

**SOCIAL COMPLIANCE**



**round table**  
গোল টেবিল বৈঠক

**Formation of the Bangladesh Round Table on Social Compliance**

7<sup>th</sup> October 2009

Dhaka Sheraton Hotel

**Documentation**



Conveyor



lorenz.berzau@bsci-eu.org

Business Social Compliance Initiative (BSCI)

Mr. Lorenz Berzau

Av. de Cortenbergh, 168  
1000 Brussels  
Belgium

BSCI is a leading system aiming at improving social compliance in the supply chain of companies sourcing globally. Created in 2003 and with headquarters in Brussels, Belgium, the BSCI provides its member companies a uniform methodology and tools to involve their suppliers in a continuous development oriented process. In addition to this, the dialogue with stakeholders on different levels plays an important role in BSCI's approach.

Organizer



mitzlaff@lift-standards.de

LIFT Standards e.K.

Mr. Christian von Mitzlaff

Krampasplatz 4 a  
14199 Berlin  
Germany

LIFT Standards e.K. is a consultancy firm providing advisory service on social compliance with audit, remediation and enhanced productivity service to improve the working conditions.

LIFT Standards has been established 2001 in Dhaka and has a proven record to intensively worked in Bangladesh with suppliers and buyers in the interest of improved working conditions.

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## **I. Participants List**

<b>Name</b>	<b>Organisation</b>	<b>Position</b>
Khan, MD. Faruk	Ministry of Commerce	Minister
Roy, Monoj Kumar	Ministry of Commerce	Joint Secretary
Rahman; Mizanur	Ministry of Labour	Deputy Chief
Choudhury, Kabir Ahmed	Ministry of Labour	Joint Director of Labour
Kabori, Sarah Begum	Parliament of Bangladesh	Member of Parliament
Murshedy, Abdus Salam	BGMEA	President
Azim, Md. Shahidullah	BGMEA	Director
Haque, Md. Emdad-ul	BGMEA	Assistant Secretary
Khan, Yeasar Ahmed	BGMEA	Director
Moyeen, Dr. Md. Abdul	BKMEA	Director
Daniel Seidl	BGCCl	International Director
Boehm, Maren	OTTO, BSCI	Corporate Responsibility Asia, Representative
Gehlhaus, Patric	METRO Group Buying	Office Manager Dhaka
Arshad, Khondoker Abu	wal-mart	Compliance Manager
Ahad, Zia	PVH	Senior Manager, Regional
Bin-Mahmood, Reaz	La Belle	Managing Director
Islam, Khandokar Rafiqul	Golden Refit Garments Ltd.	Director
Rezwan, Qazi	Tahmina Knitwear Ltd.	Director
Hasanat, David	Viyellatex Group	Chairman
Dr. Stotz, Dietrich	GTZ	Program Coordinator "PROGRESS"
Akter, Kalpona	BCWS	General Secretary
Ahmed, Sayed Sultan	BILS	Assistant Executive Director
Akhter, Nilema	Agrajattra	Chairperson
Chandra, Roy Ramesh	Jatiya Sramik League	General Secretary
Asma	BIGUF	Vice President
Khan, Dr. Wajedul Islam	NGWF	General Secretary
<hr/>		
Khan, Abed	Kaler Kantho	Editor and Moderator
von Mitzlaff, Christian	LIFT Standards e.K.	Organizer and Moderator
von Mitzlaff, Farhana	LIFT Standards e.K.	Compliance Consultant, Organizer Team
Mira Fels	Bremen University	PhD. Student, guest

## II. Formation of the Round Table

Directly involved stakeholders in the Bangladesh garment industry met on October 7, 2009 at the Dhaka Sheraton Hotel to re-launch a Round Table on Social Standards.

The question whether export products are manufactured under correct working conditions is evaluated against ILO conventions, the national labour legislation and Buyers' Codes of Conduct. Expectations increase to fulfil those requirements and buyers with suppliers are jointly accountable in the eyes of consumers, governments and a growing critical civil society. The public opinion, trade agreements on preferences and business relations are related to the level of applied Social Compliance in the producing markets.

The social compliance situation in Bangladesh is likely a growing concern and an area for further development knowing that numerous activities by the Government, the private sector, development agencies, trade unions and NGO's during at least one decade have not fulfilled the expectations. Tragic accidents, labour unrest and violence are ongoing phenomena in the formal labour intensive industry and feed internationally and locally suspicions on the effectiveness of compliance implementation.

The Business of Social Compliance Initiative (BSCI) supports a stakeholder dialogue on Social Compliance and requested LIFT Standards e.K. to organize the Round Table.

