

SOCIAL COMPLIANCE



round table
গোল টেবিল বৈঠক

Tenth Bangladesh Round Table on Social Compliance
14th November 2012
Ruposhi Bangla Hotel



Sponsor



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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



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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.

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I. Participants List

Name	Organisation	Position
Dilip Barua	Ministry for Industries	Hon'ble Minister
M.P. Israfil Alam	Standing Committee of Ministry on Labour & Employment	Chairman
Faizur Rahman	Ministry of Labour & Employment	Joint Secretary
Ehsan Ul Fattah	BGMEA	Secretary General
Anke Ehlers	ALDI Services Asia Ltd.	CR Manager
Mr. Alex Foster	ALDI Sourcing Asia Ltd.	Managing Director
Anja Grote Westrick	ALDI Einkauf GmbH & Co. oHG	Director, CRI
Caronline Gunterberg	Åhléns AB	Coordinator Sustainability
Anita Falkenek	Ahlens/axstores	Sustainability Manager
Farhana Faruk	Ahlens/axstores	Admin/ Audit
Arshad Malik	ARP Trading House	Director
Prodip Gabriel Sku	H&M, Dhaka	Sustainability Project Leader
Firoz Mahmud	HEMA Far East Ltd.	Compliance Auditor
S.M. Shoeb	KappAhl (Far East) Ltd.	Sr. Compliance Officer
Rafia Sultana	KappAhl (Far East) Ltd.	Sr. Compliance Officer
Tanvir Ahmed	Li & Fung (Bangladesh) Ltd.	Divisional Manager Vendor Compliance
Roger Hubert	Li & Fung (Bangladesh) Ltd.	VP OSG & Legal Country Representative
René Schlapp	MGB METRO Group Buying HK Limited	Office Manager
Astrid Walter	MILES Fashion GmbH	Manager Corporate Responsibility
Christopher Conzen	MILES Fashion GmbH	CEO
Nazrul Islam	MQ Retail AB, Dhaka Liason Office	Country Manager
Kyaw Sein Thay (Dolly)	MS Mode	Country Manager
A.K.M. Mizanur Rahman	New Wave Group, Bangladesh	Regional Supervisor, Soc. & Env. Resp.
Zia Ahad	PVH Corporation	Director South Asia, Middle East, Africa
Alam Zahangir	Sainsbury's Asia Ltd.	Compliance Manager
Christine Schumacher	Tchibo	Country Manager
Claudia Landgraf	TOM TAILOR GmbH	Manager Supplier Relationship

Ashish Atrf	TOM TAILOR Sourcing	D.G.M Quality
Md. Niamoul Islam	TOM TAILOR Sourcing	Manager Compliance
Mosharraf Ali		Consultant
Chowdhury A-A Quaseed	Ananta Apparels Ltd.	Associate Director HR, Compliance & Welfare
Gautam Kumar Mallik	Crony Group	AGM - HR
Md. Shiblee Azam	DADA (Dhaka) Ltd.	General Manager
Hassan Imam	DBL Group	Director
Md. Quaimul Islam	Dekko Apparels Ltd.	Manager - Social Compliance
Kowsar Uddin Chowdhury	Dekko Group	GM-HR & Compliance
Md. Abul Hasnat Khan	Epyllion Group	AGM – HR, Admin & Compliance
Debasish Kumar Saha	Fakir Apparels Ltd.	Executive Director
Shafiqul Islam	Fakir Fashions Ltd.	Asst. Manager - Compliance
Md. Jayedul Haque	Fakir Fashions Ltd.	Asst. Manager - Merchandising
Khairul Basher	Ha-Meem Group	Director Compliance
Meer Moin Hossain	Hannan Knit & Textiles Ltd.	GM (HR & Compliance)
Md. Zahidullah	Jinnat Apparels Ltd (DBL Group)	GM Corporate
Brig. Gen. (Rtd.) Shawkat Hossain	Oeko-Tex Group	Executive Director
Major (Retd.) Md. Sofiul Azam Chowdhury	Palmal Group	Director, Administration & Compliance
Major (Retd.) Syed Anwarul Sabir	Palmal Group	General Manager, Admin & Compliance
M. Wahid-Uz-Zaman	Pioneer Group	Manager, HR & Compliance
Kazi Arhab Ahmed	Shomahar Sweaters Limited	Deputy Executive Director
Md. Eakub Ali	SQ Group	Sr. GM (Compliance and Legal Affairs)
Faysal Chowdhury	SQ Group	GM-HR & Compliance
Md. Jamal Uddin	South East Textile Ltd.	AGM - HR
Humayun Mostaque	SQ Celsius Ltd	Deputy GM HR (HR, Admin & Compliance)
Alfazuddin Ahmed	Sterling Creations Ltd.	Executive Director
Shamim Ahmed	Triton Textile Ltd.	Compliance Manager
Major Md. Samaun (Rtd.)	Tusuka Jeans Ltd.	Director - HR & Compliance
Asif Ayub	Embassy of the United States of America	Economic and Commercial Specialist
Zillul Hye Razi	European Union Delegation to Bangladesh	Trade Advisor

William Hanna	EU Delegation to Bangladesh	Ambassador, Head of Delegation
Lejo Sibbel	ILO	Senior Design Advisor, Better Work
Dr. Syed Masud Husain	BGMEA University Fashion and Technology	Vice Chancellor
Dr. Gitiara Nasreen	Dhaka University	Professor, Mass Communication & Journalism
Prof. MD. Sekandar Khan	East Delta University	Vice Chancellor, Moderator
Syed Sultan Uddin Ahmmed	Bangladesh Institute of Labour Studies (BILS)	Assistant Executive Director
Shirin Akhter	Bangladesh Jatiyo Sramik Jote	President
Adv. Farida Yeasmin	Bangladesh Supreme Court	Advocate
Adv. Delwar Hossain	Bangladesh Labour Federation (BLF)	General Secretary
Dr. Wajed-ul Islam Khan	Bangladesh Trade Union Kendra (BTUC)	General Secretary
MD. Towhidur Rahman	Bangladesh Apparels Workers Federation (BAWF)	President
Kalpona Akter	BCWS	Executive Director
Rashedul Alam	BIGUF	Finance Section
Sharif Islam	Impactt (BGD)	Project Manager
Rokeya Rafique	Karmojibi Nari	Executive Director
Nasrin Ara Begum	Karmojibi Nari	Coordinator
Nafisa	NUK/SCIB	Compliance Auditor
Feroza	NUK/SCIB	Auditor
Dr. Qazi Kholiquzzaman Ahmad	Palli Karma Sahayak Foundation	Chairman
Md. Abdur Rahim	Solidaridad	Sr. Program Officer
A.K.M. Nasim	The Solidarity Center/AFL-CIO	Legal Adviser and Program Officer, LLSCP
Christian von Mitzlaff	Round Table	Organizer

II. Synopsis

The agenda of the 10th Bangladesh Round Table on Social Compliance, held on 14 November at Ruposhi Bangla in Dhaka has been titled:

“Bangladesh garment industry, the 2nd world exporter - versus the expressed concerns on working conditions - a stretch for sustainability?”



The 10th Round Table had been addressed by US and European buyers, producers, trade union, activists, Mr. William Hanna from the Delegation of the European Union, senior economist Mr. Qazi Kholiquzzaman Ahmad, Mr. Israfil Alam, MP, Dr. Wajed-ul Islam Khan, Ms. Rubana Huq and as Chief Guest the Hon'ble Minister for industries, Mr. Dilip Barua.

The opening speaker Mr. Zia Ahad shared his analysis on the strength of the rapid development of the garment industry in Bangladesh and also pointed out the history of this industry and that its embedment within the society shows sign of polarisation and the certain disconnect to workers and civil society. He underlined the importance of a common platform, necessary to express the common interests, the need for workers-management understanding and welcome the high level of professional groups gathered around this Round Table.

Mr. Debasish Kumar Saha from Fakir Apparels addressed the floor as producer. Listing the obstacles the industry is facing in terms of low productivity, late approval, smaller sized orders and the challenge to face the price pressure while competing with higher production costs. He also pointed out that any increase in wage rise would immediately be diluted by the local market price increase in the housing area of the garment workers. To sustainably improve the compliance, only via the social dialogue will be achieved in his view.

Dr. Wajed-ul Islam Khan, trade unionist, reflected on the microlevel and pointed out the situation of the worker with rising living costs and advocated for a yearly adjustment of wage increase on the basis of the price rise. He also proposed dormitories, food rationing and Provident Fund. Pointing the necessity of trade union registration and ongoing retaliation he emphasised on the urgency of a dialogue on planned level and differentiated that Worker Welfare Committee and Participation Committee do not have the charter of demand and shall not be confused with trade unions.



Economist Qazi Kholiquzzaman Ahmad started with the remark, that Bangladesh already can be categorised as a middle income country if the economies of households would be included in the calculation of US\$ 1.005, the international mark. The garment sector has contributed to a 6,5 growth over the last 5 years. Commenting on the progress of the Round Table the Economist emphasised that dialogue cannot go on forever without tangible outcome. Every party would need their equitable when participating. He pointed out that among the represented professionals present, elected workers' representativeness is missing. Commenting on the previous speaker from producer he made the critical remark whether the level of productivity shall only be seen in regard of produced unit. Looking at the productivity per labour output, this ratio is probably very high.

The Minister of Industries, Mr. Dilip Barua, has been the Chief Guest, pointing that the successful history of the garment sector is based on the contribution of the high numbers of working class people and they shall take part of the profit sharing.

EU Delegation Ambassador Mr. William Hannah highlighted the effects of free market access had on the impressive growth of this industry in Bangladesh. For the European Union core labour standards are essential and integral part of their support to the country development.

The Ambassador pointed out that the European Union's approach is not conditionally, rather to support least developed countries with free access to the market, which has tremendously helped Bangladesh. He made the remark that a lot would still needs to be done from sight of the government as well as from the European Union to respond to the pressure of improving quality as well as demonstrated best practices by companies, who are treating their workers better, leading to better productivity and overall improvements.



Responding to the rhetoric question, what 'would change the mind of a non-compliant employer', Mr. Hannah emphasised on the potential investment in develop value and high professionalism can have, citing an experience he made in India. Finally he made the remark that the fact, sitting at the Round Table discussing these issues and trying to focus on the

positive way forward is useful, rather than conflict and pushing around the problem.

When giving open the floor for questions to the speakers by the moderator, the issue of polluting rivers has been raised asking how much has been achieved so far, questioning to which extend the ETP are really functionally on the ground.

During the 2nd half of the 10th Round Table the discussion got a bit heated, when participants debated on the situation of *polarization* and *politicising* between the employers and the labour sector and speakers called for collaboration rather than conflicting in the interest to support this sector. It has been raised as useful to present best practices at the Round Table.

At the end of the 10th Round Table, the question on how to achieve tangible results has been re-addressed and the participants concluded with the interest to reactivate the core group helping to maintain the complication, preparation and to strategise in pursuing discussed issues and outcomes of the sessions. The Provident Fund has been widely regarded as the better option to discuss by a Round Table Core Group to pursue and as learning of an intended intergroup communication linkage.

The session has been moderated jointly by Prof. Sekandar Khan, Vice Chancellor, East Delta University, Chittagong and by Christian von Mitzlaff, Organiser and BSCI Bangladesh Representative. The Round Table is a regular social dialogue sponsored by BSCI and organized by LIFT Standards e.K.



III. Agenda

“Bangladesh garment industry, the 2nd world exporter – versus the expressed concerns on working conditions – a stretch for sustainability?”

held on Wednesday the 14th 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 First session - Address by invited speakers,

10:40 Address by Chief Guest, Hon'ble Minister of Industries, Dilip Barua

11:00 Question & answering session

11:15 Tea break

11:40 Second session - Address by invited speakers,

12:40 Open floor dialogue

14:00 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 has 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. Mr. Zia Ahad, Director – South Asia, Middle East & Africa, PVH Corp.
2. Mr. Debasish Kumar Saha, Executive Director, Fakir Apparels Ltd.
3. Dr. Wajed ul Islam Khan, General Secretary, BTUC
4. Dr. Qazi Kholiquzzaman Ahmad, Chairman, PKSF
5. H.E. William Hanna, Ambassador, Head of Delegation, EU Bangladesh
6. Mr. Dilip Barua, Hon'ble Minister of Industries, Government of Bangladesh
7. Question and Answering session

Mr. von Mitzlaff, Organizer:

The buyers sourcing from Bangladesh as well as the labour sector and dear Ladies and Gentleman, we are having a broader setup this time. We are pleased to welcome you to the 10th Bangladesh Round Table on Social Compliance and may I introduce our Moderator Professor Sekandar Khan, Vice Chancellor of the East Delta University and economists with a long teaching life. He is now also engaged with the civil society in the Bangladesh environment movement "BAPA" as well as in "SUJON" on good governance. He held the presidency for the based in Chittagong and the Bangladesh Economic Association as Vice President for Chittagong. Thank you for Sir Sekandar Khan that you agreed to be our moderator, I must say it is for the 3rd time with two previous Round Tables in Chittagong this year and I herewith welcome to Dhaka.

Prof. MD. Sekandar Khan, Moderator:



Thank you Mr. Christian von Mitzlaff. Ladies and Gentleman, this is the 10th session of Bangladesh Round Table on Social Compliance, it is a regular kind of meeting at different parts of the year being held in Dhaka and also two of them were held in Chittagong and this is a long list of subjects that we covered over a years and today theme is "Bangladesh Garment Industry, the 2nd

world exporter – versus the expressed concerns on working conditons, a stretch for sustanibility?"

Bangladesh is going to be a middle income country by 2021 and World Bank expects that it has got to be export sector which will lead the Bangladesh economy into that position and export sector is dominated by RMG. The RMG sector for Bangladesh is a vital sector and if we talk about getting into a higher income group of countries, we have to choose whether some of us, only a few, a small percentage of people would be doing it or the whole nation should be involved in the process. It means whether the entrepruneurs or the leaders of the society will do everything, enjoy everything and be responsible for everything or they will have to take with them the whole mass so that the position of middle income we don't have to someday slip out of it. Because unless we have involved everybody everywhere that position to keep it and also make progress it is difficult. So the question of sustaining, a kind of growth that will actually mean progress to the country. RMG is the leader we are going to be number one as China shrinks it's exports and the country for this, the sector that is going to give us the thrust that is the RMG sector or enterpruners are confident that they can do it. They can make Bangladesh number one provided certain very basic facilities have provided to them by the government, financial organizations and the rest of the country is ok. The other parties involved in the whole issue are the government, labour – very importantly, financiers. So how every sector is going to perform it's part in the whole process, that is important, what we want of the

government, what the laborers have to behave like and how the industry owners will have to behave like? All these are coming up in our discussion in the next 2 sessions, most importantly the labour relations.

The format of this organization we have actually been able to assemble here nine different professional groups. It is a very wide range of interests are represented directly or indirectly. In fact we can say it is a mirror of the societies. So all the opinions that will be passed over here that are reflecting what the society wanted to be. The gap between different groups have got to be minimized, reduced through such discussions of professionals, where the atmosphere is I should say very much cordial and everybody taking a non-political attitude, non-aggressive attitude and everybody will have to appreciate each others point of view. I think we shall be able to make our discussion leave us at the end of day some results which we expect this kind of meetings to come up with. I assure you we shall have a very good discussion and since many different interests are being represented on the floor, we shall have a real effort at understanding each others position and come up with recommendations for the government, manufacturers, labourers and for all parties involved in the process.

Mr. Zia Ahad, Director – South Asia, Middle East & Africa, PVH Corporation:

Thank you Prof. Sekandar Khan. Hon'ble Minister Mr. DilipBarua, Mr. William Hanna - Ambassador European Union, Qazi Kholiquzzaman - Chairman of PKSF, our friends Dr. Wajed Khan and my good friend Christian Mitzlaff, Good Morning and Salamualikum. It's normally sad that you know where we stand on an issue depends on wages set and this is to say that we all have are own buyers, own strength positions. And I think one of the real strengths of having a Round Table of this nature is



that we are able to bring together all the different perspectives, points of view, opinions in a non confrontational manner. This helps I believe in promoting understanding amongst all the participants who in this particular case happen to be the stakeholders of the industry. What I will have to say today is not necessarily reflective of the PVH position. This will be based on my personal observation, interaction and involvement with this industry over the last 15 years or so.

We have just heard from Prof. Khan that Bangladesh is pious to be the number one in terms of garment export in the world, right now it is holding the 2nd position. There is a lot of ambition there and perhaps rightfully. Because Bangladesh has seen phenomenal growth in this garment sector. Last year the export from the sector exceeded 19 billion dollars, the single largest item of export and that accounted for close to 80% of the total export of the country. Now we are looking to projections of growth. At the same time we are also confronted by news of sporadic and sometimes not so sporadic worker unrest in the sector. Some of its building to streets effects all of us, as we go about the lives. Clearly there is a lot that needs to be done here in the sense, that buyers, there is a concern about the consistency of the shipment, about the ability of this country to perform in terms of the shipments, the continuity of business, the sustainability of the sector even. There seems to be a polarization if you like, of workers in the one hand and the

management groups on the other. And this is perhaps why, I value a round table of this kind, where we able to bringing all the different sectors so that they can voice their opinions, their understanding, their concerns, and perhaps at the end of the process these are consensus on what needs to be done to move forward. It is my submission that both, workers and the management have a common interest in the industry. There will be no workers if there is no industry nor will there be a management and therefore the self-evident truths need to be waked upon and differences in understanding and approaches need to be ironed out.



