

SOCIAL COMPLIANCE



round table
গোল টেবিল বৈঠক

Seventh Bangladesh Round Table on Social Compliance
24th November 2011
Ruposhi Bangla Hotel



Sponsor



lorenz.berzau@bsci-intl.org

Business Social Compliance Initiative (BSCI)

Mr. Lorenz Berzau

Av. de Cortenbergh, 172

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 & Facilitator



mitzloff@lift-standards.de

LIFT Standards e.K.

Mr. Christian von Mitzlaff

Krampasplatz 4A

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 also facilitates social dialogue.

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.

Table of Contents

II. SYNOPSIS.....	2
III. AGENDA.....	3
IV. ADDRESS DURING THE OPENING SESSION.....	4
ADDRESS BY MR. VON MITZLAFF, ORGANIZER.....	4
DR. WAJED UL ISLAM KHAN, GENERAL SECRETARY-BTUC.....	5
MR. KHAIRUL BASHER, DIRECTOR (COMPLIANCE), HA-MEEM GROUP.....	6
MS. PAYAL JAIN, REGIONAL CSR MANAGER-H&M.....	7
MR. ISMAIL HOSSAIN KHAN, ADVISER-NORTHERN GROUP.....	9
ANWARUL SABIR, PALMAL GROUP.....	9
MR. TOWHIDUR RAHMAN, PRESIDENT –BAWF.....	10
MR. ZIA AHAD, SR. REGIONAL LEADER-PVH.....	11
MR. FAKRUL AHSAN, CHIEF, GED, PLANNING COMMISSION.....	13
V. WORKING SESSION – DEBATE.....	16
VI. PICTORIALS.....	38
VII. NEWSPAPER CLIPPINGS.....	42
COORDINATION OF ALL STRESSED FOR COMPLIANCE IN RMG SECTOR.....	42
UNIFORM CODE OF CONDUCT SOUGHT FOR INDUSTRY COMPLIANCE.....	43
DIFFERENCE ON BUYERS COC THWARTS SOCIAL COMPLIANCE; SPEAKERS SAID AT THE ROUND TABLE ON SOCIAL COMPLIANCE.....	43
INDEX.....	44

I. Participants List

Name	Organisation	Position
Fakrul Ahsan	Government of Bangladesh Planning Commission	Chief - General Economics Division
Md. Emdad-ul Haque	BGMEA	Deputy Secretary, Social Compliance Cell
Payal Jain	H&M	Regional CSR Manager
Md. Nazrul Islam	MQ Retail AB, Dhaka	Country Manager
Zia Ahad	PVH	Sr. Regional Leader
Zahangir Alam	Sainsburys' Asia	Compliance Manager
Rejaul Haque	Bestseller	CS Coordinator
Firoz Mahmud	HEMA Far East Ltd.	Social Compliance Auditor
Sultanul Alam	Lindex Bangladesh Liasion Office	Compliance Officer
Poonam Alam	Hellenic International (Bangladesh) Ltd.	Managing Director
Abul Kashem M. Rajan	VF Asia Ltd.	ToE - Operation
Nazrul Islam Humayan	MQ Retail AB	Sr. Merchandiser
Khairul Basher	Ha-meem Group	Director (Compliance)
Syed Anwarul Sabir	Palmal Group	GM (Admin & Compliance)
Ismail Hossain Khan	Northern Group	Adviser (Admin, HR & Compliance)
Shiblee Azam	Dada (Dhaka) Ltd.	General Manager
Monir Hossain	Islam Garments Ltd.	Sr. Manager (HRD, Compliance & SCS)
Khondoker Aminul Islam	Monno Group of Industries	Sr. Manager-Compliance
Ali Akbar	Azim Group	General Manager
Kabirul Hasan Miraj	Knit Concern Ltd.	Sr. Manager (Admin & HRD)
Montashir Nahid	GIZ - PSES	Social Compliance Advisor
Syed Sultan Uddin Ahmed	BILS	Assistant Executive Director
Monira Begum	Solidarity Center/AFL-CIO	Program Officer
Salim Ahsan Khan	Solidarity Center/AFL-CIO	Legal Counselor
Dr. Wajed-ul Islam Khan	Bangladesh Trade Union Kendra (BTUC)	General Secretary
Adv. Mahbubur Rahman Ismail	BTGWF ITGLWF affiliated	President (Central Committee)
Towhidur Rahman	BAWF	President
Farid Hossain	Associate Press	Bureau chief
Christian von Mitzlaff	LIFT Standards e.K.	Organizer and Facilitator

II. Synopsis

This agenda of the 7th Round Table on Social Compliance, held on 24 November 2011 in Dhaka has been on “Towards achieving full compliance - The Role of Stakeholders, Challenges in time of tremendous potentiality.”

In his key address Special Guest Mr. Fakrul Ahsan, Chief - General Economics Division (GED), Planning Commission, said: “Presently the industrial service sector comprises around 16% employment and the government plans to raise it to 25%. Also the government plans to make the present export earnings double from the US\$ 18 billion to US\$ 36 billion. To ensure smooth growth for the RMG sector, some infrastructural developments are required on transportation, electricity, port, telecommunication, etc. The government plans to build also a deep seaport at Sonadia Channel which is expected to be smoothening the port communication. Not having the common CoC is likely to be a constraint for the entrepreneurs to comply with various standards. Also other challenges are likely as: Training of workers and employees, education, productivity, price competitiveness affecting ethical sourcing, etc. Economic inflation also affects Bangladesh and thereby entrepreneurs are suggested to periodically hike workers wages considering the growing inflation.

The Round Table was attended by participants representing the government, suppliers, buyers, trade unions and labour groups. Among the participants were Wajed-ul Islam Khan, General Secretary of the Trade Union Centre, Zia Ahad from PVH, Syed Sultan Uddin Ahmed, Bangladesh Institute of Labour Studies, Khairul Basher from Ha-meem Group, Syed Anwarul Sabir and Payal Jain as well as unionist Towhidur Rahman, President Bangladesh Apparel Workers Federation.

During the discussion key issues were highlighted like: Food rations for workers; Forming a committee with members from each stakeholder groups, Provident Fund at all factories, not limiting the facility to the Export Processing Zones (EPZ) only with a central administrated cell; Housing/Dormitories for factory workers; wages adjustment with inflation; health and medical insurance provision.

It has, however, been debated whether the Provident Fund shall be contributory or not and how many employers should contribute in housing building facilities.

The debate was also held on trade union rights and the Participation Committees (PC) in factories. Commonly the view has been expressed, that PCs shall not be seen as an alternative to Trade Unions.

The opening session was presided over by Christian von Mitzlaff and was moderated by journalist Farid Hossain, Bureau Chief of The Associated Press in Dhaka. The Round Table is a regular social dialogue sponsored by BSCI and organized by LIFT Standards.

During the working session the participants brainstormed along their professional group: Buyers, Suppliers and Trade Unions /Labour Activists. The groups discussed, which recommendation they would suggest to the Labour & Employment Ministry to include in the upcoming new Labour Law, currently the draft by the government.

III. Agenda

“Towards achieving full compliance - The Role of Stakeholders, Challenges in time of tremendous potentiality”

held on Thursday the 24th November 2011, 9:00 a.m. – 2:00 p.m.
at Ruposhi Bangla Hotel (formerly, Dhaka Sheraton),
followed by lunch.

Programme

08:45 Registration

09:00 Opening part with addresses by key participants,

10:40 Address by Chief Guest Mr. Fakrul Ahsan, Chief, General Economics
Division, Planning Commission

11:00 Tea break

11:20 In-house Dialogue: the ways of implementation and stakeholders' role:

- Expectations, possible active support and mode of co-operation
- Review and outlook on issues 2012 and role of the Round Table

13:30 Closing and lunch invitation



IV. Address during the opening session

For the opening session the press has been invited and participants from each stakeholder group have been asked to briefly address the Round Table on the question of implementation of Social Compliance in Bangladesh. Which relevance do they see in this initiative and how to contribute towards the objective of Social Compliance in Bangladesh.

On behalf of the stakeholder group the following person addressed the Round Table (in chronological order) after a brief welcome by the Organizer and introduction to the local moderator Mr. Farid Hossain:

1. Dr. Wajed ul Islam Khan, General Secretary-BTUC
2. Mr. Khairul Basher, Ha-meem Group
3. Ms. Payal Jain, H&M
4. Mr. Ismail Hossain Khan, Northern Group
5. Mr. Syed Anwarul Sabir, Palmal Group
6. Mr. Towhidur Rahman, BAWF
7. Mr. Zia Ahad, PVH
8. Mr. Fakrul Ahsan, Chief, Planning Commission

Mr. Farid Hossain, Moderator:

I will act as a moderator of this session and like to introduce Chair and organizer of this round table Mr. Christian von Mitzlaff who will make a formal welcome and also introduce this agenda.



Address by Mr. von Mitzlaff, Organizer:

Good morning to all of you to the Bangladesh Round Table on Social Compliance, which we have already in the 7th sequence. I am quite pleased that we have been successfully organizing this since 2009. May be I say a few words to those who are new to this round table. We had a series of topics relating to workers management, labour unrest and other important issues. We have involved all stakeholders in garment industry in the sessions to bring out strategy and recommendations.



I would like to welcome Mr. Fakrul Ahsan as a special guest. I'm pleased that he accepted our invitation. I heard that he also works on compliance issues before. It's a very special opportunity for us to hear from him. But the subject for today is what is the role of stakeholders in challenge of prosperity. It would be appropriate to hear from BGMEA about overall outlook of garment sector. We see is a very prospective future for the sector in spite of some challenges lying ahead for stakeholders

along with opportunities. We have talked many times and agreed it needs concerted effort for a prosperous and healthy industry and willingness for collaboration and cooperation of all parties concerned. Understanding that everyone has his/her own position and own capacity and role.

Only previous 12 months the export to Europe has doubled. In today's agenda we can shed light and stamp out challenges and opportunities as well as how address risks with joint efforts. These points I propose to reflect on our opening session discussion until tea break about and afterwards to discuss in details during the working session. I know Dr. Wajed has another commitment after the tea break, therefore I would like to give him the floor first.

Dr. Wajed ul Islam Khan, General Secretary-BTUC:



Thank you Mr. v. Mitzlaff and all the participants present over here.

We trade unionists say, save the industry, save the worker and save the nation. So, three combined concepts need to be considered for a healthy industry. Worker's wellbeing and health is important factor. Because if a worker does not live a better life then the industry suffers also. Same importance goes to the economy and nation. These three things should combine together to

keep up industrial and economic development of the country. I want to appreciate your initiative that you have come from far away to take care of our issues. Social compliance is very important in Bangladesh perspective. However, it has improved little. So far we come to know that the government has initiated a move in 2009 to revise the labour law where some laws are detrimental to workers and some are to management. The government committed that amendment to the labour law will be completed within 6 months but two and half years has passed but still no sign of completion. It is unfortunate that the government is not only going slow on revision of labour but also is taking some steps rather quickly where workers' interests are being hampered. Industrial police and some other things, which I think do not give any result to overcome crisis in the industry. Main problem in the garment industry is the unrest situation, which occurs when workers are not paid fairly and timely. It takes workers to streets. I said many more time previously and repeat here that implementation of the ILO Convention 87 and 98 are the only solution to this. If we go by the Convention 87 and 98 only then healthy trade union can come up.

