

**Report No. 54**

**Corporate Responsibility in Bangladesh:  
Where Do We Stand?**

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**Centre for Policy Dialogue**

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*The Centre for Policy Dialogue (CPD), established in 1993, is an innovative initiative to promote an ongoing process of dialogue between the principal partners in the decision-making and implementing process. The dialogues are designed to address important policy issues and to seek constructive solutions to these problems. The Centre has already organised a series of such major dialogues at local, regional and national levels. These dialogues have brought together ministers, opposition frontbenchers, MPs, business leaders, NGOs, donors, professionals and other functional groups in civil society within a non-confrontational environment to promote focused discussions. The expectation of the CPD is to create a national policy consciousness where members of civil society will be made aware of critical policy issues affecting their lives and will come together in support of particular policy agendas which they feel are conducive to the well being of the country. The CPD has also organised a number of South Asian bilateral and regional dialogues as well as some international dialogues.*

*In support of the dialogue process the Centre is engaged in research programmes which are both serviced by and are intended to serve as inputs for particular dialogues organised by the Centre throughout the year. Some of the major research programmes of CPD include The Independent Review of Bangladesh's Development (IRBD), Governance and Development, Population and Sustainable Development, Trade Policy Analysis and Multilateral Trading System, Corporate Responsibility, Governance, Regional Cooperation for Infrastructure Development and Leadership Programme for the Youth. The CPD also carries out periodic public perception surveys on policy issues and developmental concerns.*

*As part of CPD's publication activities, a CPD Dialogue Report series is brought out in order to widely disseminate the summary of the discussions organised by the Centre. The present report contains the highlights of a dialogue organised by CPD held at **CIRDAP Auditorium, Dhaka on August 4, 2002** on the theme of **Corporate Responsibility in Bangladesh: Where Do We Stand?***

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*Dialogue on*

**Corporate Responsibility in Bangladesh: Where Do We Stand?**

**1. Introduction**

The Centre for Policy Dialogue (CPD) organised a dialogue entitled *Corporate Responsibility in Bangladesh: Where Do We Stand?* on August 4, 2002 at the CIRDAP Auditorium, Dhaka. State Minister for Labour and Manpower of the Government of Bangladesh *Mr Md Lutfar Rahman Khan, MP* was present in the dialogue as the Chief Guest while opposition lawmaker and Chairman of Bangladesh Institute of Labour Studies (BILS) *Mr Ahsan Ullah Master* was the Special Guest. *Mr Al-Ameen Chowdhury*, Secretary, Ministry of Industries, Government of Bangladesh, was the Guest of Honour. CPD Research Fellow and principal investigator of the CPD-TERI (Europe) collaborative study entitled *Corporate Responsibility in Bangladesh: Evidence from a Benchmark Study*, *Dr Ananya Raihan* presented the keynote paper. *Mr Syed Manzur Elahi*, adviser to the successive caretaker governments in Bangladesh (in 1996 and in 2001) and a member of CPD Board of Trustees chaired the session which was attended by a cross section of people such as policy makers, entrepreneurs and trade union leaders, academics, development activists, members of the diplomatic missions, journalists and representatives from other professions. *Dr David Murphy* a faculty member of the New Academy of Business, UK, who collaborated with the CPD study team (comprising *Dr Debapriya Bhattacharya*, Executive Director, CPD, *Professor Mustafizur Rahman*, Research Director, CPD and the presenter *Dr Ananya Raihan*) also attended the dialogue. Before the commencement of *Dr Ananya Raihan's* presentation, *Dr Bhattacharya* put forward the background of the dialogue which was a follow up to a field survey involving the major stakeholders on the issue such as corporate chiefs and employees, the civil society members and experts. This report offers a brief resume of *Dr Ananya Raihan's* presentation and the open floor discussion that followed his presentation.

**2. Welcome Address by Dr. Debapriya Bhattacharya, Executive Director, CPD**

*Debapriya Bhattacharya* welcomed the participants to the CPD dialogue on Corporate Responsibility which, according to him, has been gaining space in the public policy sphere day by day. Though the term has been defined as a process driven by globalisation, deregulation and privatisation and related forces, region and sector specific difference in the scale and pace of the process has generated debate and division among experts across the corporate world. CPD being a Civil Society organisation also does share the concerns of all stakeholders in the matter, and out of that felt-need, has brought the issue into its multi-stakeholder dialogue process. The CPD Executive Director pointed out that the Corporate Responsibility issue bears significance for Bangladesh on the following considerations:

- Corporate Social Responsibility has been increasingly becoming a part of the business practice

- It has generally been considered as a pragmatic response to consumer and civil society pressures
- To a great extent Corporate Responsibility supports the Small and Medium Enterprise Development in developing countries and is considered crucial to meeting its goal of improving the impact of business on societies.
- It is thought that corporate standard would be enhanced if corporate responsibility is under pinned by an infallible business case that links social and environmental responsibility with financial success.
- Supporting enterprise development through long-term trading relationships and community investment is considered as one of the most practical ways by which the corporates can help the poverty stricken countries such as Bangladesh in fighting poverty.