While is easier said that done and part of the problem is, we are all locked into linear thinking about the kind of issues that we face. While being brands for instance I have seen the unrest as the outcome of low wages only. This may be true to a large extent but is that the whole truth or is there more to it? Are there other points of view here that need to be highlight as well? To form an

understanding about this industry will probably need to deal a little bit into the history of how it evolved and the history of the garment industry is pretty much like the history of Bangladesh. There been sparks in a sudden growths and indeed in the apparel sector there has been mushrooming growth here. But the growth you will realize only happened in the 1980's and that is when it started from scratch, there was absolutely nothing before that. For our country that has been independent for 40years now, at the time of independence there was absolutely no industry to speak of, the jute industry, that existed in the pre-independent stage, was in decline, that was almost extinct by the mid 70's. When the country opened up for investment, one of the things that characterized the growth of this industry, was the involvement of 1st time entrepreneurs. There have not been any industrialist in this country and when that happened the learning curve had to be extremely sharp. Sadly for this country: the laws that are in place in terms of the labour code were not being effectively enforced and this let permitted disconnect between healthy industry was designed progress, was meant to progress and how it was actually evolving. And remember we did say that there was a mushroom growth in the industry an indeed there was. From absolutely no factories in the 70's. Today we have 4500 factories producing world class brands.

Now the reputation for the disconnect or the entrenchment of the different positions is what is now played out in the streets of Dhaka from time to time, unrest that happen. Happened because there is a poor interaction between the stakeholders involved, primarily the factory workers as well as the factory management. It is not by coincidence that Bangladesh has evolved as the 2nd largest manufacturer or exporter of garment products. If you look into the history of the industry itself, it is always moved to low waged countries. Many of you will remember the days when Hong Kong is to be manufacturer, South Korea used to be a manufacturer until fairly recently in fact, Taiwan is to be a manufacturer. None of those countries are able to do so now. Of late, the favoured nations used to be China, India and Bangladesh. But rising cost in China, even that

configuration is changing, almost every buyer that we can name, has now descended in Bangladesh and of course the kind of issues that we hear about from the industries tall-words is the lack of infrastructure here, the serious power shortages that affects the industry, the growth of the industry.



Side by side of course there is the concern with workers. Why is it, that workers continue to feel marginalized, why is it that there is not adequate representation of workers when it comes to articulating their interests? Well, as I said part of the reason for this is the history of how the industry evolved, once the economy open up the government had to take stock of the learning's from the post

independent stage, all the industries in this country were nationalized. One of the things that happened with nationalization was the growth of trade unions in virtually all public owned enterprises. Now remember, this was the time when managerial skills, which are absolutely essential for running an industry were missing. The reason they were missing was because the jute industries we had in the pre independent stage, was mainly owned by Pakistani owners. So the Pakistani owners and the managers had fled the scene, which caused the government to go for massive nationalization in the first place. Because of lack of managerial skills the primary problem that arouse was the drop in productivity and to this day, private sector enterprises are played by a lack of productivity.

Now this management ... in skills, earned also all the players involved are rather bad name, this included the unions and this is also why even today the stigma of having a trade union persists and there is great reluctance for the industry to consider having trade unions in their own factories. But having said that, the reason have gone through this whole process with you, and thank you for baring with me is because, I believe that we need to conceptualize the situation when we talk about problems, because problems of multiple dimensions and we need to address all of them. When we have a discussion of this nature and different groups come together, in fact all the stakeholders involved come together, we get an opportunity for understanding the concerns of different stakeholders and perhaps chart a cause that allows us to draw an agenda that will make it possible for this industry to sustain its growth.

There are roles to be assumed by all stakeholders here: Brands have been credited if you like for having supported compliance standards in the workplace for improving compliance standards in the workplaces and this was primarily as you know done through the Codes of Conduct that they implemented in the places. The problem was that the Codes of Conduct happen to be external to the factory. With the 1st generation of entrepreneurs setting up industry were trying to run a plant, they were been told how to run it, what standards to maintained and there were all different kinds of brands coming in with all different kinds of requirements. Understandably the codes of conduct were seem to be external to the factory and the rationalisation for codes of conduct as being conducive to

productivity was never made. This is also why we have such a struggle with compliance standards and the workplace today.

We were talking a little earlier with my friends round the table talking about different stakeholders entities, when we talk about *buyers* for instance we tend to paint them with the same brush. But become of all different descriptions, all different agendas there are fly by night by buyers as well as once they really committed to having a sustainable relationship, a long term relationship. We have to merge all of these understanding, these thoughts, priorities, concerns that come from all different sources so that we can have a common platform where is possible to chart of course that will meet the requirement of everyone.

I began by saying that, I believe there is a common interest between the workers and the management, but I believe it goes far beyond that. I believe there is a role to be played by buyers as well and I believe a lot of buyers who are interested in sustainability of this industry and the growth of this industry have actually putt their money where their mouth is. And those are the ones that are likely to stay on here, but the challenges will not go away overnight, there is a role for the government as well. There is a need not only to go for Industrial Police only in order to control violence, there is a need to understand the root causes behind the violence so as to be able to address them effectively. There is a need to use the existing setups that are required by law for instance the Participation Committees to make them effective as a channel of communication between factories, factory management and workers and these are opportunities, options that exist today, but need to be highlighted, understood. An order for us that we are able to move forward.

I do not wish to billable the discussion, but I do want to emphasize that whatever solution we are looking for has to be home grown, it cannot be imposed from overseas, it cannot be a formulation of any buyer, however well meaning it may be. This is also why my submission to you is please do feel free to speak your mind. It's absolutely essential that we hear the perspectives that are around this table because they represent basically what this industry is all about.

I wish to end by thanking my friend Christian for taking this initiative with the BSCI in order to bring together all the stakeholders, all the major players. So we have an opportunity for discussion, we may not agree on many things but that is good because it gives us an opportunity to debate and rationalize our positions. I will end here, Thank you very much.

Mr. Debasish Kumar Saha, Executive Director – Fakir Apparels Ltd:

Thank you Mr. Moderator, Hon'ble Minister Mr. DilipBarua – Ministry of Industry, Mr. Zia Ahad - he has just finished a wonderful speech, in which he almost covered well. Thank you for this. Mr. Wiliam Hanna, my friend Mr. von Mitzlaff, Dr. Qazi Kholiquzzaman, Sir and Wajed-ul-Islam, Sir, buyers, labour leaders, every stakeholders and our fellow stakeholders, Ladies and Gentleman, Good Morning.

I would like to take an opportunity to extend my sincere thanks to BSCI and LIFT Standards because they actually taken the initiative to bring under one umbrella all the stakeholders, which is actually required for a sustainable, healthy industrial working condition here in this country. I am very much thankful as a manufacturer of the association also like to thank both organizations, especially Mr. v. Mitzlaff. He is taking this hardship to thank him because today we can see a full Round Table today, but once when he started it, we had to wait couple of hours to bring the people under the same umbrella.

Today the Minister has wait couple of minutes only. I want to share my experience from last few years, having more than 20 years experience in this field.

What the status compliance is today compared to 20 years back, single example: One of my entrepreneur asked me, weather I want to get some buyer like retailers, those who are giving good orders with very good price from supplier side, "what I need to do?" I simply said Sir, we have to make our industry compliant, then that entrepreneur was very much interested to make it compliant. But then unfortunately he asked me, "what is compliance?" One of my colleague beside me, who worked for on compliant initial factory in this country, and he started calculating with the calculator and said, "it costs seventy thousand Taka". What does this mean? In those days we only knew to put up some signboards, indicators, toilets, easy exits and child care! Those set-ups like signboards and indicators cost seventy thousand Taka.

This has been the understanding 20 years back - now it is a complete change: We can claim today that most of the factories Bangladesh are compliant. Perhaps this is not being accepted by every stakeholder, but I claim it. Few might not be there yet, but we will reach there and we have the intention beyond. Simply if our factories are compliant then our turnover is less, absenteeism is less, no unrest, good productivity, on time delivery, no extra cost, healthy business.



German McKinsey office report "Bangladesh Ready Made Garment Landscape - challenges of growth". The challenges named are: infrastructure is on top agenda. Compliance, supplier performance and workforce supply apply, raw materials and economy and political stability. Today's topics regarding compliance we have no objection when auditors come for auditing looking for documentation, certifications, wages and salaries, fire and health safety. When the question comes to labour wages, there we have discussion again and again. Other organizations also give their findings including corruption, very sensitive. We also have a shortage of management like managers, technicians and labour wages is and issue of the sustainability.

Unfortunately the obstacles are compare with other country, our productivity is very low. If we compare with China, our productivity is only half of China. If we intend to pay more salary, we need to improve our productivity. In this case BGMEA and BKMEA is working on productivity and the Export Promotion Bureau has a cell for productivity and compliance and the government also takes some productivity initiatives. The Minister was there the 22nd on the occasion of the Productivity Day, announced by Prime Minister. However, if the productivity is not there, how can we pay more to the workers?

I hope the present buyers won't mind if I raise some other obstacles we face. But before, I beg to apologize because to express my view as this at this Table, which is of the rare opportunity to exchange openly. Buyers these days looking for very good quality, fashion with very less price, which is also one of the biggest obstacle to secure the business. Here buyers are looking for high fashion, quantities are also less in particular styles. Hence our

productivity is less, which cost us money. Late confirmation of the order with very late decision of the approvals. These are among many points actually hampering our business. I would request our partners to think how to assist improving our productivity to when our manufacturing cost is less. Infrastructure is also a very big issues for us.

If we compare with China, China cannot these days maintain their orders because the coastal belt industry is not in a good position. Facing big problem with workers, we are not unhappy with this development. If China could not handle 10% of their present business, of more than 60billion export in garment, equal 6 billion and if would shrink 20% then it would be 12 billion; do we have that capability to handle that 12 billion top of our present 20 billion? No, we don't have the infrastructure, no deep sea port or sufficient of electricity and gas. Government has to be plan for this, have fund for this. This would be my request to secure the sustainability of our business.

In my opinion the only solution is the social dialogue. If we get some smell of an incident, which doesn't happen in one day or within an hour. Deficiency is known beforehand and has to be brought up by some organisation and need to be placed to such a forum like this dialogue. Therefore I believe in this sort of social dialogue and this is why I want to extend my sincere thanks to Mr. von Mitzlaff.

I have another request to the government to look into living expenditure in the neighbourhood of workers when we increase benefits, which should go to the pocket of workers directly or indirectly. I am working as an Executive Director and have I have 6.500 workers in my factory In January comes the preparation for the increment to workers and staff and at that time only the house owner of small cottages next to industries increase their rent. What is the relation with the increment of the workers and small grocery shops, they increase their rates too. My experience, even when we increase the salaries of the workers it does not go to the workers pocket! We have to take care about this.

Why as a manufacturer of Fakir Apparels here, we intent to be a compliant factory. We don't want in Bangladesh a single incident in future to happen, like worker unrest, which is a threat of our business and the growth of the country. Not only the export hampers entirely the growth of our country, development of our country while we are developing step by step. Finally I want to thank BKMEA, BGMEA, EPB, Government of Bangladesh, as well as worker leaders, buyers and all the stakeholders.

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

Very good morning for all of you and respected friend, chief guest the Hon'ble Minister Comrade Dilip Barua M.P. –Minister of Industry and respected speaker and participants. It's my pleasure to be here and say something on this 10th Round Table.

First of all I want to congratulate and pay my tribute to the organizer for arranging this 10th Round Table Meeting on Social Compliance in RMG sector. But I want to say that I am a labour representative as you know that I am the General Secretary of the Trade Union Centre. I want to start with labour point of view. Actually what we see that compliance this sorts of round table or the social dialogue in different forms happens, it is only within our this dialogue session. But I don't know how much goes to the factory level or brand level, I have very doubt? The compliance definitely means the working conditions, particularly we are talking about the compliance in the factory level, it is a stress for sustainability of the industry only power the compliance point of view but for industrial growth, industrial development is also stress. So compliance if you think about in the factory level only I think it will not be wiseble. Compliance we must think about the working condition of the labour, how much salary's he is getting, is it sufficient for him to

keep service, to give service for the better life, what has ILO said? I think no, it is not there. You have mentioned and we know that if there is a good toilet in the factory, it is treated as a compliant factory, but what happens to a worker? Will he lives his living place, when in the very early morning he or she has to get up because for natures call he or she will have to be in big queue say fifty, forty persons queue to use the toilet over there, where they live. So will you not consider this point, so we from our side, from long time we are saying that in the labour incentive oriented area this factory, there should be dormitory for the workers so that they can live and stay in a good atmosphere and government has come up very positively that government I think with 1% or some very low marginal interest they have announced that they will give bank loan and the factory owners can use and build the dormitory. But there is no single progress in the dormitory sector, but this living condition is very important and as well as I want to say that what the wages has been declared by the government three years back it is well understand that it is only 3000Tk means 35 Dollar.



Is it sufficient enough for a worker to live with this 35 Dollar or 3000Tk? No, not at all, even not 10, 12 days they cannot live with this money. So it is very difficult for the workers to live with this low wages, but there is no provision for increase of wages every year because there is whatever increase happens, it happens after 4, 5 or 10 years after even in garment sector 12 years after there was minimum wage, sometimes it determined. So what happens and for that we said that the social security like: dearness allowance, if it is introduced it was in our country previously for all the sector the dearness allowance for what? Because in a free market economy the prices gone up everyday, so whatever wages determined today, is not as it is announced today after 3 or 4 or 1 years since price gone up, the real is going down. So to protect the real wage we ask to introduce this dearness allowance. It is not problems for the buyers, employers also. Because if the dearness allowance announced on the basis of price rising index as per Bangladesh Bank, but when it will re-fix the salary or wages that dearness allowance will be included. So, it is also good for the employers that if they give increase the wage every year that will save them to be five years after at a time they have to increase a big amount. In that way they can be consider, but they don't compile or come up with our suggestions. So this ways what I want to mean that compliance in the factory and in compliant factory so far I have been informed, I know that some of the industry they show some industry as a compliant, one or two industry they show as a compliant and through that compliant factory they are producing their goods as job basis from other non-compliant factories. This is a very unfortunate situation that on the job contact basis, they are doing it from some non-compliant factories, but showing some compliant factories. So these are the attitude of the employers, I have not come to quarrel with the employers, I beg pardon for that, but I want to ventilate, speak for the realities going on in our country.

In our country in this garment sector is particularly 1st generation of entrepreneurs, but still then to me I find it is a trading business, not that entrepreneurs, the values of workers to given do not in their mind. They feel that workers and the employers relation is totally different, they feel workers as his opponent. And the relationship is like masters and servants. It is not good enough because labour is very important factor for this industrial development. But the workers are not yet given his minimum living condition facilities. This is most of the important point that we have to consider and I think compliance is important definitely but it's not the only factor for a good working condition and as per ILO now the slogan comes up for Better Work and facing toward it does not covers only by the out of this compliance and I said that compliance in the factory level is here but in the place where he lives, there is lots of uncomfortable situation they are living. So what we say that to protect the real wages there should be social security protection by way of providing the dormitory for workers, rationing facilities, supplying the essential commodities rice and by way of also it is another important point that there is no security of the workers. Say workers are working in the garment sector normally 10 to 15 years, but what happens after that? When they leave the job, they leave in empty hands. So this is the remuneration of 15 years of job in garments that they leave in an empty hand? There is no provision for provident fund, pension, gratuity, all like this that they can live the part of their life that benefit whatever we give in the public sector or in other industry. So these things if we don't consider only the compliance cannot be a good, healthy atmosphere for the working condition or healthy atmosphere in the industry or a factory.



So, I think these things we have to think seriously, for that the independent should come up. My previous speaker said that these sorts of social dialogue is very important, I do agree and we are for this social dialogue, we are not against of it, but it is not the only alternative, solution for the workers condition to be improved and healthy atmosphere to be improved in the industry.

Trade union rights, freedom of association is very important because social dialogue can discuss and we can recommend something, but that cannot be a solution in the factory level. To solve the problem on the factory level of workers issue, the only alternative is the Freedom of Association that is Trade Union as per ILO convention 87 and 98. But whenever we say to implement 87, 98, all labour law implementation, there is no bar to implement the labour law, it's true. But what happens that whenever the owner of the factory came to know that these are peoples submitted for the registration for a trade union, then and then they sack those peoples. So they lose both the things, they lose the job and as well as they lose the Freedom of Association that is the Trade Union rights. So this is one of the barrier for this compliance is to be applicable. Because if there is proper trade union rights, if there is trade union in the factory level, then there can be dialogue between the employer and the workers regularly, whatever problems come it can be solved across the table. But we never go for that so there is the situation comes out some times, unrest situation, sometimes with reasons sometime without reasons also. But this can be solved only out of this proper trade union and healthy trade union which we means strongly that this is the only solution that the problem can be solved at plant level by discussing with the employer and for that we know we are very unfortunate to say that in

the EPZ there is separate law. Why in a country there will be different law for same RMG sector? It is not at all desirable and also same problem happens that in the name of workers welfare committee, workers participatory committee, the employers want to say that we can discuss, solve the matter. No, this is not a proper way, because the participatory committee, welfare committee they cannot place the chart of demand, they cannot place their demand officially as per our labour law.

