

Report No. 89

**Gender Dimension of Employment
in the RMG Sector:
Recent Evidence from the Field Survey**

Publisher

Centre for Policy Dialogue (CPD)

House No 40/C, Road No 11 (new)

Dhanmondi R/A, Dhaka-1209

Bangladesh

Tel: (880 2) 8124770, 9141703. 9141734

Fax: (880 2) 8130951

E-mail: cpd@bdonline.com

Website: www.cpd-bangladesh.org

First Published September, 2007

Copyright © Centre for Policy Dialogue (CPD)

Price Tk. 30.00

ISSN 1818-1538

The Centre for Policy Dialogue (CPD), established in 1993, is a civil society initiative to promote an ongoing 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 dialogues at local, regional and national levels. The CPD has also organised a number of South Asian bilateral and regional dialogues as well as some international dialogues. These dialogues have brought together ministers, opposition frontbenchers, MPs, business leaders, NGOs, donors, professionals and other functional group in civil society within a non-confrontational environment to promote focused discussions. The CPD seeks 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.

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 the CPD include **The Independent Review of Bangladesh's Development (IRBD), Trade Related Research and Policy Development (TRRPD), Governance and Policy Reforms, Regional Cooperation and Integration, Investment Promotion and Enterprise Development, Agriculture and Rural Development, Ecosystems, Environmental Studies and Social Sectors.** The CPD also conducts periodic public perception surveys on policy issues and issues of developmental concerns. With a view to promote vision and policy awareness amongst the young people of the country, CPD is implementing a **Youth Leadership Programme.**

Dissemination of information and knowledge on critical developmental issues continues to remain an important component of CPD's activities. Pursuant to this CPD maintains an active publication programme, both in Bangla and in English. As part of its dissemination programme, CPD has decided to bring out CPD Occasional Paper Series on a regular basis. Dialogue background papers, investigative reports and results of perception surveys which relate to issues of high public interest will be published under its cover. The Occasional Paper Series will also include draft research papers and reports, which may be subsequently published by the CPD.

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 the dialogue on ***Gender Dimension of Employment in the RMG Sector: Recent Evidence from the Field Survey*** held on 6 August 2007 at the CIRDA Auditorium, Dhaka.

Report Prepared by: *Ms Mahjabeen Quader*, Senior Research Associate, CPD.

Assistant Editor: *Anisatul Fatema Yousuf*, Director (Dialogue & Communication), CPD.

Series Editor: *Professor Rehman Sobhan*, Chairman, CPD.

Dialogue on
**GENDER DIMENSION OF EMPLOYMENT IN THE RMG SECTOR:
RECENT EVIDENCE FROM THE FIELD SURVEY**

The Dialogue

The Centre for Policy Dialogue (CPD) organised a dialogue titled *Gender Dimension of Employment in the RMG Sector: Recent Evidence from the Field Survey* on August 6, 2007 at the CIRDAP Auditorium, Dhaka. *Mr Md Anwarul Iqbal*, the Advisor to the Caretaker Government, Ministries of LGRD and Labour & Employment, was present at the dialogue as Chief Guest. *Dr Hameeda Hossain*, former Director and Founder Member, Ain O Salish Kendra (ASK) and *Mr Mahbubur Rahman*, President, International Chamber of Commerce-Bangladesh, attended the dialogue as Special Guests. *Mr Ashfaq Hamid*, Labour Secretary and *Mr Peter Davis*, Director, Greater Access to Trade Expansion (GATE) Project, Development & Training Services, Inc, USA also participated in the discussion. *Professor Rehman Sobhan*, Chairman of CPD chaired and *Dr Debapriya Bhattacharya*, Executive Director of CPD moderated the dialogue.

The dialogue was attended by high level policy makers, chamber leaders, eminent academics and experts, trade union leaders, garment entrepreneurs, BGMEA and BKMEA representatives, NGO activists, journalists and representatives from other professions.

