



## Globalization and Sustainability of Bangladesh Garment Industry



Bangladesh Development Conference 2014 at Harvard University

### Report from Harvard University Bangladesh Development Conference held on June 14, 2014

The annual Harvard University Bangladesh Development Conference was held on Saturday, 14th of June 2014 at Harvard University. The theme for this year's conference was 'Globalization and Sustainability of Bangladesh Garment Industry'. The day-long seminar was organized jointly by Harvard University South Asia Institute, Harvard University Center for Environment, Harvard University Edmond J Safra Center for Ethics and International Sustainable Development Institute (ISDI), Inc.

Among the keynote speakers were the Commerce Minister of Bangladesh Tofail Ahmed MP who was also the chief guest, and Meher Afroze Chumki MP, the State Minister for Women's Affairs. Representatives from the American government included Congressman George Miller, the senior democrat on the House Education and Workforce Committee, and Dan W. Mozena, the US Ambassador to Bangladesh. The President of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) Md. Atiqul Islam led a high level team of the association to the conference. Iqbal Yousuf, the Executive Director of ISDI coordinated the organization of the conference.

The conference was highly successful in addressing the issues in Bangladesh garment industry, drawing over 150 attendees who participated and engendered excellent discussion. Participants from Bangladesh, United States, Canada, and Europe attended the seminar. They included high-level policy-makers, academics, researchers, garment manufacturers, exporters, brands, retailers, safety experts, worker rights groups, labor organizations, NGOs, UN agencies, international financial institutions, student groups and Bangladeshi diasporas living in the USA.

#### **The objectives of the conference were:**

- To explore the linkage between development, garment sector, and environmental and occupational health and safety issues in the context of Bangladesh and its garment industry;
- To bring together scholars, stakeholders, development experts and practitioners, and policy makers of Bangladesh and USA and other international institutions (such as United Nations, European Union and World Bank), Non Government organizations, and print and electronic media;
- To discuss the present condition and issues with Bangladesh garment industry, analyze the historical progression of the garment industry in Bangladesh over the last four decades and assess the progress made to date and the remaining gaps in the programs and implementations;
- To address the emerging challenges of the Bangladesh garment industry including globalization, safety concerns, workers' rights, labor standards, and trade and investment cooperation; and
- To secure renewed commitment from manufacturers, exporters, brands and retailers' association, Bangladesh government and international governments and organizations for sustainable trade relations to improve the current structure of fair wages, benefits, occupational safety, health, and living conditions for garment workers.

There were many topics related to Bangladesh garment industry covered during the seminar sessions and the presenters did an outstanding job of sharing their expertise. More than 40 speakers traveled from as far as Bangladesh, Canada, India, UK, Germany, Spain, Netherlands, Hong Kong and various states within the USA to share their experiences in various aspects of Bangladesh garment industry with special focus on the issues, opportunities and policy implications for Bangladesh apparel manufacturing and exports.

### **The seminar discussion tracks were:**

#### **Session 1: State of Bangladesh Garment Industry**

Moderator: Dr. Nurul Aman – University of Massachusetts Boston  
Dr. Srinivasan Reddy - ILO Country Director in Bangladesh  
Alyssa Ayres – Council on Foreign Relations  
Dr. Fauzia Ahmed - Harvard School of Public Health  
Juliette Li - Fair Wear Foundation  
Faruque Hasan - Bangladesh Garment Manufacturers and Exporters' Association  
Dr. Syed Abu Hasnath – Boston University  
Dr. Abdullah Shibli – Boston Medical Center

#### **Session 2: Globalization and Labor Standards**

Moderator: Dr. John Quelch – Harvard Business School  
Dan Mozena - US Ambassador to Bangladesh – Keynote  
Meher Afroze Chumki - Bangladesh State Minister for Women Affairs  
Dr. Arnold Zack – Harvard Law School  
Michael O'Donovan – US Department of Labor  
Celeste Drake – AFL-CIO  
Dr. Toufiq Ali - BIAC

#### **Session 3: Trade and Investment Cooperation - Worker rights and Safety**

Moderator: Iqbal Yousuf - International Sustainable Development Institute  
Tofail Ahmed - Member of Parliament and Commerce Minister of Bangladesh - Keynote  
Rep. George Miller - Senior Democrat on the House Education and Workforce Committee - Keynote  
Md. Atiqul Islam – President, Bangladesh Garment Manufacturers and Exporters' Association  
Mara M. Burr - Deputy Assistant United States Trade Representative for South Asian Affairs  
Scott Nova - Executive Director, Worker Rights Consortium  
Rabin Mesbah - Alliance for Bangladesh Worker Safety

#### **Session 4: Working Condition, Fire and Building Safety Challenges**

Moderator: Iqbal Yousuf - International Sustainable Development Institute

Ian Spaulding - Alliance for Bangladesh Worker Safety

Robert Solomon - NFPA

Alfredo Ramirez - UL Underwriters Laboratories

Avedis Seferian - Worldwide Responsible Accredited Production (WRAP)

Ali Ahmed Khan - Fire Service and Civil Defense Authority of Bangladesh

Mohammed Hatem –President, Bangladesh Knitwear Manufacturers and Exporters' Association

Shahidullah Azim – Vice President, Bangladesh Garment Manufacturers and Exporters' Association

#### **Session 5: Responsible and Sustainable Sourcing**

Moderator: Dr. Nien-he Hsieh - Harvard Business School

Rick Darling – Li & Fung Trading Ltd. and Alliance for Bangladesh Workers Safety Board

