

First CSR and Sustainability E- Newsletter in Bangladesh
Vol. 1, No. 6, July 2009
(For private circulation only)



Message from the Executive Director

I am happy to share with you the sixth issue of CSR E - Newsletter.

CSR-Corporate Social Responsibility Bangladesh is a social enterprise started with a vision to provide SR related services to public and private sector in Bangladesh. The objective of the newsletter is to provide corporate information and news specially focused on sustainability and development related issues. It aims to provide information to the stakeholders regarding social accountability and responsibility.

The sustainable development cannot be achieved without being socially responsible and having adequate understanding and knowledge about social aspect of business.

Upcoming CSR Bangladesh Publications

Expected date of Publication November, 2009

Socially Responsible Booklet

1. Children's Edition
2. Teenager's Edition
3. Professional's Edition
4. Businessmen's Edition

Call for Contributors

CSR Case Book

We seek business case studies from different sectors in Bangladesh for upcoming CSR Case book publications. We welcome industry cooperation in this regard. Any individual or organizations interested to contribute are highly requested to contact the editor.

Please send your case studies to the following e-mail address by September 15:

editor@csrbangladesh.org

CSR Essentials Training

Program: Comprehensive Training
Target Group: Stakeholders, managers and interested person
Date: August 28, 2009
Time: 6:00 pm– 9:00 pm
Venue: House 20, Road 2
Banani
Dhaka 1212
Registration: Open [Limited Seats]

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- Introducing CSR Dhaka Forum
- Introducing CSR Master Class soon.....

SALEHA GARMENTS

(a case)

By Edward Probir Mondol

With other team members at CMD, IUBAT

(SUSTAINABILITY COMMODITY CHAINS of the Asia Link Programme)

Revised 2 February 2006



THE COMPANY

Saleha Garments is a leading garments factory in Bangladesh. It was established in 1986 with only 50 machines. Now, the factory has 7 production lines involving large number of machines. The company is a sister concern of RNR Group. In its vision and mission statement, the company emphasizes on 'optimal utilization of human resources to ensure highest level of employment' and they aspire to be 'labour intensive in every sector of investment'.

The company manufactures readymade garments and woven apparels with a present production capacity of 150,000 pieces per month. It employs 700 people. The raw materials include fabric, trims, cartoon, button, tape and polybag. 95% of the raw material is imported, fabric from China and trim from Hong Kong.

The company has business with Wal-Mart of USA, through a local buying house. The present annual turnover of the company is around 800 million taka (US\$ 1=Taka 65).

A RESPONSIBLE EMPLOYER

The company was one of the pioneers in anti child-labour movement in Bangladesh. The former MD of the company Mr Redwan Ahmed signed the MoU for child labour elimination jointly with ILO and UNICEF in July 1994, when he was the President of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Mr Redwan Ahmed has long been actively involved in politics and has been elected as Member of Parliament for many consecutive terms. Presently his son Sultan Moin has taken up responsibility as Managing Director (MD). The family is traditionally pro-mass oriented and Saleha Garments has proved itself to be a benevolent employer and a responsible corporate citizen. Most of the employees are people from his electoral constituency and hence they trust the employer and look up to the company for their welfare. There exist a strong sense of bond between the management and the employees. The management also is concerned about the labour welfare issues and has been pro-active in introducing many welfare measures without being pressurized by any stakeholder including ILO, BGMEA, the buyer or local labour unions.

During the Harkin Bill episode, like all other garments factories in the country, Saleha Garments also had many young girls working at the factory, chiefly at the thread cutting section. Following the heightened uproar and international threat about the child labour issue in Bangladesh garments sector, Saleha Garments had to deal with the child labourers in the factory. But, unlike many other factories, the child workers were not retrenched outright. Rather, they were phased out gradually and were rehabilitated through enrolling in schools while giving employment and income opportunities to the older members of their families in the company or in other sister concerns. Due to the long political involvement of the owners, most employees at the factory were closely known to them for a long time and this entailed a sense of responsibility on the part of the company.