Introductory Remarks by *Dr Debapriya Bhattacharya*, Executive Director, CPD

At the very outset of his introductory remarks *Dr Bhattacharya* expressed deep sympathy for the flood victims. He then presented a brief resume and the context of the dialogue theme. He recalled that CPD had earlier conducted several studies on Bangladesh RMG sector and mentioned that the current study reflects CPD's continuous interest in the subject.

Dr Bhattacharya noted that during the four years preceding the MFA-phase out Bangladesh's export growth was 7.4%. During the two years following the MFA phase out the growth was 17.4%, which demonstrated that Bangladesh has been able to not only survive in the sector but also increase her export. In view of the quota derestricted regime in global apparel, this growth was possible because there have been increased investments leading to higher competitive strength of the export-oriented sector. All this has happened when the apparel price in the international market was gradually declining. He stressed that if the sector was to maintain the competitiveness, improving the working environment for the RMG workers was both mandatory and necessary. He noted that improvement of the working environment would help the female workers, which in turn

would increase their productivity and eventually lead to increased competitiveness of the country's apparel sector.

Dr Bhattacharya informed that the study aimed at investigating the changes that were taking place in the working conditions of female RMG workers and their wage level. The presentation would focus on the preliminary findings of the study. Taking note of the presence of the Hon'ble Labour Advisor, *Mr Anwarul Iqbal* at the dialogue he remarked that unless and until there was an endorsement from the government, nothing concrete and significant would result for the betterment of the sector.

Dr Bhattacharya expressed his hope that all the participants would participate enthusiastically and highlight issues frankly that would provide important insights on the subject.

Keynote Presentation

Dr Fahmida Khatun, Senior Research Fellow, CPD initiated her presentation with a brief discussion on the background of the study. She noted the significant contribution that the sector had been making over the last two and half decades to the economy of the country. Some of the highlighted contributions of the sector were:

- Gross foreign exchange earnings increased from US\$3.36 million in FY1981 to US\$7.9 billion in FY2006;
- RMG's share in the GDP increased from 0.16% in FY1984 to 13.1% in FY2006;
- Employment in RMG sector increased to about 2 million at the present time from a mere 0.1 million in the mid-1980s;
- Significant contribution of the RMG sector to poverty alleviation;
- Improving balance of payments situations;
- Fostering forward and backward linkage activities (e.g. fabric, yarn, professional services, bank and insurance services, real estate services, storage, machinery and cotton cultivation).

Dr Fahmida emphasized that the expansion of the RMG sector did not take place without challenges and there are currently several problems besieging the sector. She informed that the sector had been facing increased competition in the global market since the phase out of MFA in January 2005. She cautioned that removal of safeguards put on imports of Chinese apparel in the EU and US was likely to have adverse impact on sector's profitability and cost in terms of production, technology and employment structure. Elaborating on the challenges she mentioned about the sporadic labour unrest in May 2006, which not only led to operational disruption and raised costs of production but also raised questions about the environment and social compliance in the factory. All these

factors were anticipated to confront the export-oriented RMG sector of Bangladesh with formidable challenges in the coming years.

The speaker observed that the impact of adjustments of the RMG sector on women and men workers required careful examination. Employers' perception that men were more efficient workers compared to female workers have had serious implications for women's job prospects and job mobility. Women were often relegated to lower-level jobs rather than supervisory positions even when they were suitable for the posts. In addition, some gender-specific constraints such as early marriage, household responsibility, child-bearing and rearing, and uncertainty about returning to work after marriage could also result in discrimination confining women to lower-ranking jobs, lower income, and less or no training. The study focused on some of these factors and examined whether or not these were still important in the RMG sector today. The study also focused on the dynamics of gender issues in the export-oriented RMG sector in order to come up with some policy suggestions.

There were two broad objectives of the study:

- To explore the gender-differentiated effect of trade liberalisation in the RMG sector in Bangladesh; and
- To investigate how the adjustments were taking place in response to the new competitive global environment.

The objectives of the study were aimed to present policy recommendations that could help to deal with the resulting impact on the employment due to MFA phase-out.

