ILO, in this regard, acted quickly and negotiated, in the first ten days after the disaster, a tripartite statement signed by the government, employers and workers stipulating the need for safety and structural assessments of all export-oriented garment factories and the rehabilitation of workers affected or disabled by this major industrial accident. It also agreed to amend laws to allow the right to unionise and enhance occupational safety and health. Subsequently, an integrated National Tripartite Plan of Action on Fire Safety and Structural Integrity in the Garment Sector was signed by the government, Employer's Federation, BGMEA, Bangladesh Knitwear Manufacturing and Exporting Association, National Coordination Committee for Workers' Education and IndustriALL Bangladesh Council representing unions. Major buyers, retailers and key fashion brands were not signatories of the agreement, overshadowing the objectives of such an arrangement. Internationally, two major positive developments took effect: the signing of an Accord on Fire and Building Safety by global unions and major fashion brands and retailers primarily from Europe; and an Alliance for Bangladesh Worker Safety agreed upon by retailers

and brands primarily from North America. Both the Accord and the Alliance aimed at inspecting and setting safety standards in garment factories used by the signatories over a five-year period.

The Accord was initiated by a group of European apparel companies, retailers and brands in association with Bangladeshi trade unions and Global Union Federations and labour rights groups. It was agreed upon and signed by more than 200 apparel brands, retailers and importers from over 20 countries in Europe, North America, Asia and Australia. It was also endorsed by two global and eight Bangladeshi trade unions along with four NGOs. The now defunct Alliance for Bangladesh Worker Safety was initiated by a group of North American apparel companies, retailers and brands who agreed to launch a five-year undertaking that is ‘transparent, results-oriented, measurable and verifiable with the intent of improving safety in Bangladeshi RMG factories’ (Alliance 2018).

Unfortunately, a vast number of factories remained outside the Accord and the Alliance and their compliance and remediation remain shrouded in concern. There is a tentative consensus that the legally-binding Accord has been more effective and thorough compared to the Alliance. However, many industry experts consider both the Accord and the Alliance as ephemeral and lacking long-term commitment. Many criticised them as being bureaucratic and failing to understand the context-specific need of individual garment factories and their owners. A significant number of factories were declared inoperable as a result of the agreement, which was criticised by many owners. The cost of remediation was another concern which many companies could not afford to manage despite some support from the Accord or the Alliance. Consequently, many factories declared bankruptcy and closed.

## **Decent Work and Collaborative Arrangements**

The need for a collaborative global governance framework like the Bangladeshi Accord has long been touted by academics and researchers as a way of overcoming the disjunct between economic growth and decent work (As-Saber 2011; As-Saber et al, 2016; Dunning, 1997; Emerson et al, 2012). The need for such collaboration is reflected strongly in SDG 17 which aims to “strengthen global partnerships to support and achieve the ambitious targets of the 2030 Agenda, bringing together national governments, the international community, civil society, the private sector and other actors”. Within the business world, networking and collaborations are now commonplace. Dunning (1997) calls this ‘alliance capitalism’. However, despite the need for a collaborative approach to tackle unemployment and ensure job security, job quality and social protection, global stakeholders including businesses, governments, trade unions, multilateral institutions, international and regional organisations and civil society are yet to reach any consensus on how to ensure decent work and sustainable economic development, especially across developing countries. The ILO has argued that to make positive change, ‘all stakeholders will have to refocus and intensify their efforts’ (2019). Culture, country and industry-specific contexts are important considerations when addressing these quintessential issues.

## **The Role of EU and Other Stakeholders**

In 2001, the EU-Bangladesh cooperation agreement lay the foundation of trade relations between the two countries (Europa, 2016). The European Union provides Bangladesh duty-free access to the EU market under the *Everything But Arms* initiative (Commission, 2019). Bangladesh is the Union’s 35th largest trading partner while the EU is the largest export destination for Bangladesh, accounting for 24 percent of the country’s total trade. More than 60% of Bangladeshi RMG exports go to the EU market. The EU is one of the largest contributors to Bangladeshi efforts to achieve the Sustainable Development Goals, and recently committed €700 million to support Bangladesh in ‘promoting an equitable and sustainable growth, socio-economic development and improved democratic governance’ (Delegation, 2017). The EU has been actively involved in the remediation process of the RMG industry following the Rana Plaza incident, supporting and collaborating with the formation of the Accord. In the aftermath of the Rana Plaza disaster, the

EU Centre in Australia became actively involved in preparing the Roadmap for the RMG industry in Bangladesh (As-Saber et al, 2016) that identified the key challenges for the industry and suggested a possible way forward to create a better and sustainable RMG industry which included the provision of ensuring decent work and responsible production within the RMG sector of Bangladesh.

Apart from the Government of Bangladesh and European Union, there are numerous stakeholders which may play significant roles in ensuring decent work within the RMG sector, including organisations such as the ILO, UNDP, International Finance Corporation; various NGOs including Oxfam; local as well as international trade union associations such as the International Trade Union Confederation and IndustriALL Global Union; global retailers and brands; employer associations such as BGMEA and BKMEA; consumer rights organisations such as 'Adhikar' and governments of countries hosting major retailers and brands.

## **The Way Forward**

Ensuring decent work along with sustainable economic growth and development is not a straightforward task. Although initiatives abound, progress to date is less than satisfactory. Modern slavery through the exploitation of forced, cheap and child labour and lack of appropriate health, safety and wellbeing provisions are a commonplace in industries across the world.

Despite significant progress achieved in minimising the decent work deficit in the RMG industry in Bangladesh since the Rana Plaza disaster, there is still a long way to go. The unfinished work of the Accord and the Alliance need to be carried over. In the absence of legally binding principles, the alternative arrangements may not be as effective as the work done by their predecessors. The factories outside the Accord and the Alliance are still trailing behind in terms of the expected remediation process including decent work provisions. Ensuring ethical practice and decent work across the global value chain of RMG production is a challenging task as well (As-Saber, 2018).

The implementation of SDG 8 will depend heavily on SDG 17. In this regard, it is important to prepare and pursue a collaborative framework by bringing together various stakeholders including governments, businesses, civil society including unions, NGOs and human rights organisations. In the context of Bangladesh RMG sector, a concerted effort by factory owners, workers, consumers, retailers and other stakeholders including BGMEA, international organisations and governments of both home and retailing countries can help ensure the decent work provisions. In this regard, SDG 12 is also an important goal which underpins the necessity of responsible production and consumption. Currently, there is no direct involvement of governments of major retailing countries to make major retailers and brands follow ethically responsible sourcing and production practices and pay the fair price for their orders. In addition to the ILO, relevant international organisations including NGOs should also be directly involved in making the process transparent and accountable. In addition, a global platform could be launched, such as a global RMG secretariat, with representations from all key stakeholders to ensure collaborative decision-making processes to the best interest of all concerned.

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