There is trade union in garment sector. I am with trade union for 40 years but still I can not say there is a healthy trade union in the industry which is of great importance. So, we need to implement ILO Convention 87 and 98 for a healthy trade union. We can solve 90%-95% problems across the table. Another important thing is the working environment. Wages for workers was increased from Tk. 1,600 to Tk. 3,000 one and half year back. But by this time the prices of essentials has gone up manifold. So, the real wage has practically gone down. We from our trade union demands government subsidy so that workers can get essential commodities in fair price through rationing system. In this way the wages can be protected and so be the free market economy. We demand that rationing system should be introduced as soon as possible. We are having this sort of round table in every

2-4 months. We talk and then go home. Nothing happens. Therefore, I propose to form a forum involving all stakeholders so that we can talk and negotiate with the government to make plans into action. Thank you very much.

Mr. Christian von Mitzlaff, Organizer:

Dr. Wajed, Thank you for your clear input. Two points I want to pick up. One, is I hear from you that one of the important challenge for next year is the question of income for the workers and to which extent will inflation rise. The other is what can we do beyond our discussion at the round table. I have just reviewed the agenda we had in the previous round table and also put the agenda with pictures in the back of this room, which may help us for a general overview of our past agendas and orientation. Two points I think - besides industrial relation we discussed.

To be specific the agenda for 9th August 2010 was strategies to minimize labour unrest, what the stakeholders can do as deescalating strategy. And the last round table was on what are the possibilities to improve the social security and social safety net where we come up with quite interesting overlapping proposals from the employers as well from the labour side. But actually we didn't take it up further. So, the second point is how can, I'm only repeating this because I think it would be nice if you contribute or if somehow you respond to this issues in further statements. Is it possible to have a group discussion after the round table that could bring that forward to decision makers to address, what you have in mind? Its good pointing out what has happened last year and what are the major challenges we are going to face for upcoming changing situation. We might ask for another statement. I think it's good that we are stating from your position where the difficulties are. Where the opportunity or potential we see or which is the market offering but at the same time where are the challenges and where do you see the risks.

Mr. Khairul Basher, Director (Compliance), Ha-meem Group:



Good morning, ladies and gentlemen. Thank you very much for giving me chance to speak here. The subject today is "Towards achieving full compliance-The role of stakeholders, challenges in times of tremendous potentiality". Actually it is a very difficult task to achieve full compliance but our target should be achieving full compliance. So, what are actually we are facing is nothing new to what I will be discussing over here. I want to highlight some of the points. One is our working hour. Working hour actually as par law, nowhere it is allowed more than 10 hours a day. But at times it is very difficult to maintain 10 hours of working hour in the factory. It is not only a challenge in Bangladesh, but in all over of the world in garment sector.

The second point I like to talk about is the child labour though it is minimized in the garments factory. Most of the companies don't have child labour. But some sub-contracting factories like printing factories, there is child labour. Although gradually it is decreasing, it still remains a challenge. Another issue as Mr. Wajedul Islam has said is workers unrest. It is a question of reputation. We must retain confidence of the buyers. There are a lot of potential buyers who wanted to set up factories in Bangladesh but they were not confident

enough to do it. Workers unrest may make them feel that doing business in Bangladesh is risky. So, we must find out root cause of the unrest.

Another point I want make is fire safety which is very important because due to fire incident the buyers who want to invest and do business in Bangladesh, fall in doubt. We need to find out root causes of the fire. Then comes environment issues. We have established factories but we don't have the right to pollute the atmosphere. So, this is also a challenge that how far we are looking after the environment. Regarding wages, Mr. Wajedul Islam has said very well. Wage issue is applicable to garment sector so is to other sectors. Factory management says some of the workers are very interested to work excess time. This is because their pay structure is not up to standard. So, they work more hours to get more money for their living. Consequently, wages should be as such that workers can lead a life and survive with the amount.

Mr. Christian von Mitzlaff, Organizer:

Thank you for your points. May I ask you what do you see is the most challenge or the problem for the industry to respond to this market opportunity? Among the six points you said which of them is the major constraint to potential export opportunity Bangladesh could enjoy?

Mr. Khairul Basher, Director (Compliance)-Ha-meem Group:

These are the point actually I said. We need to address these points to achieve full compliance and earn confidence of the buyers. We rely heavily on garments trade as 80% of foreign currency is earned through this trade.



Ms. Payal Jain, Regional CSR Manager-H&M:

What I see from H&M perspective, the need for the industry, for the coming year is about productivity. We are working in a competitive environment, we have problems for the Europe, we have business up and down and I think this is something, which is extremely important to sustain our industry in the tough time. The other thing what I want to highlight is what are the challenges for productivity is education and awareness. The second issue I think we have already covered in the last round table on social security. I think it was an interesting session and I think how we should take this forward

in order to establish a social security net for the country. And this is something Christian point out about that we need to take this forward to the decision makers and lobbying with the government and ensuring that this is something that we need and we need steps to achieve it. Regarding minimum wage, I think we are talking much more regarding minimum wage from customer point of view. A lot of people are demanding living wage

and they request something, we don't know. What is the living wage? There are no criteria to set up what the living wage is.

I like to come back to the minimum wage related to Bangladesh, I think it is extremely important what Mr. Wajed said that the minimum wage is well revised last year, it was almost 80% increase in wages but it is still not sustainable looking at the prices and inflation. Can't the government of Bangladesh set up routines for regular revision, which includes the address of inflation at least? I think that is something, which is needed to match the growth and address the workers issues when it comes to high prices. And related to this is also overtime and I think as Mr. Basher identified. Of course workers want overtime but at the same time are they free to do overtime is also a question. And especially when the recent amendment to law on overtime has come up which is 4 hours a day. This is already contradicting the ILO convention and how they set this law without taking into account that they are the stakeholders and working toward issues, which are counterproductive.

The buyers have their own stand and the government as amended the law but we will not come to a conclusion because there will be a fight still that the buyers would born that the workers should not work more than 60 hours per week but the law will say something else. We do something, which is not acceptable then what are the points of doing those things which are not followed. The last but not the least that I also like to address the worker issue which is also a big problem in the area of environment. The World Bank said by 2025 there will be no clean drinking water for Bangladesh. So, if we want to continue to grow into Bangladesh, we will face the big challenge. That is all, thank you.

Mr. Fakrul Ahsan, Chief (GED) - Planning Commission:

Can I ask for clarification of source where you got this information that by 2025 in Bangladesh, there would not have any drinking water? Can you specifically name the report?



Ms. Payal Jain, Regional CSR Manager-H&M:

I was attending a seminar in 2009 and 2011 organized by World Bank. There it was said that the ground water level is getting depleted and you know it's not about drinking water, it's about clean drinking water. The wastes are getting mixed with the ground water, so then there will be problem on clean drinking water.

Mr. Fakrul Ahsan, Chief (GED) - Planning Commission:

I think that's an exaggerated statement. There will be scarcity of water as anywhere in the world. If there is any war in the world, it would be on the water, I can tell you on this, but it will be scary thing. But there will be 'no water in Bangladesh', I think this is really over exaggerated statement, while we are spending so much money in cleaning up waters.

Ms. Payal Jain, Regional CSR Manager-H&M:

I agree this is not my statement, I take it from World Bank, where I have been attending the seminar. What is said that Dhaka or Bangladesh is not in water scarcity. Bangladesh has lot of water, that is the fact. It's not about the water issues. We are not in the debate of water issues, we are in debate on clean water issue. When you read the newsletter from World Bank, when you attend the seminar, there they show how the ground water is

getting depleted by year and the pollution is getting mixed with that water, that is the question.

Mr. Christian von Mitzlaff, Organizer:

What do you mean by *education*? Education for whom?

Ms. Payal Jain, CSR Regional Manager-H&M:

Education for the entrepreneurs, for the suppliers, that this is something, which is more needed than fighting for better infrastructure, better productivity and then education for the workers in order to help them to be more productive. I think education at all level in order to compete with China, with markets like Cambodia, Vietnam. We need to work on productivity to ensure that we are still competitive and we can fight for a better price and better product.

Mr. Ismail Hossain Khan, Adviser-Northern Group:



I work as an advisor, administration and compliance at Northern Group. I agree with Ms. Payal that education is required for all level. If we look forward, we see that most of our workers are illiterate. They actually don't know how to behave in the factory. We should educate our workers first. If we can educate them, I think 50% of the problems we are facing now, will be solved. Regarding wages, living wages actually is a very important factor. If we go for living wages, we have to look at the market and then go for living wages. The minimum wage fixed by the government and implemented by factories is not enough for workers. So, the government should think for further increase in wages. Thank you very much.

Anwarul Sabir, Palmal Group

Thank you very much for giving me the floor. The agenda we have today, two words appear, one is the **challenge**, and the other one is the **potentiality**. Now talking about the challenges, what was said just a moment back that our workers are illiterate and all our problems lies behind this cause. I don't think this is absolutely right. I feel there are two types of challenges.

One is infrastructural challenge and the other one is social challenges. Power and gas are vital infrastructure. There is a trend that many factories are relocating to outside Dhaka. These factories are not getting skilled workers. So, paucity of skilled workers is also one problem we have in the infrastructural side. Wage issue is also a social challenge. Wage has been increased from Tk. 1,665 to Tk. 3,000. Did it solve the problem? I say not at all. Because the market price of essentials is double now than two years back. So, the workers are facing the same problem. If wage rises again, the prices will rise too. Consequently the problems will persist. Along with commodities, house rent has also increased significantly creating



accommodation problem for the workers especially women. Inflation is posing big threat. Therefore, it requires concerted effort of all stakeholders to overcome the challenges.

Mr. Towhidur Rahman, President –BAWF:

I'm Towhidur Rahman, president of Bangladesh Apparel Workers Federation and member of Bangladesh Garments Workers Unity Council. Good morning everybody. Thank you very much for organizing this Round Table. If we want to achieve full compliance in all respects, we need joint efforts of all stakeholders. Owner groups claim they now reach full compliance. But reality it is not. I have documentary evidence of complaints regarding maternity benefit. Owners are keeping appointment letters in personal files of the workers but are not giving to the workers. A lot of service book has been delivered to factories by BGMEA. But not a single service book is given to the workers. In these circumstances if we want to achieve full compliance, we have to ensure close contact and interaction between trade union, owners, government and buyers. Thank you.



Dr. Wajed-ul Islam Khan, General Secretary-BTUC

Sorry that I'm taking the floor again. I'm Wajed-ul Islam. I have clarification since one of the speakers has asked about the basis of the wage determination? Nutrition Department of Dhaka University conducted a survey a few years back. According to the survey as per calorie based system a family of four needs about Tk. 16,000 for living. If there are two wage earners in a family - husband and wife, even then the minimum living wage was Tk. 8,000 three years back. We observe not only in garment but in all sectors that it takes about five years to introduce a pay scale. Inflation in five years offset the benefit of the raise. So, like in many countries such as India, dearness allowance can be introduced as per price index. With dearness allowance system workers are benefited every year and the owners are to bear fewer burdens every year. I fully agree with my friend that literacy is not the issue, it is behaviour that is most important. Thank you.