The study looked into both enterprise level and the workers level factors. The analysis at the enterprise level presented findings on the comparison of the pre and post-MFA period. According to the analysis, total export during pre and post-MFA phase out increased for all types of factories from 2004 to 2005. Increase in export was highest in sweater factories (35.8%), followed by woven factories (14.1%) and knit factories (8.4%). The value of export per worker nationally was US\$5,429 in 2005 compared to US\$4,898 in 2004 with an increase of 10.84%. There were destination wise changes observed in exports of Bangladeshi apparel. Exports to the EU in value increased to 69.2% of total apparel export in 2005 from 64.8% in 2004, whilst exports to the USA decreased to 25.8% in 2005 from 27.8% in 2004 and in Canada exports increased to 6.3% in 2005 from 5.2% in 2004.

There was an apprehension that Bangladesh would lose her market share to major players in the world apparel and face stiff competition with integrated supply chain, high service standards and economies of scale. The findings of the study revealed that increased

technology upgradations were taking place in factories for better operation in the global competitive market. The average total stock of machineries per factory was found to be higher in both EPZ and non-EPZ factories in 2005 compared to 2004. The change in EPZ factories was 15.5% from 2004-2005 and 96.8% from 2003-2004. The change in non-EPZ factories was 9.4% from 2004-2005 and 44.5% from 2003-2004. Overall, the study revealed that all factories had been procuring machineries as part of their preparation to face the phase out of MFA. The highest change was observed in knit factories.

Workers level analysis revealed that female workers were younger than male workers with more than half of all female workers (51%) aged between 20 and 25 years, and about 38% of the male workers aged between 20-25 years. However, as workers grew older their participation in the labor market was declining, with higher declining rate observed for female workers compared to male workers. The number of male workers above the age of 30 years was observed to be 15% whilst the number of female workers was only 7%. The number of married female workers was found to be higher and increased from 38% in 1990 to 76.4% in 2006 compared to the number of male workers in all types of factories. *Dr Fahmida* pointed out that the increase of female married workers could be the result of a change in employers' attitudes in employing married workers and an increased willingness of married women to participate in the labour market.

Findings on working hours revealed that a normal working day was about 8 hours for both male and female workers in the RMG sector. However, a difference was observed in case of overtime where the total working hour for female workers was found to be lower than male workers in all factories. Both the owners and workers reported that workers were keen to work in factories that provided more opportunity for working overtime.

Findings on income distribution revealed that during 1991-95, the average salary for a female worker was Tk 1,298 compared to Tk 1,360 for a male worker indicating that a female worker earned 95.4% of a male worker's income. This share of female income in male income has steadily decreased during 1996-2005. In 2005, a female worker earned 75.9% of a male worker's income. The major reason for declined share of income was identified as the increase of male workers' based sweater factories with higher wages in the late 90s. Another reason could be the gender insensitivity in case of overtime due to less compliance measures in the 90s. The incomes of male and female RMG workers have increased by 14.1% and 11.1% respectively during 2004-05. In both knit and woven factories, male workers tend to work more overtime that resulted in higher take-home pay compared to female workers. In 2005, about 26% of female workers earned less than Tk 3,000, whilst no male workers were found to earn less than this amount. Only 3.7% of female workers compared to 25% of male workers earned more than Tk 5,000 per month.

In case of job category, a female operator earned 71.3% of a male operator's earnings and a female helper earned only 52.7% of a male helper's earnings. A regression analysis conducted identified a larger earning gap in small factories, compared to large and medium sized factories. Female workers' lower educational attainment could partially be the reason for wage differences although increased education did not prove to narrow the male-female wage gap. Analysis also showed that an educated worker's salary was likely to be 27.5% higher compared to an uneducated worker. Skill level of the worker had positive and statistically significant (at 1 percent) impact indicating monthly wage of a skilled worker was 19.6% more than that of an unskilled worker. In addition, the wage of a trained worker was 17.1% more than that of an untrained worker.

The findings on compliance and workers' safety revealed that due to pressure from major buyers and watchdog bodies Bangladesh RMG owners were taking some steps to address social and environmental concerns in their factories to become better compliant. The working environment was found to be satisfactory in the EPZ factories compared to non-EPZ factories, whilst the working environment was extremely unsatisfactory in sub-contracting factories. However, in general, all types of factories were poorer in health related compliance compared to safety related compliance.