If we respect our labour law, then there should be a proper trade union. That is absent, so things is that we have to go for this point that there should be proper trade union so that there can be dialogue between the employers and the workers as per the requirement from both side and that can resolve many of the problems at the discussion across the table. Last of all I want to say that we the trade union leader, trade union organization are never negative for the industrial development. We believe it's our slogan is "Save the worker, Save the industry, Save the nation". So we are very much to save the worker side, to save the industry and also save the nation. This is our slogan, so you can well understand we are for a healthy trade union, healthy atmosphere - working conditions and I think out of this social dialogue we try to bring out some positive recommendation and once again thanks to the organizer to organize this important round table meeting. Thank you very much.

Dr. Qazi Kholiqzaman Ahmad, Chairman - PKSF:



Thank you Mr. Chairman, Prof. Sekandar Khan, our Hon'ble Chief Guest – Minister of Industries Mr. Dilip Barua, Dr. Wajedul Islam Khan, Mr. Zia Ahad, Mr. Mitzlaff and Representatives of various groups are involved in this process. I will be very brief because the Hon'ble Minister has another meeting, I have another meeting.

I will make few disjointed points, number one: you will see in the papers this morning that we need 8% growth to be able to reach the level of middle income country. This does not require an economist or a huge international organization to say this, any school boy I think can do this calculation. We have achieved so much, we have to achieve so much, what is the rate, we saw a big news in all the newspapers reported. I think we have some people they like to deal with this big pictures. But I am these days very much concerned of for the micro level issues so that's the first point I wanted to make.

But a related point is middle income country means nothing. It has to be actually a country of middle standard of living, that's the important thing and we have probably already in monetary terms reach that level. If we in-fact taking the account of economic contribution of women, their work at home and you convert it into monetary terms and add it to the GNP, GDP, then we have already reached I think more than 1000 Dollars per capita and you need only 1005 Dollars to be able to be in the middle income category. So, I think these discussions are perhaps meaningless, this a side point.

The 1st point that I would like to make is on this issue that we have made significant economic progress and over the past 3 or 4 years we have achieved 6.5% growth despite the problems internationally and nationally. In RMG sector has made a significant contribution in that process, not only in terms of foreign exchange earning, but also in terms of employment generation. Mr. Zia Ahad has said, if I understood correctly, if there is no industry, there would be no management and no workers. I can transpose it slightly differently - no entrepreneurs, no owners, no management, no industry. If you don't have those, you have no industry. But if we don't have workers, there is no production. So management, industry everything means nothing unless there are workers who are contributing, so that's the point. I make it disjoint, I am not giving the arguments, so every party must find an equitable outcome and for that of course dialogue is necessary for the equitable outcome for each party.

But dialogue cannot go on forever, we need dialogues, cannot go on forever, if we perpetuate for years and years in this process we are now what in the 10th dialogue and there are many other discussions going on. So this process cannot go on forever, if it does then we will reach a point where there will be no outcome.

The next related point is I am hurrying because I have to give the Hon'ble Minister sitting beside me to go to his next meeting at 11 a.m. it is essential that elected representatives of each party should participate in the discussion, here we see the buyers have their parties, of course the government is there and the owners they have their own elected representatives, with the workers do not, so that's not a very healthy situation, I think that needs to be corrected, that's the first thing to be corrected. So each party must have elected representatives so that they can speak for the constituency. I can say that I am the leader and then starts speaking and that is what's happening in this sector because there is no regular process of electives.

The last point, I said I will be very brief, it is mentioned here that productivity is low, I agree, there is no problem in that. Productivity per unit of labour is low, but productivity per unit of money paid to the labour may be very high compare to China. So that I think needs to be looked into, productivity per 100 Taka paid to a labourer, what is the productivity? I don't know the answer, I used to word, because I was an industrial economist, I started as an Industrial Economist, I did lot of productivity studies. My last article was in 1978 on the industries, after that of course I have moved into other areas of interest. So this is a question I leave with all of you to see what's the productivity level per unit of money paid to the labour? Thank you very much.

H.E. William Hanna, Ambassador, Head of Delegation – EU Bangladesh:

Minister, Colleagues, Ladies and Gentleman, Good Morning. I am very happy to be here, not sure shall I also in rush, how many minutes do I have? Time is money I am sure for businessmen, I have few points I will try to make and see how many of them get through in about 5-6-7 minutes?

First point I thought it was interesting to look at the historic perspective, we are talking about the Bangladesh's 40 years of co-operation between the European Union and Bangladesh and if I go back 40 years, I am from Northern Ireland, 40 years ago the industry was in Northern Ireland the textile industry was in diary, I was remembering a song that was listen in that time, in the early morning the shirt factory horn called women from trogon to the birds. I don't know have you horn for the labourers, but in Northern Ireland, that was the Horn at early morning and it was women going to make the shirts. They were probably Ban-Horizon shirts. At that time also diary the place I am talking

about was known for other problems industry of violence. So it last forward to this year and we have the industry in Bangladesh and the women are working here and yesterday as I left this hotel there was a riot in the streets. I don't know who was doing that for me but there was a counter. I think the starting perspective was quite interesting, because we look back 40 years and we look forward to the future and now speaking for the European Union, this is a success story on the micro level, a very big success story because Bangladesh's export to gone up 8.5 billion last year, RMG is very big, there was a change in the rules of origin, but it was a very big success story and I think looking at it in my 30 years working for the European Union, I don't see a bigger success story of trade leading to job creation and rolled in least about the country through that access. So, it's worldwide that's a very big story, that's a good story.

But are we just here today are we content without that or should we look further? And this is the question of sustainability what shall be discussing here and I should re-affirm the EU permanently committed to promoting core labour standards and decent works in always trade policy and is also fundamental component of our global policy on human rights. And there is an interesting thing, the trade or human rights? We



we were recently awarded the Nobel Prize, which came as a bit of surprise to me, we thought a lot for EU Nobel Prize for economics at the moment, we were awarded it for peace, human rights, democracy and I think it was reminder to the EU on what our based on is first of all, this human right and democracy and that's reminder to us and we trying to reflect that in our external policy. So it relevant to Europe and also to think relevant to our policy towards Bangladesh and core labour standards: non-discrimination, equal opportunities for men and women European Union law and then I have here to say that we don't expect developing countries to merge our own high standards but we expect at least minimum standards to be observed. I am not sure are you agree with that, I think we don't expected that today the high standard to reach, but I think we will want to move forward toward the high standards then reached here.

The next point I wanted to make was what's been happening recently is already mentioned by these people, phenomenal success in the sector but eyes around Bangladesh because of that and there has been attention to problems in working conditions, violence, problems reflective bargaining and that worries buyers. It worries buyers in the soul whether they are in United States or in Europe and it worries Human Rights Organizations and protracted conflict there will be very detrimental to the image of Bangladesh. I mean, lets be clear, you are in danger of spoiling your image, you are in danger of spoiling our brand. I think that's clear and also there was a very positive correlation between good working conditions and improved productivity and then the question, I was asking myself this morning, when I am thinking about this I have visited a number of factories here but I think they are most the best. When we have a high level visitors coming down, we are taken to the best factories and they really look fantastic and the visitor goes back saying this is great. I am not sure if I have seen the worst. I am not sure, if I have seen what's happening in the whole sector and so I ask myself of having

seen the best practise what would persuade a bad employer to change? And would be suddenly a change of hard, suddenly someone who is been treating workers badly, will suddenly say tomorrow, I will treat them better?

Would it be that they would be worried that the buyers might stop buying because of the bad image, would that lead them to change? Would it be a realization that, if you treat workers better, it increases productivity or would it be peer pressure from within the industry that the bad producers are effecting the image of Bangladesh? I am not sure if I have the answer. You probably have the answer around the table.

I just wanted to give you a short story not from Ireland. I recently visited last week Gujarat in India and I visited because my family has connection with Gujarat long time ago and I wanted to see if anything remained. My grandfather was in Gujarat a hundred years ago and I went, I knew that my grandfather was very keen in the co-operative movement and I visited the town of Anand, and I found it Anand, you have Amul Dairy, I think one of the biggest co-operatives in India. I think he would had been very pleased to see that a hundred years later a co-operative movement and helping the farmers. He was also a great believer in education and I was able to see some of the schools which he talked, hundred years later the schools are still there, but the one that impressed me most was besides the schools of hundred years old, there was a new college in Gujarat which is the fastest growing state in India and it was cold and I visited it "Stevens Institute of Business Management & Technology". Very impressive, a young college, young people, computers a dynamic director of the college and I asked him and he was saying we are producing the best students, there was great demand and they were doing very well and I said what's your philosophy? And he gave me a mission statement and the mission statement reads our mission is to promote value based education and to make progress for society through realizing the potential of young aspirants and making them more competitive and I found that interesting the value base but also the competitive. I don't know where there it is because the school is really based on values or whether the people come out of it are more competitive, but certainly parents want to send their children there. So I think that this question of values is something that probably the best employers do understand here, I think they do understand that it is worth treating workers well. I am not sure that everybody gets it but in the end I don't know the answer. Is it a trade approach or profit approach which we have to follow or is there human rights approach which we have to follow? In the end anyway, I think the values are important when you believe in them or when you believe in them are just way to productivity. Thank you very much.

Hon'ble Minister Dilip Barua, Ministry of Industries – Government of Bangladesh:

Prof. Sekandar Khan who is the chair of the session, Excellency Mr. William Hanna and the our one of the best economist of Bangladesh Dr. Kholiquzzaman, Mr. Christian Mitzlaff – who is the mostly organizer of this seminar, our renowned labour leader there in our country Dr. Wajedul Islam. So think-tank's, distinguished guests, participants at the same time the who has participated in this seminar, most of those who are the buyers from European Unions, Ladies and Gentleman, very Good Morning to all.

Perhaps by this time all the learned persons have already discussed regarding the problems which is going on in our garment industries, I am also taking share of those their discussions. I want to say few points.

Of course most of you knows it very well the historical evolution of Bangladeshi RMG sector was started from the early 80's of the last century. The huge population size of

Bangladesh is one of the reasons behind the boosting of RMG sector. With a population of close to 160million people, Bangladesh has very few alternative to diversify the industrial products. Our big internal market, cheap labour force and traditional efficiency, intuitions have geared up the expansion of RMG sector. We have a golden heritage in the history of stitching the finest cloth of the world known as the Muslims'. Our women are very expert stitching the finest cloth, which ultimately leads our RMG sector to be more competitive in the global competition. Textile and Clothing sector especially Ready Made Garments is the main source of our export earning. At present Bangladesh is the 2nd largest exporter of RMG in the global market. Ready Made Garment Industries have been made tremendous scope for employment generations especially for women class in Bangladesh. It helps the government to a lot in achieving the goal of women empowerment in general and achieving the target level of MDG's in particular.



Textile and clothing sector has made tremendous role in achieving this poverty reduction. Meantime the national poverty level of Bangladesh has been reduced by 10% with the appropriate initiative of the government. So the role of RMG sector in socio-economic situations deserves credit in the net context of Bangladesh. Bangladesh vat 24.23billion US Dollar from each

overseas trade in fiscal year 201-12, Ready Made Garments including knitwear, woven and home textile contributed to maximum share to our export earning. About 4 million workers are engaged with the RMG industries of which 80% are women. The lies in sports was vat by the recent due to waiver facilities to the European Union relaxation of rules of origins under the generalized system of preferences by Euro Zone for the least developed countries. Bangladesh is performing well also in the new market such as Japan, South Africa, Italy, Canada, Newzeland and some Latin American countries. We are looking forward to create new market for our RMG sector and India and China will be the next destination. It is because of shifting their industrialization towards other high tech and very low edition industries. Both China and India are interested to relocate their RMG industries to Bangladesh, Vietnam, Laos, Cambodia, Indonesia and other developed country where low costs labour are available. Among the developing countries Bangladesh is at the top of the list for their relocation of RMG industries. The recent visit team with more than two dozen global players in the garment business under the leadership AMCHEM Hong Kong has expressed their keen interest to make Bangladesh their number one choice for sourcing garment products is sounding acknowledgement of Bangladesh garment industries. Bangladesh is seeking withdrawal of 17.5% duty on garment export to Turkey in order to pushed up its scope. Signing of agreement between Bangladesh and Belarus very recently during the state visit of Belarusian Prime Minister has opened up a new windows of export for Bangladeshi RMG products to Russia, Kazakhstan and Belarus with zero tariff facilities. In addition to this agreement, on setting up of the warehouse facilities for Bangladeshi exporter in Belarus will certainly create ample of opportunity to export Bangladeshi products including RMG's. So far finally I want to draw your kind

attention for social compliance to protect the interest of the working class people who are related with RMG for sustainable atmosphere in the industrial sector. We are always very interested for profit, I think this profit should be rational, this profit should be shared by our workers also. So our workers you are always at the seminar try to point out the compliance. Without the good health, without the good environment of the working class people or industry as well we cannot be able to for a sustainable growth or we cannot be able to honour the compliance. So for the compliance I think all the purchasers, entrepreneurs, stakeholders also should be rational in their profit, management, value addition, productivity as well. Thank you very much for patience hearing.

Question & Answering Session

Prof. MD. Sekandar Khan, Moderator:

Thank you Hon'ble Minister. Actually our Hon'ble Minister, also Dr. Kholiquzzaman and I think His Excellency they have other appointments. So before they live I would like to invite from the house any comment on whatever they have said or questions on the speeches of our Minister, Dr. Kholiquzzaman and his Excellency because they will leave us. So if anyone of you have any question for them.

Mr. Zahangir Alam, Compliance Manager - Sainsburys' Asia Ltd:

Hello, I am Zahangir Alam from Sainsburys'. I have a question to the honourable minister regarding the profit sharing. You have well said that profit should be shared with the workers, my concern is what is the government step to ensure profit sharing with the workers?

Hon'ble Minister Dilip Barua, Ministry of Industries – Government of Bangladesh:



Thank you verymuch for discussions. I want to draw your kind attention that in my right hand most of them are buyers from European Unions. Why they have come here? They have come here at the lowest cost they would be able to purchase this garments. So they want to purchase this garments as well as they sell it to European countries or other countries and also make profit. For this reason they have come here, they are interested for Bangladesh. Day before yesterday Hong Kong AMCHEM people they

have come here to visit Bangladesh for purchasing this garments also, they also have come here to make more profit from the garments, so I want to say they are bargaining with the entrepruners or stakeholders of our country, but they should look after the interest of these working class people. This bargaining should be in such a way that these working class people should not be deprived. At the same time the stake holders who want to bargain with the buyers, they also should look after the interest of the working class people. Sometimes in our country they are more, sometimes few stakeholders, enterpruners,they want to deprive our working class people. Without working class people, you cannot able to function the industry as well. Why the European Union relocate or

other developed countries relocate their industry to Bangladesh? As because their human resource is also a very important factor, at the same time we always give the most important thing is tripartite that means enterpruners, government and also trade union leaders in this way we can solve this problem. So I draw this attention for the buyers to look after the working class people who produce this garments. Thank you very much.

Adv. Delwar Hossain Khan, General Secretary - Bangladesh Labour Federation:

Hon'ble Minister I am Adv. Delwar Hossain Khan, General Secretary - Bangladesh Labour Federation. I have a question to Hon'ble Minister, in the labour law there is a provision for 5% profit to deliver to the workers. But what steps as a Industry Minister you have taken? You know already in the garment sector there is no system to give the profit 5%, they are not obeying this law. But what steps you have taken, how we can achieve this 5% profit? As a state minister from the government side, what step you can take? Thank you.

Hon'ble Minister Dilip Barua, Ministry of Industries – Government of Bangladesh:

I think the Labour Minister can give you the proper answer, it is looked by the Labour Minister. I have my jurisdiction, I also the promoter of the industry law related with the industry. Our vision you see to industrialize our country and give the logistic, policy, infrastructural, managerial support, etc. It is our function of the ministry of industries.

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

Can we hear a comment from the employer side those who claim most of the factories are compliant now that about this question of Adv. Delwar. How many factories they follow the profit sharing which is obligatory according to Bangladesh Law, it's not a collective bargaining issue, or it's not any social dialogue issue, it's a legal issue which have to be followed by the owners as employers side claim that now most of the factories are compliant, I donot know the indicators of compliance, what do they mean by compliant? But how many of them are following this profit sharing law? Is there any data? How far we have there is none.



Mr. A.K.M Nasim, Legal Adviser and Program Officer - The Solidarity Center/AFL-CIO – LLSCP:

At the same time I want to ask the buyers representatives also that how many of them are now requiring that employers shall share the profits with their workers and is there any criteria's in their audit procedure that they are looking after this issue?