Mr. Syed Sultan Uddin Ahmed, Asst. Executive Director-BILS



Thank you and good morning. Very nice topic we are discussing "Towards achieving full compliance -The role of stakeholders, Challenges in time of tremendous potentiality". Of course from the business perspective we are passing nice time. Order has become double in last two/three years in spite of global economic crisis. Is there any equal scope for the workers and the owners to contribute to the industry in this tremendously potential period? That is my one question. And second one is, are other stakeholders ready to sit together and discuss and take best out of this potentiality. Can they truly represent the industry, put forward their ideas for the industry and get their proper share? We have many ways to bring workers, worker representatives and government to table. There are some barriers, which can be

overcome. So, I would like to request everybody to create an environment where the workers and the worker representatives can act and the government can come forward to contribute to the industry. Thank you very much.

Mr. Zia Ahad, Sr. Regional Leader-PVH

I do work for PVH Corporation, although my views are not necessarily the official position for the company. The topic that we are talking about today is at the same time enormously important, challenging and crucial for the industry. When we talk about apparel business we talk about all the stakeholders and the challenges they are facing because in Bangladesh this is an industry, which is really keeping economy afloat. I think one of the things that we have to recognize is that all of us represent here are stakeholders with different stakes and where we stand depends on where we sit. So, the fact we are all together here and sharing views and understanding is itself I think a great deal of progress.

It is something that we have achieved in last 6 sessions of round table where we brought together all different stakeholders to articulate their opinion on different topics as it affects them. We have suppliers here and we are voicing their concerns, we have activist groups here we are also voicing their concerns. Somehow I think the least important people in this room are the buyers who really are in many ways a transitory group. If there is worker unrest and potential risks, they will look for options. Either they are price driven or they are driven by other deliverables. And I think my personal opinion is really that the basics of an industry or development of an industry is somehow distorted. And by that I mean we have seen a tremendous growth over the last 25 years or so. We never stopped to think where we were 25 years ago. And the reason this is important that we have to trace the origin of some of the problems we are facing today in light of where we started from.

Where was the country 30 years ago? Was there a garments industry at all? The answer will be no, there wasn't. And this is why there was a mushroom in growth and we all witnessed it over the years. The reason it is important because this also underlines the fact that this is the first generation of entrepreneur in this country. East Pakistan separated and became Bangladesh; there was hardly any industry and entrepreneur here. So, the transition people need to make to become industrialists as opposed to traders or businessman had not really happened in the way that it should have been. Now that we talk about compliance. Coming back to present realities, the fact that matter is the majority of so called compliant factories, have achieved through the effort of external forces. This are really being driven by the brands itself, coming in with their glorious code of conduct and imposing business conditions. What it has done as far as I can see that it has fostered a reactive cycle amongst the industry leaders.



You comply to the standards because X brands opposed to Y brand is demanding something. The basic rationality for compliance has gone missing. If we can take a step back and we perhaps do a little bit of retrospection and analyze how the situation would be if none of the buyers in the world did not impose any code of conduct in the industry. And if you throw this question you will probably come around to realize that the basic code of conduct that buyers require is really substandard. They are pathetically minimum and

yet the forces which are externally imposed as precondition for doing business, these standards never get rationalized and because of that they are never sustainable.

The logic for compliances as I said, has gone missing, the rationality is not there. This is why there is no sustainability. Today as we speak a lot of brands and groups together to try and work to create sustainable compliance and factories. Globally they try to do that and also in Bangladesh. Now we are talking about making something sustainable at a factory that does not see it as a desirable commodity and the effort that is needed to go to really transform people's mindset about compliance has really not been invested. And to a large extent, brands are responsible for this.

They are all coming with a different code of conduct demanding compliance and set standards and demanding even the workers need to know about the standards. What right do they have for doing that? Do they have any right at all to impose conditions? Is that any wonder that we do have suppliers group, the majority of them are not here today. There is no standardization of codes of conduct. Therefore different brands come in with their own fetish and require compliance. And again this underlines the real ignorance level, I beg to say that I might use harsh terms here but ignorance level at the suppliers' level also that do they bother about what the law requires of them? So it's really asking suppliers to comply with the country's law to begin with. But you can take a step beyond that. You can even begin to pare down the rationality for different standards. The rationality for why the brands are talking about, say non-discrimination and how does it serve the purpose of any suppliers. Every brand I know talks about non-discrimination and do it on its own way. They are not reinventing the wheel really, all they telling suppliers is to ensure is not discriminating in actually getting the best possible workers available in the market.

We talk about the need of awareness, the need for having education, we are really going around the issues but we are not nailing it. You don't need buyers or anyone else to tell you what to do, which standards to uphold. But the distortion has set in and in the whole process I believe that the factories, factory owners and all of the factories with independent entities, they seem to have lost their own identity. So, they are driven by what the buyers require and this is unfortunate. The majority of factories in our country take short term and ad hoc decision. There is no realistic approach, there is no real understanding about objectives of a business entity, there is no understanding about how an industry grows, what needs to be done and because none of this are really discussed in forums.

We all talk about different peripheral issues, depending on the asset, where you come from, if you are in the labour group, you will be talking about labour rights, understandably, if you are a business group, you will be talking about profitability, higher productivity and as far as the brands are concerned, they would be talking about minimizing the risks and ensuring the timely delivery. All of this that we talk about, all business decisions in effect are compliance decisions, so if you are really looking for a recipe to make a industry grow then there is actually no better one than compliance standard. And why do I say that? Because if you go to economics 101, the basic rules of economics, talk about any enterprise of the world, we are talking about the fusion, of land, labour, capital entrepreneurship. Why are we so obsessed in only one area? Because the labour wages can be squeezed, their rights can be denigrated, everything else is given. The implementation of wages also gets delayed definitely. The reality of course is, unless you keep all four factors of production, land, labour, capital and organization working you can not have productivity. You can not have output, business or growth. Thank you very much.

Mr. Fakrul Ahsan, Chief, GED, Planning Commission

Thank you Mr. v Mitzlaff, actually I'm not going to address you, I don't have the capacity to address you but I would like to share a few of my personal experiences when I worked in Washington for a long time from 2001 to 2006, specially dealing with some of the issues that have been discussed today. Also I would like to inform you about the garments perception and particularly the Planning Commission what it has been doing in order to promote the Bangladesh economic development process. We have just completed preparation of the 5-year plan in fact it is already out. It's a medium term long term plan. And we also have a long term prospective plan which is for Bangladesh based on the vision 2021 of the government. The whole idea is to convert Bangladesh into a middle income country by 2021 when we celebrate our 50 years of independence. And to do so, we want to go at a growth rate of about 10% by 2021 and by intermediate period which, is 2015 we like to go at a rate of 8%. Currently we are close to 7% growth rate. If you look at the history of the development in Bangladesh, we see in the 80's Bangladesh on the average grew at a rate of 4%. It never went down in the curve. In the 90's we have achieved 5% and in first decade of new millennium we have achieved around 6%. So, we have to expand so that we can grow at the rate of 8%. And what are the premises of growing at 8%? We in Planning Commission have learned some economic models like input output social accounting matrix, the labour employment matrix, lastly the CG model, and the computer generable model. And what we have seen that Bangladesh can not grow at a rate of 8% or 10% if we heavily rely on agriculture. This is my first point.



Secondly we have to reduce our poverty, by creating more productive jobs in the industrial sector as well as organized service sectors because agriculture traditionally is a low income and output-based sector. So, where do I go with the industrialization? Should we go for sophisticated level of development or other strategy for development?

Since Bangladesh has abundance of labour supply, manufacturing industry should be given more emphasis. Not only the apparel, but also other areas where we

can manufacture a lot of electronic chips, computer chips and other diverse export items. The current industrial contribution to the economy is only 17%, we would like it to go up to 25% by 2015 and to 40% by 2021. The job offered in the industry and service sector is about 16 %. We would like to have it increased to 25%. Therefore we need to emphasize more on the manufacturing service sector.

The 6th 5-year plan is basically created on the premises that it should be a private sector led strategy, which is very important. *You* are the captain of that investment. The total outlay of the 5-year plan is Tk. 13.3 trillion of which we have calculated that 93% has to come from the domestic economy and 7% from foreign source. International financial situation will not permit us to get more aid from the donor community because they will

invest a lot of money to fix their own problems. One way to mobilize the huge fund from domestic sources is to increase tax. Tax GDP ratio in Bangladesh is the lowest in south Asia and one of the lowest in the world. In Sri Lanka it is 18%, in India 19%, in Nepal 16%, Pakistan 23% whereas in Bangladesh it is only 9.5%. As the model suggested, we should increase our tax pay to at least 14.87% to generate enough domestic resources to finance the ambitious plan. Out of 93% domestic resources, 80% will come from the private sector, meaning domestic as well as foreign financing like PPP, FPI, and joint venture will have big role to play. The export earning has to increase to US\$ 36 billion from existing US\$ 18 billion, simply doubling it from the current level. It has to come from the private sector. We the public sector will be playing a facilitating role.

I am very happy that someone from the Palmal Group has raised the issue of the infrastructure constraint, and also by Mr. Zia. This is very important. The government will be providing the infrastructure, meaning safe and better roads. However, nobody has talked about the port efficiency, which is extremely important. You can not continue to export or import unless you have an efficient port. We only have one port in Chittagong; we are planning to revive Mongla Port so that some of the burden can be shared. We are investing, and hopefully by 5 years, we will come up with a deep sea port in Sonadia Deep which is almost in final stage as far as I know from the Ministry of Shipping. Secondly, uninterrupted supply of electricity. In telecommunication, because of the courtesy of the cell phone, the integration of the market has taken place as teledensity has increased remarkably. So, we in the public service will try to accelerate our position as a facilitator to support our private sector so that you can invest more.

Mr. Zia said Bangladesh is seeing the first generation of businessmen, I have to disagree with him. I think this is the second generation of businessmen. What I have come to know is that second generation businessmen have a much more entrepreneurial attitude; they are much more concerned by the social compliance issue. They are the younger group. The next generation who are investing, really knows their business well. It is true that Bangladesh has stepped into the investment after the 1970's. The second generation businessmen are more competitive, industrial and at the same time they have a better human quality. It is not that the first generation people are disrespected, I don't dare to say that but they had some obstacles, because the first is always difficult. We will try to overcome the infrastructure problems; our plan is to have the country produce 20,000 mega watt of electricity by 2021, and by the next 5 years, we are hoping to increase to 15000 mega watts. But the demand is also increasing exponentially. As I know it takes 3 years to install 300 mega watt power plant. So, it takes time. The quick rental is not an answer it produces at a rate of Tk. 12 to Tk. 14/kilowatt whereas the government is selling at Tk. 4/kilowatt on average. The subsidiary is Tk. 18,000 crore which is unsustainable. You see, due to this, you can not invest on social compliance, you can not invest on social safety net programs and on education and health. So, we can not be dependent on short term rental projects. These rental projects are created on the basis of a guarantee that whatever they produce, the government is bound to buy them. It is very difficult. When you try to solve from one side, the problem arises from the other side, like the subsidy is overshooting the roof. It is unsustainable. Inflation is growing due to too much borrowing from the public sector.

I am an optimistic person but the challenges that I get in the sector are many. First, as Mr. Zia has very rightly said, while I was in Washington, I had a very close interaction with the AAFA (American Apparel Footwear Association), they looked after the buyer interest. Also the AFLCIO, they were in charge of protecting the worker interest. There I have experienced a conflict of interest. I have handled many BGMEA teams. You see, there is no

uniform code of conduct, every buyer looking for a high end apparel has different set of conduct. Like in the government, when we get a foreign assistance, different donor has a different format to monitor; we have to assign couple of officers to satisfy the donor formats. We told them to come up with a uniform one, the ultimate objective is that you have to be responsible to the tax payers, so come up with a uniform format so it is easier for everyone.