Dr Fahmida continued with the findings on appointment, grant of leave and savings that showed that the process of recruitment in the factories was very informal and in most cases workers were employed without providing any appointment letter. Only 26.4% of workers were receiving an appointment letter of which 27.3% were male and 25% were female. About 51% of workers did not enjoy weekly holiday due to additional work and overtime. Male workers took fewer weekly holidays (32.4%) compared to female workers (67.6%). 87.3% of female workers received maternity leave contractually with only 43% of female workers were granted paid maternity leave. Workers were found to make an effort to save even with limited income and findings showed that about 80% of female workers were saving a part of their income compared to 65.6% of male workers.

The findings on health and illness revealed that about 14% of workers suffered from illness due to work in the factory with female workers having higher rate of illness (21.8%) compared to male workers (9.4%). Doctor per factory was found to be 0.8 indicating 20% of the factories with no provision of in-house doctors. In addition, all male workers reported receiving treatment, while only 41.7% of female workers reported receiving treatment. 60% of all diseases reported by the workers were skin related, headaches, gastric ailments and fatigue mainly caused due to dust, concentration on stitching for protracted periods, irregular food habit and poor health in general.

Dr Fahmida Khatun in her concluding remark pointed out that it was evident in the study that the sector has been going through positive employment and wage dynamics mainly due to maturity of the sector, sustained export growth and supply chain induced compliance requirement. She concluded her presentation by making policy recommendations. Some of the specific recommendations that would help to achieve a gender-balanced impact in the RMG sector were:

- a) The findings of the study revealed that the lack of competitive capacity of the workers in the RMG sector resulted from lack of absorptive capacity of workers, especially women. Provision for education and training for female workers would increase their capacity to improve their skill levels and increase their productivity. This in turn could also reduce the gender gap existing in wages for female workers.
- b) The findings of the study also revealed that female workers were disproportionately deprived of their rights compared to male workers. Provision should be made available to female workers for maternity leave, transport facility at night, medical and childcare facility, and establishment of hospital by GOB, NGOs and BGMEA.
- c) It was evident from the study that the implementation of the minimum wage would be essential for improving the economic condition of female workers, as they are the ones who work at the lower end i.e. minimum wage level. The government along with the owners should ensure implementation of minimum wage in all the factories.
- d) In view of the anticipated level of discrimination that women workers could experience due to the automation of the RMG industry, the government should institute policies that would ensure equal participation of male and female workers. In addition, training initiatives for women workers should also be encouraged to maintain their share of employment in the RMG sector.
- e) The study revealed that poor health conditions among the RMG workers were mainly due to long working hours including overtime. The RMG owners could introduce a two-shift working system instead of giving the same worker overtime. This situation would reiterate the need for training of workers especially for the female workers.

Comments by *Dr Debapriya Bhattacharya*, Executive Director, CPD

Dr Bhattacharya thanked *Dr Fahmida Khatun* for her presentation and presented a summary of the main findings. He started by saying that production has increased in all

types of units, especially in sweater factories; productivity has increased in all types of factories especially in woven factories; and investment has also increased in all types of factories especially in EPZ. The findings revealed that marital status of workers was no longer considered as a barrier in employment. Women workers were found to work less than male workers and overtime was less in case of women workers. Women workers were working more in the minimum wage area, income for women has increased but the gap between male, and female workers' income was large. He further mentioned that large factories were better compliant compared to the sub-contracting firms who were found to be very poorly compliant with 10% firms still had their escape route closed and 90% still did not have toilets in every floor. In general, security system was better than health condition in all factories. He mentioned that very few workers receive appointment letters and that workers were enjoying less holiday. He concluded by commenting that overall positive restructuring was taking place in the sector, however, women workers were still getting less facilities than male workers.