Business partners, associations, trade unions, NGO's, academia, Government representatives were present at the Bangladesh Round Table on Social Compliance.

### III. Agenda

#### “Formation of the Bangladesh Round Table on Social Compliance”

held on Wednesday the 7<sup>th</sup> October 2009, 9:00 –13:00 p.m.  
at Palash Room, Dhaka Sheraton Hotel, followed by a lunch.

#### Programme (actual)

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09:50	Opening ceremony with addresses by key participants
10:40	Address and official opening by the Hon’ble Minister of Commerce, Mr. Muhammad Faruk Khan
11:10	Tea break
11:30	Working session of the Round Table <ul style="list-style-type: none"><li>• Self-set dialogue guidelines</li><li>• Selection of Social Compliance issues for the Round Table</li><li>• Operational questions for the Round Table</li></ul>
14:00	Lunch

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### IV. Address during the opening session

For the opening session, during which the press has been invited, one participant from each stakeholder group has been asked to briefly address the Round Table on the question of implementation of Social Compliance in Bangladesh, which achievements they would like to see and how their organisation could contribute towards the objective of Social Compliance.

On behalf of the stakeholder group the following person addressed the Round Table (order of speaker):

1. Mr. Abdus Salam Murshedy, BGMEA President
2. Mr. Reaz Bin-Mahmood, La Belle, supplier
3. Ms. Sarah Begum Kabori, Member of Parliament
4. Mr. Ahad Zia, PVH, buyer
5. Mr. Roy Ramesh Chandra, United Federation of Garment Workers
6. Dr. Wajed-ul Islam Khan, Bangladesh Trade Union Kendra (BTUC)
7. Mr. Dr. Md. Abdul Moyeen, BKMEA Director
8. Hon’ble Minister of Commerce Mr. Faruk Khan

## **1. Address by Mr. Abdus Salam Murshedy, BGMEA President**

**Speech of Honorable President of BGMEA, MR. Abdus Salam Murshedy at  
“Formation of the Bangladesh Round Table on Social Compliance” at Dhaka Sheraton Hotel,  
7<sup>th</sup> October 2009**

**Bismillahir Rahmanir Rahim**

**Hon’ble Minister of Commerce, Mr. Muhammad Faruk Khan**

**Organizers:**

**Christian von Mitzlaff &**

**Business Social Compliance Initiative**

Hon’ble participants

Distinguished Guests

**Ladies and Gentlemen,**

**Assalamu Alaikum & Good Morning to Everybody**

I feel pleased and honored to attend here to speak at **“Formation of the Bangladesh Round Table on Social Compliance”**. In the context of current business world, Social Compliance is a burning issue. It is a good initiative to invite the stakeholders- business partners, associations, trade unions, NGO’s, academia, Government representatives in this industry to share and present the true picture. Every body can get to the root of the problems. I believe better communication can resolve most of the issues.

**Distinguished Guests**

The Readymade Garment (RMG) industry is one of the most important pillars of the Bangladesh economy at present. The first private sector export was made in 1977-78 worth of US\$ 12000. In 2008-09 fiscal year it has reached US\$ 12.35 billions which is almost 80% of Bangladesh’s total export earnings. Over the two and half decades of journey, the RMG industry has experienced many ups and downs on its way due to liberalization of world trade. We are proud to say that 3.5 million workers are directly involved in the RMG sector where less-privileged women account for more than 85%. Garments workers act as an important source of income for families and households that are landless, under-educated and without alternative means of generating wealth. Around 20 million people are depending on this sector directly and indirectly.

**Dear Guests,**

To respond to the changing global business context, BGMEA has been playing a dynamic role to protect and promote the industry and the community. Some of the successes have set unprecedented examples in the history of Bangladesh’s industrial sector, for instance:

- ♣ elimination of child labor,
- ♣ empowering women,
- ♣ poverty eradication.

BGMEA has greatly been contributing to the development of Social Sector of the country which is acclaimed by national and international reputation including the appraisalment of

the **United States Department of Labor (USDOL)** for the last decade. BGMEA is committed to ensure that the labor law of the country is being followed. BGMEA is also operating a number of projects and programs to ensure improved healthcare, workplace safety and labor rights of the garment workers in consonance with the Labor Standards set by the Govt. and ILO. Let us take a look at the social development initiatives of BGMEA:

**BGMEA's Steps to Ensure Proper Working Condition at Factories:**

BGMEA also has their own **Compliance Cell** with 39 officials trained by brand buyers like Wal-Mart, SEARS, Carrefour, Hennes & Mauritz (H&M) and ILO on their own requirements and individual Codes of Conduct to raise awareness among member factories and educate the manufacturers on compliance issues.