*Dr Bhattacharya* expressed his optimism that the constructive exchange of views, ideas and experiences among the multi-stakeholders would generate valuable suggestions and policy inputs and contribute to the creation of an enabling environment in the corporate sphere.

*Dr Debapriya Bhattacharya* then invited *Mr Syed Manzur Elahi* to take over as the session chair and conduct the session.

### **3. Keynote Presentation by Dr Ananya Raihan, Research Fellow, CPD**

*Dr Ananya Raihan* presented the major findings of the study which was based on both primary and secondary sources of information. To elicit the necessary information for the study a field survey was conducted where 50 company executives, 70 employees and workers and 32 Civil Society members responded.

*Dr Raihan* started his presentation with a background note on the evolution of the terminology *Corporate Responsibility* which the contemporary experts explain with the help of four principal models: the ethical model as pioneered by *Mahatma Gandhi*, the static model which has been upheld by the western welfare states, the liberal model founded on the principle of ensuring the accountability of corporates to its shareholders and the stakeholder model which calls for global common goods. He said, though the concept goes back to the early days of industrial revolution, still it is not possible to arrive at a universal benchmark for evaluation of corporate standards across boundaries since corporates in the developed industrialised nations operate in an environment which is far more sophisticated than in the less industrialised agrarian societies. Elaborating, he said, in a majority of cases corporate citizens of the developed countries are able to comply with the corporate and social responsibility norms, however; the corporate entities in the developing countries obviously lag far behind in terms of attaining the level of compliance similar to those of the developed countries.

He noted the following key findings of the study:

- a) Corporate Responsibility Practices in the Multinational Enterprises (MNEs) are better vis-à-vis the local companies

- b) Corporate Responsibility Practices in large companies are better vis-à-vis the smaller companies
- c) There are sectoral variations in Corporate Responsibility Practices

The presenter then moved on to the major findings of the study.

Referring to the *vision and mission statement* of the company owners, the presenter termed it as a very *encouraging sign* that 71.1 percent of the corporate entities in Bangladesh have a definite mission and vision statement. A few of the respondents put forward their mission of attaining leading position in the market in terms of both quality and quantity of their products. Nevertheless, only 46.7 percent of the companies have formulated corporate policies.

*Dr Raihan* mentioned that the survey covered the policy status of the companies in a number of areas which included policy with respect to labour standard, workers' health and safety policy, policy on HIV/AIDS, equal opportunities, incentives and human rights, working hour, child and forced labour, remuneration and personnel policy. More than 80 percent of the companies claimed that they adhere to a fair remuneration policy notwithstanding a miserable finding of the study was around or less than 40 percent of the companies have well articulated policy as regards workers' right and safety, equal rights of the workers, prevention of AIDS. However, none of the companies was found to assign a board director for monitoring and addressing issues related to the rights of the company workers.

According to the study, 66.7 percent of the companies have adopted corporate governance and 43.3 percent have compliance policy with national or international benchmarks. A considerable percentage of the respondents informed that they do not fully understand the concept of corporate governance.

*Dr Raihan* pointed out that the level of interaction among the stakeholders is very low which has been proven by the widespread reluctance of the companies in terms of taking the opinion of the stakeholders into consideration in formulating their corporate goals and strategies. Committed persons are available only on the issue of sustainable development and human rights, though they are extremely limited in number. On the issue of sustainable development and human rights, the corresponding percentages are 11.1 percent and 4.4 percent.

The study corroborates the apprehension that today corruption and bribery are the fundamental *requirements* for doing business in the country. Even though only 40 percent of the companies surveyed have a statement on fighting corruption and bribery, only about 29 percent follow the Transparency International or any other international guidelines to ensure fair practice.

By reviewing the existing company policy and strategy pertaining to employees or workers the study showed that 68.9 percent of the companies have an established public corporate framework for human resources which ensures respect for core labour standards, management of employee relations and communications, training for skill development, health and safety and equal opportunities. In 66.7 percent of the

cases this policy is not applicable for part-time or temporary staff members. The company executives, however, refrained from making any detailed remarks on a number of queries relating to labour practices which include:

- ❑ whether the labour policy of the company are applicable to part-time or temporary workers and employees
- ❑ whether the companies audit effective implementation of the labour policies
- ❑ whether the companies audit implementation performance of the health and safety policies
- ❑ whether the companies have any dispute resolution mechanism to deal with staff concerns
- ❑ whether, as regards labour supply, the company has committed itself to an external code of conduct or practice or whether the companies have supply chain monitoring systems in place for social and environmental concerns.

The study showed that 64.4 percent of the companies conduct regular audit for effective implementation of the core labour policies. Of the companies which audit the implementation of core labour policies, 91.1 percent meet their labour policy objectives. Only 2.2 percent of the companies confessed that they make unfair dismissals and 4.4 percent of the companies confessed that they violated labour laws in last 5 years. Around 67 percent of companies have a formal policy to ensure clean, healthy and safe working conditions. Procedures to implement policy and specific assignment to senior management for implementation is found only in 26.7 percent of the companies.