Participant:

Sir, I have a question to Hon'ble Minister and his Excellency to European Union. Can we expect at least that much initiative from government and as like pressure group from

European Union that to implement or execute the labour law in our RMG sector, which can be covered our whole the things? For that still we are all unable to proceed that much initiative for it's implementation and execution.

Hon'ble Minister Dilip Barua, Ministry of Industries – Government of Bangladesh:

I think it is not the function of the European Union, it is the function of our government as well as the entrepreneurs, labour leaders in our country.

Prof. MD. Sekandar Khan, Moderator:

I think the previous question that the lawyer actually raised, how can government come into mediate for this 5% profit sharing law, I think Mr. Debasish can address it.

Mr. Debasish Kumar Saha, Executive Director - Fakir Apparels Ltd:

Thank you. Yes I appreciate, I have to also take the way as the Hon'ble Minister has taken that the act can be only decided by the government, not the entrepreneur.

Adv. Delwar Hossain Khan, General Secretary - Bangladesh Labour Federation:

So government has already done the law and in support of this law, what is the opinion of the BGMEA or BKMEA?

Mr. Debasish Kumar Saha, Executive Director - Fakir Apparels Ltd:

Ok, when we said one factory is being compliant? When there is a audit from the BSCI or any independent organization, buyer associations, then our factory been compliant. We actually know compliant of the factory is when we certified by the organization like: WRAP, BSCI, these kind of organization. That is what I mean, our factories are compliant by the compliance organizations. Thank you very much.

Prof. MD. Sekandar Khan, Moderator:

Lets not continue it anymore, any other issue, any other questions.

Dr. Syed Masud Husain, Vice Chancellor – BUFT:

I have an observation and the question to Mr. Willam Hanna, as you are right social compliance is obviously going to be viewed very differently from western and our perspective. But we have seen a historical decline of unit prices of garments products in the western nations, it will not be wrong to say that the consumers have benefitted at the cost of our toiling message of labour. Business houses in the middle at both the ends did not lose much, this is my personal observation. In western nations this price decline to place mostly in the imported products in contrast in resinous product prices, that are increased over time. So this is one thing came to my question, my mind and I want to share the view with you and what's your conclusion regarding this?

H.E. William Hanna, Ambassador, Head of Delegation – EU Bangladesh:

I think this is interesting question, I come back to on it I was asked. I think first of all one have to look at how we have viewed the question of access to our market traditionally. And the view the EU has taken for a least developed country is we give totally free access, that is not the view of some other countries. That is not the way that United States is operating. I wasn't saying: 'fulfil the labour standard and then I will give you the duty free access'. We have said for least developed country, we are first of all focusing on the question of poverty, we are giving few least developed countries access to our markets. Now the question was having given the access to the markets have developing countries been able to get into the market and Bangladesh has. In other countries, I worked in Africa, they weren't able to get into the market and there were other barriers to access. But I think the first point is that we have treated the poorest countries, the least developed countries in a most favourable way with a view to trying to encouraging the trade. On your question indeed one can look at who are benefited from this, who have been the losers and winners, I go back to the my image about the turn I know so well in 40 years ago, that town lost all it's industry and the industries have relocated to other parts of the world, may be first Hong Kong and now today's in Bangladesh. That has been an evolution over time and it means that people there don't produce, they don't have the jobs anymore in Northern Ireland or another part of Europe. Those jobs have shifted, that parts of what's happen over the last 40 years, there were winners, there were losers. Certainly our consumers' benefit from having low cost. At the moment if you look at the situation in Europe with the crisis, nevertheless Bangladesh has continue to do well has been one resilient because in a crisis people are looking of course Bangladesh is still able to be very competitive.



I think we have to do more analysis, who has won and who has lost. Those who have lost, have lost a lot. We lost jobs, but new jobs have been created. Another industry in Northern Ireland were ship-building. 40 years ago there were ships in Ireland, ships today are being built in Bangladesh. Now you can talk about that as well, that's why I think the historic perspective is a good one, when there are winners, there are losers. Certainly our interest is our buyers come down here

because they are looking for low cost and quality. But I feel that there is a lot for the government to do, there is a lot for us to do. We don't say our access will be condition on doing XYZ. The access is there, but I think its true to go through the pressure towards quality, it's through the best practise, it's through company's getting it treating workers better which lead to better productivity. All of us seen have this a way forward, that thing will improved and in Bangladesh the benefits have been millions of jobs, which were not there in the past. It's very much thanks to Bangladesh investment, money, entrepreneurs, I mean you know there is a successor point of view, there are lot more to be done, but the fact sitting on the table and discussing the issues is a success. I am trying to focus on the positive way forward, I think that is useful rather than the conflict, because it's too easy to just say your problems, our problems. I think if we can look the ways forward the best practise is one way to look forward, that's the positive one. So certainly consumers have too much benefit, I think you have to look the wider picture.

Prof. MD. Sekandar Khan, Moderator:

It is probably the bargain between the two manufacturers in our country and the buyers abroad. For different reasons, the man who gets lower price is probably the weaker party, we shall have to make ourselves stronger and then only actually we can fetch a good price for our commodities by shifting to better or higher great products that sort of thing.

Mr. Shawkat Hossain, Executive Director - Oeko Tex Ltd:



One point I like to say to Mr. William Hanna, one thing we have to see about the women force in Bangladesh besides the little factor they are coming out and they working in garment industry, this is a very positive step, isn't it and the code of conducts is given by various buyers. It is naturally thinking of their requirements, but the sustainability economics should be added in their code of conduct. Like if you see about India, as you have said you have gone and you see what TATA and other big companies, they are going for biggest sustainability like making universities, college and all. But why don't you include your code of conduct those natures, you are only thinking about your immediate requirements those are including in your code of conducts, I personally feel the way? And for you Sir, if you allow me two things I personally feel like to add, especially our environment, once you travel around, you will find the rivers are all polluted, but what action we have going to take about that though we are looking after the environment, we say about the ETP's, is that functionable? But underground is it functionable sir, this my point to you Sir.

Hon'ble Minister Dilip Barua, Ministry of Industries – Government of Bangladesh:

For environment I want to draw your attention that for Hazaribagh the main source of pollution of our river Buriganga as the well as the industrial area to pollute our Turag rivers, etc. So all our industry of industry were making law those who want to establish a new industry, he or she has should be the treatment plant, that is first. Second already from the Ministry of Industry we are try to relocate the Hazaribagh tanneries to Savar, the treatment project is functioning well, the construction of treatment process is going well. So I think within the next 18 months we are able to relocate this Hazaribagh Tanneries, if we will be able to relocate this Hazaribagh Tanneries, then the river will get their original colour. Thank you very much.

Prof. MD. Sekandar Khan, Moderator:

There is one other person who is also going to leave us and we shall continue this session after the tea, but we shall have to make arrangements so that our minister can go. I just giving house to only one participant is Zillul Hye Razi, Trade Advisor to the EU Delegation to Bangladesh.

Mr. Zillul Hye Razi, Trade Advisor - European Union Delegation to Bangladesh:

Basically I would like to supplement what you said. If I go to a market and if the potato seller is offering me 20Tk/Kg, would I pay 25? Simple as that, Thank you.

Ms. Kyaw Sein Thay (Dolly), Country Manager - MS Mode:

Excuse me, I would like to have an opportunity to share something, because otherwise we are going to lose the side. I am Dolly, I am represent from MS Mode and what we are observing today throughout the discussion, we have already discussed few very important points and when we are going on the discussions and we are trying to oversight few very important lacking, what we are observing the industry in general. When I talk about myself, me as a Bangladeshi represent from the buyers perspective, when I represent my brand in Bangladesh, when we discuss with a suppliers, being a Bangladeshi, from the customers table we always face certain obstacle. When we talk about mid-level management, it is still far away what we expect and also I am missing Mr. Kholiquzzaman, renowned economist of Bangladesh, he has shared a very important piece of information on the table that is about the production cost we pay in Bangladesh and what we pay in China?



When we negotiate any order in Bangladesh, we always face lot of pressure from customers point of view because there are certain parameters what customers consider, when they confirm the order. Mr. William Hanna has already mentioned very clearly the reasons why the prices are under pressure when they negotiate any program in Bangladesh. I would like to emphasize the Round Table not to oversight these important two aspects, those has been discussed. That is

number one: mid-level management that is really need to focus on. We need a presentation from the BGMEA, BKMEA or from Government whatever steps are necessary to pay attention on that point, because I know lot of customers representative are working presented at this table and also we have lot of delegates are on this table and we all agree on that point. Last we saw the newspaper, it was mention about technical and mid-level management efficiency and I would like to recall the importance of the point Mr. Kholiquzzaman brought out about the production cost.

Prof. MD. Sekandar Khan, Moderator:

I would like to give the floor to Mr. William Hanna for a short comment.

H.E. William Hanna, Ambassador, Head of Delegation – EU Bangladesh:

I just like to mention something because the minister mentioned an interesting parallel. You mentioned environment and leather sector and I omitted in rushing a little bit one important part of the European Unions action here is also using development assistance which is trade related. We have in Bangladesh our biggest trade related development program in the world and one of the approaches we use, I am taking about sustainability, is looking at sustainable consumption and production at both sides of it. We have a number of projects, one of them is working with the leather industry and I think it's a good example because it is working with all of the tanneries in Dhaka to reduce the pollution through adopting a procedures which are more efficient, effective, costless, reduce the pollution which will then give the leather industry a better name, a better level

so that they able to satisfy the high quality requirements to access the top of the market in Europe. It's working with the producers here and the business associations and universities and the buyers in Europe, I think if we take that front side to look at sustainability in terms of the production, but also the consumers. The consumers in Europe are buying now top quality products in leather for example but they are very insist these are not coming from the countries where they having pollution. The minister mentioned the important role the government have to play to encourage the industry to move out of Dhaka, to move to Savar. I am very pleased here to say that the government will play it's role to make sure because some people are reluctant to various reasons. Move that industry out! Move it to an area where it can satisfy cleaning up the river indeed but can also make sure that the production is of the highest quality in every body gain to that approach. I think the sustainability should be seen not just in terms of labour relations that's very important but also in terms of the environment and the whole chain from production through to consumption.

Prof. MD. Sekandar Khan, Moderator:

Thank you, we shall come back at 11:30. We now break for the tea.

- End opening session -

- Tea break -

V. Second Session – Address by Invited Speakers

Mr. Israfil Alam, Chairman – Parliamentary Standing Committee on MoLE:



Without increasing CM (cutting and making), our entrepreneurs BGMEA, BKMEA cannot promote, increase the wages and salaries of workers. Because it is a business, without profit no businessmen can be involved in business activities. Therefore I will draw the cooperative attention of buyer side, please come forward to increase the CM for lot of women workers of RMG

sector in Bangladesh. This sector has been running very smoothly because of government attitude, workers positive attitude, our workers of RMG sectors are very peace loving. Without having the adequate salaries, wages and other facilities they are working, they have no extreme reaction. It's a very good sign, there is a big cause because they have no platform to raise their voice, point out their crisis, pains, demands before the nation, owners, buyers as they are not organized and there is no scope to be organized legally in Bangladesh now. But it is true lot of problems are there, so without tripartite cooperation in RMG sector between buyers, owners and workers this achievement, the 2nd position as exporters country of ready made garments will not be sustained. Therefore, I like to suggest the BGMEA, BKMEA leaders please try to understand how to allow the basic, fundamental rights to organize, bargain of workers and as well as I repeat the buyers group please try to come forward to increase your CM. Bangladesh is a developing country and I mentioned before the RMG sector is lifeline of our economy, we need cooperation of European Union and America those who are the buyers of ready made garments, I think they can help us by using our Bangladeshi ready made garments and increasing the CM of Bangladeshi ready made garments. I think lot of labour leaders are here, they will say something about it and buyer, owner representatives are here, they will say something. I therefore am going to end my speech. Thank you very much to all.

Mr. von Mitzlaff, Organizer:

Thank you Mr. Israfil. We haven't introduced you to, you might not know to the whole floor I suppose. Mr. Israfil Alam is a member of Bangladesh Parliament and Chairman of the Standing Committee on the Ministry of Labour, this is an important committee, like Bundestagsausschuss in German. This committee actually has the mandate to oversee the implementation and the execution on the government on the respective line ministry and therefore he is one of the important members of the parliament and Mr. Israfil has also trade union background. He spoke with the voice of a trade unionist but as member of parliament. This was what I want to clarify and that put some weight on his speech. Thank you Israfil. We also would like to welcome Ms. Rubana from the Mohammadi Group, one of the well known groups here in Bangladesh. You only arrived from Calcutta this

morning, so we are happy you could make it to the second session. Afterwards we open the floor for discussions, reactions and observations.

Ms. Rubana huq, Managing Director – Mohammadi Group:

I am Rubana, I work for Mohammadi Group. I do see two sides here: buyers and us. You see the problem of labour unrest mostly Bangladesh probably has recent because of this: we always have two sides. It's always us against *you* or *they* against *us* and in the meantime of course NGO's do their part as well. So there are basically three sides, besides that's get left out most of the time and gets sunk by seminars like this. Because you see, I was just telling Christian that we have lots of seminars and round tables and I effectively avoid all of them, because they really don't make much sense. We can talk all everyone to talk. I feel sorry for Mr. Israfil as well, because his hands are also tight. So I don't know at the end of the day what we achieve by this, but we just get to voice our opinion and say Hello to each-other over a cup of coffee. So pardon me Christian for this also.

I always maintain a very straight stands on one thing, ours is not a very big group, it's a moderate size group, but I always feel the plea as owners have done too little too late. There is no question about us doing enough for the workers, we have not done enough for the workers in period and if anybody wants to argue about that it's only going to be, it wont stand the ground. We have not done much to the workers, we could have done a



lot more and yes we only wake up when the buyers pressure us and we walk the path. Walking the path and achieving what we want to achieve in the garment sector is not the same thing.

So far the dialogue between the buyers and the manufacturers has been like a ping-pong table, the pace very slow, you just serve and you talk and chat and suddenly there is a third and the thirds like Aminul Islam come suddenly startles by surprise and we all wake up to a new reality and then start defending in our cases. I believe that by defending our case is not the best way to go about the solution. I think we have to stop defending, at the same time we also need the assurance from the buyers that we will not always be slapped hard on the face. I mean I just had a discussion with a colleague of mine from another company, another retailer like you perhaps and three of factories out of eight in red one. I ran to his office last Friday and I looked at him and I said none of my factories were ever been in the red rating, we have always been in green or ambar, why is this red and I said what I going to do about it? So he said why you panicing? You know you can have red and still operate, so I said no, I don't want to be red, I want to be compliant. Is there any issue of a tin roof or there is any issue for narrow aisles, if there is any issue about clumsy floor, I want to address it in period. Yes I cannot address a tin roof facility over night, I will need time and I am hoping that the government will just going to be renew the pledge of allowing us operate us like this because 90% of the factories have tin roof unfortunately and that's how we have grown. So even though we have had a mushroom development of garment factories, we have not been able to, we have actually

not have government support, I would very humbly like to disagree with Mr. Israfil and tell him that it's not a sector which is backed by the government. Had it been a sector backed by the government, we would have a fantastic roads leading to Chittagong, we would have at no worries, nobody would have to worry about anything because we are a bunch of entrepreneurs or manufacturers who are very resilient. We don't give floods as excuses to our buyers, we are ontime ship goods, so there is no reason why we shouldn't be taken seriously and we are actually not taken seriously and the government ends up also in a very embarrassing position when cases like Aminul Islam happens, because that gives the government an embarrassing spot neither can they address the issue properly nor they can help us out.

First if you recollect when Aminul Islam crop out, there was also insinuation that garment manufacturers himself or themselves were involved, which was absolutely not the case. I think New York Times heading starting from anyone and everyone tried pointing fingers at the garment factory manufacturer which was ridiculous, because a recent government finding has just service and they have said that an agency was involved in period, so I don't understand why when anything crops up, why the garment manufacturers keep on getting hit at the first goal, this is not correct.

After all we are responsible for my company, we are responsible for 9000 people, indirectly supporting 9 times 5, 45,000 people. If I stop functioning today, 45000 people actually will be in danger next month and this is not what we want. Therefore in order to proceed as much as we want the buyers to support us why don't we just go ahead and propose to the buyer that Ok we understand, it's a very competitive world, you are not going to increase our CM, but at least why don't you set up a joint fund with us, why don't you just give one or two cent per piece and you be the signatory to that account. We have no problems, you come on board with us and you contribute there and ensure that the workers rights and whatever welfare that you wish for the workers, will come to play. I mean one cent a piece is not really much. But at the end of the month, it's going to end up a lot, why don't you just consider to setting up a separate fund for us and you be on the control for that, we don't want any monetary control over that.