**Activities and Achievements in the Social Welfare Areas:**

- ♣ **Health Care Activities for the garment workers:** BGMEA has established 12 Medical Centers. Primary healthcare, *free medicine* and advocacy services on reproductive health issues are being provided to the garment workers.
- ♣ **THE BGMEA HOSPITAL for garments workers:** BGMEA has started to build 2 hospitals one in Dhaka and another one in Chittagong.
- ♣ **Group Insurance Scheme:** Insurance has been made mandatory for all member factories so that even if they face accident outside the factory premise any where in Bangladesh.
- ♣ **Schools:** BGMEA runs free schools for workers' children.
- ♣ **Building Code has been made mandatory for all member factories.**
- ♣ Fire Safety Training is being provided.
- ♣ Along with GTZ, BGMEA is working in the social compliance and productivity.

**Dear Guests,**

Our buyers worldwide are very sensitive in the matter of Social compliance. It holds and communicates their corporate image to a great extent. But it also creates problems:

- ♣ There is no unified code of conduct for compliance. Code of conduct mostly differs from buyer to buyer. This leads to a very complex situation, as the factories deal with various buyers and compliance to different code of conduct results in loss of productivity and increase of operation cost. BGMEA wants **One unified code of conduct** for compliance.
- ♣ Another issue is the need for cluster economic zone to reduce the pressure from environment as well as to relocate the factories from Dhaka city to outskirts where it will be easier to maintain the compliance standards.
- ♣ RMG is a big industry. This is not an individual property any more. We are not outside the society and we also share whatever good and bad in a society. So it comes as our responsibility to show deepest awareness in such areas of concern. We expect greater understanding and realization from the labor leaders and NGOs. With their proper cooperation together we can ensure better environment for both the industry and the people working for it.
- ♣ Buyers demand ethical behavior from us, we also expect more responsible role from them to compensate the cost of compliance because one of the pre conditions for compliance is ethical purchasing.



### **Ladies and Gentlemen**

This is the high time to realize that whatever is good for the mass people is good for our business. We are always vigilant about the needs of the workers. We have a shortage of skilled labors so it is of our interest to nurture them not deprive them.

Finally, I would like to offer my gratitude to the organizers again for their remarkable efforts. I am also very excited to see such a gathering. At the same time, I would strongly demand proper and factual presentation by all the concerned stakeholders of RMG sector in this perspective. I believe if all the facts are presented properly we can ensure harmony in this sector and avoid confusion.

Thank You all.  
Allah hafez

### 3. Ms. Sarah Begum Kabori, Member of Parliament

Sarah Begum Kabori, currently a member of parliament of the constituency 207 Narayanganj-4, has suggested that the following steps need to be taken for the upliftment of conditions of the female garments workers in Narayanganj.

1. Many of the female garments workers and their family live in rented places and have no home. The government should initiate low cost housing projects for them.
2. The female garments workers have practically no access to health care and sanitation. The concerned agencies should provide these to improve the health status of female garment workers. Awareness raising classes should be arranged to disseminate information to the workers.
3. Women in Bangladeshi culture are not encouraged to engage in physical activities and exercise. The garment workers should be motivated to exercise in order to maintain their physical fitness. In this regard the government can turn some of the khas land into playing fields for female garment workers.
4. Transport should be arranged for women workers who work late hours. So that they can reach home safely after dark.
5. Low wages is an ongoing issue in the garment sector. The garments owners should immediately increase wages and pay the garments worker a fair salary that is in sync with the current cost of living.
6. Child labor should be completely abolished. The government should frame laws against child labor and these laws should be strictly enforced.
7. The garment workers are often used by powerful trade union chiefs to serve their purpose but very little is done for the worker themselves. This practice should go. Labor union leaders must serve the interest of the garments worker.

The garments industry owners, labor unions and the government should make a coordinated effort to better the condition of the female garments workers in the garments sector.

4. Mr. Ahad Zia, PVH, buyer

Hon'be Minister, Mr Faruk Khan, Maren and Christian Mitzlaff from the Business Social Compliance Initiative (BSCI) & LIFT Standards, Friends, ladies & gentlemen, good morning, Assalamu Alaikum.

First of all, I'd like to extend my appreciation to BSCI and LIFT Standards for initiating this roundtable of stakeholders of the Bangladesh garment manufacturing industry. Such initiatives offer the hope of discussing different – and seemingly inimical – positions on issues afflicting the garment manufacturing industry. More importantly, it offers us the hope of appreciating divergent perspectives, forming better understanding about issues and, together, developing concrete, practical measures that may help pre-empt the sporadic incidents of workplace unrest that we have witnessed in recent days.