*Dr Ananya Raihan*, the presenter, informed that most of the companies claim that they maintain a fair recruitment procedure where only merit and efficiency prevail rather than kinship or prejudice. Although the study found that only 32.3 percent of the companies have formal policies on recruitment and promotion which is gender, race or religion blind, the ratio could be higher in case the question did not include some of the sensitive issues like sexual orientation.

Keeping in view the heightened attention the child labour issues received in the corporate world of Bangladesh during the second half of the 1990s, *Dr Raihan* pointed out, the study focused on the child labour policy of the companies. 83.3 percent of the company executives claimed that they have a policy of not employing under aged children as workers and 82.2 percent of them expressed their commitment to elimination of all forms of forced or compulsory labour.

The majority of companies under survey (62.2 percent) lent support to the right of employees to form and join trade unions. Despite the scope of organising Collective Bargaining Agencies (CBAs) most of corporate employees were found reluctant to the trade union activities. When interviewed, explained *Dr Raihan*, the employees referred to the threat of job loss and physical assault on the union leaders as the major reasons behind their apparent disinterest about joining trade unions. Procrastination in dispute settlement in labour courts also discourages the victims to seek justice through law- he said.

Asked if they have formal policy for human resource development, 73.3 percent of the companies responded in the affirmative while 36.6 percent of the companies do not have any formal process for employee communication and consultation. Around 44 percent of companies have dispute resolution processes to deal with staff concerns. *Dr Raihan* informed that only 24 percent of the corporates have formal policy of prior consultation with communities before initiating projects and maintaining regular dialogues with communities.

Only 43.9 percent of the employees held that they get minimum wage fixed by the government. More than 62.1 percent of the employees said that the companies have practices of allowing employees more than eight hours or one shift per day. Around 40 percent of the employees suggested that the payment for overtime is less than for regular time payment. More than 11 percent of the employees get no extra payment for working beyond eight hours.

However, most of the civil society representatives (93 percent) noted that the company owners have a long tradition of engaging the employees in work for extra hours under a very exploitative condition where the workers are underpaid in working hours and unpaid in the extra hours. To hide these irregularities often no formal appointment letter is issued to the workers- the civil society members spoke out.

After analysing the viewpoints of the three major stakeholders of the corporate world- company owners, employees and the civil society members, the presenter endeavoured to reveal the variations of perceptions of the major stakeholders about corporate responsibility in the Bangladesh context.

He said, while the corporate employees and civil society members have negative perceptions in general about the corporate standard in Bangladesh, the company owners themselves do not consider it so dismal with only 46.7 percent of the companies abiding by corporate policies in their operations. For instance, the presenter pointed out, while 62.2 percent of the companies claim that they uphold the principles of human rights, only 16.7 percent of the representatives of the civil society appreciate the performance of the companies in terms of upholding the fundamental rights of the employees.

The variability of perceptions regarding some controversial issues such as child labour, as *Dr Raihan* elucidated, is quite ostensible as while company executives and workers (83.3 percent and 81.8 percent respectively) view that child labour is not existing in the companies, the civil society members have a different view on the issue with only 13.3 percent of them believing that child labour is non-existent in the companies. Again, work for extra hours is another issue which generates difference in the viewpoints of company owners and members of the civil society: while 71.1 percent of the company owners and executives think that workers are duly paid for extra hours of work; over 90 percent of the workers and civil society members complained of underpayment for extra works. *Dr Raihan* added that variability of

perceptions in the stakeholders exist on a set of issues including the minimum wage issue, environmental issue, health and safety issue etc.

Based on the study, *Dr Raihan* advocated the following policy options for the corporate stakeholders:

***For the Companies***

- a. As both the civil society group and workers hold negative opinions about the corporate responsibility, companies have to seriously consider how to restore their image.
- b. The variability of perceptions indicates specific areas where to intervene and set priorities. All the controversial issues including the overtime issue should be taken note of and settled through a multi-stakeholder initiative.
- c. Environmental concerns should receive greater attention by the companies.
- d. Gender aspects should be more carefully addressed and monitored for their implementation.
- e. Corporate-community relations are found to be strained. The corporate owners and executives should consult and communicate with the local communities on a regular basis.
- f. Health and safety issues deserve greater attention given that failure in these areas impact negatively on the productivity and endanger human life.
- g. More consultation should take place between the employers and the employees so that a *team spirit* is restored in the corporates.

***For the Civil Society***

- a. Should enhance their participation as a stakeholder in the corporate affairs for holding the corporate entities accountable to the greater segment of the populace
- b. Should contribute to the process of awareness building of all the stakeholders so that the corporates do not function in an exploitative condition.
- c. Should contribute to the process of multi-stakeholder exchange of views and ideas in terms of both initiating and organising multi-stakeholder forums
- d. Policy advocacy

***For the Government***

- a. Provide policy guidelines for smooth functioning of the corporate entities
- b. Monitor and enforce laws related to labour issues, environment protection, health and safety issues
- c. Provide the logistic support for enhancing the overall corporate standard and stay and carefully monitor the initiatives of the global trade partners and regimes so as to ensure that the corporate responsibility issue is not used as a pretext for market access barrier.