**Remarks by the Chief Guest: *Mr Anwarul Iqbal*
Ministries of LGRD and Labour & Employment**

Hon'ble Labour Advisor, *Mr Anwarul Iqbal* thanked the keynote speaker and the CPD team for conducting the study, organising the dialogue and presenting the findings. He discussed some of the findings related to women workers' health, food intake, marital status and skill level. He emphasized that lack of skill and education are the reasons for existing gap in wages between male and female workers. The Advisor mentioned some of the measures undertaken by the government that would facilitate better operation of the RMG sector. He informed that Labour Welfare Act has been prepared and revised Labour Act 2006 would replace the previous labour laws. Through this Act, government would ensure workers security and welfare, minimum wage, holiday, reducing the gap of wages between male and female workers, working hour fixation and improvement of personal life. Bangladesh National Building Code is being implemented for monitoring the compliance regarding factory set up. For smooth operation in the sector, a tri-partite agreement has been signed by the owners, workers and the government to ensure weekly holiday, minimum wage, daily working hour fixation, overtime payment, issuance of appointment letter etc.

The Advisor confirmed that in order to ensure the implementation of minimum wage of TK 1,600 in the factories the government gave to the owners deadline until 31 August. BGMEA has also assured the implementation of minimum wage in the factories of their members within the given time. The Advisor noted that the government was playing the role of a catalyst, looking at the interest of the owners, workers and government. He said, "Every month we list factories. 51 factories were targeted, out of which 38 factories do not have minimum wage and cases have been filed against the owners of these factories

in the labour court”. BGMEA and BKMEA have requested the government to send the list to them before filing cases and give them one month’s time. Accordingly a list of 58 factories has been sent to BGMEA and BKMEA this month and one month’s time has been given. Social Compliance Forum for RMG committee has been formed with the aim to discuss various issues and offer solution to problems occurring at various RMG units. For the implementation of this Forum, Taskforce in Labour Welfare in RMG, Taskforce in Occupational Safety and Compliance Monitoring Cell have been established to monitor the compliance status at factories. Ten monitoring teams in Dhaka and five monitoring teams in Chittagong have been formed. Crisis Management Committee has also been formed not only to solve problems that were occurring but also to proactively take steps so that problems do not arise in RMG units. The Advisor informed that in the last fiscal year TK 252 crores more wages were paid to workers of EPZ factories, which was not paid earlier, indicating that the owners actually have financial capability to make higher payments.

The Advisor concluded his speech by emphasizing on training for skill development of workers. He pointed out that the level of skill of workers was lacking more in knit and woven industries. Due to shortage of workers, owners exploit them by not maintaining ethics resulting increased migration of workers from one factory to another. To overcome this problem, the Advisor informed that two committees have been formed to conduct need assessment survey for skill development of the workers and also to identify opportunities for them to find jobs outside Bangladesh. The government would review the training modules and syllabuses that are being followed by the training institutes and suggest changes, if needed. The Advisor was hopeful that new areas of training would be identified within one month. Mentioning his visit to BIFT, the Advisor informed that government technical training centers would be dedicated for skill development of the workers/employees and those would be managed by BGMEA. BGMEA would organise training programmes according to the needs and guarantee jobs for workers on successful completion of training.

Open-Floor Discussion

Quality of the Data in the Study

Ms Shabnam Hafiz, Chairman, Bangladesh Garment Mukti, expressed her reservation regarding the surveyed data. She pointed out that the study findings did not reflect the fact that the women are paid less even if they work overtime. She added that findings in the study showed three months maternity leave whereas as per law maternity leave was for four months.

Ms Shamima Nasreen, Chairman, Shadhin Bangla Sromik Federation, identified that male and female supervisors were not highlighted separately in the study. She also expressed her concern regarding the sample size. She found the survey of 41 factories quite small a number as there are 4000 factories in this sector. Some concern was also expressed by *Ms Mashuda Khatun Shefali*, Executive Director, Nari Uddug Kendra (NUK). She also pointed out that workers representatives and labour support organisations were not included in the survey. Referring to in-house doctor facility, she expressed her doubt that 80% of the factories had in-house doctors.

Mr Nurul Islam, General Secretary, Bangladesh Federation of Garments Workers, also expressed his reservation that only 82 workers were surveyed out of 2.5million workers. He was also doubtful about the savings data that showed 80% of the workers were able to save.