I am reminded of that joke about the judge who points his stick at the accused and exclaims: "There's a rogue at the end of this stick!", to which the accused responds: "At which end, your honor?" As a brand representative, I have no personal hesitation in admitting that we have often positioned ourselves in the role of the judge. Given our role in monitoring for compliance standards, and the entrenched positions we often take, it is easy for us to be judgmental, losing sight of the forest for the trees.

I would be happy if our discussions today help us to collaboratively identify the underlying issues impacting social compliance in Bangladesh and develop a common strategy for addressing the root causes behind noncompliance. I am particularly pleased that BSCI and LIFT Standards expect this roundtable to remain a Bangladesh-based initiative, nurtured by developments tailored to the country. I wish this initiative every success.

Thank you

#### 5. Mr. Roy Ramesh Chandra, United Federation of Garment Workers, Jatiya Sramik League (JSL)

Those who are sourcing from our country, ethical buying is also very important. It is true that the brand, buyers are trying to pushing to cut down the price. You know when we [trade unions] are asking for compliance, the better live of the workers. Of course the industry has a CSR, but the brands, buyers and retailers they have also a CSR. They need to come forward with very practical proposal. It is true that the workers of this country are not getting the proper salary, which they need to get.

Simply if we look, that workers who are working in the industry are working, they are under the poverty level, so how can we alleviate poverty? In this regards the industry and also the brands and buyers needs to come up with the minimum understanding on the salary above the poverty level.

The brands, buyers and retailers sometimes playing a duplicate role by creating pressure on the Bangladesh industry to comply ILO convention and others compliance requirements, but when going to China, are they following this? Brands, buyers and retailers should have a unified code of conduct for all sourcing countries without discrimination.

With this few words I thank BSCI.

#### 6. Dr. Wajed-ul Islam Khan, Bangladesh Trade Union Kendra (BTUC)

Unfortunately in Bangladesh compliance is coloured differently in the RMG sector. If the industry does not survive the workers are not getting the benefits.

**We want to safe the industry, save the workers and save the nation!**

As a part of compliance, I welcome the organizers to come up with this Round Table. The compliance in our country RMG sector it is still on low level, on small scale and not up the mark.

I am sorry to say, but *why* is the compliance issue coming up from the buyers? *Why* is it not coming up from the community and from our side?

If the living wage is below the poverty level, how can we expect good things from the workers? I strongly believe that living wage should be part of compliance.

If the workers leave the job, they leave without any benefits, they leave with empty hands without Pension Funds when retiring from the RMG sector. This has to be addressed like health insurance scheme. It is insufficient to have only 2 BGMEA hospitals and some health clinics as a health scheme.

Lastly I want to say, if we don't comply with ILO convention 87 and 98 then the question of compliance will be incomplete.

I also like to add that in the Compliance Committee within the Ministry, the mainstream of the national centres of trade unions are not presented. How will the outcome be complete? I like to request to the Hon'ble Minister to include the mainstream trade unions leaders in the Compliance Committees.

Finally I like to recall the major issues like living wage, provident fund and the health insurance to be included in the compliance issues. Thank you very much.

## 7. Mr. Dr. Md. Abdul Moyeen, BKMEA Director

Compliance is a serious issue and we [BKMEA] have been trying as much as possible to be proactive. I will focus on the general activities and the questions that have been raised. BKMEA has its own compliance cell with monitoring and advisory service in the factories. Beyond this we have involved workers in circulating magazines to recognise their contributions.

Why is it important to be in a small group? In a small group we easier dialogue as it could be face-to-face communication and we could talk sensibly and avoid miss-communication. Ultimately this is a very important initiative, which is taken here.

I like to touch on two points, which have been raised: There should be one single Code of Conduct.

I agree totally of what Mr. Wajed-ul has said: "Safe Workers – safe the industry – save the country." This is a win-win situation, which has to be created and we need to generate value to be distributed. .. If you don't need to look into this particular question we inherited look into productivity. Productivity is not the responsibility of the workers, it is the responsibility of the management. We also need in the role of the policy makers. If productivity is not improved we can not have a win-win situation. This is the number one point. All stakeholders need to come up how awareness on productivity can improved, how modalities and how management can be improved. I should also point out that the other side of the table should come up with proactive proposals how to improve productivity.