A final observation of *Dr Ananya Raihan* was that a common platform of all the three stakeholders is required to address the issues relating to corporate responsibility. For further shouldering of corporate responsibility and standardising the working environment in Bangladesh, investment is required in the arena of capacity building.

A vibrant and forward-looking corporate culture can significantly contribute to the process of enhancing the competitiveness of Bangladeshi corporates in the global markets. The development partner countries also need to extend technical support to this end- he concluded his presentation.

#### **4. Open-floor Discussion**

An enthusiastic exchange of views and ideas among the participants took place during the open floor discussion. Following is a brief resume of the open floor discussion.

##### ***Whose Corporate is it anyway?***

The issue of employee-employer and corporate-community relations came up in the discussion several times. A number of trade union leaders and civil society representatives pointed to the poor corporate social investment that was identical with their observations during the survey.

*Mr Abul Hossain*, President of Bangladesh Garments Sromik Kormochari Federation cast doubt if it is sustainable business when a large portion of the workers cannot have a decent living by toiling most part of the day in the working place. Even during the relatively boom period of the RMG business, the workers were unpaid and underpaid and forced to work extra hours without due wage. “Business won’t be free from exploitations and deprivation unless sense of ethics and justice is inculcated into the corporate mindset”- he said. *Mr Shah Md Abu Zafar*, President of Jatiya Sramik Party felt that over the years lack of adequate fire protection and other safety measures in the RMG factories has turned the workplaces into virtual death-traps for the poor workers. During the last one decade, several wage earners have lost lives in their workplaces paying the price of employers’ irresponsibility without any sort of subsequent compensation to their family members- he said. *It would not be a wonder if the workers’ community side with the buyers on standard issue given the fact that workers’ rights are expected to be met only by outside pressure rather than internal negotiations* -noted *Mr Abu Zafar*.

*Mr Wazedul Islam Khan* of the Trade Union Kendro held that the employee-employer relationship prevailing in most of the corporate houses is one of *master-slave* rather than partners –he said- the deprivation starts at the very beginning when no appointment letter is issued to the new recruits stating the compensation package and the workers are sacked should they demand fair treatment. Quite often, goons hired by the employers assault the trade union leaders- he complained. *Mr Mujibur Rahman Bhuiyan*, Advisor of BILS added that taking the advantage of corporate community distance, various anti social elements have developed nexus with the corporate entities and their scope of rent seeking has broadened manifold.

*Mr Syed Yusef Farooq* of the Aziz Pipes Ltd held the indifference of the civil society and the public institutions equally responsible for the distance between the corporate and the community. *Only corporates cannot operate responsibly if all individuals and institutions continue to remain irresponsible.*

***Corporate Responsibility: Still a conceptual catch-22?***

At the beginning of the discussion, the participants touched upon the conceptual dilemma surrounding the issue of *Corporate Social Responsibility*. Some participants viewed that the dilemma has emanated from the complex relationship between business practices and their impact on local and global communities and economies, on the environment, ecology, natural and human resources as well as the workplace itself.

*Dr David Murphy*, Programme Director, the New Academy of Business (NAB), UK, pointed out that *Corporate Responsibility* is still regarded as a nascent concept in the lexicon of business as the process of integrating business issues with social and ethical issues is not that old a tradition. The concept entails a broad range of issues and concerns, he exemplified, such as *corporate social responsibility*, *corporate social investment*, *corporate citizenship*, *corporate accountability* and so on. *Mr Williem Vander Geest* of the EIAS (Rue des deux Egles) preferred to look into the context in which *corporate social responsibility* in its diverse forms has emerged as a key framework within which business operations are being re-examined and further developed. He put forward the following major dimensions of the concept:

- Fundamental rights
- Working place environment
- Justice and equality
- Consumer interest and sustainable consumption
- Conservation of environment, ecology and bio-diversity
- Business ethics
- Political leverage in business and
- Business's role in sustainable development

*Dr Imran Rahman*, an Associate Professor at the Institute of Business Administration (IBA), Dhaka University, viewed that in its magnitude of dimensions and forms, Corporate Social Responsibility will maintain the trend of encompassing multifarious challenges as it moves across the frontier of business activity and enters the mainstream of public policy debate. "CSR practice is bound to remain limited unless it is integrated into broader goals and strategies of development"- he noted. Taking part in the debate on the conceptual framework of CSR, *Professor M Amanullah*, a former State Minister for Health and Family Welfare, GOB, remarked that the concept is likely to retain its *newness* for a long period in future since no *exact formula* has been developed for a credible measurement of the *social performance* of the corporates. Referring to the existing guidelines and principles such as ISO 14001, OECD Guidelines, AA 1000, UN Global Compact which have been designed for evaluation of corporate standard and performance, *Mr Amanullah* said, none of those guidelines have gained a universal recognition and acceptance. "In this context, the controversy over the concept of CSR is very natural"-he said.