The production and delivery of the company has suffered to some extent due to the gap created through removing young workers and replacing them with adult ones. Although, the company conformed to the standard dictated by the Harkin Bill, it also recognized the poverty-child labour nexus and did all that was possible to mitigate the plight of the families of the retrenched child workers while ensuring future education and vocational training for the child workers.

Although at the forefront of child labour eradication from the garments sector, Sultan, the present MD has a rather different point of view regarding the issue. According to him – “Our socio-economic conditions make it inevitable for some children to work for survival. Many children are employed in many dangerous and hazardous occupations. Work in a garments factory is the mildest form of labour.” He further added – “Some children must work for ensuring their chance to have education. And the education itself must be a viable alternative with adequate standard. Otherwise, no children or their guardians would be encouraged to waste the time sacrificing income from work by the child.” He finally concluded by saying – “Apprentice work is essential for a child for his future vocational development and it is a tradition worldwide. Moreover, you will find many working children today even in USA, employed in hazardous works, far from being a safe apprenticeship. So, deploring child labour in garments and threatening ban for such mild form of child labour was rather an unjust imposition.” Nevertheless, the management of Saleha Garments is pretty concerned about their business and readily conforms to all buyer compliance.

EMPLOYEE WELFARE

At Saleha Garments, workers were better off in many counts compared to other similar garments factories, as the workforce was like a close-knit family. After the child-labour episode, many other elements of employee welfare have come to the forefront and apart from the buyers, the BGMEA Vigilance Team also monitored several aspects of employee welfare and working environment.

But, long before that point of awakened attention, Saleha Garments has been quite attentive to the issue of employee welfare and practiced some pro-labour policies that can be considered unprecedented in the industry. The present MD stated – “When my father used to run the factory, one day while entering his office, he noticed some children outside the gate, waiting anxiously for their mothers working inside. He immediately called the General Manager (GM) and told him to allot a place for these children to wait for their mothers. This eventually developed into the day-care centre that you see today.” Sultan studied MBA in USA and is pretty familiar with the corporate social responsibility concepts. Besides, pursuing the footsteps of his father, he is also inclined towards politics and social work which makes him socially responsible by default. He further asserted that long before the buyer compliance was mandatory, they have provided for a mini-medical centre within the factory to meet emergencies. The centre has grown into a more complete medical centre complete with a bed and a wide assortment of medication and first-aid facilities. They were also the pioneer in introducing fire-fighting exercise long before the buyer compliance became relevant and also strictly imposed the procedure of wearing mask for certain sections that is prone to dust and fibre particles. On this safety issue Sultan surmised – “It’s hard to understand why the people working at the over-locking and other dust-prone points are so reluctant to wear mask despite our relentless pressure to do so. At the slightest possible chance, they would put it off and if caught red handed would argue that they were having difficulty in breathing. The people working at the sewing machines also despise the needle-guard and the security sensor. They would dismantle the guard and place tape over the sensor to disable it.” Despite all that, Sultan had an affectionate smile on his face that expressed anything but exasperation. Rather he tried to defend his employees by explaining it away as the ‘usual’ resistance to change and sense of insecurity in introduction of new technology.

Many labour welfare measures have been introduced in Saleha Garments. It has a system of continuous learning and development of the employees. Through hands-on training beginning employees are gradually trained to take responsibility of more technically demanding jobs. We talked to Hashem, a young employee aged around 25. He told us that he joined 8 years back as a thread cutter and today he is an over-lock machine operator. He said – “I am grateful to the company as it gave me the opportunity to learn a more technical job. Now, I earn several times more than my initial pay.” The company has structured training/retraining facilities that ensure professional development of the employees. Besides, the company is particular in observing all safety measures like provision of adequate fire-fighting equipment, emergency exits in case of fire or other accidents, strict maintenance of a yellow line passage that is always kept clean and free of obstacle to facilitate emergency exit. Besides, wearing of mask in certain sections and constant use of needle-guard and pulley-guard is also maintained strictly.