The other thing I wanted to tell you was that Mr. Israfil had mentioning on WPC. He was saying that most of the members of WPC are selected and not elected. I would like to very humbly differ on that too, because I mean I have WPC in the factory and they are elected. Yes when the question of election was brought up, I was nervous, I didn't know how to react but at the end of the day the election was fantastic, even one participant wanted to bribe the voters by giving chocolates. So it was a real election and I said it was wonderful. But I also would not have done it, if I was not pressured by H&M. I am deeply grateful to the H&M for the support on compliance and I think the difference is as buyers, it's not only H&M, it's many of you are present here. If you don't take ownership in the projects, if your interest in us is only securing the orders and only giving us CM and then moving to China at the next season, if they are cheap, if you take ownership in our spots. I am not saying monetary ownership but at least if you feel it's your own factory and work hand in hand with us implement projects. I think that leads to lot of solutions instead of just asking us to do whatever you want us to do. Because you know the set-limits of compliance will never be enough to ensure welfare of the worker.

When we are just compliant, we will compliant in papers, what if we dodge papers, what if we have second reports, what if we had hiding a lot of things, so in order to ensure complete transparency, please come on board with us and also make sure that you make us understand as well that is your project.

I won't take much of your time just one or two other things that I wanted to say. I wanted to say that we have to stop this blame game absolutely and Mr. Israfil also saying that out of 5000 factories, only 145 are have WPC. Well out of 5000, probably only 1000 function well, 500 are pretty good and then 50 are market leaders. So I am not very surprised that we have 145 out of 5000 participating in WPC. I think it's generally understandable and Mr. Israfil was also saying. I hate refuting him like this but he was saying that the basic needs of the workers need to be taken care of. I would really humbly request him to define basic need, what do you mean by basic needs. Though we pay salaries on time, aren't we doing exactly what it needs to get by, but the points are whether we are doing enough for the workers is another issue altogether. But that you are not ensuring basic rights is probably blasphemy. Thank you very much.

Dr. Syed Masud Husain, Vice Chancellor – BUFT:



Thank you Sir. Distinguished dignitaries present in this 10th Bangladesh Round Table on Social Compliance, Good Afternoon. I want to express my sincere gratitude to BSCI and LIFT Standards e.K. for inviting me to participate in this Round Table and share my views with you all. Representing the academia in this Round Table, I bring a good news that we have set up a high standard specialized university name BGMEA University of Fashion

& Technology from this year. First batch of students have been enrolled in September this month in this year, creation of this university will go a long way in the RMG units being compliant in all possible manner, I am going to explain in some details about it, in fact there has been a mismatch so far in the RMG developments, if we notice the RMG developments in the morning session, it was discussed briefly that from 80's we developed and we have come to a shape where we are second in the world in export now, but the academic side and the training side and the necessary human skills development side in this sector was missing. Understanding this need however in 2000 BGMEA created a institute named BIFT, but that was not enough to cater the needs of this garment sector and in the year 2012 the government of Bangladesh has been very kind enough to permit a full fledge university named BUFT to operate and this university is only customized to cater the needs of our garment units. Now in this regard I must appreciate the role of the BGMEA and particularly its current president Mr. Shafiul Islam Mohiuddin and also the Chairman of the Board of Trustees of BUFT, Mr. Muzaffar U. Siddique in their relentless effort to create this university and also to bring into place the permanent campus plan and everything infrastructure here. The program offered in this university are mainly related to Fashion Design Technology, Apparel Merchandising Technology, Knitwear Manufacturing Technology and also the business aspect and the short training an the long training whatever are required to feed the garment industry human resources need. In fact in the morning session McKinsey report was referred to there we had some points of concern particularly infrastructure, capacity, then product development, research things like that. But one of the major issue covered there was the human resources development. Now we are exactly trying to do this from now on words, though it is late but I am sure that we

shall go a long way to develop the human resources need of our garment industries. Now this has given a concept that since the university is only for the garments units, this is under the concept of university – industry aligns, where we create the knowledge and units do employ it and give it operational shape. That is the development will be ours and the implementation will be theirs and we shall also solve all the problems that will crop up in the garment units through our research and other efforts so that these units do not have to depend much on the expatriate workers so far they have been. So most of the skilled manpower so far in our garment units are from Pakistan, Srilanka, India and in some cases from abroad and we are trying to generate local skilled manpower in this regard and slowly be self dependent in this respect.

Now compliance issues are a very important thing to be addressed by our university, we have courses relating to labour and industrial law, payment of wages, workers rights and dealing with workers as per existing laws will be taught in the class room and compliance issues and requirements set by various stakeholders will also be incorporated in our course curriculum and all the updating process will also go on from time to time and one of the basic thing that we are going to do in future is carrying out researches particularly in the development of fashion, apparel knitwear, merchandising techniques and also the technical aspects whatever are there and if we get a feedback from the industry we shall be trying to solve that and product development and research and making our own brands can also be pursued in our university. So all in all I would say that one gap which existed so far in the garment sector in Bangladesh have been partially removed and time will tell us how successful we can be and we want to create this university as a world class university where not only our own human resources skill will be developed but other country will send their students to here to teach the latest technologies and other things. I give this information to you and that's why I was interested to share my views with you that in the coming days we shall be able to face the challenges of this RMG sector problems in a much better way and we are emerging as a major force to ate the garments units. Thank you very much.

Prof. MD. Sekandar Khan, Moderator:

May I ask Dr. Giti Ara Nasreen to give her views on the issue and actually she is from Dhaka University and Professor of Mass Communication & Journalism and she is known for her thoughts in this line.

Dr. Giti Ara Nasreen, Professor, Mass Communication & Journalism - Dhaka University:

I don't think it's appropriate time for me to talk about it, because I would basically consider me as an outsider at this point. I am rather interested in probably would like to be an observer throughout the process. My interest coming into this session and the discussions that are going on started long time ago when I did my dissertation on the situation in women who came out in the public atmosphere and how it is changing the whole understanding do also women what kind of space they are getting, I think I have not got back to the dissertation level students point of view at for a



long time and now I am seeing that unfortunately probably there has not been very much of the change to the gender alienations on the factory floor and my interest will continue being in that place and at the added interest of mine is how the Department of Journalism or the media studies could relate to this very important sector of our economy in terms of report writing, both policy and media advocacy where it needed to be and that's why I would remain my situation as an observer mainly for the session to get ideas where we can relate us to contribute more effectively to this.

Prof. MD. Sekandar Khan, Moderator:

With this actually we are entering the 2nd part of the session when the floor is open for dialogue and I invite the participants to kindly come up with their comments and views.

Open Floor Dialogue

Mr. Kazi Arhab Ahmed, Deputy Executive Director - Shomahar Sweater Ltd:

Welcome everyone and it's a great initiative that BSCI has given because after all I think even though it might be less effective but still that it exchange views and it depends on us how much we take it and put into effect into our company. So for some it may be ineffective but for others it may be effective. So I would like to point out one thing that like now we said that because of buyers we undertake compliance, when the buyers start taking compliance seriously.



I have had the privilege to be a part of research in UK 'CAS Business School' on CSR and Compliance Issues in the retail industry and it has been found that a lot of renowned companies like NIKE, GAP, PUMA they were not concerned about compliance before. But what happens was those one factor which drove the buyers to think more as well which was internet and social media, that acted as a catalyst, because before the consumer did not know in

which conditions the products are being produced. But because of internet the exchange of information became very rapid and also very fast, that's why consumers find out and they were very sensitive in which conditions their garments are being made. I would like to point out this something that we haven't talked about all that internet and social media has been a catalyst for the inception of compliance from the buyers point of view. Second of all I think that the owners should take compliance as a holistic approach and it should be reflected in their entire value chain. Because we are entering the very pivotal time though we are number second, I would like to point out that China has 44% and we have 4.46% of the global market share, so there are still a very big deficit that we need to meet up. If we provide enhance labour welfare you know such as provident fund or thinking up education of our labours and ensuring good health, then I think that it will help us differentiate ourselves from all the other companies that are competing with us now and we also have to increase a range of products that we offer because often we

have a lot of kinds of product which are trying to come from China, but we do not have that rahge or infrastructure and another thing the owners can emphasize on is the significance of production on the environment. I think compliance evolves lot overtime and environment now is not a compliant issue, but I am sure it will be in no matter of time. So I think if we are pioneers in it and if we take measures such as having LED lights which will reduce our energy consumption, recycle water or recycle waste, it can differentiate us and there are few factories for example Viyellatex that we know of that has set standards for being socially responsible and environmently friendly and I am sure if there are few examples, leaders, others will follow. The process might be slow, so instead of like you said throwing the ball here and there, we should think of taking some initiatives so that others can follow and another thing is regarding the economy as a whole we have been taking a big strides in the socio economic needs which was pointed out here by the economist like the infant mortality rate and life expenses have increased and I want to point out one factor which can be very positive for Bangladesh like if you "BREAK" Brasil, Russia, India and China, the fastest going countries, the largest resource they have is human resource and Bangladesh being the 6th largest populated country on earth can exercise that and capitalize on that to take strides. That's it for, Thanks.

Mr. von Mitzlaff, Organizer:

If there is no request to take the floor, then let me to make just some observations. I would like we are not losing side from the agenda and the topic, which we have for this Round Table is the polarization between being the 2nd largest exporter and the ongoing concerns on working conditions – a stretch for sustainability. We have heard this morning quite nicely from Mr. Zia, he gave us an introduction on the question of



polarization is the disconnecter between the different parties and we have those parties around the table. The question to which extend actually is a common platform like the Round Table useful and necessary to keep the dialogue and also this question was raised at this 10th Round Table. What is coming next with the implementation? Where do you see the benefit? These just of reminder, if you like to pick up this points because mostly having discussed here on that level at the Table but not really contributing to and we did not come to dialogue this one.

We have also heard Mr. Kholiquzzaman giving an interesting reflection of low productivity. We talking about low productivity per unit or this is actualay per workers contribution and in terms of workers output probably it is high. You also has pointed out we have those participation here and then also as pleased I ended on the large contribution.

For the first time large participation of buyers is here and also we have buyers here who are participating here but their office is actually in Europe or in Hong Kong. This is good and as much as I am happy to have this time also a good outcome from the suppliers, I am sorry, we still missing the business association here! How do we get actually the

workers representatives here? I am sorry the labour sector is not well re-presented but some important figures are here.

The Question how do we see this polarization? There is a need to close the gap, but what are actually the ways of doing it and how sincere are the parties? What is the structure of doing it? We want to see a little bit of progress and which are indicators?

I don't mind Rubana, those talk of straight forwardness is actually what we encourage and want here as well. You gave the idea on contribution as well. What is about sharing the social costs with government fund? The finance governance can have an effect on compliance on the labour, which we have seen in press throughout the last six weeks or more with the loan scam notably of Hallmark, as a company group. Now the workers on the road, their dues are not paid, who is taking care of them? BGMEA says to disperse, find new jobs - but still their dues are not paid. We have continuous risks probably because not all factories are compliant with the question of unstructured, non-formal retrenchment. Workers blame their manufacturers who try to escape and close the factories, but then who are sharing the cost for the workers? What is about having a government fund for those? These are the ideas to discuss and have also the opinion from those who can contribute, which is the business. I only make these remarks because I don't encourage to simply listen to about studies and recited. I just want our minds to talk and to come closer to which extend there is a need of having a common concern on the welfare in this business prosperity and the social dimension it has. Thank you. So we again inviting for contribution.

Ms. Shirin Akhter, President - Bangladesh Jatiyo Sramik Jote:



Thank you very much. I am Shirin Akter, President of Bangladesh Jatiyo Sramik Jote. It's a trade union, from my experience, I thank Mr. Mitzlaff after long time we see and this is the 10th Round Table that already you are discussing about and I also want to know, what is the relation between or we proceed from 1st Round Table to 10th? The 10th session already we had, is there any relation with the 9th session and 10th session? Is there anything we have, what was the consensus of 9th

session and how really we can progress? You are talking how can we come close together and we want to work on same board, how can we do that, that is very important and todays discussion what you talked about.

Yes Bangladesh very proud to be the 2nd World Exporter, now what is the sustainability? Just now Ms. Rubana says that we know that there are 4000 garment industries in Bangladesh, but she is talking hardly 500 or more 1000 perhaps, but what reality? How many factories we have and how they are running? Why they cannot run? So these are the things very important to us and it is of course from the sustainability question how the workers can sustain in a factory? What are the basic needs for those workers in a factory they can sustain, how much they can work? So if we go with these questions, I think we can have some answers on those on the question of sustainability and that is very important that already our leader, representative from trade union talking about that

union representative, workers representative. This two trade union real representative for the trade union and it is really of course trade union are not working in the garments but we have some federations, they are working. But on the plant level now we are talking about the participation committee. Already our leader said, it is not always elected, it is selected. I don't know, Rubana said there was an election and we know that last 20 years in Bangladesh, we are not really very happy after the caretaker government. Both side are not happy with the election process, election engineering. So what is happening in the garments we know that very nicely. I think it is important for both the employers, workers and government. Sometimes we say, it's a baby industry for long time, when it is 2nd largest exporter of the world, it is not a baby industry! We don't want to listen about those things! The minimum fundamental thing for a factory and their government have some responsibility what is happening at the factory, we should know. I am very much supportive of the suppliers that they are no ghost, how in the time of the buyers are giving their things, commodities? They can export, go to the port without good transportation, without electricity, with the banking system! We know that and we agree we need some support there. But in the mean time we want to say this the lowest minimum wage all over the world, is Bangladesh, why it happen? What are these buyers doing and also they are making business from here, are they happy with this minimum wage? It is the human dignity, how can we look at?

For sustainability I will request, there must be some count down process. What can we do with all these peoples? For next five years how can we raise the minimum wage, how can we go for the good health, housing of those people, childrens education, how can we look at the whole situation? When we talk about health, we don't know what is happening with our girls, working women and if we talk about HIV, AIDS, everywhere is a dangerous situation in Bangladesh. I will request you these things, if we can make a good resolutions on those things and we can unitedly for next five years and how can we do that? I think this is very important for sustainability. Thank you very much

Mr. Chowdhury A-A Quaseed, Associate Director HR, Compliance & Welfare - Ananta Apparels Ltd:

I would just like to raise couple of points, I am Chowdhury Abdullah Qased, Director- HR & Compliance from Ananta Group. I will make it very brief, the points that I would like to mainly make is that definitely the garments industry is an industry which is greatly relying on the workers. Because it's one of the most labour incentive industries and we have to take care of the workers in order to make the industry sustainable. But I would also like to point out that the workers have some issues on their sides as well, which need to be addressed. We need to tarin them up to have a higher level of work ethics, we find that a lot of workers have tendency to switch factories and now this actually resulted a lot of loss in production activity for the company as well. A lot of workers have the tendency not to make negotiate properly, when there is a need for negotiation with the management. A lot of workers feel that they can just go on a rampage and become destructive and that also makes a lot of the factory owners take a defensive stand. So that also need to be quote to them, if you would like to protest, of



course you have the right to do but it has to be done in a civilized manner. You don't go around breaking things or attacking factories, this is national property. I think that is very important and we find that a lot of workers. I think the entire salary system of the workers, there is a serious inherent problem in that.

The way the labour law is structured, it actually encourages overtime and if you do a lot of research on the workers mentalities and on the production level at different times of the day, you will find that there is a deliberate tendency for them to work slowly in floor for the 1st half of the day and increase their speed as the day proceeds further beyond lunch, because they earn double the rate that they would during the normal day in the overtime. There is an incentive for them to work overtime. I think it should be more efficiency based payment system which will make them work faster and that would also be better for the company.

Last point that I would like to make, which the honorable lady who just spoke said, very correctly, about the salaries. Companies don't have a problem in actually spending more on compliance or even increasing the salaries, but buyers also need to support the companies because there is a tendency for the price to go down globally and that is actually effecting the CM, the cutting and making margin that companies can have. There is the pressure for the salaries to go up and there is the pressure for the revenue to be decreased. The companies in between, who are providing the employment to almost to 5 million people, they are getting very seriously effected and if there isn't a proper balance made in between these two opposing forces, those 5 million people, I mean the whole industry, might get very badly effected, which will ultimately effect this 5 million people and the household and then all the supporting industries. This is actually very complex problem, it's not just that the factories increase are comprised of very evil people who are always exploiting the workers, we need actually seriously look at the matter in a holistic way from all the angles and definitely working together. We should be able to make the industry sustainable, which would be better for the country, the workers and the company management and the company owners as well. Thank you very much.