Similarly, if every buyer comes with different set of code of conducts, it becomes very difficult; the installations can not be modified everyday. Hence, they have to come up with a uniform code of conduct. The second challenge is that you have to provide for both the entrepreneur and the worker. There is no substitute to training. As we can see, a professor of Harvard or Stanford is still teaching at the age of 75, why? This is because he has upgraded himself through the research and the training projects. There is no substitute for training, even the entrepreneurs need training. They need to know how the business is run, the compliances are used. In the days of ICT, you can do everything sitting here. At the same time you have to build awareness amongst the worker through continuous training. Education is really important. To increase productivity, education is needed to be provided along with transfer of skill. So, you have to train your workers, in this way the unrest will reduce further.

The third challenge is that we get to see the price competitiveness. I have attended many apparel sourcing shows; I have seen that they demand compliance without raising their price further. They will offer 10 cents or even a dollar more to a dozen along with a fresh set of compliance requirement. If you do the ethical buying you also have to do the ethical sourcing. You offer them the extra money and then ask for the compliance, please don't ask one way. You will be working in an environment where the prices will be very competitive and at the same time you will have to maintain the compliance. It is a social and moral obligation to protect the interest of the labour, because we can not let them work hungry. It's a moral issue, not a business issue.

I would not want someone working in my house to starve or wear something I would not wear. Maybe I would not provide them the best quality but I will try and give them a reasonable quality. Second, the salary issue that we continuously have to adjust to because inflation is going up not in Bangladesh only but worldwide, but probably our inflation rate is higher than other countries for the last six months. Hence the salary has to be adjusted. We do not have the automatic stabilizer like they have in the Scandinavian country, that your salary, no matter where you work, public sector, private sector or a home labour, gets adjusted every year according to the inflation. That will be difficult for a developing country like Bangladesh but you should be mentally prepared to continue to upwardly adjust the salary because inflation is not going to go down. So, salary adjustments, competitiveness, productivity increase these you have to play around with and there is no way that you can sweep under the carpet, the issue of compliance. You have to look after the labours, and I can tell you the poor people in Bangladesh are the most honest, I know this from my experience of working 30 years in the development process. The problem is the communication, we don't understand them, and they don't understand us because of the lack of communication. One way we can improve is by training and interaction.

So, with these few words I would like to stop. Thank you very much.

- End opening session -
- Tea break -

V. Working Session – Debate

Comment from participants on statement from Opening Session

Mr. Farid Hossain, Moderator

We have done the opening session. So, now I will again go back to Mitzlaff. He can give us a little reflection of what has been said in the Opening Session and also what we are going to do in Working Session.

Mr. von Mitzlaff, Organizer:

Welcome back after the tea and hope you all have enjoyed it. I welcome Mr. Emdad-ul Haque from BGMEA to be with us. As we had very good elaboration and fruitful thoughts before the tea-break, if there is some reaction to this, that might be a good moment to do before we going into the working session. Anyone who would like to express? Let me share my ideas for the session.

You have talked about potentiality. You talked about the areas which from your point need to be addressed. And I like those points to use to map and may be to see which are more of higher priority and which are of less priority. If we talk about the next year, may be in a period of one year? Where you see the more need to address it, number one and then the second one is how they should be addressed? I don't know if we can talk about the spirit of this round table but it is in a sense what we bring here together different parties who need to talk to each other. I think we talked in a very decent tone and we talked very much on the issue and we have gained respect to the others position and from there once we are able to listen and we can also respond and add to it.

To be in the stage of dialoguing is definitely a quality and from there on ideas starting to become common ideas at least in the way or in the understanding perception what needs to be done and out of this one can elaborate how can it be done in a cooperative and not in a conflicting way. In the working groups, you may prioritize them and discuss, how to address them? Here I mean, how can we make a qualitative step in dealing with through the stakeholder approach? We already have the task to collaborate and how to address the issues. Once having grouped the issues, prioritizing them and then discuss how to address them?



Next we come to the Round Table: How can this forum deal with those issues in 2012? How can each group contribute? Dr. Wajed is not here any more, but I think up his point from this morning if there is a co-group or some participants from the round table and they bring and take this message out from here and address it. Then we do more than discussing. We took common points agreed upon by stakeholders. For example, we got last round table on the social security and we have a list of common necessity of social safety net from labour sector which needed to addressed and would be good to have in the upcoming labour law. This is the result of the discussion, which is not only one group, it's a multi group discussion results. So, again the task for the working group what I am proposing is to take different statements. We bring them together working with the group,

we prioritize them and select which of the topics is worth working upon. It is an effort where only one group is not dealing with it but in a joint effort we formulate operational strategies. We have working group with professional background. The suppliers may form one group, the labours form one and the buyers another. We can also start mixing the group. We rather do mixing or going by professional background? May be I stop here and I ask for clarification. May be first one on the task, before we go the operational. Zia can you?

Mr. Zia Ahad, Sr. Regional Leader, PVH

If I understand correctly, I guess in terms of grouping you are talking about either having a mixed group in the sense that you can have buyers, suppliers, NGO activists and all the stakeholders mixed up in each group or we can go based on who they represent for.

And then I think you are trying to drive at is the kind of issues you know that need to be addressed but specifically take it out from perhaps today's discussion as well as earlier discussions and identifying those as well in the order that we want to address for 2012. Two things, one is the content of what we are going to prioritize and the other is I think the formation of the groups, sub-groups if you like? Did I get it right?

Mr. von Mitzlaff, Organizer

Yes, and I would like to add on the content how to address it? And that is still what I want to take out, I talked about the spirit of the round table just as a working term. I think it is necessary to deal with the topic by overlapping the professional groups. The same like here we come closer what needs to be done in workers' representation? We know the positions about implementation of trade union rights. Participation Committee should be started as a project for capacity building for the management and the workers. It would be difficult to address many topics. We may cover one or two topics. The fact is there would be an understanding how to address it and it would come from across the table. I am hoping that we are developing a local ownership of this round table. This round table is not owned by a foreign organization. It is making things visible. Since 2009 the round table has been bringing important topics and trying to address them across the table. We find out what needs to be addressed next year, it would be good then to discuss how to address it. The across-the-table suggestions for addressing issues make this session really special.

Mr. Zia Ahad, Sr. Regional Leader-PVH

One task to focusing in on the issue, are you going to limit the discussion to this morning or this is open-ended for any issues. Issues of discussion would prioritized by working groups. That needs to be sorted out simply because some of the issues that were raised today in the earlier session was symptomatic, so they were not necessarily the problems or say the root cause to the problem in other word but there were the outcome of deficiency like fire episode, would you discuss it in the context of safety, or you would have confined it to the discussion on just fire?

Ms. Payal Jain, CSR Regional Manager-H&M

I would just say we need to limit the topic, otherwise we are going too broad and if we go issue by issue, then it would be much easier. I mean when we divide the groups, you know what have the best interest one topic per group, then we represent and share. Otherwise it is too much focus on playing critical action. I think it would be interesting if we want to vote on what are the three most critical issues? We divide three groups and then talk three issues today.

Mr. Firoz Rahim, Compliance Auditor-HEMA Far East Ltd.

I want to add one more topic already discussed over here, that is environment issue. Actually now this is a burning issue not only in Bangladesh but all over the world. We can see around Dhaka that water is polluted by industrial waste. So, I think we should discuss and emphasize this issue also in this forum. Thank you.



Mr. Farid Hossain, Moderator

I think what Payal is saying that makes sense. We should identify three/four critical issues, then we can have brain-storming on those issues, and that what Mitzlaff was trying to suggest that prioritizing the issues, contents we have spread out across the board, that will take us anywhere. When we identify those contents and discuss, then we can go for the next stage, you know what will be the approach to? Because as I understand from the morning session as Dr. Wajed was suggesting that we are holding round table regularly, but we are just talking, discussing. What is next? He suggested a core group or committee, which would hold meeting with policymakers, workers and all stakeholders. So, we need to take the issues to the policymakers. So, I think let us now go ahead and select the number one, two, three issues. Thank you.

Mr. Syed Sultan, Asst. Executive Director, BILS:

I think that for 2012 two things need to be considered. I would like to request to formulate strategy whereby participation of all stakeholders can be ensured. Participation of government policymakers, Ministry of Commerce and Ministry of Labour is very important. Second, participation from the employers association. In previous round tables BGMEA and BKMEA leadership was there. Now we have manufacturers, but still participation from association leadership is necessary. So are union leaders who represent workers. We have to make sure participation of different stakeholders for a realistic and effective way forward. In first round table I suggested organizing it regionally. We know round table can not do many things, it is for discussion and recommendation. But still if we can decentralize this type of discussion and involve different stakeholders, then only actually we can say we have made some progress. We have to ensure participation of secretaries of ministries and other high government officials so that they can take recommendations from this discussion to policymakers. We are thankful to LIFT Standards and BSCI for their initiative. We need to go further with this platform. Thank you.

Mr. von Mitzlaff, Organizer

You raised three questions: one question is how we select the topic onto discussion in a working group? The second question is how actually are we getting a fruitful mobilization for participation in this round table? The third one is whether the Round Table shall also meet in other districts or industry hubs?

In order to select the topic, we will list down six topics and then we go by vote to sort out before proceeding with working groups. Next question is how do we strengthen the round table? It is not the organizer who can pull them to the table. We need support from participant group who can help bring those we want to see here. The strength needs to come from within the country.

I think we need go and sit with participant groups to mobilize. I can be part of the discussion on analyzing and brainstorm what needs to be done. I only give few ideas on this but I think we need to elaborate and explore on how to best use the discussion. Third point I want to propose is we can organize next round table in Chittagong and then next one in industrial hubs of the greater Dhaka district, which can be Tongi or Gazipur. We may invite the District Commissioner and the Mayor who are the administration of the locality. We may organize another round table in here in Dhaka. My question is it is something which is a weight earning for in question of mobilization, how to mobilize, it is structural question for the round table.

My proposal for topic selection is that I am going to read out 12 points and we just go by hand vote and finalize which are the topics for the working group. I still hope we will find time to discuss how can we improve on mobilization.

Mr. Zia Ahad, Sr. Regional Leader-PVH

I have a relevant question actually Mr. v. Mitzlaff you know before we discuss, we were talking about the participatory committee, what is the status then?

Mr. von Mitzlaff, Organizer:

Good question. This project needs fund. It is intended that a good portion of this come from BSCI. I give a little background on it. Actually BSCI agrees to fund. They have to go through a major governance change this year and first one big change is BSCI is merging with Foreign Trade Association. Now FTA and BSCI are coming into one, which is interesting signal. Number two, they have added one committee on the government structure and one of the committee is the stakeholder committee, where trade unions are there, civil societies are there and so on. They came to alive if they designate their consultants and that is going to happen on 12th of December when I am flying to Brussels to present and also to advocate for this position. It still the same advocacy which we think successfully doing here, we have this pre-round, some advocacy is also necessary in Europe. I mean BSCI wants this project and is politically interesting and so we are confident that they will release fund soon. So, that it is very much in the pipeline.

Mr. Zia Ahad, Sr. Regional Leader-PVH:

And do we need some point identification of facilities where you are going to have the project or is this premature now?

Mr. von Mitzlaff, Organizer:

Not at all, because we are the partner with BILS on implementing the project. It is piloted by private sector and the labour sector is jointly implementing the project. We are very much forward to work with them on this project. But identification of the factories would be helpful, which factories are interested. A project outline with activities and we are sharing because we are interested on it.