The third point I like to focus is the role of the buyers. It is the image that the buyers get in the market. It is their brand image. I am sorry to say that protecting that brand image has been shifted on to the manufactures. This is not a complete market as the buyers are on the upper hand on 'take it or leave it' situation. The brand is in a strong position and the workers are in the weakest situation. Instead of using the 'stick approach', I would like to see them more proactive and they [brands] should bring more initiative, which would bring up the balance and come forward and take the responsibility of protecting their brand image.

I thank the organizers for giving the possibility of expressing my view.

8.

**Speech by**

**H.E. Muhammad Faruk Khan, M.P. Hon'ble Minister for Commerce as the Chief  
Guest at the Bangladesh Round Table on Social Compliance-2009  
(7<sup>th</sup> October, 2009 at Palash Room, Dhaka Sheraton Hotel)**

**Hon'ble Chairperson  
Distinguished Delegates  
Excellencies  
Ladies and Gentlemen**

**Assalamu Alaikum and Good Morning**

I am indeed honoured to be invited as the Chief Guest in the inaugural ceremony of the Bangladesh Round Table on Social Compliance – 2009 organized by the Business Social Compliance Initiative (BSCI) of the European Trade Association. I would like to express my sincere thanks to BSCI for organising such an event at a time when global financial crisis is creating a threat to the economy of Bangladesh despite increasing export of readymade garment from Bangladesh in recent days.

The readymade garment export was US\$ 12.35billion (Tk. 86,450 Crore) in FY 2008-09 that accounted for 79% of total export of the country. The industry employs 3.5 million people directly, of which 85% are less-privileged women. The RMG sector has been playing a significant role to empower the less privileged women of the country. Thus, the road to success in alleviating poverty of this nation is to be critically shaped by the continued success in RMG exports. In this context, international apparel buyers and sourcing agents are also helping us in the struggle of poverty alleviation. We look forward to growing trade – not aid. The industry has been one of the most important institutes for mass skill development in the country and the sector is helping the country to move from aid dependent to trade dependent.

The sector has also opened up opportunities for other ancillary industries, such as bank, insurance, IT, transportation, waste recycling, legal agencies, tourism, cosmetics and many more.

Our government is trying its best to help the RMG sector to stay from the present global recession and has already declared a bail-out programme of Tk. 5000 crore from which the RMG sector will also get a share.

**Ladies & Gentlemen,**

The term 'Social Compliance' is related to maintenance of good working environment, exploitation free atmosphere, workers receiving good treatment and fair wages, reduced risk of accident etc. The compliance issue has placed Bangladesh in a tough competition to retain the existing market share of apparel exports. To face this challenge, apparel producers and exporters are trying hard in producing quality products at competitive prices still abiding all compliance norms.

In this regard, Bangladesh Government has taken initiatives to help the industry to cope up with the compliance issues. A tripartite Memorandum of Understanding (MOU) was signed by the owners, workers and the government on 12 June, 2006 in order to ensure

compliance in the garment sector. The main issues of MOU are minimum wage, appointment letter and ID cards, weekly holidays, various leaves, maternity benefits, etc.

In order to monitor the implementation of the issues as agreed in the MOU, a social compliance Forum for RMG headed by the Commerce Minister was formed. Representatives from Government, NGOs, Civil Societies, Labour organizations, Buyers group and RMG owners have been included as members of the forum. Twelve meetings of the Forum were held so far and decisions of the meetings are being implemented by the two task-forces (one on Occupational Safety and other one on Labour Welfare in RMG) and Compliance Monitoring Cell under the Export Promotion Bureau (EPB). In addition the Ministry of Labour and Employment (MOLE) is active and alert on compliance issues. It is striving to enforce Bangladesh Labour Law 2006 which is very much supportive to the compliance issues. They hold regular monthly meetings with Bangladesh Garment Manufacturers Association (BGMEA) and Bangladesh Knitwear Manufacturers Association (BKMEA) for reviewing the implementation status of these issues. 15 teams formed by MOLE are also looking after the implementation aspects of the compliance issues. Besides, Buyers and the third party auditors are also keeping constant watch on the progress of implementation of the MOU. In addition, Ministry of Home Affairs is working to ensure safe working environment and fire safety in the RMG factories. To improve the skill of the workers in RMG the govt. has already created a fund of Taka 20 crore the income of which will be utilized to develop the workers and managers of the factory units through training and motivation. Building code has been made mandatory for the factories so that physical infrastructures are built safe.