Mr. Christopher Conzen, CEO - MILES Fashion GmbH :



First of all thanks for inviting us here for this round, this is my 1st time Round Table, so I hope that I can come here back again. It was quite interesting what we were discussing on the morning and then I like that very much what she and Rubana said just before and from the buyers point of view I think the greatest competition for you guys are actually the 2500 factories were probably not represented here today. Your competition does not come from places like China today. I think that you have to look after your own organization whether the BGMEA or the textile association, you guys, follow the basic rules of social compliance as I believe and I think, all of you wouldn't sit here if you wouldn't be a member of the BSCI, if you wouldn't be a member in following the SA8000, the Fair Wear, Fair Labour Association, the Ethic Trading, everything. So you are really concerned, you seem to be those who have developed into something, which I have not been experienced there in 1998 when I came here 1st time because worst child labour only topic of social compliance

and today we were talking about overtime, minimum wages. We are talking basically about something demands of basic needs that must be secured and that is coming from the own government, which is great but what are these needs, we don't know them and we can't know them. You have to clearly define them also towards those peoples who may not organized today and whom are basically your competitor. You are asking today 5-6 programs from you, you probably have a very similar calculation basis, but a lot of your competition was in Bangladesh, whom I escaping the basic rules of social compliance and they can compete against you and probably laugh about you. And that is why you have to internally define solutions, I don't have that solution. Probably you have to find out the government has to give you some benefit for following the basic rules or probably give you a better tax incentive. I think that you have to internally discuss with your organizations with BGMEA and the Textile associations and of course with the government as well. So that is my advise to you and ask your competitive to be concern. Don't be worried, I think you guys are really very competitive, worldwide still competitve and if you follow of these rules, you will still be competitive. But you do know that you have 2500 competitors in your own markets not following rules and I think those you have to exclude. Thank you.

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



Thank you very much. In the 1st session, I was speaking as a speaker, I delivered my opinion but then some speaker has spoken, so I want to share those attitude and the point they have mentioned. First of all, I am sorry that I want to protest the word "the behaviour should be in civilised manner" it's not good because then think that workers are uncivilized. This term is better not to use, that is my point because since you have told that we have to act in a civilized manner means workers are

behaving uncivilized manner. What I want to say that root of these problems, the unrest situation what is happening in the different industrial area, that the root of the problems to be find out, that has come in the 1st session that is very important and for that identify the root of the problem, we have met here to meet the compliances and social dialogue. So to ensure the compliances we can find out some root problem to be solved. But if we don't go on taking care of the root of the problem then the whole things will be on misunderstanding basis that is the problem with us. That is the big problem with us means with the owner of the factory, with the workers representatives, governments too that we don't go on the right point what is the root of these problems, we never go on that. We just see what is happening and we act on that put some, send some industrial police to pick up some people this and that. So this thing we have to keep in mind, that's why I was telling in the 1st session that attitude of the employer should be changed, that I don't want to repeat now.

Second point that one of our friends Mr. Israfil Alam, he is a trade union leader also, he said that the CM to be increased by the buyers, why not? He has said so, but I think CM is not at all related with the compliance factor, CM is the factor, which is totally on the owners of the factory. They have to negotiate and be efficient to increase the CM. It is not the round table responsibility that we will advise something for the buyers that they can

increase some CM. It is the owners responsibility, efficiency to increase the CM, not that this Round Table or from any one from the worker side also. This is one point and third point is that our Madam (Ms. Rubana) has said that I could not understand, one cent from the buyer. One cent from the employers probably and make a project and operative part can be handled by the buyers. No, I think it is not wise enough to go for this project that one cent should be deposited by the owners and one cent should be deposited by the buyers, and then a project fund to be created and that fund can be used for the welfare of the workers or whatever be controlled by the buyers! No, we cannot go for like that, BGMEA and BKMEA is too here, if anything social welfare project comes up BGMEA, BKMEA is good enough to take care of that project. Why we will invite the buyer to take control this fund, I don't know how it comes up in her mind? And exploited the workers side, I don't know who exploited the workers, but it was us the owners, who exploit the workers, not the workers exploit the workers themselves! Thank you very much.

Mr. Chowdhury A-A Quaseed, Associate Director HR, Compliance & Welfare - Ananta Apparels Ltd:

I just would like to make a rejoinder, if it is possible in one line. First of all I would like to say that i didn't said that workers are uncivilized. I clearly pointed out that their specific behaviour of breaking factories is uncivilized and I am sure that everybody would agree that breaking of factories and breaking of property is not a civilized behaviour and that is exactly what I am saying. All the workers are definitely civilized, sometimes they behaviour an uncivilized manner and that should not be encouraged, that's all what I am saying and there were couple of others, but I would like to give opportunity to others. Thank you.

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

I have protested your the words "civilized manner" so I must explain why? Breaking, we never encourage and we are not for it, breaking the industry or loss of property, we are never in favour of it. But if you give this message that the breaking of the industry is not a civilized manner, I agree but this message indicates that it goes on the workers side, because worker somehow are involved over there. What is the reason behind it, that is to be find out, that is the root? If you don't tell that and if you say only 'the civilized manner', it is not a complete message. Thank you.

Ms. Rubana Huq, Managing Director - Mohammadi Group:

For your change, I think the last word should be ours. Because you know popular view always gets the attention. I think you completely misunderstood what he said and I think you also completely misunderstood what I said. When I was proposing the fund, I was just making the buyers comfortable that if they want the operation of the fund, they can also operate. You talking about BGMEA and BKMEA, very honestly, I think our factories are - you know if we are well connected to our workers - I don't think we need any bridge. I don't think I need the industrial police to handle situation in my factory! So just by saying BGMEA and BKMEA are enough to handle our problems are actually not correct. Because many of the problems then would have been solved by now, it's not!



Number two sir, you are very senior and with respect I want to point out that CM has everything to do with compliance and compliance has everything to do with CM! How can you just say that CM has nothing to do it? Do you have any idea how much it costs for us to be compliant? Do you have any idea how much we have to spend every month on continuously improving projects and it's directly related to CM? May be you said this because you don't own a factory yourself, so you don't

know the cost and I am giving you that benefit of doubt. But unless the buyers realize that giving that extra cents to us is going to help, we will never be able to achieve what you are asking for.

Minimum wages: if to be raised, the buyers have to be come forward and honestly speaking, do you want to know why the buyers are shying away from China are coming to Bangladesh? It's because minimum wages in China has increased and that's why they are here, because of inexpensive labour rather and it's the same here. So we are under pressure at least this season the prices are down by at least 20% and this is not accepted because we can't make our step in that case, you cannot really say that CM has nothing to do with compliance. I don't think you are aware and honestly I don't think the last word should be there all the time. Because I already heard that Ms. Shirin Akter said that elections are manipulated and she compared it to national election. I think it's not right, I invite you very frankly to come to the factory and check out whether the elections were manipulated or not. I have no interest in manipulating the election and if you come it's one of the factories where you hear music, so it's good for us and we are very proud of our factories and what we do. If there of course deviant factories, of course some of us not always 100% right, but without your co-operation and if you continuously attack us, we will actually go nowhere. You have to work with us, unless you support us, this gentleman very kindly was attacking us, but I will say this is not the forum to advocate for increasing an CM, that's not the correct attitude. If you can advise us in this forum, then you can also advise the buyers on the same forum. Why would you not do that and why would you not speak for us and say I am your poeple. If you don't speak for me, who will? In a forum like this if you speak against us, then we become completey vulrenable to unknown attack from unknown quarters. At least they survive, so you should be the first one to hold our hand and take us forward and say that please work with us. Come to us and tell us entering to honest discussion and then nullify us as much you want to, but don't be populous with say and both of you are misunderstanding us. This is not the platform, thank you.

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

Sorry I think that you have totally misunderstood me, because it is my impression. It may be with you, that is different. First of all you are very right, I welcome your offer to speak on outer forum elaborately. But what I meant to say, that compliance, good working condition stress for the sustainability, we are on this agenda. So there is no relation with the CM, I want to mean that, but I said very rightly, I think that to increase the CM, whose responsibility it is? It is the owners responsibility and efficiency of the owners to increase the CM and bargain with the buyers. It is the efficiency of the owners to bargain, it is the

responsibility of the owner to negotiate with the buyers and increase the CM, I think this is the business terms and business tag, so this is one point and what I could not hear about share but I was also going to tell that you said it is an elected panel in the WWC or the Participation Committee, but what we said in morning session this is never an alternative to the trade union rights because they cannot place any Chart of Demand to the owners. If you want to solve the problems, then there should be a legal body to submit the Chart of Demand to the owner and through out of by mutual discussion, we can resolve many problems. That is absent out of no trade union in the garment sector particularly.

Ms. Shirin Akhter, President - Bangladesh Jatiyo Sramik Jote:

We are always in same boat and that is why still you are win the sector without Trade Union. This is the compliance everywhere the core labour standard in any factory you have your union. It's a true union in a positive way, that is our motto and I want to clear the Wajed Bhai speech on CM, it is the bargaining with the buyer and the suppliers. When I talk about the compliance or my minimum wage, I can talk to you, I can bargain with my employers, not the buyers. But here with the social dialogue, there we can talk about and we always with you on the question of government, supply and other government facilities, other state facilities and as well as to the buyers I think Mitzlaff can remember I was in Berlin and there we talk about many things like this and then I find from H&M Ms. Ingrid. We made a big project on those and there are lots of training on this issues and it's a development in Bangladesh there are lots of industry I think, everybody can remember. So we are working together, we want to work together, but there must be some improvement that is very important, so I think you will agree on that. Thank you very much.



Mr. Chowdhury A-A Quaseed, Associate Director HR, Compliance & Welfare - Ananta Apparels Ltd:

I just want to add just one line here, you talked about attitude. I think that it is not just the owners attitude that needs to be changed but that of the workers as well as the workers representatives and the buyers. Everyones attitude need to be improved and only then the industry can go forward. I don't think the owners of attitude improvement should lie only on the owners.

Another small point I just wanted to make is that our garment industry though it receives a lot of criticism and flack from a lots of sources, angles, in Bangladesh this is perhaps the most compliant industry. If you go and take a look at the small construction industry, if you go and look at may be a place which is actually make weed and plastic industry, leather industry except may be the pharmaceutical industry, which is very sophisticated, any other industry that you go to, the factories look much worst than any garment factory. I believes that in spite of the fact beyond and I do not even think that they follow the all labour law and minimum wage. In spite of the fact, I believe that we are at least the second most sophisticated industry in the country, it's very unfortunate that we have to receive so much of negative criticism. Thank you.

Prof. MD. Sekandar Khan, Moderator:

It's not for the sake of criticizing somebody or some party we are making these comments. What we actually mean is to bring the two sides close together so that each can appreciate the others point of view. The point of view everybody, I think we all know the buyers, manufacturers, laborers know because they have been working in this field for a long time as manufacturers and as labour leaders and they know the problems. Why the problems remain still problem, this should actually reduced. Have we been able to reduce the problems from when we started in 2009? If the labourers can find that you have reduced and the situation is better, that is the success of this kind of dialogue. We exchange words not for the sake of arguments, not for the sake of telling the other side that you are not doing or we are not expecting what you do. Actually the purpose of this is this our foreign friends are with us to see how they feel about what is going on beside of the manufacturers and what is going on the side of the labourers. They can make a nutrual judgement of themselves and at the same time you both sides are trying to impress upon them that they must help us in all respects by giving CM, advises and by also asking us to ensure certain level of dealings with each other. I think that's how we help each other. Thank you. Before dialogue Mr. Zia can add to it.

Mr. Zia Ahad, Director – South Asia, Middle East and Africa, PVH Corporation:



Well thank you, when I talked about the disconnect this morning even I haven't anticipated the disconnect will be so grave. In fact when we are talking about compliance, we really talking about implementation of the country's law in 90% of cases. So regardless of what we do when we are running an enterprise we have to observe the countrys law. This is nothing to do with CM or anything else and this point needs to be put across, this needs to be understood.

You won't only comply with the countrys law when you get good prices from buyers, that think needs to end and I don't think anybody is going to argue here that you will not observe the countrys law as long as you are not getting the proper CM. Because if this is the argument then we are going on the wrong track.

I did talk about other disconnects as well and I did talk about the place of compliance in a production unit. Unfortunately as a buyer, I can say that we have contributed to the disconnect. We have imposed codes of conduct or core provisions that factory owners have not necessarily related to, regardless of the fact that you know those requirements for 90% of time as I said mirror the countries law. Now the place of compliance for me is not only in a relationship of compatibility with production, but it is in a relationship of complimentarity, which is to say if you comply I feel understand why you are complying, you will cause higher productivity to happen to follow and when we are talking about the apparel manufacturing business, we are actually talking about in industry, we are talking about a long term investment and so the problem with the codes of conduct for the the quick fixes that suppliers, manufacturers have come up with is to really conform with the minimum standard that has to be required by different buyers. The problem here is when they make those adhoc decisions they do not necessarily internalize what they are

committing to. When we are talking about basic things like non-discrimination and just doing it for the sake of meeting somebody's requirement and do not internalizing it, then eventually you reach a point where your factory doesn't really packed a set when the buyer does not require it and that is to change. This is basically what we are talking about when we are talking about sustaining compliance and when we are talking about all those aspirations that we have, perhaps client do the number one position overtaking even China. We have to do it, we have to make decisions that will be sustainable, that will sustain the industry. We cannot be locked in an adhoc decision. That's all.

Mr. Roger Hubert, VP OSG & Legal Country Representative - Li & Fung Bangladesh:

Thank you very much. I heard this morning that buyers come for the price, I am sure that is correct but they are not only coming for the price, they come because today they can get an excellent product out of Bangladesh and they come to Bangladesh because they know that they have partners in the manufacturing industry that have making progress so well over the last few years. If we just look back a few years quality was an issue, We have overcome that together working in buyers and manufacturers together hand in hand and today we are doing the same when it comes to compliance and sustainability. I believe most of us sitting here in many more of the buyers representative and the buyer themselves they have changed so their own mind set over the past few years completely from just running after the best price at any condition.

Today we all know that there is something behind the product, behind the product is a market, labour force, compliance at the end of the day and we have a responsibility for that. If I look at my own organization how much we have invested into capacity building, how much efforts we take to sit together with our manufacturers and try to work out projects that help tremendous to progress and we also giving that backwards to our



customers and to our buyers and try to make them understand that there is a need for fair negotiation of a price. But as Christopher Conzen said very well, there is many factories here who are not respecting these rules, not interested to sitting with us and go through the capacity building program, because they are just happy with getting a good order at any price and then they squeezes out somehow and we cannot compete with them. We are losing the business to them and this is Bangladesh brand damaging. I can only underline, we have jointly also to compete against. But I fully agree with Rubana, we have to sit together, we have to talk together, not blame each and other, but I think that has also stopped, I do not hear so much blaming anymore, I see much more reaching out, sitting together, working in small, large groups there are so many projects from ILO funded, IFC funded where buyers and manufacturers come together and that's the right way to go. I only can see positive development at this moment. Thank you very much.

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



I am Mr. Khairul Basher, Director – Compliance from Hameem Group. Ladies and Gentleman, actually I like to take two minutes where the buyers are here in Bangladesh. Actually it's fact that acceptable price, commitment from the manufacturers, then acceptable productivity, production and quality, quick infrastructure development, growing backward linkage industries and acceptable compliance. What I want to say over here is capacity building what he had been talking now my friend, actually this is very important. Capacity building,

means lot of training, motivation and also required for the workers and management. I talk about everyone. Its not the mid-level management, the top management, mid management and even workers, we require lot of training. Now, I can say one thing, actually our workers can do a lot, I can give you one example. Suppose so for productivity is concerned we are lacking far behind China that can be increased. Today I am working as a Director - Compliance of a group, but initially I had to look after productio. I was in production for 10 years, when used to run my factory, I used to give target to my workers: today 8 hours work, you can stitch this much, suppose 800 pieces, 600 pieces target used to work whatever the worker can do. Actually if you can finish it earlier, you go earlier. Believe me or not, they used to finish it within 6 hours, actually the workers they can do a lot, suppose in our Hameem Group we have started giving production incentive to the workers. We are giving them target, if they can cross that target then we give them incentive. We give money and we distribute the money among themselves. Actually if we think in that way "you earn more, you give more". That means in Hameem Group we are giving, it's not we don't wait for minimum wages that declared by the government. Every year we are giving increment that is minimum 10% increment every year we are giving. Last November also we gave the increment, if we can train the worker, suppose we have started the lean management "more production, you earn more, give the workers more".

One of my colleague was telling that regarding the migration, how to stop the migration of the factory this is a very important factor. In the factory we must create an good working environment, then there will be less migration. Environment, if we find out the root cause of the particular factory there may be some reasons why the workers are migrating. If you put your self in the foot of the worker, you can find out the reason why they are migrating, may be the wages or some other working condition in the factory, mid-level management behaviour may be some problem over there. If we can address those, then naturally the workers will not migrate. We must make an atmosphere in the factory, so that the workers *own* the factory. The management, workers of the factory, if used to *own* that particular factory and if you can give them training in variuos sectors in capacity building and if we would look after the workers, definitely the factory can earn more and workers can be looked after.

I would like to clarify one thing regarding the minimum wages: Actually Minimum Wage is 3000Tk. But actually this minimum wages how many percent of workers are getting it? It is maximum 8 to 10% workers and for a particular period may be six months or maximum one year because that particular worker is going to be a operator. This time, worker gets inside the factory without any background knowledge, they become operator and they get 3000Tk. Even there are workers, who can turn into a operator within three to four months, we have seen. Actually this is not the question of Minimum Wages. If the

factories are running good they can earn more, give more to the workers and we are paying number of bonus also to the workers. Even not in two festival bonus, we are paying additional bonus to the workers. Actually we must work over here together how we can work on the capacity building so that the workers can earn more, give them more. Workers are happy, management are happy, factories are happy. Thank you very much.