Aleix Busquets – Inditex and Bangladesh Accord for Fire Safety Board

Julia Hughes – President, USFIA

Heather White – Harvard University

Liana Foxvog – Director, ILRF

Mark Anner – Penn State University

#### **Session 6: The Role of International Development Partners**

Moderator: Dr. Abu Jalal - Suffolk University

John T. Smith - International Co-coordinator Textiles and Garments, United Nations Industrial Development Organization (UNIDO) – Keynote

Pascal Grotenhuis - Department for Sustainable Economic Development, Netherlands Ministry of Foreign Affairs

Americo BEVIGLIA ZAMPETTI - Head of the Economic Section, Delegation of the EU to the UN

Ajay Narayanan - Head of Sustainability, International Finance Corporation (IFC), World Bank

Scott MacMillan - Head of Communications and Outreach, BRAC USA

## Concluding Remarks of the Conference: Policy Pointers

The Conference draws several conclusions from presentations by the academics and experts and discussions by the policymakers and participants. Some of the selected recommendations are:

1. Stakeholders of the Bangladesh garment industry – the manufacturers and exporters, the brands and retailers, the workers groups, the Bangladesh and US administration, ILO, UNIDO, the Alliance, the Accord and other international organizations has demonstrated plan in place for a sustainable industry. The action taken since the fire and building tragedies shows promises to work for the betterment of the safety and benefits of the workers. The continuous attention and combined action can help transforming the industry to achieve the goals.
2. The speakers suggested for more coordination between the Accord and the Alliance – two initiatives by the western retailers – to make their ongoing safety compliance efforts in Bangladesh garment industry more effective and successful. Inspection standards, duplication of factory assessment, payment to the workers during suspension of the factory are some topics the two bodies have differences and need to set a common standard.
3. Intensified political process is also required to convince the big trading partner countries including US and Europe countries that they should be more supportive and helpful to Bangladesh while it continues fixing its problems with factories and labor conditions.
4. In the discussion on regaining of the GSP privilege from the US, the issues of trade barrier in the form of limiting quota and high rate of tariff on Bangladesh Garments Exports was debated. The experts the fire incidents in Tazreen and Rana Plaza were not the reasons for GSP suspension by the US; the suspension issue had been in place long before those incidents. The Bangladesh government officials mentioned that Bangladesh has had already met 98% of conditions placed by the US to regain the GSP facility
5. Several speakers emphasized the importance of expanding the labor unions to establish the institutions for the workers' voice to be heard. They also mentioned the needs for increasing women's empowerment by electing more women labor leaders and to have no political affiliation of the unions. Recommendations were made to eliminate unfair labor practice by factory owners. The government policy would require guaranteeing the legal protection from possible harassment to union leaders and workers. The discussion panels emphasized the positive link between well-established unionized work place and increase in productivity. This matter was particularly important because of the US administration demand that the issues of workers safety and labor union should be taken care of simultaneously.
6. Several speakers argued that unionization is not the only solution. Usually unions are dominated by males while 80% of the workers in Bangladesh garment industry are females. With new concept of unionization in private sector, especially in the garments industry of Bangladesh, the transition for building productive relationship between owners and workers' unions must be considered with great care and compassion to see the benefits for both sides. In this context, need for realistic education and training for both workers and owners/management was urged in the discussion.

7. Some panelists suggested that suppliers and retailers/buyers cooperation also needed to overcome the issues of compliance, safety and environmental hazards. A recent survey by USFIA shows despite rising costs, US brands/retailers are committed to compliance, and support the inclusion of labor and environmental clauses in future trade agreements. Further adding to the discussion, it was noted that even after the tragic incidents of Tazreen and Rana Plaza, 60% of the responders in the survey expressed their positive commitment to buy garments products from Bangladesh. The brands and retailers should put their commitment into action while the suppliers need to respond positively on the compliance.

8. Panelists highlighted the significance of cooperation among key stakeholders in the Bangladesh garment industry. The collaboration among factory owners, the Government sectors, development partners and NGOs could work as a catalyst for making the necessary changes for improving the workers' compensation, benefits, safe working conditions and collective bargaining. The speakers recommended that the buyers participate in this effort to make a greater influence through establishing long-term contracts with both factory owners and labor groups.

9. The speakers indicated the link between ongoing environmental issues and a number of unsustainable development practices within Bangladesh. They discussed the need for proper to implement occupational health and safety measures for workers. The policy reform and implementation of this sustainability measures were considered vital to establish ethical and environmental standard at global scale. In this context, one of the specific recommendations was to build a partnership between public authority and private sector to reduce environmental and health hazards.

10. The participants considered the day-long conversation as a great opportunity to establish a long-term collaboration among ISDI, BGMEA, US and Canada apparel and retail associations, and other building and fire safety and compliance organizations in US and Bangladesh. This long-term collaboration would greatly help provide the needed support from various experts in the fields. Their expertise would significantly help address the issues affecting workers rights and safety in the Bangladesh Garments Industry. The speakers also urged the leaders and experts of these organizations to continue their support and help in organizing periodical discussions and seminars to share their experience and thus find ways to improve the sustainability of Bangladesh Garment Industry in the next phase of globalization.

If you have any inquiries and suggestions for the 'Bangladesh Development Conference 2014 on 'Globalization and Sustainability of Bangladesh Garment Industry' please contact Mohammed Iqbal Yousuf, Coordinator, Tel: 617-416-9036, E-mail: [mohammed\\_yousuf@dfci.harvard.edu](mailto:mohammed_yousuf@dfci.harvard.edu)