### ***The Business Dimension of Business Corporate Behaviour***

A number of participants attempted to explain corporate social responsibility as a business contribution to sustainable development where the corporates are not just profit making business entities rather they function like any other social institution which is equally susceptible to the greater social concerns.

*Ms Khushi Kabir*, Coordinator of Nijera Kori and a Member of CPD Board of Trustees, observed, there can't be any complaint about the profit motive of the corporates since no corporate can survive with practice of altruism. However, she said, only profit cannot be the last word for any businessman or entity in complete disregard of the social goods and expectations. Furthermore, no corporate could be allowed to function scot-free staying completely mindless as to whether the corporates make money at far more severe human or social costs. Mentioning that neither *society without business nor business without society* is likely to bring about any sort of development, she said. There must be confluence of social and corporate goals and strategies otherwise both will collapse. Seconding the observation of *Ms Khushi Kabir* about the business case for Corporate Social Responsibility, Chairman of the Bangladesh Institute of Labour Studies (BILS) *Mr Ahsanullah Master, MP* viewed that generating wealth in a fashion which is socially or ethically unjust or unsustainable would prove to be counter-productive in the long run. Terming the *business case for doing good* as a very essential grail of the corporate responsibility movement, he said, there are convincing arguments that corporate responsibility is good for the business and the economy but the corporates alone cannot enhance their social performance unless there is adequate social and institutional support. "Business cannot flourish in societies that fail"- he said.

### ***Corporate Governance: Lacking a Scripture***

Some of the participants raised the point if corporate governance issue would be relevant in absence of a universally accepted code of corporate standard and behaviour. They held that since the corporates operate in diverse sectors and amid diverse socio-economic profile, it would not be possible to arrive at a universal benchmark for all corporates operating across the boundaries.

Noting that RMG and shrimp are two leading export sectors of Bangladesh, *Ms Khushi Kabir* mentioned, though the RMG buyers are of late raising the environmental standard issue the shrimp buyers are interestingly not laying that much emphasis on environment standard despite the fact that shrimp cultivation causes more environmental damage than the production of RMG. *Ms Kabir* expressed her curiosity if there should be sectoral differentiations in terms of shouldering environmental responsibilities.

The issue of sectoral differences left apart, the business environment issue, which may both enable and frustrate the corporates in terms of operating responsibly, also generated a lively debate.

*Mr Muhammad Saidur Rahman*, Managing Director of the Bantai Industries, pointed out that on the one hand, business in an industrial country like the United States is far more technologised than the business in a least developed country like Bangladesh while on the other hand many other factors such as skill, productivity and capital have ensured competitive edge for the industrial countries over the agrarian countries. “As the least developed countries are not currently a match for the industrial countries in global trade, there cannot be a global corporate governance benchmark applicable for all countries irrespective of their economic and business profile”- he said. *Equal performance could be expected only of players of equal strength and skill.*

Former Foreign Secretary of Bangladesh *Ambassador Farooq Sobhan* thought that aspirations relating to corporate responsibility could never be materialised unless the issue is identified as a global concern and a global agenda is set for improvement in this regard. *Mr Sobhan*, however, added that notwithstanding the repeated promise by the donor countries and institutions of technical assistance to the LDCs for the creation of enabling business environment, little has been done in terms of implementing the promises. Referring to the *universal applicability* of the corporate codes and ethics, *Mr Khurshid Alam*, President of Bangladesh Garments Sromik Federation, mentioned that the developed market economies have set certain standards for their corporates keeping in view only their own practices and capabilities and now they are in an attempt to validate their corporate standard in the global context without any attention to the vulnerabilities of the LDC corporates. He hoped that global corporate governance would pay adequate attention to the specific concerns and challenges of the LDC corporates.

### ***Market Access: Incentive for the Ir/responsible***

The participants laid particular emphasis on the market access dimension to the corporate responsibility issue. Most of the participants representing the business community observed that the issue of corporate responsibility has increasingly been tied to the market access question.

*Mr Lutfar Rahman Matin*, a Director of BGMEA, noted that different national and international campaign groups - for instance, media, human rights organisations, labour groups, and environment campaign groups, NGOs etc – prefer to create pressure upon the governments of importing countries to impose restrictions on the factories of the exporting countries on standard, compliance etc grounds. Unfortunately, *Mr Matin* went on to say, the vulnerabilities of the poor country corporates are hardly taken into consideration and hardly ever the fact is considered that in case the factories cease to operate paying the price of compliance, it will be the poor workers who will lose the last means of survival. Pointing out the fact that human rights could never be honoured if the semi-skilled and unskilled masses are forced to unemployment, the BGMEA director said that it's ridiculous that the campaign groups which cry for human rights are the perpetrators of worst human rights violations.