The day-care centre looks after the children of working mothers and allows time for the mother to attend their children intermittently without affecting productivity. The medical centre is complete with emergency treatment facility and medicines for many common ailments apart from accidents or injury. The medicines are provided free of cost.

BUYER COMPLIANCE

Although, Saleha Garments put into practice many health and safety regulations within the factory proactively long before any buyer compliance became relevant, the company now conforms strictly to all health and safety measures prescribed by the buyer. Their major buyer Wal-Mart of USA has a country office in Dhaka and they make regular but unannounced inspection to verify conformity. Besides, the apex body of garments manufacturers and exporters, BGMEA also has a Vigilance Team that makes unannounced visits to the factory. Since the Harkin episode, buyer compliance has gone far beyond child labour. Sultan pointed to a checklist that is strictly followed in Saleha Garments. He asserted that they place the highest emphasis on conforming strictly to the health and safety checklist and are always proactive in enhancing the measures in all possible ways. The following is a reproduction of the checklist, which is completed everyday.



Regardless of the unannounced inspections, the company strictly maintains compliance with the checklist as regular practice including fire-fighting exercise, wearing masks and keeping safety guards in place in every machine.

NGO AND LABOUR AGITATION

According to Sultan, some Non Government Organization (NGO)s are constantly trying to instigate the employees by convincing them that the owners are enemy of the labourers. He extorts – “They keep hanging around in the restaurants in the locality, whispering to our employees and misguiding them. A lady in the sewing department fell prey to such instigation and suddenly started staging Go-Slow. It crippled my productivity. After trying to correct her in all possible ways, I had no other alternative except firing her. And no NGO came to defend her, ironically enough.”

The company has a labour union. But, according to Sultan – “We have a very good relationship with the union and have so far never met with any confrontation. Most of them including the leader are closely related to our family for a long time and they are like our extended family.”

FUTURE PLANS

Sultan is full of vigour and vibrant with vision for future development of his factory. He has plans to enhance provision of employee-oriented programs like continuous learning and professional development, training/retraining and more comprehensive accident/injury compensation. He also aspires to expand his day-care centre, introduce pre-school education centre for the children of the workers, enhance medical care and introduce provident fund/gratuity for his employees. He asserted – “We found it highly rewarding to be mindful and proactive about labour welfare and they never have let us down. I strongly believe that doing more for them would certainly bring more prosperity for the company and the benefits far outweigh the expenses.”

ENVIRONMENTAL ISSUES

There is hardly any environmental pollution in a garments factory except in the washing section. Effluent from the washing section is disposed off through the storm sewerage line. But, there are instances when the storm sewerage gets clogged. The effluent is then released into a nearby water body, causing some extent of pollution. The buyers as well as the Government’s Department of Environment (DoE) prescribe adequate effluent treatment plant in each garment factory. Before giving clearance to any new factory the DoE makes sure that the company installs an Effluent Treatment Plant (ETP). The storm sewerage is only meant for releasing human waste and releasing chemical effluent into it is prohibited by environmental regulation. But, in case of old factories like Saleha Garments the regulation is being enforced gradually. Old factories are allowed time to install the ETP and the pressure from DoE is minimal. But, the buyers are more demanding in this regard. So, the management at Saleha Garments is also confronted with the issue of how to conform to this environmental standard.

According to Sultan, the buyers are also accommodative to the factories with which they have long term relation. They are inclined to allowing them time for incorporating ETP at the factory. Till today less than 5% of the factories with washing/dyeing section have ETPs at their factories.

According to Sultan – “More than 95% of the factories with washing/dyeing sections release their effluents into the sewerage line. But, the buyers are rather lenient and keep on reminding the factories about it rather than disrupting the supply chain through any abrupt action.” So, Sultan has no doubt that he has to build an ETP at his factory in near future to conform to the DoE regulation as well as to ensure buyer compliance.