Ok, one point was raised this morning is urgent issue that needs to be addressed:

Working hour, child labour, workers unrest, fire safety. It may extended to health and safety, environment, productivity link with education for suppliers and the workers, social network or social safety net or social security. I might extend the first point to wages with question of living wage, overtime and water. Is this fresh water or used water? Is water different from environment? So, we include water into environment. How many points?

Can we read them out which are the nine points?

Mr. Emdad-ul Haque, Deputy Secretary, BGMEA:

Working hour, unrest, fire safety, productivity, child labour, social safety net, wages, overtime and environment.

Mr. Farid Hossain, Moderator:

Productivity, education, wages. In the morning session, we also discussed inflation that was very important part.

Mr. von Mitzlaff, Organizer:

Ok, go through again:

i) working hours, ii) child labour, iii) social safety net, iv) wages, I think overtime is included in the working hour. Then we have v) environment including water, vi) productivity which includes education for the suppliers and for the workers and awareness, all now include by productivity.

Mr. Syed Sultan, Asst. Executive Director, BILS:

Productivity without profit sharing is not productivity. When you discuss productivity, which it means sharing, fair share. Provident fund is a separate thing, when you discuss productivity that mean share, where will go this proper share of productivity that need to be discussed.

Mr. von Mitzlaff, Organizer

Ok. I had labour unrest, are these the points? If I go though, we are scrutinizing a list, I mean one is working hours, two is child labour, three is social safety net.

Number one: Working hours,

Number two: Child labour,

Number three: Social safety net,

Number four: Wages

Number five: Productivity

Number six: Labour unrest

Number seven: Environment including water.

Productivity includes training for the awareness of the suppliers and the management and also training for the workers. Education part is actually there. Wages was on number four. Fire safety is including at occupational safety and health. Totally we are on eight.

Mr. Towhidur Rahman, President-BAWF

Brother, I have one observation. Why we are putting child labour in the list? As a labour activist, I do not understand it. Because we have successfully eliminated it from the sector. We should not discuss this for greater interest of the country. If we again bring it forward a quarter may capitalize it in international level. I think we can drop this issue. Child labour is totally banned in garment sector. It is acknowledged by owners, workers and government. Second one is we are talking about a lot of issues. We need a common mechanism to address it. We need to fix the overtime issue also. Workers want trade union but owners always disagree. There is propaganda that trade union will destroy

industry. But why participation committee is not established as per labour law 2006? It will be set up in democratic way with no interference by the owner or government or worker side? I think we should discuss on the issue. Thank you.

Mr. Zahangir Alam, Compliance Manager-Sainsburys':

This is Mr. Zahangir Alam from Sainsburys'. I fully agree with the Mr. Towhid. Child labour issue is not a bigger issue here in Bangladesh right now, so we can take it out from the agenda. We have some other issues like: worker participation in the company profit, social safety net etc. Thank you.



Mr. Adv. Mahbubur Rahman Ismail, President-ITGLWF:

I am Adv. Mahbubur Rahman Ismail, President-Bangladesh Textile, Garments Workers Federation. I propose ILO convention, which our government recognizes in labour law. We can put a issue and that is legal rights of workers in the context of ILO convention.

Mr. von Mitzlaff, Organizer:

We have started this morning to point out which are the most crucial obstacles hampering prosperity of the sector. I was quite pleased that we put forward practical points or sensitive points. Workers right is such a general topic, we can substitute many points which are there. So, I would rather like to be more specific on what round table can work next year to contribute to get to the obstacle. Regarding child labour it came to the list because it was mentioned this morning. If you don't support it, it would not be ranked under the first three. Another point, which was brought up is participation committee. It can added to the list as one pragmatic and structured way for improving worker-management relation. Is this the opinion of the floor that we take child labour out of the list?

Mr. Khairul Basher, Director-Ha-meem Group:

You can omit it, this is not a problem with all the garment factories but it was for some sub-contacting factories. This is not an important factor to be discussed.

Mr. von Mitzlaff, Organizer:

And then the second question is would you agree we include participation committee to the list?

Mr. Ismail Hossain Khan, Adviser-Northern Group

Actually we discussed this workers participation committee in the last few round table conference. I think most of our factories have implemented it. So, if we need to discuss it further, then when we will implement it? I think it also should not come in this list again, now our duty is to implement this in our factory.

Mr. von Mitzlaff, Organizer:

Ok, can I again recall what the attention was from this morning and the topic that was discussed this morning, was which are the most



challenging issues for compliance situation in 2012? Although we have discussed about workers representation over couple of round tables, still it is an important issue in view of current situation of industrial relation in Bangladesh. Participation committee can still be a challenge for 2012. Because we need a common support for secret ballot vote if it is requested or proposed by one side it is accepted by the employer side. That challenge I think is still ahead. So, it would need very common spirit to agree on the implementation guideline. I wouldn't see a reason why it would be taken out of the list.

Mr. Syed Sultan, Asst. Executive Director, BILS:

Is there scope to propose any new topic? Actually if I got the point from the first session, we felt there are some topics which are very micro level, which need not to be the content of the round table like this. I would like to propose the next round table to be a national level round table not regional level and the topic would be labour governance. Effective labour governance should be how we actually make the inspection, the whole thing. Because we can not leave it to the entrepreneurs and union and buyers. Effective labour governance is necessary to ensure the workers rights and industry interest. Another one is a common code of conduct on law. Buyer representatives, manufacturers and other stakeholders are here. So we can go for this. A round table like this can propose common code of conduct that should be respected by all stakeholders. Another proposal is a forum for workers for raising their voice and ensuring their participation. When you say role of stakeholders, one stakeholder is actually missing. Whenever we are representing, it is not that all workers' voice is represented properly in every forum.

Can we discuss these three things: effective labour governance, towards common code of conduct and ensuring workers participation. Thank you.

Mr. Zia Ahad, Sr. Regional Leader, PVH:

Sultan bhai, could you just elaborate a little bit on labour governance? I am not totally familiar with this.

Mr. Syed Sultan, Asst Executive Director-BILS:

If you see India and other countries, they have the labour commissioner. We have now the information commissioner, the human rights commissioner, but the labours have nowhere to go for their complaint.

Mr. Ismail Hossain Khan, Adviser-Northern Group:

About workers participation committee we discussed earlier to implement this in our factory. It is obligatory to the management to form participation committee and now it is time to find out or it is time to see how our factories are going on. We need to see whether they have formed workers participation committee or not. So, I think we should take decision on this point how we can implement it. There is an obligation according to law, we are bound to law. Thank you.

Mr. Syed Sultan, Asst. Executive Director-BILS:

Actually I am saying that now it needs to be upgraded. You know our Labour Directorate is headed by a Joint Secretary, and if you go through their mandate and rules of business you can not go beyond conciliation system and everything. Labour governance is something more than this. Many issues in garment industry is dealt by Ministry of Commerce. Its rules of business does not cover this issues. They make the crisis

management committee, the code of conduct committee. However, their rules of business does not make it. Labour law and Labour Ministry is responsible for this. But as because the Labour Directorate is very weak, and even the director coming from the other cadre, he has knowledge gap on labour situation. If we have a fully fledged labour inspection, labour directorate and conciliation system under the Labour Commissioner, then it can be an effective tool to ensure labour law in the country. Participation committee is obligatory for the owner. It is aimed at ensuring the voice and the representation of the workers, but such participation committee unfortunately does not exist here. So, a safeguard system should be developed so that once you make the participation committee, the members of the committee are free to discuss and to recommend.

Mr. Shiblee Azam, General Manager, DADA (Dhaka) Ltd.:



I would like to say something actually as I am little bit confused because of topics what I see towards achieving full compliance. What I understand that means we are achieving something but we can not achieve full compliance. Compliance level varies from factory to factory. Degree of compliance in some factories may be 90%, some factory less, but one thing I can say for sure 100% compliance is impossible. Nobody can guarantee it because we are dealing with people. I mean we should simplify the issues in terms of perception, from the factory point of view or worker's point of view, what are the challenges? We can discuss in different groups and churn out key challenges from different sides – owners point of view and workers point of view. Then we compare the challenges, some points may be overlapped and that can be common issues. Thank you.

Mr. von Mitzlaff, Organizer

Thank you, Shiblee. We still need to vote. Are we to include participation committee to address on next year, including labour governance, we are including the way how to ensure workers voice and common CoC development. I think we go one by one, participation committee to include in the list, the floor opinion yes or no?

Floor voice: Yes.

Mr. von Mitzlaff, Organizer

Ok, please include participation committee onto the list so we have I think number nine. Next questions, to address labour governance in its broad understanding on context into the list. would you say Yes or No?

Floor voice: Yes.

Mr. von Mitzlaff, Organizer

Is it large or minority? Ok, majority, Thank you. Next point, I think the longer the list, difficulty to select three. Code of conduct to look into ways of establishing a common code of conduct for Bangladesh. Include it in the list: development towards a common code of

conduct for Bangladesh. How to ensure workers voice into forums like this? Is this the points you raised Syed Sultan? My question is, is it covered by the participation committee?

Mr. Syed Sultan, Asst. Executive Director, BILS

Participation committee is a factory level thing, but the main one of the major lacking is there is no forum in the sector level. This is a huge sector you know, but there is no conciliation committee or conciliation board, where for any crisis trade union and government can sit. We are dealing with an industry employing 3.5 million workers, so without a separate forum for this sector, we can not actually handle issues and crises. We need room to discuss for solving solve crisis. As participation committee is a factory level body in a sector level, we need a tripartite or stakeholders forum to discuss and solve with strong representation from workers.

Mr. von Mitzlaff, Organizer

Alright, so it's an additional point, if we talk about workers representation above the factory level, which is not participation committee. Is this going to be included in the list? vote?

Ms. Monira Begum, Program Officer-Solidarity Center

I fully agree with Mr. Sultan about participation of workers. Solidarity Center always advocates and ensures workers voice and participation. It arranges participation of all stakeholders including workers in forum and discussion.



Mr. von Mitzlaff, Organizer

Ok, thank you for your contribution. We are still waiting for the vote to this topic. You want to collect.

Mr. Zia Ahad, Sr. Regional Leader-PVH

Can I seek little bit of clarification before vote? Sultan bhai to you, you are talking about workers representatives, who would you utilize as representing workers?

Mr. Syed Sultan, asst. Executive Director-BILS:

Trade union.

Mr. Zia Ahad, Sr. Regional Leader-PVH:

So, it is trade union you are talking.

Mr. Syed Sultan, Asst. Executive Director-BILS:

This is a discussion point on how we can ensure a reasonable and responsible trade union movement for the sector. What is the opposition from the owners? We can discuss and can find a way out. Round table can not go further as you know.

Mr. von Mitzlaff, Organizer:

I call for a vote. Shall this be included? Again I am not sure is it majority or minority?

Participants voice: Majority.

Mr. von Mitzlaff, Organizer:

Yeah, that's a clear majority. Ok, please include elaborate ways to ensure workers voice to be represented among factory level and others. Ok, we are now nine – participation committee, labour governance was ten, code of conduct eleven and many points. We are now up to twelve. So, there is one dozens to vote on. So, we make a ranking and we call from the top. We vote and you might write the number of votes. The first topic is working hours. So, working hours would this be among, we vote and then we see which one get the highest vote. If everyone gets twelve times vote, we don't have score it. but otherwise are we going to prioritize on three issues and we have another proposal how to prioritize except voting. So, we are voting what is the list of issues. We are calling the points and I will try to exclude them of the list. Our objective is to have only three remaining. Ok, let's start. Child labour is already out, no question. Working hours shall we start there? Working hours included or excluded on the list?