#### **Respected Guests,**

Both BGMEA and BKMEA are the working partners of the Government to make every garment factory socially compliant. BGMEA has its own compliance monitoring cell. They also provide training for labours and factory owners. Skill development project is also taken by BGMEA. BKMEA has taken a Social Compliance Monitoring Programme to implement the Bangladesh Labour Law 2006 in each and every factory within a stipulated time frame. Under this programme, skill development initiatives such as Workers Training, Mid Level Management Training, Area based Experience Sharing Session with factory Owners etc. are going on regularly. BKMEA has also formed a Labour Cell to solve any kind of dispute and unrest arisen in factory and a Fire Safety Cell to provide fire safety related support to member units.

#### **Ladies & Gentlemen,**

My ministry is firmly committed towards facilitating the proper environment in the garment industry so that apparel producers and exporters as well as the workers and survive in an atmosphere where both business and ethics are equally valued. We are working hard to make each garment factory socially compliant.

I wish the round table a success.

Thank you so much for your patient hearing.

**Allah Hafez:**

**Joy Bangla, Joy Bangabandhu.**

## V. Working session

### 1. Rules for the Round Table dialogue

The working session started after the tea break with a discussion which guidelines this Round Table shall apply as a self-given rule for the dialogue. During this discussion the moderator raised the question, whether this re-launch is regarded by the participants as a valuable initiative to continue and whether it shall become a periodically regular setting.

From the participants contribution the following points were captured, which reflects the discussion:

- Articulation to stakeholders [and] respect each other
- Understand issues on an industrial level
- Free and frank [dialogue] <sup>1</sup>
- Non-political [dialogue]
- Discussion / Exchange among individuals working in organization
- Finding solutions
- Meeting local law standards
- Area wise consultative group [as sub- Round Table]
- BSCI forum support makes sense bringing stakeholders together
- Consultative discussion
- To make use of the outcome
- Dialogue [needs to] go on

Two contributions relate to the setting of this Round Table by gathering 20 directly involved stakeholders with the industry while providing the opportunity to develop a Bangladesh run ownership:

- Change of different settings [compared to other meetings on Social Compliance]
- Limitation of existing formats

### 2. Collection of Issues to be addressed

Second on the agenda was the collection of Compliance Issues regarded by the participants as important in the garment industry. Each participant wrote the issues on cards (Metaplan techniques); the cards were then clustered by stakeholder. Finally the cards have been ranked giving the priority as which topic has a better outlook to achieve pragmatic results.

On the top ranking are those into which the Round Table shall look sooner.

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<sup>1</sup> [in brackets] are annotation by the organizer to complete the understanding



Issues by stakeholder group:

## Buyers

- Cross level dialogue in Factories
- Safety industry standards
- Outside [beyond factory) dialogue any compliance issue
- Workers awareness
- Working hours
- Workers - Management relation
- Mechanism for finding relevance for social compliance (why is compliance itself relevant for the industry)
- Communication [between the stakeholders)
- Ethical buying
- Workers training

## Suppliers

- Ethical buying
- Constructive partnership
- Unified Code of Conduct
- CSR activities from buyers side
- Buyers commitment and responsibility
- Raising understanding on the interlinked productivity with working conditions

## NGO

- Reform the minimum wage and understanding of the wage structure
- Reduce the communication gap
- Enforcement of Social Compliance
- Have same requirement from customers for upgrading the factory become social compliant (i.e. like grading system: A, B, C)
- To improve the relationship between workers and management
- To aware their rights as well as responsibilities
- Female workers leadership development

## Trade Unions

- Participation committee
- To build healthy industrial relation
- To ensure descent work
- To build better understanding among the various stakeholders
- Standards- expectation- requirement, rights and responsibilities of OSH
- Safety of women workers and maternity benefit
- Workers Association
- Effective and tripartite monitoring of Local Labour Law
- Regional dispute handling scope
- Responsible industrial relation

## Ministry of Labour and Employment (MOLE)

- Develop factory level social dialogue mechanism
- Build uniform code of conduct based on BLA -2006
- Remove buyers differential standard and ensure ethical buying
- *Decent Work* : right to organize, Freedom of Association (FoA)
- Descent salary, \$2 per day
- Social safety net

## GTZ

- Workers management relation
- Collective bargaining issues
- Empowerment of workers so that they can claim their rights
- Participation Committee - reduce gap

### 3. Organisational questions of the Round Table

Finally the question was put onto the floor as how often this Round Table shall be held. The participants consented to a periodical reunion of 4 times in a year.

The necessity of organisational support in the function of a secretariat has been stated and that it is crucial for this initiative to be supported by an active organizer.

The next Round Tables shall have a focused agenda with a foreseeable attainable outcome.