But, for Saleha Garments, it represents a multi-faceted decision problem. According to Sultan, the cost of incorporating an ETP in his existing factory would be much higher than establishing such unit in a new factory. Because, there is not enough space for building the plant and accommodating it would involve a great deal of reconstruction. To build an ETP at the present site, Saleha would need to invest 40 million taka and its present annual export amounts to 800 million taka. Whereas, it would cost three times as less if he relocates his factory and utilize the saving as relocation cost. This would give him a new factory premises with more forward looking provisions. He cites another factor that would influence his decision in favour of relocation. The water level in Dhaka is gradually falling lower every year and during dry season, it becomes difficult to get enough water for the washing plant. So, relocation would also enable access to higher ground-water level. Thus keeping the cost same, Saleha Garments can have its factory relocated with a better ETP.

Sultan finds it imperative to relocate. According to his plan – “I want to enter the EU market and build relationship with leading garments buyers in Europe. They all would need ETP as a compulsory environmental facility. So, I am leaning towards relocation for the sake of a better plant with higher underground water-level.” The company is now involved in carrying out cost-benefit analysis and looking for suitable location and construction plan for a new relocated factory.



RMG Industry of Bangladesh

History

Clothing is a basic human need and has been an enduring component of human civilization. The area now constituting Bangladesh, which was a part of British India, had a rich tradition in textiles. Handlooms used to dominate the textile sector producing mostly coarse cloth for consumption by people of Bangladesh. The weaving community of that time having a high level of dexterity produced a variety of cloth known as Muslin. This Muslin was a very refined cloth and its quality attracted traders around the world. With the advent of machine made cloth in England and to facilitate the import of such cloth in India the colonial masters destroyed this Muslin and finally power looms were introduced and textile factories were setup in Bangladesh. Even up to the present time, there is a coexistence of handloom weaving and modern textiles factories to meet the clothing need of the people of the country, Despite that Bangladesh has been an importer of cloth to meet the domestic consumption needs and cotton for production of yarn in the textile mills as the country produces a very scanty amount of cotton. The country entered into the export market of textiles particularly in the readymade garments and knitwear over the last two decades. This entry has brought in opportunities and challenges of multiple dimensions including that of local policies.

The contribution of handlooms in providing rural employment and production of fabric is considerable. The handloom industry provided not only direct employment to more than 1 million people, but also another 10 million people are linked to this industry for employment in the form of trade and other services. The handloom industry stands second to agriculture in providing rural employment. Despite that, the industry is faced with many problems. The entrepreneurs in this sector suffer from inferiority of their machinery mostly due to their narrow width, slow production, low quality, high tariff and non-tariff barriers in the export of handloom products. Starting from seventies readymade garments (RMG) emerged as promising export earning industry in the country and as a small non-traditional sector of export. The industry needed positive facilities, which were available at that time in the country. Foreigners favouring relocating RMG industry in the world found Bangladesh as promising country for investment in this sector. Therefore, the foreign investors mostly the neighbouring countries come in and invested in RMG industry in Bangladesh. Thus, RMG industry took its birth in the country. The industry is also a potential user of handloom products.

Growth

RMG industry i.e. the clothing industry has grown at a blistering pace since 1970s. It developed in Bangladesh primarily as an export oriented industry. The industry enjoyed a momentum of rapid rise from less than 50 factories in 1983 to 3800 in 2004. The favourable climate that led to the accelerated development of RMG industry in the country consists of the simple technology, low cost machineries, smallness of premises, abundance of cheap labour and incentives such as liberal trade policies, low tariffs on imported machineries, bonded warehouse facilities etc.

The other factors that led to the phenomenal growth of RMG industry included application of GATT approved Multi-fibre arrangements (MFA) which virtually provided benefit of reserved markets for Bangladesh. Bangladesh garment exporters enjoyed privilege of quota free entry into the European Union (EU) and USA. The MFA accelerated international relocations of garment production. For maintaining competitive edge in the world markets the large producers of apparels followed strategy of relocating RMG factories in the countries having no quota restrictions and abundant supply of trainable cheap labour. Bangladesh had these advantages and thus RMG industry found its place in this country. At the time of independence in 1971, there was virtually no existence of RMG in the country, but since the birth of RMG, Bangladesh witnessed a remarkable economic progress through the readymade garments sector. By the year 2001, the sector generated US\$ 4.8 billion in export earning accounting for two thirds of the Bangladesh export.