Mr. Kowsar Uddin Chowdhury, GM, HR & Compliance - Dekko Group:

Thanks to the organizer for this type of round meeting, especially Thanks to. Myself is Kowsar, I am working in Dekko Group as a GM (HR & Compliance). Basically I am working with the RMG sector for around 12 years and my feeling is like little bit different. Now we all sit together for a Round Table meeting on sustainable agenda to develop our business, make a good relation with the suppliers, etc. Why our feelings are not like that way! Today everybody is thinking we are under one rope, we are under in one village. Whoever are the people to relevant with our business, working with us, why we can't think about them as our baby, children, relatives. Now a days it's a come to the point, we have to think that way. If we can think that way, then everything will be solved. Definitely it will take time and gradually we have to resolve it. BSCI has some guidelines to comply with the country's law, that's a fair enough to establish rules and regulations to develop our business, develop ourselves. I think that's a fair enough to establish whatever the law said. Labour Law 2006, there are some important points, employer as have to hire an employee, to ensure his appointment letter with ID card. There will be no argument or question, I have to ensure his appointment letter with ID card, then I have the fix working hours, then comes out I have to ensure his working environment. Then if we are able to ensure what is his payment and wages within the defined time and set, that has to be established. To look after my legal affairs, if I had any grievance, I have to handle that in such a way which is comply with the law. That I have to ensure. Moreover, what's about the people working in my organization, their legal rights, service benefit, what's about the other facility, that's I have to ensure. If we are able to ensure that then I think what's about the problems now a days coming specially in RMG sector, then everything will be resolved.

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

Thank you chair, actually I have nothing left as I think as we have well discussed today and sometime we have very nice debate, but thank you for giving me chair. I apologize because I was late actually to join the second session because of some problem. I refer to the 1st session brother Zia's, Dr. Kholiquzzaman and Dr. Wajed address, I would like to draw the attention of the organizer, that actually we cannot keep this dialogue on for long time actually, we need to have some baseline that on which area we want to agree. As brother Zia says that it's always better to have agree to disagree, but then if the disagreement is so wide, then actually it is very difficult to come together. So, we need to actually set something. If I remember I think I attended this Round Table 4 or 5 time, almost same types of debate we are doing we are doing from the different time, parts, so can we make some issue like: settlement of minimum wage or legal obligation and then communication system, trade union, participation committee, profit sharing whatever we have, so that we can have a consensus and we can go ahead.

Second it's a very surprise that even still there is no set standard regarding the compliance! We actually told manytime that our basic compliance is our labour law, which passed in the Bangladesh National Parliament and agreed in the tripartite consultative

committee, where employer, worker and government representatives sit together! But still we are saying as very nicely Debasish said in the morning that earlier the compliance was have sign board but now I think we moved at least up to appoint a compliance officer who can articulate and present the things very nicely. Other than this actually, if we go for the basic compliance, even we cannot set the tandard also how to do it and that refer that internationally recognized set standard is ILO Standard, Freedom of Association and Rights at Work, that is the internationally set standard and national is labour law. We cannot ignore this and to sister Rubana, I would just like to say that we are always together, we were always together! You can remember that in many occasion Bangladesh Trade Union Movement stand for the industry in 2005, 1990 after the Saraka incident, it is Bangladesh Trade Union Movements jointly made a statement to international community that this is a incident and we in Bangladesh, workers and trade union are happy to be with the industry. So actually it's nothing blame game. The one thing only I would like to make my last thing actually what Mahatma Gandhi said in his last days that "Don't practise my civil disobedience against all the situations and against all the government, it needs civilized environment to practise non violence movement". Actually it is government and the employer of the Bangladesh, who give the message to the workers that 'if you don't come out to the street your voice will not heard'. If we remember in between 1994 to 2005, workers compel to work with the same minimum wage for 12 years and all the civil sopciety of Bangladesh, writers, economists, lawyers, journalists, everybody asked to the employer and governmnet to refix the minimum wage, nobody bothered. The day they came out in Ashulia, start vandalize then everybody sit and everybody refix the minimum wage. So the message we sent to the worker perhaps that it is the way. There is no alternate, how many workers died under locked, but still trade union always with you and we will be always with you. I don't want to linger this things, I just only one end with this things, we lost many opportunities.



Of course we should accept the fact that this industry is so big that we never have this experience to run these type of big industry. Not our government, not our employer, not our trade union, that is the fact actually. The highest number of workers we had in Adamjee that is 26,000, in an average number of workers we had in the factories or industries that is raised from 2000 to 5000. But now like Mohammadi Group,

Hameem Group, we have 30,000, 40,000 workers in a building. So we need to actually sit together with very professional way, nice and international perspective that how we can adopt this type of situation. I always tell one thing: I live in Mohhamadpur just beside Agricultural Market, I saw before Eid that thousands of girls coming from rural Bangladesh actually buying shirts or small things for their younger brother or for their fathers and mothers. It is possible because we have this industry. The girl who was waiting in a village, that her brother will take something for her for Eid, now that girl actually taking something for the father and goes to village before Eid. But only we can ensure these things, if we can ensure that this girl will receive the proper wage, will get the bonus at

least ten days before Eid, so she can move to her home and we dissolve the mistrust what we are talking.

Each and everybody that we actually develop some trust within ourselves. We think that our workers are sitting for the overtime - employer thinks like and we think that our workers are so low paid, they compelled to go for overtime, so this need to discuss and need to solve. Thank you very much.

Ms. Kalpona Akter, Director – BCWS:



Thank you for the option. My other colleagues, labour leaders and who are working for worker rights, they already talked about so many things. I totally agree what Rubana said that we have to stop the blame game though we have done so many blame in this forum, I don't want to drag this things. I just wanted to say one sentence that is rather talking on working together, we have to believe in working together. That is most important thing. Rather talking that we are the stakeholder, we have to believe really that we are stakeholder, we cannot go ahead without getting help from each other and there is many thing I can talk about Aminul issues, but I believe this is not the right forum to talk on this what Rubana mentioned in her speech when she was given. Thank you.

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

Thank you, I am Shiblee from DADA and I would like to say few words actually Thank you and again the 10th Round Table meeting, 10th is a very good number. We tend to refer to Maradona and tend to refer to the number something good. Whatever we do 10, it's something really! When we do any kind of assessment always the number is 10, so we hope that from this meeting will go forward.

But I have few very simple questions actually, just I am a simple man, I do try to understand in a simple way. As I see the agenda today, what I understand that our concern altogether here is to focus on expressed concerns on working conditions, that is actually our focus, because we had many topics in different meetings. What I understand by working condition is the basic thing: I think the working condition we are talking about 'wages' –



may be it's a part of working conditions, we are talking about 'environment' - may be it's a part of working condition and we are also focusing wages, but I can ensure that only 'wage' cannot solve the problem. If we are paying high, but working conditions is not that the workers are happy with, harassing environment and everything is there, but they are well paid, they are not happy! It is one component for living, but only the wage will not solve the problem and if we just follow the basic procedure as for as Mr. Zia Ahad said, no matter what we are doing, we should follow our country law 90%, we should follow 100%. Even if you follow 90% basic thing and I think the core thing is mindset, we should change our attitude. Whatever we do, no matter we have to do 100%, but if we do by

believing that we are doing it not because of buyer, for our own interest. Because first I establish my factory and if I look for the interest for my own, definitely I have to take care my people first and then gradually buyer will come. They will add value, so as owner or supplier we should maintain sustainable activity just to add value in different ways, add value to our profit, add value to our quality or value to living standard of workers, we should add value that's it and how we do it that depends on management style of different companies, that depends how we will do it, but if individually we can make our worker happy, I think we have done good enough. Thank you.

Mr. A.K.M Nasim, Legal Adviser and Program Officer, The Solidarity Center/AFL-CIO – LLSCP:

Just want to say simply two, three sentence that you are all businessmen, those employers and when you start your business and operate your business you have to abide by all the rules and regulations of the country. You have to abide by the custom rules, pay taxes, there is a law, we call it labour law. So, we have a labour law, we will just expect you to abide by the labour law that is what the things you are said that there are lots of problems, those can be discussed, but if there is an express permission in the law that worker should be allowed to form their unions, there should not be any obstacle on this. If there is a express provision of the law that workers should get the 5% profit. So why it is not being discussed, even this point was raised by our brother Delwar Hossain Khan, but no one is discussing on this. They all are avoiding this point, they do not even want to discuss this point how it can be implemented, if there is any problem, that can be raised and that can be discussed. But they want to just keep forget this point altogether. That's why I am just saying that since you cannot even avoid taxes, you have to pay all the taxes to the government, you have to do abide by all the rules and regulations of the country, just abide by at least try as far as possible to comply with the rules and regulations of the labour law. Nothing much, Thank you.

Mr. von Mitzlaff, Organizer:

I want to take up your questions, concerns and what is the outlook actually of this Round Table? It has been said 10 is a good number - great, then what is the linkage between one Round Table and another Round Table? How does it pile up? Where is the value of the tenth session? Two achievements which I see is that we have brought topics to public sphere at the moment no one talked about and that was in 3rd to 5th Round Table when, trade union had that position only trade union will make the workers life happy and stagnant position by the representatives from the supplier said: "Trade union is an evil, they have destroyed the jute industry"! I am simplifying here and then come to level where it was acknowledged from both sides, having such a big industry without any sort of worker representation and listen to their voice is may be not sustainable. We then in the discussion discovered something like Participation Committee in the law, which no one talked about before and now gladly there are many activities and projects, who brought that in sort of public sphere.

There is another example of 6th Round Table, where we had a good speech of the former Minister of Labour & Employment and the consequences are just continuing with nearly non existing social security in this sector and what risks running and we had a very good working groups. In the end we had a mixture and we had a conclusion from the labour sector together with the employers saying this is actually the list of social security we would like to see to develop. Unfortunately that time the interest was not sufficient to ask

who would volunteer for a core group and that is may be something, which is helpful to have the discussion results to be transpondered, continued between the sessions because each Round Table session requires a considerable effort bringing all together, but that may be several times in a year only. So how to pursue initial, has been actually the question among the participants throughout the sessions of the Round Table. At one point we had even invited, who wanted to participate at the Core Group. Core Group could be they who inter linkage between the sessions, while pursuing a topic and having it continued by intra group linkages that means from those who are the relevant professional groups, with a direct manageable interest in the sector.

The alternative is to have one or two of each of this group as a core group and they take on to continue initiations and we would then may be seen a results. The question at that time we had very nice documented and I think it's any one is interested please go back to the documentation and also have the full archive on the started website for the Round table.



At the 6th Round Table it has been a little bit unique that the labour sector participants and the employers themselves made a list of what should be advocated. Once we have the Core group it is possible to pursue or advocate for example with this list going to the government and discuss the possibility to move that topic. How to move that forward? And that is sort of when we deal consensus, the question is how we are going to turn something into a sort of benefit. The question is, do we want to make it more stringent, do we want to make a better output by having a topic, selecting it and trying to continue and having it keep in the discussion in putting means those who are interested from each of the group to exercise a further cooperation and collaboration in moving a topic? Because we have achieved a common consense that this is something to be moved on and we understand that we need the joint efforts here. That is may be the lesson, which we could take from the series of previous Round Tables and how to demonstrate the value of it. I just put it to you on the floor because we have 20 minutes remaining before you are invited for lunch.

We could also invite examples of interest, if that is wanted, for example an incentive schemes, actually pay more and work less! What is achievable in productivity, example Hameem. Is there an interest to invite a brief presentation? I don't want to to take more time and will break here and asking for any reaction to this. I am looking how to move forwards, means the platform of finding consensus while increasing the willingness of cooperation and perhaps with an example on issue to pursue. Is there anyone would like to comment on this?

Ms. Shirin Akhter, President - Bangladesh Jatiyo Sramik Jote:

These are good proposals. For the social dialogue it is good to have a platform we can discuss about those things like this, but when you talk about the representative of the workers, employers and buyers that is very important for the trade union representatives. It is very important to us. Now we are talking about compliance and trade union issues, or workers representatives, there are Participation Committees, but it is never been the

alternative of the trade union, but it is may be the one step forward. I think it is important, how we can really go for that, this is one point. There may be some social dialogue, you can make some platform, consensus on this issues and we should make some prior issues, we should agree on some agenda that 1,2,3,4,5 these agenda we will work together for next one or two or three years, then it may be a fruitful things, I hope so.

Ms. Rubana Huq, Managing Director - Mohammadi Group:

To address your point, one is the Core Group and the second one is the best practises. I think I am doing a couple of best practise in my factories. So look that up, will give you fair idea and about the core group. I am sure sure lot of us want to volunteer for that, but who would give you the endorsement?

To form a core group, is very easy, I even volunteer to work with you or with the trade union, no problem. Point is who is going to acknowledge unless the BGMEA, BKMEA and the so called institutions representatives are here. I really don't think that our voices are going to be heard by the government or by anyone else, could have matter. Unless there are buyers who bring pressure. Thank you.

Mr. von Mitzlaff, Organizer:

If there is no immediate reaction, I would like to take it up the concern of an endorsement. Indeed I fear that it is very difficult to request endorsement, but there is a chance to develop this and having then in the development being acknowledged as having create the ownership which should give the recognition for endorsement. I am taking the example when we talked about on Participation Committee. It was an interesting debate, with due respect to the trade unions, but we had a very lively discussion on Participation Committee – not something awarding the right or claim for Trade Union. It came out that there was a discussion among the trade unions, should they be at support to the Participation Committee or should they not. In the end we actually had a vote at the Round Table including the private sector. When they has been on both sides, on the trade union side and on the supplier side, negative attitude to this is has been then generated in the consensus and then it was a consensus among across the table. It was kind of endorsement at least from representatives understood that is something to pursue and that is still holding.

I think seeing the poor response of BKMEA and BGMEA following our invitation, it is encouraging that we have a response from a number of good and high positioned suppliers here, we have the presence and the interests of the buyers here and it's nice to be Trans Atlantic, not only Europe also has the corporates are represented America and not limited to BSCI suppliers. It's across the table does not matter whether linked to BSCI or not. It is broad and take this as an aspiration and encouragement. Why not among us forming this Core Group and then having involved and might be recognized. I would invite anyone else to comment.

I understand that presenting best practise is interesting, then one can make circular selecting issue. Let's talk about a Round Table Community, the next could also be a webpage.

The next is the Core Group and thank you very much for interest. We had already started with Khairul Basher, Zia Ahad and Dr. Wajed and we met two times over dinner. That is something we could pick up again and what would be a subject, you would feel good to start pursuing? We had already issues mentioned today, there is only one to pick up! Mr.

Zahangir, do you want to say something? Is there any proposal what would be a good example of issue?

Mr. Kazi Arhab Ahmed, Deputy Executive Director - Shomahar Sweater Ltd:

I think many of us have different opinions on how many factories are compliant or not. So here as a starting point, I think it's very important for us to have a transparent idea or figure of how many factories are actually compliant. How many are in between and how many of are non-compliant and then we can slowly dig into the matters. Because when you can change one or ten or fifteen factories, it's a different scenario and when you are changing two thousand factories, it's a different scenario - a different level of influence will be required. So do you not think that would be a good way to start?

Mr. von Mitzlaff, Organizer:

I did not mean the compliance situations of factories as such. I thought, one single compliance issue just. May be we just brainstorm, whoever have an idea let put it up and may be we can get some collection on it.

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

I think can we make a consensus, how we can think this is a compliance factory or not? What do mean by compliance? What is the minimum criteria to certify a factory as a compliant factory, not by the audit firm, sent by the buyers' team. Can we make a consensus like this? This is number one and number two about the Core Group. I agree with sister Rubana that even, if you have the Core Group, I think you need to write to the elected representative body like: BGMEA, BKMEA, SCOP and garment federations that they can dominate someone on that Core Group, otherwise it's a gap of the representativeness. At the end may be after one year or two year practice, somebody can say we don't endorse it.

My second point is to include the real representative from the elected body in the Core Group and 2nd to make a consensus what is the minimum requirement of compliance? Then we can go one by one. I don't expect that overnight we perhaps will make the factory 100% compliant and obliged by the labour law or obliged by the compliance, but we need to know that what we are discussing, what situation we want to see in the factory and how we tagged.

Mr. René Schlapp, Office Manager - MGB METRO Group Buying HK Limited:

Just one question here, I am little bit confused but we need to define minimum what is a factory. I think all laws are existing in the country or is there any law, I doesn't? Just for my personal understanding.



Mr. von Mitzlaff, Organizer:

Mr. Syed Sultan position expressed is the bottom line is the Bangladesh Labour Code.