Fortunately BSCI is willing to support for the upcoming year 2010 this newly formed Round Table with the aspiration that a local ownership of a multi-stakeholder dialogue on Social Compliance in Bangladesh will grow.

## VI. Reflection by the Organizer

Other meetings on Social Compliance are held in Dhaka, however the parameters of this Round Table with considerable less participants and a face-to-face setting is seen as alternative to elaborate common grounds, then possibility to join efforts, discuss pragmatic approaches in this vital industry.

In the organizers view, this initiative is still a fragile initiative and needs the support by high political level, the Hon'ble Minister of Commerce and the colleague Minister of other resorts like the Ministry of Labour and Employment.

A profound base to build upon needs to be demonstrated with an active participation by the business sector including the presence of the BGMEA and BKMEA Presidents and exemplarily factory owners next to the chief of other stakeholders.

The Round Table session can be structured in such a way, that one part will continue with the presence of VIP's and separately a working session will be held on senior staff level working on to technical questions. The invitation of the press can be valuable and shall be repeated when outcomes are the result of this consultative process.

In summary is a multi-stakeholder dialogue contributing to a 'social dialogue' not a regarded as public good and therefore still not a shared valued in Bangladesh. Nevertheless, every effort is worth to gain the benefit from a cross-stakeholder communication and likely a collaboration, essential for the social development in the industry.

In regard to foster the interest of the participants each stakeholder shall be able to articulate their own expectation of how this dialogue on a multi-stakeholder concept might bring him/her respective the organisation a benefit. In a reciprocal understanding, each stakeholder might need to envision to offer the other stakeholder an incentive to accelerate the trust-building effort and to experienced collaboration.

Important for the communication as compliance *issue* to discuss in the Round Table, a proposal for the next Round Table topic could be titled:

*"Communication and collaboration among stakeholders in conflict times"*

The Organizer intends to keep in contact in between the Round Table sessions and encourage communicating with the BSCI or the organizer on any topic which may arise in the meantime relevant to the implementation of Social Standards.

## VII. Pictorials



Pictorials



Pictorials





Pictorials





Pictorials



## VIII. Newspaper Clippings



### **Roundtable on RMG told Compliance costing companies**

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FE Report

Speakers at a roundtable in the city Wednesday said social compliance in the RMG sector should be according to the country's standards framed after considering the national and international norms.

The discussion was organised by Business Social Compliance Initiative (BSCI) and LIFT Standards, a consultancy firm on social compliance to address the necessity of improving the working conditions of the country's garment industry.

"The government is committed to ensuring the workers' rights including minimum wages, decent work environment and other social compliance issues," Commerce Minister Faruk Khan said while speaking as chief guest.

Bangladesh Garment Manufacturers and Exporters Association President Abdus Salam Murshedy said the buyers need to follow a unified code of conduct and provide Bangladesh the same opportunity provided to other countries.

"Different buyers raise different issues for implementation in the name of social compliance in different times and such issues involve costs," he added.

The end-users of garments in the European countries and in America viewed that the garments manufactured in unethical working conditions in the garment manufacturing countries should be avoided, the speakers opined.

## Newspaper Clippings

# NEW AGE Business

Thursday, October 8, 2009



*Commerce minister Faruk Khan, right, speaks at a roundtable organised by the BSCI-Business Social Compliance Initiative in Dhaka on Wednesday. — Focusbangla photo*

### **RMG buyers urged to be ethical in sourcing**

**Staff Correspondent**

Both the garment exporters and labour leaders on Wednesday urged global buyers to be ethical in sourcing, and to give orders to those garment factories which comply with the rules of the buyer country. Such compliance, they pointed out, is a precondition for the sustainable growth of the readymade garment sector in the country.

Participants in a roundtable of the representatives of buyers, manufacturers and workers also agreed that only the joint efforts of the stakeholders could improve the compliance situation in Bangladesh's RMG sector.

Commerce minister Faruk Khan inaugurated the roundtable organised by the BSCI-Business Social Compliance Initiative. It was moderated by the daily Kaler Kontho's editor, Abed Khan.

The London-based BSCI, in partnership with major retailers and other stakeholders of the RMG sector, works to improve the working conditions in factories worldwide, and Bangladesh, having a large RMG sector, is prominent in its agenda.

'Please practise ethical sourcing as that will help both the workers and industry,' Roy Romesh Chandra, a leading trade union leader who is affiliated with the Awami League, told the buyers.

Roy pointed out that the Bangladeshi garment manufacturers, who concentrate on cheap apparels, always say that the falling prices of garments force them to pay meagre wages to the workers.