The RMG sector contributes to the socio-economic development of the country at multiple levels. As regards employment, about 2 million people (workers) are currently employed in the RMG sector. 85% of these workers are women who constituted almost 70% of all female employment in the country's manufacturing sector. This means a vast scope for employment virtually transforming the socio-economic condition of the country. The export of RMG products accounts for about 76% of Bangladesh total foreign exchange earnings, contributing to the sectors such as banking, hotel, tourism, utility services, transportation, etc. The major markets for Bangladesh RMG products are USA, Canada and European Union.

Present situation

Readymade garments sector in Bangladesh is presently facing serious crisis after its two decades of steady operations as the leading employment sector. RMG industry is facing market decline because of diverse factors. The most dominant of them is the end of MFA in January 2005, which created increased competition particularly from China and other apparel producing countries. The consequence being that 40% of the 3500 export oriented RMG factories have already been closed and this has resulted in the loss of jobs of 400000 workers. Moreover, because of the emerging roles of World Trade Organization (WTO) and trade liberalizations the RMG sector of Bangladesh is facing a highly competitive world market.

Issues

The RMG sector created opportunity for employment generation for workers along with development of a new entrepreneurial and managerial class. Despite this, good number of issues has cropped up out of this growth and this has also raised debate about the appropriate social policy to protect the rights of the stakeholders of the industry. These are discussed in brief:

Gender issues

The development of RMG industry has opened means of livelihood to the poor migrant female workers from the countryside. These female workers are representing about 85% of 2 million workers employed in RMG sector. The flourishing of the RMG sector was achieved by hard labour of these female workers who are basically the poor rural unskilled and illiterate migrant women. Their integration into the formal labour force has engendered social revolution. These women have earned greater control over their personal affairs and finances. They have gained access to the resources and decision-making in family affairs and achieved greater social mobility and independence. They have paved the way for social acceptance of women into the female labour force through their courage and hard work. However, the women in the garments industry, constituting majority of the workers will have to bear the burden of market decline due to factors including phasing out of MFA. There are other issues relating to wage discrimination, sexual harassment, human rights and welfare.



Child Labour

The workers in the RMG industry are almost young and include children of age less than 14 years. During nineties, many importing countries put tremendous pressure for elimination of child labour from RMG industry in Bangladesh. The consuming countries even put threat to boycott purchase of apparels from Bangladesh. This situation became aggravated in the course of WTO negotiation. Due to lack of adequacy in maintaining birth records in most parts of the country difficulty arises in ascertaining the age of a person in employment. In the rural sector of Bangladesh, all members of family work irrespective of their age. As such, the issue became incomprehensible in the rural culture and RMG units realized the debate as a new form of protectionism in the guise of humanistic motives. Despite that, they had to react to protect the market. The RMG sector in this country was seriously affected by child labour issues than any other country in the world. However, Bangladesh has a favourable environment for growing child labour. Child labour is largely found in the rural areas. But the driving of the working class to the major cities especially the capital city (Dhaka) has led to a tremendous unemployment situation for adult and child labour in the urban sector which is more severe than ever before.

Laws for child labour

There are about 25 laws and ordinances in the country for protection of child labour. However, these laws contain conflicting provisions for regulation of child labour. Under the existing law, the minimum age for employment is variously interpreted as any where between 12 and 16. The National Law Commission has fixed age of a child at less than 14 years. However, it also recommends that a child shall not be employed or permitted to work in any occupation or establishment.