Supporting the observations of *Mr Matin*, President of Jatiya Sramik League *Mr Abdus Salam Khan* warned that it will be devastating for the least developed countries such as Bangladesh if they accept for themselves whatever *rules of the game* are set by the developed countries in the arena of business without properly examining the market access implications of the respective rules. He termed it as a *double standard* of the western buyers in the RMG sector that they expect higher corporate standard at a time when they have reduced the C & M charge by half. He suggested that side by side with *ethical sourcing*, the concept of *ethical buying* should also be properly highlighted. President of Jatiya Srameek Party, *Mr Shah Md Abu Zafar* pointed out that every single stage of compliance is accompanied by additional costs and newer components of standards are introduced time to time. However, there is no answer as to wherefrom the additional costs would come.

Referring to the difficulties encountered by developing countries with regard to the SPS and TBT provisions and procedures, *Mr Mujibur Rahman Bhuiyan* an advisor of the BILS observed that these procedures inhibit the ability of the developing countries to export agricultural products as these countries lack adequate scientific knowledge and expertise to meet the so-called standard. The developing and the least-developed countries should be granted a longer time frame to achieve standards of sustainable development. Market access for least developed and developing countries should not be denied during this period. Terming the standard issue as an *absolute puzzle* for LDC businessmen, *Mr Saidur Rahman* pointed out that sometimes it is quite difficult to ascertain the inherent purpose of the multifarious standard issues whether this is to ensure safety and sustainability in business or nip the business of the global poor in the bud. At the initiative of a US Senator Bangladesh drafted law prohibiting child labour in the RMG sector but the US Authorities did not mind excluding Bangladesh from the list of ACP countries which have been provided zero-tariff, quota free access to US market under US-TDA 2000- he reminded-now the developed countries are setting market access barriers on standard issue but *even the fulfilment of the standard does not assure reward*.

### ***Keeping Good Company: The Road Map Ahead***

Politicians talk, businesses profit, researchers research, environmentalists campaign - nevertheless the search for solution continues. The dialogue participants, as expected, attempted to design a road map towards making the corporates socially responsible institutions.

Noting that the companies all across the world are now engaging with their stakeholders- even those with which they have traditionally had antagonistic relationships - the participants suggested that the local corporates should follow the suit of their global counterparts.

Acknowledging the point that incremental change towards a better corporate standard is possible in the short term *Dr Debapriya Bhattacharya* maintained that ongoing negotiations among all the stakeholders must continue about the longer term economic, social, political and cultural changes required for sustainable development.

He highlighted the following aspects:

- Setting achievable goals and ensuring appropriate monitoring systems in the corporates to look into the corporate-social affairs;
- Ensuring financial independence of corporates; and
- Promoting transparency and accountability of corporate as well as public entities.

*Mr Ahsan Ullah Master, MP* held that in an era of globalisation when the business environment is much more competitive than any other point of time in the past, only a government-business- NGO collaboration may make the business secure. As no business is possible in isolation, both government and corporates should formulate specific policies and strategies to form coalition with non-governmental bodies and civil society groups.

While supporting labour standards, environmental protection, and human rights *Ambassador Farooq Sobhan* noted that, without resources the corporates of the Southern hemisphere will remain hopelessly unable to enforce these principles. Pointing out some of the worst corporate offenders of human rights, labour standards and the environment, such as hotel chains and tobacco companies, *Mr Sobhan* added, interestingly the worst of the offenders have so far managed to remain beyond the target of corporate accountability movement initiated by the North. In designing future road map for responsible corporate practice in the global context, attention should be paid to overcome region or sector specific biases- *Ambassador Sobhan* viewed.

*Mr Williem Vander Geest* mentioned that the societal benefits of corporate social responsibility practices will remain limited unless they can be integrated into broader strategies. In order to effectively address the socio-economic and business challenges of the day, both in the regional and global contexts, the global communities, nations and regions should create economic wealth in ways that are consistent with the tenets of sustainable development- he suggested.

*Mr Imran Rahman* noted that since there can't be *one-size fits all paradigm* in corporate responsibility practices, the major stakeholders on the issue- the business community, citizen bodies, the governmental and non-governmental organisations must look into types, locations and functioning areas of the companies to explore how the concept of corporate social responsibility could be made susceptible to the companies. Opining that it would be of lasting benefit to all the stakeholders if the companies abide by sustainable business norms out of self motivation rather than any sort of external pressure.

President of Jatiya Srameek Party *Mr Shah Md Abu Zafar* termed the role that the government should play in corporate social responsibility as very critical. The government must set the parameters and police the multinational corporate giants otherwise the MNCs are not expected to do the bare minimum required in terms of corporate social responsibility as that will compromise their profits. *Mr Muhammad*

*Saidur Rahman* pointed out that notwithstanding the strong pertinence of governmental role in ensuring the contribution of corporates towards sustainable development; better still, is if responsible business practices, designed and implemented together with Government and Civil Society organisations can help in terms of remoulding the base which lead to sustainable development.