Participants voice: excluded.

Ok, the majority is good, exclude it on the list. Social safety net, wages? Is there majority over this point? The majority is not clear, we go by head count, it's not clear. Ok, include it. Next point productivity including something to be kept on the list? I don't see the majority, ok yes, please keep. Productivity was meant with education and training. And if you want to address productivity, that is a component of addressing the management and interest for workers by awareness and education. Ok, six labour unrest, which is a vast topic, I mean to keep something for dialoguing and go beyond co-operation or something. Is that to be included in the list? Keep labour unrest is the question for the list. Ok, fine so please strike it out. Number seven is environment including water to be kept on the list, yes? Environment including water is not really majority. Ok, please keep in the list.

Ms. Monira Begum, Program Officer-Solidarity Center

When buyers go the factory, everything is ok including wages and others but some staffs rudely misbehave with workers using slang, when workers want to form union factory management target the leaders and start mental torturing on them, I would like to know which part of compliance cover this type of verbal abuse?

Mr. Khairul Basher, Director-Compliance, Ha-meem Group:

It is an exceptional thing that might happen with some factories. Auditors always try to mark it both announced and unannounced audit. Auditors from both first party and third party are very serious on this issue. It could be an exceptional thing, but I don't think it can come as agenda.

Mr. Von Mitzlaff, Organizer:

Actually we were on the vote on environment and water. You brought another environmental issue, this is the working environment. Is this necessary to include in the list? We have twelve I thought we had the list closed, but you want to include it in the list? This was my question. I asked this, so we are number thirteen, environment. The work environment is very general, can we say behaviour on the floor in a working environment? This is what I am talking about. Please specify working environment to behaviour on the floor.

Mr. Khairul Basher, Director-Compliance, Hameem Group

I think abuse and harassment is your point.

Mr. von Mitzlaff, Organizer:

Alright, it's a good wording. I agree with harassment. It's a compliance term. Ok, so we need to continue, we have water, which is included as an environmental issue, shall we keep it or strike it out? The vote on, please shall environment be among the issue to be addressed as priority next year? I don't see majority, so far minority. I don't want to call majority there until vote. I raise your attention to this tactic striking out is not helping us very much, because we have so many things. So, we keep in environment. Number eight is occupational safety and health, majority is not there? Ok, please keep it in the list. Number nine is participation committee to be included in the list? That is a minority, ok yes majority keep in the list. Now the new points are brought up, number ten: labour governance, effective labour governance. Vote? Ok, majority coming, yes keep it. Number eleven: the common code of conduct for this industry in Bangladesh, is this what is intended? Yes, ok keep it in, alright common code of conduct for Bangladesh for this industry.

Ms. Poonam Alam, Managing Director-Hellenic International (Bangladesh) Ltd.

Isn't BSCI the common code of conduct? It was the reason BSCI came and be in because there was a common code of conduct before.

Mr. Von Mitzlaff, Organizer

The issue of common code of conduct is risky to bring us nowhere in the end. Because it's a long discussion, there had been efforts in international level to do it as this is something going on BSCI than on European level. The broadest gathering for buyers to source under the one code of conduct is the BSCI. What are we going actually to achieve by this? This is my question to you? So far as the word is not generated, we still have a code on Atlantic positions, North America and Europe and I don't see they necessarily will organize one code. So, as long as you have a country, which is producing for North America and for Europe, probably it will not come into one code of conduct. India is trying it, but India is a different ball game, may be just from the political power, whether they can succeed, I do not know. So, I am not really sure what aspiration you have in dealing with this topic.



Mr. Syed Sultan, Asst. Executive Director, BILS

Actually I took this point from our brother Zia's opening speech and I feel not only from today, but for last 15 years that this is necessary because when I first entered this type of debate nationally and internationally I found that an owner does not respect the labour law. However, they are scared about the letter of the buyer. When I talked with the entrepreneur, I found they are in a deep problem. They need to deal with auditor – some audit officers or some staff of the buyers with the letter and with the different code of conduct. So, it is not that workers are suffering, sometimes the employers suffer too. Compliance auditing and social auditing will come from across the Atlantic, EU and in future may be from China. The buyers should support and suggest our government to update labour law so that factories can be compliant of labour law. I am saying that we can make a code of conduct and upgrade our labour law according to ILO standard. We will support the government to monitor code of conduct and the employers and the workers will be in the same table to implement it. I don't think it will be an exhausting discussion. May be organization like LIFT Standards can make an international conference

on that. There are many international bodies working on it. We can tell all of them that come, sit together and make a common code of conduct.

Mr. Von Mitzlaff, Organizer:

I think it is a debatable issue, because I understand the frustration you are expressing. The multiple codes, why do we need to obey this different codes and why are not we seeing commonality in national law. As Zia said as long there is not the understanding in the industry what is in the very best interest of having a healthy industry growth, probably we are pulling our backs on because fighting a common code is sort of side battle. The thing is that they do not understand how useful it is to show interesting compliance from the supplier side and this is necessary to start with the national legislation. So, it is probably in the perspective and this is the mind changing effort. It requires willingness from within the country, it is not an external thing.

Mr. Syed Sultan, Asst. Executive Director, BILS:

When we will make an issue on common code of conduct that means it will be on discussion. Internally it will be the country labour law and everybody should respect it, number one. Number two, what brother Zia said that we can not adopt the code of conduct placed from outside. I am not saying that at the end of the debate we will get a common code of conduct. The gain of that debate may be we will stop our individual code of conduct and will start respecting our labour law. Even with all consensus with respect to labour law you will need some code of conduct from international level. We have a nine point compact from UN business and economic forum. Each and every buyer needs a separate code of conduct, we have specific guidelines. There was some international and universal code of conduct in the world. If we can make two tier, one is for country labour law and second one international guidelines by UN nine point compact and OECD guideline.

Mr. Von Mitzlaff, Organizer

Ok, I understand there is a potential for debate and as this is the vote. Shall we keep it on the list? A common code for Bangladesh, ok majority vote, fine please keep it. And then number twelve: how to ensure the workers voice in various forums? Vote? Vote is how to voice? How workers can voice in various forums? Ok, majority, then we have a divisional point which is number thirteen: abuse and harassment on the work floor to the list? No, that's minority. We worded 'Working environment' for making specific on abuse and harassment. Let's vote to keep in the list or not? Ok, keep in the list.

Throughout this exercise we clarified little bit, but I don't know how many actually we have struck out? We wanted to have three left. My proposal is still it goes by scoring but, there is no chance for working group any more, because we spent all the time working only to prioritizing. I am afraid we haven't achieve our goal in that respect today. We don't have ten round tables like for next year, but exactly we have twelve points. Ten points left, so still the question of how to prioritize?

Ms. Payal Jain, Regional CSR Manager-H&M:

I think all this issues are important for everyone, I think we should debate on what is the circle of concern rather more on circle of influence, where we can influence. We just ensure those topics rather than concern issues have a concerning. I think one of the talk is labour unrest is a concern issue, it is not something we can influence but we can influence on workers participation committee, which will take away the concern. I think we can

choose that, may be if we take any three and we start work diligently on that, we will make a change so.

Mr. Von Mitzlaff, Organizer:

Were we all attentive to Payal's comment and suggestion? She is saying that remaining things are all important and we don't need actually to prioritize them further as still they are important. How can we distinguish them? For example Payal's example was on the participation committee, if we agree on the implementation guidelines of the participation committee, then that is something we can have an impact on, we can influence on this round table. That is a point we can take for work, so shall we just go through the list and see which are the points in the roundtable and go with the list?

Ms. Payal Jain, Regional CSR Manager-H&M

I also would like to highlight here that specially when it comes to workers participation committee and we have a buyers forum you know, where we have some buyers together with the consultants working on workers participation committee and the guideline is almost finalized. I would also see that the work that is already done at different other forums, rather than reinventing them in this forum or that, we should look at the work that has already been done and take that forward. Otherwise, we will strike from zero and not respect the work that is already done somewhere else. May be somebody feels that this is done with different objective, we then need to do the work again.

I can also share with you that we at H&M are also working on the social dialogue project in consultation with ITGLWF and the ILO, which will start next year in February. I want to reiterate that this has already been done, so we should not start working on the same issue again from zero. Coming back to the fire safety issue, we know that it is a priority industry. And this is a minimum requirement. As far as law is concerned and you also there is also lot of work have been done by different organizations with different pace. I think, let's start in our own groups to work on those issues.

Mr. Von Mitzlaff, Organizer:

This is good information feeding. Ok, you would like to respond on this. To Payal, please.

Dr. Wajed-ul Islam Khan, General Secretary-BTUC:

It is good that they have at least agreed on participation committee to proceed on. But from our trade union point of view we want to say that the participation committee is not alternative to the trade union rights. It is a part of the labour law. So, if we go with the labour law then participation committee comes automatically. I think if we go with implementation of labour law, it covers everything. Better be with labour law. There was a move to introduce workers welfare committee. But it did not work. I think workers rights is laid down in ILO Convention 87 & 98. Every country formulates labour law in light and spirit of the convention. Therefore it is better to work for implementation of the labour law.

Mr. Von Mitzlaff, Organizer:

Dr. Wajed, I think this is very much understood and there have been many occasions we tried to emphasize on this. This is finally the substitute to the freedom of association, it is further subsidiary to it, but not the substitute to it. As we see there are some loopholes in law, which needs to be specified and discussed and agreed upon. I think BGMEA is very much aware of this. I don't know whether we have yet a social consensus on this. Are we willing or interested to discuss presently?

Mr. Towhidur Rahman, President-BAWF:

I have information about the participation committee guidelines. Mr. Reed of Reed consulting Ltd. has already established one guideline, a unique guideline proposed and sent to BGMEA, BKMEA and the labour organization. I don't know the scope to take it or not. But I have my opinion. I respect opinion Dr. Wajed about freedom of association as he says it is not alternative to trade union rights. But as a worker activist I know our workers have no mechanism to place problems before the management. We also have a lot of bad experience about trade union movement and lot of propaganda against it. We can see the participation committee as the first step to go forward to establish trade union. It should be time bound.

We can put participation committee into practice for three years to four years and see how it works and how effectively workers can express grievances and bargain. Then we can establish trade union that can be helpful for the sector. As we see our workers are still afraid of submitting any memorandums or any charter of demands with their names in it. They fear of getting fired. In this reality, we agree to start with participation committee and go further to improve it to trade union rights. Thank you.

Mr. Von Mitzlaff, Organizer:

Alright, I think this is a proposal on the floor. The round table may produce comments on the guideline from the social platform. The second thing is to organize a social dialogue. We are on the agenda of marking those points, we have ten issues or ten topics on the list. I propose we just close the question for the participation committee. We think this roundtable can have influence on the participation committee. The next point on the list would be for example social safety net. Does a round table have potential influence on the formulation of law? Once the law is passed, then the question of implementing will come. Do we have the influence here? Majority please. Ok, so the round table can take the issue of social safety net.