According to the Factories Act of 1965, employment of children below 14 years in any factory is prohibited but at the same time it allows workers going to work for five hrs a day. Violation of this is penalized. There are other Acts dealing with child labour. Bangladesh government has restricted use of child labour in the garment industry. But the Government agencies enforcing child labour laws lack resources for properly performing the task of monitoring the child labour laws. RMG industry through the efforts of the industry Association called Bangladesh Garments Manufacturers Association (BGMEA) signed a MOU with ILO and UNICEF for elimination of child labour from the industry. There has been some success in removing child labour from the RMG industry and this can serve as a model for other countries.

Wage, Rest and Work

In Bangladesh, there is absence of law for minimum wage. The Minimum Wage Commission constituted by Government of Bangladesh (GOB) on ad hoc basis fixed per month Tk. 900 for unskilled workers and Tk. 2300 for skilled garment workers. But in many case this has not been implemented. The garment workers made demand for increase in their minimum wage, which is justified from increased cost of living. But their demand has not yet been accepted.

Many garment factories do not follow labour laws and the ILO conventions. They are not allowed to enjoy weekly holidays. There is absence of job security, social security, gratuity for the workers. They are forced to work for more hours than it is allowed by law per day. There is absence of facilities such as housing, transportation, medical and hygienic, etc. for the garment workers in the country.

The women workers are prohibited by law for work after 8 pm. They are forced to work even up to 12 midnight. They are not regularly paid for their work. Moreover, they are discriminated from the male workers in which case they are deprived of equal wage, dignity, rights and promotions.

Families with economic constraints send their under aged children to factories and other occupations for earning income. The earnings of the children from their work in the factories provide monetary help for the survival of their families. But if they are pulled off the factories, etc, they cannot earn and consequently their families face stringent hardships in surviving. This raises a question, if taking under-aged children away from employment in factories is justified or not.

Trade Union

Under the country's labour laws and ILO conventions, the workers have rights for forming trade union. But the management of the RMG units do not allow them to join trade unions or to form such unions. In case the workers join trade unions, they are then sacked by the RMG factory management.

There is trade union movement in RMG sector, but that is very weak because of factors such as disunity and division of organizations, long working hours, absence of job security, migration from factory to factory, absence of holidays, majority workers being women, state policy, ownership by powerful groups, low wage and unemployment in the country.

There are, of course, several trade unions and federations of the garment workers. The main being the National Garments Workers Federation established with 24 trade unions. The federation works for securing workers' rights in the RMG sector of the country. It provides platform for the garment workers for securing fair wages with equality between male and female workers, better working conditions, etc. but because of limitation of its membership strength it is yet to go a long way to represent the workers on safety and security.



Safety and Security

The safety and security measures of the RMG workers are far from satisfactory. They live in inhuman conditions. According to available statistics 35% of the workers work in hazardous situation, 27% are sexually harassed, 83% need more security in work, 60% have very poor toilet facilities and 20% are totally deprived of it. The factories go under blaze frequently. According to statistics, 130 workers died and several other hundred were injured in fire –related accidents in the garment factories in Dhaka since 1990. The factory buildings are built in unplanned manner. The staircases where stampede situation takes place and where panic stricken workers rush in case of fire incidents do not have emergency exit and the floors of the buildings do not have facility for quick evacuation in case of accidents. Gates of factories are kept locked and therefore casualties increase in case fire takes place in the garment factory.

According to the law of the country, workers getting injured and meeting with death in fire case in the factories are entitled to compensation. But the compensations fixed for different categories of accidents are unbelievably low compared to the lives and functional capabilities of the workers. Again, the amount of compensation varies between public sector workers who receive legal sums and the private sector where it is more difficult to receive standard compensation. There are huge deficiencies in legal provisions for the safety and security of workers of the RMG sector, their enforcement and adherence by the factory management. The workers are exposed to hazardous working conditions in the factories.