## **5. Remarks by the Chief Guest**

The Chief Guest of the session, State Minister for Labour and Manpower, *Mr Lutfar Rahman Khan, MP* started his speech by noting that the concept of Corporate Social Responsibility has been passing through a transitional phase. While in the past it was basically thought to be corporate philanthropy, now, as the economies of the world are becoming integrated, the business case of corporate practice is gaining momentum. Echoing the concern of the keynote presenter that corporate responsibility status has been becoming the prerequisite for sourcing goods and services from the developing and the least developed countries, the State Minister said that the policy makers and businessmen of the least developed countries such as Bangladesh have been put into a very disadvantageous position since they are never in a condition to ensure a corporate standard set by the global business leaders on the basis of their business status and objectives. *Mr Khan* questioned if the concept of corporate social responsibility would suit the least developed parts of the world right now when they are still struggling for integration with global business. *Discussion on corporate responsibility would remain unfathomable unless corporates of visible number and size do exist.*

The State Minister reminded that business is function of the corporates rather than the Government or the political parties notwithstanding, a vibrant business culture cannot develop if it does not have support from all quarters. Admitting the fact that many times in the past business prospects in Bangladesh as well as in most of the least developed countries were compromised by hostile politics, he said, the time for a political consensus on business has come in the domestic, regional as well as international contexts. Constructive politics is a prerequisite to constructive business- he added.

The State Minister lent his support to the concerns raised in the CPD study as regards corporate practices in Bangladesh and assured all types of support from the present government for the restoration of a dynamic business environment in Bangladesh. The interventions expected from the Government may be making, monitoring and enforcing of laws related to major corporate responsibility issues such as environment protection, health and safety, labour rights while majority of such issues, as mentioned in the CPD study, could be solved at company level. Elaborating on the progress so far made by the Government, he said, the national minimum wage law is at the final stage of enactment; the governmental ban on the production and use of polythene has significantly contributed to the reduction of environmental pollution and steps are already underway for reforms in the existing labour laws.

The State Minister mentioned about the worldwide phenomenon that companies are changing from being shareholder driven, to stakeholder driven which call for a united work programme with participation of all stakeholders to ensure responsible business by corporates. A fragmented approach where government clashes with business or business clashes with community is most likely to exacerbate the problem incurring huge business and human costs- he concluded.

## **6. Concluding Remarks by the Chairperson**

In his concluding remarks *Mr Syed Manzur Elahi*, adviser to the successive caretaker governments in Bangladesh (in 1996 and in 2001) and a member of CPD Board of Trustees had a cursory glance at the major issues discussed in the dialogue. Reiterating the need for continued exchange of views, ideas and experiences among the cross section of people including representatives from the corporate arena on crosscutting issues which are of utmost importance to the development of a sustainable business in the country *Mr Elahi* pointed out that it is not possible to touch upon all the aspects linked with such a complex issue like corporate responsibility in one single dialogue. Noting down the business case of corporate social responsibility for the developing and least developed countries including Bangladesh, he hoped that with the active cooperation of the members of the corporate bodies, civil society, policy makers, development activists, academics and people involved in different professions, CPD would initiate and organise more such dialogues in future on the wide spectrum of corporate issues. He sincerely thanked all the participants for making the CPD dialogue a success by actively taking part in the dialogue.

**List of Participants**  
(In alphabetical order)

1. *Mr Zamirul Akhter* Director, National Productivity Organisation
2. *Mr MD Khurshid Alam* President, Bangladesh Garments Sramik Federation
3. *Mr S M Shah Alam* Author & Director, RDB
4. *Ms Shama Alam* Corporate Finance Manager, BATB
5. *Mr Quazi Azher Ali* Former Secretary, GOB
6. *Mr Nasim Ali* Secretary, BILS
7. *Mr M R Ali* Chairman, Synthia Group of Companies
8. *Professor Amanullah* Former Minister for Health, GOB
9. *Ms Forquan Begum* Chairperson, Begum Rokeya Tajuddin Foundation
10. *Dr Debapriya Bhattacharya* Executive Director, CPD
11. *Mr Md Karimullah Bhuiyan* Research Fellow, BIDS
12. *Mr Mujibur Rahman Bhuiyan* Advisor, BILS
13. *Mr Al Ameen Chowdhury* Secretary, Ministry of Industries, GOB
14. *Mr Syed Manzur Elahi* Chairman, APEX Group of Industries and Member, CPD Board of Trustees
15. *Dr Engr Syed Yusef Farooq* CEO, Aziz Pipes Ltd
16. *Dr Omar Faruque Khan* Senior Development Advisor, CIDA
17. *Mr Williem Vander Geest* EIAS, Rue des deux Egles
18. *Mr Ratenbanu Ghosh* Assistant Professor, Mohammadpur Kendrio College
19. *Ms Lily Gows* Programme Officer, American Center For International Labor Solidarity
20. *Mr Shafquat Haider* MD, Ciproco Computers Ltd
21. *Mr Syed Mansur Hashim* PRIP Trust (Capacity Building Institute)
22. *Mr Abul Hossain* President, Bangladesh Garments Sromik Kormochari Federation
23. *Mr Zafrul Hossain* Joint Secretary General, BILS
24. *Dr Sayeed Fazlul Huq* President, Bangladesh Cancer Society
25. *Mr Jahirul Islam* BIDS
26. *Dr K M Nabiul Islam* Research Fellow, BIDS
- Mr Md Shafiqul Islam* Assistant Professor, Social Welfare, TC College
27. *Ms Khushi Kabir* Coordinator, Nijera Kori
28. *Mr Abdus Salam Khan* President, Jatiya Sramik League
29. *Mr Manzurul Ahsan Khan* President, Communist Party of Bangladesh