Now comes the question of productivity. One proposal was do we go for vote on productivity alone as it is linked with the wages? So, do we get it combined or not. Ok, the labour sector proposes productivity and wages to be treated jointly together. The idea comes from the industry that once you raise wages, productivity goes up. Is this agreed? Ok, we take, so the question is this round table have a potential influence to address next year's issue of productivity linked with the wages, yes or no? Vote please.

Mr. Syed Sultan, Asst. Executive Director-BILS:

If it is minimum wage, you can not link it with productivity. If it is more than that, you can link with productivity. So, it depends on the issue.

Dr. Wajed-ul Islam Khan, General Secretary-BTUC:

Absolutely, if you link up the living wage, you can, but if you mean minimum wage you can not. There is a difference between living wage and minimum wage. It is better to link up with the living wage.

Mr. Von Mitzlaff, Organizer:

Ok, the point of wages, we then need to specify, otherwise there is no option to linkage. Wages are we meaning minimum wages or we talk about the living wages? Because we have wages at number four.

Ms. Monira Begum, Program officer-Solidarity Center:

Regular revision of minimum wage.

Mr. Zia Ahad, Sr. Regional Leader-PVH:

What we are talking here is about increment adjustment here. I think that is basically what the discussion should be on. It's not minimum wages, that is not-negotiable of course.

Mr. Von Mitzlaff, Organizer:

Ok, so we need to specify 'wage' on the list, meaning excluding minimum wage. Includes then wage issue but excluding the minimum wages and in that context we can combine it with number five productivity.

Mr. Sultanul Alam, Compliance officer-Lindex:

May I talk something about linkage of migrant issue to productivity and wage. It might be wages, living wages or better wages is in some way linked with the productivity. Productivity has many components -- technical part and new technology and management. All this combined lead to productivity. So, if we link wages alone to productivity then it does not necessarily mean increase in wages leads to productivity rise. In Bangladesh we talk more on minimum wages, because there are many factories, which can not cope with the minimum wages. I think there are two issues -- wages and productivity. They should be treated separate issues.

Dr. Wajed-ul Islam Khan, General Secretary-BTUC:

I think I should clarify one point about minimum wage. It is a different issue. We have the minimum wage board in our country, which determines the wage structure of different sectors. Now we have wage structure for 53 sectors. The lowest wage in a pay structure is called minimum wage. It determines the different part of the wages of a sector say, unskilled, skilled, semi-skilled and high skilled. No worker will get any wage below to that minimum wage, that is called minimum wage. So, what we can do here is that we can name the topic of the round table as wage, productivity and gain sharing. Thank you.

Mr. Ismail Hossain Khan, Adviser-Northern Group:

We may link productivity with wages. We should not mention minimum or living wages because minimum wage is different which is imposed and living wage also has a different meaning. So, if we go only for minimum wage, then the issue will be limited and if we say living wages, then also it will be limited. And if we go only for wages, scope will be more. So, we can link productivity with wages. This is my view.

Mr. Von Mitzlaff, Organizer:

Thank you. I think you have raised the same issue. We consider wages/productivity/gain sharing as one single issue. Will it be included? Ok, productivity is merged with point four - wages. Ok, labour unrest is already out. Then what is about working hours? Working hours

is out. Then what is about safety and health? Ok - out, now the question is on safety and health. Occupational Safety & Health means safety within factory boundaries or workplace. Polluted water affects community outside the factories.

Dr. Wajed-ul Islam Khan, General Secretary-BTUC:

Environment does not mean only water. Environment means many things. Even oxygen and lack of ventilation system relate to environment.

Mr. Von Mitzlaff, Organizer:

These are all occupational safety and health issues. Ok, then we need to clarify the issue of environment. I understand that environment issue came up along with the issue of polluted rivers. It is something happening outside the factory. It would then not be an issue of safety at workplace.

Dr. Wajed-ul Islam Khan, General Secretary-BTUC:

It is now mandatory for factories to have effluent treatment plant so that polluted water does not go to rivers. Factories can not release waste water to rivers. Industrial pollution relates to environment therefore you can include it in the list.

Mr. Von Mitzlaff, Organizer:

Just be conscious, the more we include the more heavy it will be to deal with the issues. Zia, would you like to say something?

Mr. Zia Ahad, Sr. Regional Leader-PVH:

I emphasize on what you say about environment within the factory and outside. It's about to focus. And Mr. v. Mitzlaff has pointed out whether to have discussion about outside-factory environmental issue. We were discussing about polluted water and that's how it came in. This is not something that we can address by doing something inside the factory. So, your recipe for solution would be different and I think that is what he is trying to emphasize. You know these are really too distinct topics from that respective.

Mr. Syed Sultan, Asst. Executive Director, BILS:

Although environment is a major issue now-a-days, but there are other bodies to deal with the issue. I think when we are dealing with the workers rights, we have to keep wages on the list, not environment and water.

Mr. Firoz Mahmud, Social Compliance Auditor-HEMA Far Eat Ltd.:

Our agenda is not only workers right. The agenda is to achieve full compliance. So, environment is a big issue here. Our workers work or may sometimes live inside the factories. However, their child, their family members and other people live in the community with polluted water. So, this is an important issue for the present and future generation. So, we should bring the topic for discussion. That's all.

Mr. Von Mitzlaff, Organizer:

I think what Mr. Syed said, acknowledging it is very important issue. Others are already handling this. We have to focus on labour issues more in this round table. Then are you approving it? We have already selected social safety net and wages-productivity. We have one left. I think we have sorted out safety and health within the boundaries of the factory,

not outside the factory in this round table. This is the majority vote to distinguish? Then what is your viewpoint, shall we address it next year?

Mr. Khairul Basher, Director (Compliance)-Ha-meem Group:

I think we should address this because occupational health and safety is an important issue and environment is also attached here. Waste management goes with occupational health and safety issue. Fire hazard also comes in. Therefore occupational health and safety is an important issue to address.

Mr. Von Mitzlaff, Organizer:

Can we have it on the list where we have an influence as a round table? Ok, yes, then we come to participation committee. We already have three agenda for next year, but still I want to complete the list. Are we going to address participation committee next year in a round table?

Dr. Wajed-ul Islam Khan, General Secretary-BTUC:

No, but I am from the worker side. I do agree with Mr. Sultan that participation committee is not a substitute. But in our country practice is totally different. In reality it becomes a substitute. What happened in the EPZ in the name of worker welfare committee? They tried to say that they started trade union. Everybody can agree but I personally disagree on this point.

Mr. Von Mitzlaff, Organizer:

I would turn it around. I would say if this is in danger then it is more important to deal with the issue. I even address your concern that it needs to be discussed and needs to be transparent also.

Dr. Wajed-ul Islam Khan, General Secretary-BTUC:

Ok, then I think both participation committee and trade union rights should be in the chapter, then there can be good discussion.

Mr. Von Mitzlaff, Organizer:

Is your concern specific regarding the participation committee?

Dr. Wajed-ul Islam Khan, General Secretary-BTUC:

They treat it to the alternative to trade union rights.

Mr. Von Mitzlaff, Organizer:

So, as long participation committee is concerned, that is the goal.

Dr. Wajed-ul Islam Khan, General Secretary-BTUC:

It's alright, my suggestion is take up the vote issue. We will have discussion on it.

Mr. Von Mitzlaff, Organizer:

I understand, is this the floor's opinion?

Mr. Zia Ahad, Sr. Regional Leader-PVH:

I think he is talking about workers' representation.

Mr. Khairul Basher, Director (Compliance)-Ha-meem Group:

I think freedom of association covers everything. This is also in the code of conduct of the buyers.

Mr. Syed Sultan, Asst. Executive Director, BILS:

If we go number nine, I think that can cover other things ensuring workers participation in various forums.

Mr. Von Mitzlaff, Organizer:

This was number twelve, but you are linking it, ok, ensuring workers' voice. But I see a point of difference to discuss the issue of participation committee. It can be linked with the trade union, but still it is good to keep as a discussion topic. Because what I understand is that the social partners are yet to fully agreed upon on whether the participation committee is going to be implemented. There might be differences but at least I think it is good to discuss on the differences. I would rather like to see this discussion among the partners for a fruitful implementation. Therefore I see it is justified to discuss. Can we also discuss it within the agenda of trade union? Consequently it should not be dropped. We will see different view points, which can be sorted out.

Mr. Ismail Hossain Khan, Adviser-Northern Group:

Well, I think it is true that participation committee is not alternative to the trade union, but I think there is a little difference between the two. Participation committee is mandatory, we have to form it in factory. But trade union is not. If we talk about law, there is no choice, we have to establish participation committee.

Mr. Von Mitzlaff, Organizer:

May I intervene, the time has passed. I think we don't need to go to the discussion now, but there are questions of implementation. So, my question is there just the feeling that we need to keep for the agenda in 2012?

Mr. Syed Sultan, Asst. Executive Director, BILS:

I have one point. I want to reiterate what I mentioned in last round table that the round table has limitation. How far we can go? How far we have the authority to go? Participation committee is very micro level thing, obligatory in the law. There is some responsibility to us that we bring out recommendations for implementation. We see a round table can not discuss each and every issue. All the stakeholders can represent from the factory level to national level. Make it like this, then automatically question of participation committee, freedom of association and trade union will come up. Why we should lock ourselves in an issue which may be accepted by all, its recommendation is not obligatory. Others are working on it like H&M. I don't think that we can go so far for this thing.

We can make a broad issue, come up with some recommendations, and contribute to policymaking at national level. That is the purpose of the round table. That is why we say ensuring workers participation in various forums. At factory level you need participation committee and then at national level you need to protect the trade union initiatives.

Mr. von Mitzlaff, Organizer:

Ok, we shall not vote on participation committee stand alone. A substitute to the point is ensuring workers participation at various levels which comes up okay. This is agreed that we are substituting it and we shall not keep participation alone. We shall promote and vote that the round table in next year will be addressing the issue of ensuring workers participation at various levels. Is this agreed on the floor? Ok. Still we have two points to vote on, number ten is labour governance. We have common code of conduct in number eleven. So, do we have possibility to influence as a round table on the labour governance? If so would it be on an agenda for 2012? It's not an issue to drop out, just propose. What is meant by it? Can you describe it in two sentences, Mr. Sultan?

Mr. Syed Sultan, Asst. Executive Director, BILS:

I am saying that an efficient implementation and monitoring system of labour law is required. The Labour Directorate should have full legal rights and authority. Efficient implementing and monitoring system is the most important.

Mr. von Mitzlaff, Organizer:

Very much policy issue and it's very good to understanding across the table among different groups on this. I fully understand that's not something to be handled by one group only. Shall it be included? What is your point, opinion? Or you don't have an opinion at that point? If you don't have an opinion I think it is also fair enough. OK, we just keep it as pending, not voted on upon yet.

The last point is common code of conducts for the garment sector in Bangladesh. This is something the round table shall address and something, which can attain to influence, any aspiration for influence? Is this something you can vote on or is this you don't have an opinion on?

Mr. Khairul Basher, Director (Compliance)-Hameem Group:

About common code of conduct, as you said there will be no result to this, no use of discussing. Because each of the buyers will have their own set of code of conduct.

Mr. von Mitzlaff, Organizer:

It's such a little debate on this perhaps. Can I take it that we drop it out? We don't need to postpone it, we drop it - interesting, we can drop number eleven -- the common code of conduct. Now we have five points remaining. Read out the four points please.

Mr. Jamil Ansar, Assistant to the organizer:

First point: Social safety net,

Second point: Wages (except minimum wage) including productivity and profit sharing,

Third point: Occupational health and safety including water treatment,

And fourth point: Ensuring workers participation on various forums.