Local Culture of Individual Tailors

The culture of wearing apparels in Bangladesh is influenced by its moderate climate, folk culture, tradition, beliefs and religious values. The basic apparels worn by most women throughout the country are “Sari” which is a piece of cloth 3.5 meter in length and 5 in width. This is weaved in hand looms and in some cases in textile mills but no additional stitching is required to make this fabric ready for wear. Men in rural Bangladesh primarily wear Lunghi, which is like a skirt, and consist of 2 meters of cloth mostly woven in handlooms. Lunghi requires stitching to tie in the two ends, which is done by independent tailors who operate through out the heats and bazaars in Bangladesh. Members of the Hindu community wear Dhuti, which does not require additional sewing. Besides women may wear a top which is prepared by the tailors as per specifications by the individual who supplied the fabrics. But the growth of RMG industry in Bangladesh is in sharp contrast to the prevailing local culture of individual tailors who make garments as per specification by individual customers who supply the fabric.

Infrastructural Issues

Bangladesh has only two seaports namely, Chittagong and Mongla. But frequent labour problems cause unnecessary delay in discharging imported goods. RMG industries, which are greatly dependent on imported fabrics and often committed to time bound orders from the foreign buyers, have to face serious problems. The imports of garments exporters are discharged through customs checking and these imports are also taken to the warehouses with checking. These formalities create

misuse of port facilities. The port services are not declared essential and as a result these services are greatly affected by frequent hartals, strikes and work abstention by the port workers and employees. There is also absence of deep seaport in the country, which could help a lot in quick discharging of the imports. Garment factories fall sick due to stock lot problem, which happens mostly due to political disturbances, and port problems and many of them have to pull down their shutters being overburdened with struck-up inventories of finished products. Paucity of credit from banks is also a major stumbling block in the way of smooth operation of some factories in the RMG industry.

Lead Period

Another issue in the RMG export of Bangladesh is a 'lead period', which is not as short as it should be for speedy disposal of export orders and thereby making the RMG sub-sector dynamic. Services of direct shipping lines, deep seaport, private warehouses, private port, etc are not adequately available for reducing the lead period.

Shortage of Local Supply of Raw Materials

RMG manufacturers utilize imported fabrics for making garments. The local textile mills cannot meet the demand of the RMG manufacturers. The accessories required by the RMG industries are also imported. Currently only 10 percent of the demand for woven fabrics are produced by the local textile mills but the price is higher than those of imported ones despite huge incentives provided by the government.

Success

It has been stated that phasing out of MFA in January 2005 has caused market decline and increased competition from foreign apparels producing countries for Bangladesh. But despite that, the free market opened up opportunities for RMG sector. RMG industry can be harnessed by increased managerial efficiency, labour productivity and removal of internal constraints towards international trade. To continue to be competitive in price Bangladesh can implement appropriate cost reduction strategies for improving labour and total productivity.

Labour productivity can be enhanced through training and motivation. It can also establish more composite textile mills to develop backward linkages for RMG industry.

Through the RMG industry association called BGMEA, a Memorandum of Understanding has been finalized with ILO and UNICEF for elimination of child labour from the RMG industry. Accordingly, as of 1995, 10546 workers below the age of 14 years have been retrenched from the RMG industry and most of them were placed in schools run by NGOs with resource support from ILO/UNICEF/BGMEA. Each worker was given a monthly stipend of Tk. 300 and provided with literacy and skill training in schools. In this process the RMG units became child labour free and came out of the threat of product boycott in the consuming market.



Future of RMG

Despite the denial of many of the social and human rights and opportunities, women in RMG sector by dint of their hard work had brought about a social revolution through entry of women in the formal sector of employment. Despite poor working and living conditions, the employment in RMG has given them independent income, control over their personal affairs and finances, a role in family decision making, greater social mobility and independence.

The trade liberalization in post MFA era may lead to market decline and threaten their progress through job loss in RMG sector. Thus the most desirable way to assure social and economic security of RMG workers is to enable them to keep their jobs. National government, international and national trade bodies, policy makers, development agencies, academia and media should give attention to ethical issues of trade and rights of workers in work place to avert the devastating social affect on the women who will lose their jobs and their families as well as communities. The question of fair trade to close the big gap between the manufacturing cost of apparels produced in Bangladesh and selling price of the same in the developed countries could also contribute to welfare of workers in the RMG sector. Such issues should receive increased attention to humanize the world trade in textiles.