Mr. Roger Hubert, VP OSG & Legal Country Representative - Li & Fung Bangladesh:

I think we have already quite a number of platforms and I feel that those present in those rounds are always ambassadors of compliance and sustainable practices. We all busy people at the same time and what I would prefer is to take home what we have heard and bring back to our active platforms. There is BGMEA, BKMEA I think all of them could influence to form the necessary momentum to be more active obviously the BGMEA is not, because what you said, you are not happy with their presence. We have a Buyers Forum, where we interacting increasingly try to share prices as well and then from there sharing with our vendors. Another platform is the Better Work, here ILO is working under an umbrella organization, which I think has lot of meaning, if we jointly put our know how. Then there is IFC with the flat program which is going on environment, a sustainable program, making very much sense. Here are lot of activities and project already. I think the everybody has to understand how much capacity he has to attend Core Groups and platforms and meetings. We have many meetings in this country and I think we do discuss a lot, but action is what we have to do and I would rather like to sit down with one of the factories and get projects on the way tomorrow, now as my compliance side here right now a day. So that's what we need to do, we need to do the things, not to talk about it. We all are clear about what the topic is, my comment on that. Thank you.

Mr. Christopher Conzen, CEO - MILES Fashion GmbH:

I think if I say it would be repeated, but this is same to me also. At the end we have actually come up what would be the method. We are now talking about the method in future, we are going to do. So like working condition is a big issue, there is a like lot of components are here, this is not the single issue, so like compilation of many issues It is better to discuss or to continue this kind of workshop, particularly on the focus points until, unless we can get a good result. I think that would be a good way and like good practise. We have many stakeholders doing many different things. Like from buyers perspective we are doing many things, more projects, our suppliers business partners and also our business partners doing individual projects. We can share our best practise in that way from our own perspectives. I think in future and we can learn from each other actually what we can do for the industry. Second thing is actually, if we think like industry, so I think here we need some representation from the BGMEA, BKMEA also. Because we thinking for the matter of implementation, so endorcement is very required from that panel also for the industry level. But if it is at individual factory level, that is different we can do individually. Thank you.

Mr. von Mitzlaff, Organizer:

Thak you for both of you and to respond to Mr. Hubert, I think this platform for social dialogue, which tries to reduce the perception and the gap between parties, it's not the workshop or platform how to implement a certain project, that is different. Those who have, if you want to go on the practical level, there are the cooperation between buyers somethimes with the help of consultants and to improve the situation in single factory, that is not what the discussion is about here. Otherwise why should I, the government is here, when it's a question of implementing a project in a factory, we don't need policy makers. We don't need try to see what the perception of the labour sector here, we don't recognize them as sort of also player. In this respect I think, still need to valid to have in addition of the question of how to implement project, how to move a plan, how to have

an impact on more the environment and the systematic approach. I might come back to the question, should we not take single issue? The question of compliance as such look to me as a large discussion like do need a unified code of conduct, which luckily is past. A single issue would be more: are we taking up the question of profit sharing? This is coming up in auditors report and how we going to do with this? That's the single issue, is there consensus on this or is there consensus should be advocate for one example of social security which is the provident fund mandatory EPZ, but voluntary outside EPZ of the country, which would make I think a large contribution to reduce the migration? Company like BEXIMCO was one of the first who started Provident Fund and they have had a benefit in migration. We could list the example as the experience. One single issue and then if we have advocate for and would also have an input among the fellow entrepreneurs, manufacturers as well can be seen how much can be also promoted within the business relationships and so on. Those single issues I wanted to, I think is easier to proceed. Would you agree and then still the question which to choose? Because we don't need to take too much charge, load if we start something. May I come back to the idea that having advocate for one well accepted and recognized basic social security is the Provident Fund and perhaps we can choose this, that's the proposal to try with is there interest, why not taking this as an issue to see how much among the group, may be there is not even lot of discussion needed, there is not much discontent about it, then the question is how do we lobby it for implementation and what can be to which extent can it be actually support and help the implementation. I tried to be pragmatic and if there is something tangible in hand with the consensus building.

Then a joint effort on pursuing the issue, then it is what we are trying, we talk about many things, this is caring our mind, but bring out of it may be get little bit understanding and to know our language for the next time meeting. But then on the other hand, we all want to have something tangible in hand when we continue those. That is all.

Ms. Shirin Akhter, President - Bangladesh Jatiyo Sramik Jote:

Just one minute, is it only for the campaign or want to execute? Who will take the responsibility for the Provident fund? At the end of the days, are suppliers willing to do that? Who will take the responsibility or it is only for the campaign next year?

Mr. von Mitzlaff, Organizer:

That's exactly where consensus is needed. How can we push the Provident Fund forward? The core group could come together and see what is necessary, how to convince, develop commitment and what is the pragmatic way. Because the things are knocking at the door and we are looking submitting the proposal to the BGMEA president, we are stuck. But on the other hand, we are here actors by ourselves. If Hameem has the moderaty of motivate productivity and responding to the issue of salary, they go by themselves. They have all the possibilities, so is this not the beauty that they all run their own business. So they didn't make it within one business? If we can advocate and try, we can and we see that it is taking as a practise in a number of factories to it can be convinced.

Ms. Shirin Akhter, President - Bangladesh Jatiyo Sramik Jote:

If you don't mind I have a question to the buyers group. Is there any country where you are working, where trade union is absent? This is my question. Second thing I want to say that if we go for this chart of consensus or campaign, these buyers group and the suppliers and all the trade unions all the governemnt also I will say rather, so how can we

really work together. It is one thing that for compliance, the labour law, everybody should obey on this respect of the labour law and then how can we implement that. If we talk about the labour law in our country that it is important. When we talk about the best practices, it is with absence of trade union. How can I say there is a best practise in Bangladesh or any other country? I think that is question I want to know from the buyers side and another my suggestion is it is better to practise the labour law, we can abide by that. Thank you.

Mr. von Mitzlaff, Organizer:

Is the Provident Fund is part of the labour law accepted as single topic?

Ms. Shirin Akhter, President - Bangladesh Jatiyo Sramik Jote:

What will buyer side do on that question? Will they agree that we need the provident fund or what?

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

Manufacturers' function to the Provident Fund, which is contributory according to the law of the land, workers will contribute and employers, owners will contribute and there should be a safety of that fund according to the law. Because in our case there are lot of incidents and examples we have the shutdown of the factories and workers don't get their due wage also! I am not against the campaign of the Provident Fund, Provident Fund and Profit Sharing both are very good to campaign for, but important also! I think if it is profit sharing then buyer can contribute, because buyers have their own audit system and that audit system, I am sure, they have the balance sheet how much they profit in this year and how much that should go to the workers according to the law. I don't know about the audit system, but if it is there, so profit share is clear actually, profit sharing. I think we can get proper implementation of the profit sharing law and make it as a indicator or standard to give certificate for compliance or non-compliance factory. One thing I would like to say my personal observation, I am not against our manufacturer or supplier or vendors, they are actually suppliers not vendors. By saying this, I think we undermine them and we actually give a scope to bypass the law. They are the manufacturer of the country, owners of the industry, so suppliers and vendors is not actually the terminology for them according to law. I am sorry this is my personal observation.

Mr. von Mitzlaff, Organizer

Ok. Thank you for the note. Still I think not to taking to much load, the Provident Fund is easier to start with then the profit sharing, because the profit sharing implicit the question what is the base of your assessment. As far as I know the social audit does not look into the financial statements of the factories, I see the limits here.

Mr. Shawkat Hossain, Executive Director - Oeko Tex Ltd:

No social audit are not looking after the statement to profit and loss account of the company. They are only looking at the salary disbursement portion, so they can not ask this thing that is one point. The second point more popularly I think provident issue will be accepted.

Mr. von Mitzlaff, Organizer

Thank you for the clarification and even it will be task of the Core Group, how to implement the Provident Fund still something, which needs to be sort out. Simply the question, who is holding the bank account, who are the authority for the bank account? I think there are modalities, who have to worked out on the Provident Fund.

Mr. Syed Sultan Uddin Ahmmed, Asst. Executive Director – BILS:

Basically the law is clear, we have nothing to do with this! When you start a Provident Fund under the law, it's a trustee and it will be operate according to the law. If you go for Provident Fund campaign something, the provident fund is complicated under the profit sharing law. Campaign for profit sharing law is harmful for the owner, because may be some money they need to distribute but as the two issue today, we discussed very nicely and widely one is productivity and wage. In Bangladesh we have only one law and now it is a part of the labour law, which deals with the productivity that is profit sharing law and the ownership. If you want to stop the switch over, profit sharing law is related with many things. We talk lot of things about productivity, but we don't have any law or scheme other than some periodical service and so called capacity building. I don't know how capacity building can help this productivity other than very intensive program for the workers. I say capacity building means higher level capacity building, discussion, seminar or other things ok, so profit sharing law can relate with the productivity, we can relate with the ownership with the workers that means the attachment of the workers to the factory and at the end the distribution of profit that is one of the major problem we are facing in the country now. The widening gap of the well, so this one way where we can have some distributional share to our own workers and there is another development according to the new amendment of the profit sharing law. Actually you have to send some of the portions of the profit to the National Welfare Foundation, Workers Welfare Foundation, so by this late the factory workers and owners contribution towards the national foundation also. The biggest industry of the country that will be a one type of social contribution and responsibility to the country of course. I think, if we go about this, you can practise with some present big factory like Mohammadi Group, Hameem Group, those so much in advance, we know BEXIMCO. If we can ask the aforementioned what sister Rubana said to sit together, we can sit in a small group and ask them to start this things and we can easily disseminate it to others. Thank you.

Mr. Shawkat Hossain, Executive Director - Oeko Tex Ltd:

Still I have some comments here, profit sharing will be still difficult because you know it's not giving any direct benefit to the owners, like provident fund will give direct benefits to the owners that will stop migration. That will minimize migration very effectively. Profit – no factories are actually earning profit, every factory is losing they say. When they go to the tax commission office, they make balance a sheet, which is definitely showing loses to avoid the taxes. From where you will get the share, when the company is losing? That will be a dificult thing. It's better what we go for the Provident Fund.

Mr. von Mitzlaff, Organizer:

Ok, I see that a question by itself is worth another debate, which we should not start having elapsed 20 minutes behind our schedule. It was the try in the very last minute to get a vote and I understand that profit sharing is much more disputed than the provident fund. I understand that a core group can be meaningful to be attached with Round Table.

The Core Group shall have an agenda, either the agenda is coming out from the session or the core group can suggest an agenda and submitted to the community. Then we can invite for interest who would like to be on the Core Group. Further the best practices to invite to demonstrate and then to discuss is also a learning, which I am taking out from today.

I am not opening the floor for discussion, I am closing by summarizing that I shall make a circular on the Core Group and then hopefully may be in January to stipulate the core group. Then the core group will come with an agenda or proposal how to operate and also meet in between this and the next Round Table also to invite for the interest of what subject or what should invite as best practise to discuss. This is a good result, which I am taking from today.

I take the opportunity to thank you for a large participation by owners and factory management, as well as the buyers from overseas. The closing will be by Prof. Sekandar Khan, I thank him this time for his moderation and guide us through this session. Thank you.

Prof. MD. Sekandar Khan, Moderator:

Thank you Mr. Mitzlaff, you have done my task very easy. Infact I was supposed to give a summing up of the session, whatever we have discussed. One point I should make clear is that in the start, Mr. Zia started to talk about the context of the whole issue and that was very well done and then quite a few of us said that nothing happens after we talk and we tend to forget whatever we actually resolve probably, but nothing happens. So this two things are important, we should not forget the context because from that context we shall have to make the future projection and then it was very fruitful that he argued with you or you all contributed, which will happen next at this Round Table. I think, all of us have done a good days work by telling whatever we feel very intimately. Now we know what are our feelings and that we have come to the closure and what we shall have to appreciate the others position. I hope we shall do that, thank you very much. We invite you all to the lunch after the session.

Mr. von Mitzlaff, Organizer:

I did not ask you for your comments, feedback or anything, so if anyone feels please welcome by email on the format, discussion, whoever wants to be apart of the core group, please mail us. Thank you.

VI. Pictorials





Media Coverage

Newspaper Clippings

The Daily Star

Nov 15, 2012

EU worried about RMG

Envoy warns of image crisis due to political violence, bad working conditions

Staff Correspondent

International buyers might stop purchasing garment items from Bangladesh because of political violence and bad working conditions that threaten to hurt the country's image abroad, said a top EU diplomat yesterday. "You are in a danger of spoiling your image; you are in a danger of spoiling your brand. I think that's clear," said William Hanna, ambassador and head of delegation of the European Union to Bangladesh, alluding to Tuesday's street violence. Hanna, however, did not elaborate on it.

The absence of trade union for ensuring workers' rights at factory level created worries among the buyers from the EU and US, and sullied Bangladesh's image abroad, said Hanna. He was speaking at a discussion on social compliance in the readymade garment sector in the capital's Ruposhi Bangla Hotel. Hanna said the employers should change their attitudes towards the workers, as some owners are setting bad examples. The EU is firmly committed to core labour standards and human rights, meaning no discrimination as well as equal opportunities for men and women. "We do not expect you to match our own high labour standards, but we expect at least minimum standards." Government officials, representatives from buyers' groups, workers' leaders, mid-level managers of different factories and garment makers also spoke at the discussion.

Praising the country's achievements in the garment sector, Hanna said: "I did not see such a success in my 30 years of career that a trade leads to job creation and growth in any least developed country." Bangladesh has been doing well consistently in the EU. It exported garments worth \$8.5 billion to the market last year. Industries Minister Dilip Barua urged the garment makers and buyers to be rational in making profit. The minister also called upon the buyers to increase the prices of garment items so that the makers can pay more to the workers. Workers will not do well without good working environment, said the minister.

Economist Qazi Kholiquzzaman Ahmad said there should be elected representatives of workers to bargain with the management or owners at the factory level. The workers should also enhance their productivity, he said. Rubana Huq, managing director of Mohammadi Group, urged the buyers to come up with a joint fund managed by the factory management and buyers to ensure the workers' welfare. "We could have done a lot for the workers, but we did a little under pressure from the buyers."

The workers' representatives urged the garment makers to share profit with the workers. The buyers said Bangladesh needs to address labour issues and ensure better working conditions at the factory level. Organised by Christian von Mitzlaff, managing director of LIFT Standard, a social compliance auditing firm, the discussion was moderated by Sekandar Khan, vice-chancellor of East Delta University.

Nov 15, 2012

More Social Compliance by RMG Makers Stressed

Speakers at a round table discussion in the city Wednesday stressed the need for more social compliance by local readymade garment makers for sustainable growth of the sector. Business Social Compliance Initiative (BSCI), a part of the Foreign Trade Association based in Brussels and Lift Standards e.K, a German advisory service jointly organised the round table on 'Social Compliance - RMG sector' at Ruposhi Bangla Hotel in the city.

Dilip Barua, Minister for Industries, key personalities from stakeholder group of the RMG industry including European and American buyers, suppliers, trade unions, NGOs and government officials took part in the discussion.

"Social compliance issue in Bangladesh is now better than any time but still lagging behind the required level," said Dilip Barua.



Nov 14, 2012

Speakers at Round Table:

Initiatives to taken to retain the achievement in RMG Sector

RMG experts at a Social Compliance Round Table on Wednesday, organized by Business Social Compliance Initiative at Ruposhi Bangla Hotel, urged the government taking necessary initiatives to retain the achievements in the last few decades. "RMG sector contributes largest to the Bangladeshi export earnings and it is time to adopt the present competitions in the sector"



speakers told in the conference.

Indicating China holding 1st position in the global RMG export, experts said that by taking concrete and pragmatic initiatives, it is possible to compete with China as well. "To move ahead over China, we need to ensure respective labour rights and look forward to new market expansion. It

needs to monitor the dollar rate fluctuation as well" said by the speakers. However they also emphasized to create better working environment and training to the workers to improve quality. Minister of Industries, Dilip Barua said that the government took it

important to create new markets for RMG products and working on that. He also informed that in the recent visit of Belarus Prime minister to Bangladesh, RMG sector was been discussed with due importance. The minister hoped that the recent agreements signed with the Belarus Government would play significant effects in the RMG sector. Apart from the RMG professionals, delegations from the European Union (EU) were also present in the round table.

Speakers at Round Table:

Political Conflict Effects Adverse on RMG Working Conditions



Recent political conflicts have adverse effect on the RMG working condition. Speakers at a round table on social compliance on yesterday expressed the concerns that foreign buyers may stop purchasing from Bangladesh due to this political instability.

LIFT Standards e.K. a German advisory service provider, arranged the round table on "Bangladesh Garment Industry, the second world exporter – versus the

expressed concerns on working conditions: a stretch for sustainability" at a hotel in the city on Wednesday. BSCI was the sponsor to arrange this round table.

Speakers said that Bangladeshi RMG sector have achieved significant improvement over the last few decades. Although Bangladesh positioned 2nd in RMG export, working conditions in this sector have become a concerning issue to continue with the sustainability.

William Hanna, EU Ambassador told that recent conflicts put Bangladesh into risk to lose the image to foreign buyers and will make them concern to buy from this country. "To widen the scope to improve social compliance, both suppliers and buyers need to make profit at a considerable rate", said by Minister for Industries, Dilip Barua. He also asked buyers need to increase the price to enable the entrepreneurs paying high wages to workers. Rubana Haq, Managing Director, Mohammadi Group spoke to raise fund having joint contribution from laborers and manufacturers.

Documentation: LIFT Standards e.K.