Mr. von Mitzlaff, Organizer:

Alright. We have not come here discussing how we are going to address it, but at least we have got a tip on what we are going to address for next year? Is there among any of those points you would propose, if you support the idea to have starting the first round table in Chittagong next year. Hopefully you will join us in Chittagong. Would you suggest that this

point or may be what have been discussed today also can be discussed at the local and regional level round table. What is to start with? Is there is a suggestion you would give? How are we making a contribution among those five subjects of dealing with the issue? And if the next round table is in Chittagong we will have a different composition of participants.

Dr. Wajed-ul Islam Khan, General Secretary-BTUC:

It can be in Gazipur, and then it can be in Narayanganj. These are the places workers live.

Mr. von Mitzlaff, Organizer:

The idea for this working session was that we group up and prioritize issues in the working group and round them up. But we used the time only to prioritize. We didn't get into the content of those. Finally would you like to propose these five agenda as a recommendation to work on or just to set this agenda an input for the regional Round Table Sessions? And it might be that with the new composition of participants new issues would be liked to discussed. However, in order to continue now on our agenda, what is your perspective?

Mr. Syed Sultan, Asst. Executive Director, BILS:

For Chittagong, I think wages is the best issue, because it is something, which can be implemented at the factory level. Other issues are basically policy level.

Mr. Fakrul Ahsan, Chief (GED)-Planning Commission:

What he is proposing is that these are the four or five issues you have identified. Should you help in implementing those in the industry level, carried out at the policy level or you want to propose this as agenda discussion in the round table in district level or industrial hub? Either of the two, whether you go on implementation with this or you want to propose for the further discussion in the next round table? I mean as a policy input do you think this round table further discuss here or you want to give input for discussion in the other round table, is this what's we are trying for?

Mr. Farid Hossain, Moderator:

We have selected these four subjects and there will be three round tables next year. Say in Chittagong, which issue we should discuss there? That's the thing. Which will be appropriate for Chittagong, which will be for Gazipur or any other places? So, I think we can also put it on vote. The subject goes to Chittagong in the first round table will be?

Mr. Syed Sultan, Asst. Executive Director, BILS:

If we initiate a vote I think wages should be more suitable for Chittagong. Because other issues such as social safety net and ensuring workers participation are policy level issues. And wages is an issue of implementation and there are instances of non-implementation in Chittagong. So, we can go for wages in Chittagong. But if you go to Narayanganj, we go for ensuring workers participation.

Dr. Wajed-ul Islam Khan, General Secretary-BTUC:

Let us have two programs outside of Dhaka, one is on occupational health and safety in Chittagong, another one is ensuring workers participation in various forums in Narayanganj. Since two other issues -- social safety and also productivity-gain sharing -- are policy issues, let these two be held in Dhaka.

Mr. von Mitzlaff, Organizer:

Let us be conscious on the suggestions, proposing safety and health for Chittagong, it was wages before. Then workers participation for Gazipur or Tongi or Narayanganj and keeping policy level issues -- social safety net and productivity-wages -- for Dhaka. Ok, so what comes first, health and safety for Chittagong, this is what you propose? And then workers participation for industrial hub, ok, very good. I think we will have to follow up with you in groups on what we have not discussed. Because here we are putting our brains together to find out what to do and how to do it? So, would you agree that we would meet in groups and discuss, because it's a mobilization by every group. For labour sector whom you want there, how to do it? The same would be for Bangladesh private sector and the industry, what relevance do you see to your member organization to be here? And who is the one whom mobilized because I am not sure which is good but who can at least inform on the policy level of it?

We have BGMEA sitting here, so this is good to discuss in presence of them. Because we all feel every time that we don't have BGMEA and BKMEA here. How can we mobilize members of these organizations in this round table? I think buyers are interested what we are discussing about. We all have to work together to ensure presence of government officials here. So, some brainstorming is necessary. I can only do in cooperation with you. I only see it is to sit you in groups and brainstorm works and outline the strategy. Because at the end if you want to make it a local platform and local partnership group, we have to put our efforts together. Yes, Dr. Wajed.

Dr. Wajed-ul Islam Khan, General Secretary-BTUC:

So far I understand that obviously our main industry now is garment sector. Every time we talk there comes an issue about the sector. But this round table is on social compliance, not on one sector only or in particular sector only. May be if we can involve BEF (Bangladesh Employers' Federation) then it really represents the employers including the ready made garments (RMG). In district level if we involve the chamber of commerce, then it involves all the sectors. And equally the Ministry of Labour, Ministry of Employment, Ministry of Commerce and Ministry of Industries can be involved, then there will be well representation. There is labour forum -- SCOP (Sramik Karmochari Oikko Parisad) -- where all the national mainstream trade unions are involved.



Mr. von Mitzlaff, Organizer:

Dr. Wajed, thank you for your proposal. The Ministry of Commerce has been invited here, but they did not respond. Unfortunately it's not a question of sending invitation, it's a question of how we can succeed in getting a response. This is that what needs to be analyzed, Dr. Wajed. My proposal again is to follow this up with the participant groups. Which would be your advise to roadmap or to address it?

Dr. Wajed-ul Islam Khan, General Secretary-BTUC:

It will be the only solution better you choose some people and you discuss and brainstorm with those people and then conclude how to proceed, that would be good.

Mr. Farid Hossain, Moderator:

I think that that is a good suggestion. Ok, we have this thing clear now, almost decided on the four subjects, the venues and then how things can be mobilized. We are running out of time. So, v. Mitzlaff sits with the stakeholders individually or groups. He rightly said that sending a letter would not be sufficient. You have to ensure their participation. I thank you from my side.

Mr. von Mitzlaff, Organizer:

I thank you all for this discussion again and for your contribution. I think it is another step forward where we have clarified, found out what impact this round table can have. We have also identified the issues we are looking at and issues need to be discussed. I think it is building a corporative mode. It has created interests among the participants. Hopefully we will continue and strengthen this initiative. I look forward to continuous development and continuous contribution in the interest of this social dialogue, which will be helpful for the industry. Thank you once again.



VI. Pictorials



*







VII. Newspaper Clippings



25/11/2011

Coordination of all stressed for compliance in RMG sector

Representatives of different stakeholders in RMG sector on Thursday called for effective coordination and collaboration among different stakeholders to implement compliances in the export-oriented garments industry. They made the observation at a roundtable on social compliance in RMG sector organised by LIFT Standards e.K with support from Business Social Compliance Initiative of the European Trade Association at hotel Ruposhi Bangla in the capital.

There must be communication and coordination among the labourers and entrepreneurs for a better productivity, Fakrul Ahsan, chief of planning commission's general economic division, told the roundtable. He said interaction among stakeholders in the sector and education and training were badly needed for it to ensure social compliance in the industry. He urged the entrepreneurs for a yearly upward adjustment of the workers' salaries and benefits keeping up with inflation to make their life easy. He said that industry's contribution to the national economy was about 20 per cent and government would like to increase it to 25 per cent by 2015 and then to 40 per cent by 2021.

The industry sector as a whole now offers only 15 per cent employment which should be increased to 25 per cent as soon as possible. Fakrul Ahsan said the government would not be able to provide so much job opportunity unless the private sector business community comes forward to invest and create employment in their industries.

Taking part in discussion, Bangladesh Apparels Workers' Federation president Md. Towhidur Rahman alleged that most of the women apparel workers did not get maternity leave. He alleged that the workers in most RMG factories were not allowed to take earned leaves and they not given appointment letters and service books by the employers.

Palmal Group general manager Syed Anwarul Sabir said that the workers in the sector were facing some financial and social problems even after doubling their minimum wage as the price of essentials had already become double in last two years. Zia Ahad, senior regional leader of PVH Corporation, urged the entrepreneurs to change their mindset to follow all the compliances in the RMG sector. 'They (entrepreneurs) always try to spend less for the workers while they invest huge amounts for the machinery and lands,' he alleged.

Moderated by AP bureau chief Farid Hossain, the dialogue was also addressed, among others, by LIFT Standards e.K director Von Mitzlaff and Bangladesh Institute of Labour Studies assistant executive director Syed Sultan Uddin Ahmed.

Uniform Code of Conduct sought for industry compliance

25/11/2011

Speakers at a roundtable discussion observed that Bangladeshi entrepreneurs do not find any uniform code of conduct while they go for achieving compliance in their industries. Each buyer wants to impose his own code of conduct on the industries particularly in the readymade garments sector. As a result, the entrepreneurs become confused which one they should follow, the speakers said asking the buyers to come with a uniform code of conduct while implementing compliance. Business Social Compliance Initiative (BSCI) of the European Trade Association and Lift Standard, a German based advisory service, jointly organised the discussion on 'Bangladesh Round Table on Social Compliance—RMG sector,' at Ruposhi Bangla hotel in the city on Thursday. Journalist Farid Hossain conducted the roundtable. Fakhrul Ahsan, the chief of general economic division of planning commission said there is no uniformity of code of conduct provided by the donors. "Come up with a uniform format of strategy so that we can do something for the improvement of working condition in the industries," he said. The high official pointed out that the uninterrupted power supply is the prime requisite to compliance in the industries. Christian von Mitzlaff, managing director of Lift Standard, Wazedul Islam Khan, general secretary of Bangladesh Trade Union Centre (BTUC), Syed Sultan Uddin Ahmed, executive director of BILS, also spoke.



প্রথম বাংলা

25/11/2011

Difference on buyers CoC thwarts social compliance; Speakers said at the Round Table on Social Compliance

Standards on working and manufacturing conditions vary for different buyers working with the RMG sector. Clients are imposing different code of conducts on the factories to be followed. Country RMG industries are suffering with these differences in clients CoC's and cannot perform well in maintaining social compliance issues. Speakers in a Round Table on Social Compliance, held on an aristocratic hotel have spoken on this.

LIFT Standards a German based company arranged this round table with support from Brussels based FTA-BSCI. Special guest Mr. Fakrul Ahsan, Chief-GED, Planning commission said, "At present second generation entrepreneurs ruling the business in Bangladesh. They well know about the business and also honor the issues related to social interest and security". He also said that the government is in struggle to increase the allowance in the social security interests due to several subsidy issues including electricity as well.

Wajed ul Islam Khan, General Secretary of Bangladesh Trade Union Kendra told that workers would not been able to work actively without good environment and thereby it would hamper the RMG production as well. He also said that the present government promised to correction the labour law within six months of taking the power. Though two and half year has been past, it did not take place. Workers interest are also violating at the same time.

Khairul Basher, Director from Ha-meem Group said that to perform the social compliance well issues like working hours, workers unrest, environment, fire, wages, etc need to look after carefully. Others from the speakers were adviser of Northern Group Mr. Ismail

Hossain Khan, general manager of Palmal Group Mr. Syed Anwarul Sabir, senior regional leader of PVH Mr. Zia Ahad and the director of LIFT Standards Mr. von Mitzlaff. Mr. Farid Hossain, chief of the AP Bangladesh moderated the round table.

Organization and Documentation: LIFT Standards e.K.

Index

automatic stabilizer, 19
clean water issue, 12
Education, 12
environment, 10, 35
ethical sourcing, 19
house rent, 13
living wage, 11
maternity benefit, 13

non-discrimination, 16
Participation Committee, 21
productivity, 10, 12
Social Compliance
 child labour, 10
social dialogue, 32
Wage, 10
Workers unrest, 10