CSR Bangladesh News Desk**CSR Bangladesh New Address**

**House 20, Road 2, Banani Amtali,
Dhaka 1212
Bangladesh**

CSR Bangladesh Newsletter Name

CSR Bangladesh Newsletter has got its own name as “Sustainability Watch” starting from the Month of June 2009.

CSR Weekly Bulletin

CSR Bangladesh is publishing CSR Weekly Bulletin from the month of September 2009

Processing MoU with Global Gandhian Trusteeship and CSR Foundation, India.

CSR Bangladesh is processing toward MoU with CSR Foundation in India for joint research and training in CSR.

**Interview with Pradeep Kashyap
CEO, MART, India**

Mr Edward Probir Mondol, Editor of CSR Bangladesh took an interview of Mr Pradeep Kashyap, CEO, MART, India. The interview will be published in September Edition.

International Research Fellowship Award

Mr. Edward Probir Mondol, Executive Director of CSR Bangladesh has received International Research Fellowship award to conduct a study on CSR in South Asia. The study is the joint publication of “CSR Handbook: A South Asian Context” by International Management Institute, New Delhi, India.

CSR Bangladesh Newsletter in Bangla Edition from the month of January 2010

CSR Bangladesh will publish Bangla Edition of CSR Newsletter from month of January 2010.

Corporate Advertisements

CSR

Bangladesh

Corporate Social Responsibility Bangladesh

[A partner for sustainable Growth and Development]

Corporate Social Responsibility of Bangladesh - CSR Bangladesh is being launched with a vision to facilitate, expand and encourage CSR practice in Bangladesh. The CSR Bangladesh's objectives are to become the source of information, resources and advisory services on SR in Bangladesh.

Scope of CSRB

- Raise CSR Awareness among stakeholders
- Provide Strategic, structured and systematic tools for CSR practice and adoption
- Evaluate, implement and monitor CSR for profit maximization
- Good Governance Advisory Services
- Establish benchmark for CSR practices

Available!

First Social Responsibility Monthly E-Newsletter

www.csrbangladesh.org/newsletter/

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SERVICES:

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<ul style="list-style-type: none"> - Awareness Creation - Publications - Organizational Study - Project Development 	<ul style="list-style-type: none"> - Curriculum Development - CSR Benchmark Survey - Industry Research and advocacy - Industry focused CSR Research
Training	Consultancy
<ul style="list-style-type: none"> - Corporate Training - CSR Essentials - ISR Training - Corporate Accountability Training - Workshops - Debate - Roundtable Discussion 	<ul style="list-style-type: none"> - Industrial Consultancy - Management Consultancy - Marketing Consultancy - IT Consultancy - Sector Consultancy - Advertisement Services - CSR Implementation

Contact Address:

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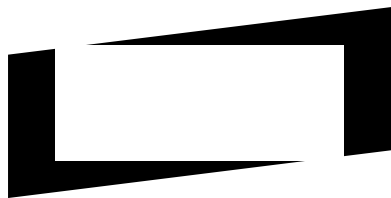
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About CSR Bangladesh

What is CSR?

Corporate Social Responsibility of Bangladesh – CSR Bangladesh is being launched with private sector start up to facilitate, expand and encourage CSR practice in Bangladesh. Registered as a firm in 2008.

What does it do?

The CSR Bangladesh objective is to become the source of information, resources and advisory services on CSR in Bangladesh.

Scope/Area of CSR

Raise CSR Awareness amongst CSR stakeholders

Provide Strategic, structured and systematic tools for CSR practice and adoption

Evaluate, implement and monitor CSR for profit maximization

Good Governance

Establish benchmark for CSR practices

VISION

Our vision is to create awareness regarding CSR for the organisation with its primary stakeholders and extended enterprise the benefits of social compliance and sustainability.

MISSION

To be a partner for sustainable growth and development.