30. <i>Dr Fahmida Akter Khatun</i>	Research Fellow, BIDS
31. <i>Mr Wajedul Islam Khan</i>	Trade Union Kendro
32. <i>Ms Mona Laczo</i>	Advocacy Coordinator, OXFAM, GB
33. <i>Mr Sakir Mahmud</i>	Director, Meghna Navigation Co Ltd
34. <i>Ms Anne Marchal</i>	Second Secretary, Commission of the European Communities
35. <i>Mr Ahsan Ullah Master, MP</i>	Chairman, BILS
36. <i>Ms Joanne McGowan</i>	Economic Advisor, DFID Bangladesh
37. <i>Mr Rashed Khan Menon</i>	President, Workers' Party
38. <i>Dr David F Murphy</i>	Programme Director, New Academy of Business
39. <i>Mr Alexander A Nemov</i>	First Secretary, Embassy of Russian Federation
40. <i>Mr Ali Neyamat</i>	Secretary General, Adhunik Jote Coalition Against Tobacco
41. <i>Mr Hasin Parvez</i>	Programme Manager, BANTAI Industries Pvt Ltd
42. <i>Mr Muhammad Saidur Rahman</i>	MD, BANTAI Industries Pvt Ltd
43. <i>Mr Imran Rahman</i>	Associate Professor, IBA, DU
44. <i>Mr Mahbubur Rahman</i>	Director, Development Design Consultant Ltd
45. <i>Mr Quazi Shafiqa Rahman</i>	Senior Instructor, PIB
46. <i>Professor Mustafizur Rahman</i>	Research Director, CPD
47. <i>Mr Mahbubur Rahman</i>	Delta Life Insurance
48. <i>Mr Ibrahim Rahmatullah</i>	MD, Ashraf Textile Mills Ltd.
49. <i>Dr Ananya Raihan</i>	Research Fellow, CPD
50. <i>Mr Martijn Rasser</i>	Global Technology System, Inc., USA
51. <i>Mr A K M Shaheed Reza</i>	Chairman, Allure Apparel Ltd
52. <i>Dr Md Salimullah</i>	Research Fellow, BIDS
53. <i>Mr Greg Schulze</i>	Field Representative American Centre For International Labour Solidarity
54. <i>Ms Selina Shelley</i>	Programme Representative, OXFAM
55. <i>Ms Kevin Smith</i>	CIDA, Canadian High Commission
56. <i>Mr Bob Snider</i>	CIDA, Canadian High Commission
57. <i>Mr Mohammad Nashir Uddin</i>	Intern, CPD
58. <i>Mr Adnan Yousuf</i>	MBA Student, USA
59. <i>Mr Shah Md Abu Zafar</i>	President, Jatiya Sramik Party

**List of Journalists**  
(In alphabetical order)

1. *Mr Farid Ahmed* BTV Correspondent
2. *Mr Manzur Ahmed* Staff reporter, The Prothom Alo
3. *Mr Mainul Alam* Senior Reporter, The Daily Ittefaq
4. *Mr A Z M Anas* The New Nation
5. *Mr D L Barua* Press Photographer, Press Information Department
6. *Mr Shamsul Haq Bhuiyan* Senior Correspondent, The Daily Al- Mujadded
7. *Ms Mahmuda Chowdhury* Senior Staff Reporter, The Daily Dinkal
8. *Mr Mujtahid Faruqui* The Daily Jugantar
9. *Mr Imdrasti Ghosh* Photo Journalist, News Today
10. *Mr Saad Bin Hannan* Staff Reporter, The Executive Times
11. *Mr Md Ekramul Hoque* Senior Reporter, The Daily Ajker Kagoj
12. *Ms Sakila Jesmin* Staff Reporter, The Daily Arthaneeti
13. *Mr Monjur Mahmud* Staff Reporter, The Daily Star
14. *Mr Shahdat Parves* Photo journalist, The Prothom Alo
15. *Mr Rahim* Economic Reporter , The Bhorer Kagoj
16. *Mr Ataur Rahman* Special Correspondent, BSS
17. *Mr Moniur Rahman* Staff Reporter, The Manabjamin
18. *Mr Sohel Rahman* Staff Reporter, The Daily Matribhumi
19. *Mr Rafiqul Alam Rana* Editor, Driptokontho
20. *Mr Aminur Rashid* Special Correspondent, Ekushey TV
21. *Mr Sushanto Sarkar (Sujan)* Staff Reporter, The Ajker Prottasha
22. *Mr Md Shamsuzzaman* Researcher & Journalist