Dr Wazedul Islam of the left-leaning Bangladesh Trade Union Centre said that the country's garment workers' standard of living has remained unacceptably low for decades despite their undeniable contribution to the country's prime export sector.

'Besides ensuring adequate wages for the workers, the garment sector should ensure other benefits for them including provident fund and health facilities,' said Dr Wazed.

Garment exporters complained that continuous reduction of the prices they receive for their products ultimately results in poor wages and deprivation of the workers.

'It is not fair that you [buyers] continue to slash the prices of garments and at the same time continue to pressure us to improve the compliance situation in our factories,' said Dr Mohammed Abdul Moyeen, a director of the Bangladesh Knitwear Manufacturers and Exporters Association.

Dr Moyeen, who also teaches in the business faculty of the University of Dhaka, pointed out that the joint initiative of the buyers, suppliers and factory owners can simultaneously improve the workers' standard of living and increase productivity.

The Bangladesh Garment Manufacturers and Exporters Association's president, Abdus Salam Murshedy, said that different sets of compliance imposed by different buyers often raise the cost of production.

Commerce minister Faruk Khan said that improving the relationship between owners and workers is essential for ensuring sustainable growth of the RMG sector.

He said that since the RMG sector employs the greatest number of workers and earns the lion's share of Bangladesh' export revenue, the government is always ready to do anything possible to improve the compliance situation in the apparel factories.

# The Daily Star

JOURNALISM WITHOUT FEAR OR FAVOUR

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## Unified code of conduct sought from RMG buyers

Star Business Report

Leaders of garment industry owners yesterday demanded a 'unified code of conduct' meant for international buyers to help ensure compliance at their factories.

"We need a unified code of conduct set for the international buyers. Different buyers have different sets of regulations, and they stress ensuring different standards, which often cause trouble to us," said Abdus Salam Murshedy, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

"For maintaining these standards, we need to get certificates from different international organisations spending a huge amount of money. For example, if one has to get three or more certificates, certainly it'll affect the process of ensuring compliance," he explained.

He was speaking at a roundtable on "social compliance to address the necessity of improvements of the working conditions in the garment industry of Bangladesh", jointly organised by Brussels-based Business Social Compliance Initiative (BSCI), and London-based LIFT Standard, in Dhaka.

"We are keen to ensure compliance at all the garment factories and already 90 percent members of BGMEA have ensured compliance," said Murshedy.

But at the same time the buyers also can help ensure compliance, he added.

Abdul Momen, director of Bangladesh Knitwear Manufacturers and Exporters Association, also echoed the views of the BGMEA boss.

Momen said the foreign buyers should provide adequate opportunities to the Bangladeshi manufacturers and exporters to improve working conditions at the factories.

"We should offer satisfactory salary, health facility and hygiene to all workers to ensure better working conditions at the factories. We need support from the buyers to do so," he said.

"The buyers often offer lower prices for our products compared to those from other countries, which compel many owners to pay lower wages to their workers. And finally many owners fail to ensure better working conditions at the factories," Momen added.

Commerce Minister Faruk Khan said the government is constantly working to bring harmony between the garment owners and the workers.

"We (the government) are trying to meet compliance requirements in line with the labour law of the country. We have ensured minimum wages and appointment letters for all workers, and are trying to ensure health facilities at the factories," he said.

The minister called upon the industry owners to ensure fire safety at their factories.

## IX. Press Release

### Formation of the Round Table on October 7, 2009

#### Representatives from RMG sector with civil society form a Round Table on Social Compliance

On 7<sup>th</sup> of October, representatives from the Government of Bangladesh, buyers, suppliers, NGOs, Trade Unions, think tanks, business associations met at the Sheraton Hotel in Dhaka to form a Bangladesh Round Table on Social Compliance to address the necessity of improvements of the working conditions in the garment industry of Bangladesh.

The Hon'ble Minister of Commerce Mr. Faruk Khan chaired this formation of the Round Table expressing the importance to comply with the national labour legislation as well as to meet the international expectations offering decent working conditions.

With the presence of the business leaders including the BGMEA President, garment factory owners and representatives of buyers as well as the social partners with the Trade Unions leaders express commonly the interest in a continuous and constructive dialogue, which aims to bridge and create understanding among the stakeholders.

This Round Table starts a process of consultation on structural topics, addressing a commitment to develop a joint effort with the objective to contribute to pragmatic improvement in the interest of a prospering garment sector while demonstrating and respecting Social Compliance.

BSCI  
lorenz.berzau@bsci-eu.org

LIFT Standards e.K.  
mitzlaff@lift-standards.de