Women Workers Require Skill Development

Barrister Sk Jenefa K Jabber, Compliance Consultant, BGMEA, confirmed that in the export-oriented RMG sector, the women workers were not as educated as men workers and also they require skill development. She remarked that since the sector was working at the lower end of the margin, women workers have not yet reached the level of skills required for producing high-end products. *Barrister Jenefa* disagreed with the study result that women were being discriminated against men. She said that they were paid less because of lack of required education and skill. She mentioned that discussion was in progress with GTZ and other donor agencies for designing of training programmes for skill development of women workers. *Mr Mustafa Allahma*- Chairman, Bangladesh Freedom Fighter Journalist Council, however, suggested for joint establishment of training centers by government and BGMEA for skill development of women workers.

Mr Fakhruddin Ahmed, President, Bangladesh Garment Workers Federation, remarked that lack of skill prevailing in women workers in the industry was due to less education and poor health condition. He argued that only skill development through training would not be enough, other factors such as insecure working environment is also responsible for low productivity.

Mr Fazlul Hoque, President, BKMEA, hoped that the study findings would bring a change in the overall negative perception about the owners. He stressed that although owners were negatively perceived for not being compliant with respect to workers rights, the workers and others should also consider the current political & economic situation of the country within which the factories were operating. *Mr Hoque* agreed that the education level of women workers was less compared to male workers. But he remarked that educated women were not considering RMG sector as their chosen profession and

there was a difference in the mind-set of women and men about how they prefer to progress in their career.

Wage, Working Hour and Income Distribution

Mr Nurul Islam, General Secretary, Bangladesh Federation of Garments Workers, noted that 60% of the factories are yet to implement the minimum wage level. He surveyed two factories and found out that the workers were paid TK 1,200.

Mr Delwar Hossain Khan, General Secretary, Bangladesh Labour Foundation was of the opinion that wages should be paid in-kind not in cash. He thought that because of increasingly rise in prices of essentials, government should provide subsidy to workers and in addition to that they should take steps to provide the workers fixed rationing, if necessary.

Dr Dina Siddiqi, Research Associate, University of Pennsylvania, USA, remarked that skill differential was also cultural and widely practiced worldwide. It should be considered while discussing wage disparity that in our part of the world “Men are *considered* to be more skilled than women and therefore they should be paid more”. Regarding overtime she observed that it is not that the owners were not being ‘gender insensitive’ as termed by the researcher; rather the workers were coerced to work overtime. Irrespective of the fact that the workers were male or female, this was violation of basic labour rights. She believed that workers should be given flexibility in case of working overtime.

Mr Annisul Huq, Former President, BGMEA, said assertively that there were no gaps in wages between male and female workers holding the same designation and doing the same work. He argued that the women workers had the freedom to work or not to work overtime and that there was no compulsion on them from the owners.

Mr Fazlul Hoque, President, BKMEA, suggested that the government, NGOs and other development organisations should arrange relevant programmes to develop skill and educate women workers so that the gap in question could be reduced or eliminated. He again emphasized that the owners were not responsible for the existing gap in wages between male and female workers.

Compliance, Health and Welfare of the Workers

Ms Safina Rahman, DCCI representative, observed that number of women working overtime was low due to the security reason. She also requested the workers’ representatives not to generalize the wage differential issue as there are only few factories who were not being compliant.

Barrister Sk Jeneefa K Jabber, Compliance Consultant of BGMEA, agreed that the government is now trying to ensure compliance in factories. She said, “Every two weeks Labour Advisor is calling us for the implementation of minimum wage in factories and review the status of progress of the tri-partite agreement. The government is giving us deadlines to assure compliance of the factories otherwise cases are being filed”. She believed that as far as the compliance issue is concerned the situation is now much improved.

Referring to the Labour Act *Dr Nasreen Khundker*, Research Director, CIRDAP, mentioned that ensuring compliance, in the long-term, would require formation of a committee where the owners and workers would work jointly to make decisions regarding factory compliance. She requested all concerned not to focus on the RMG sector alone on compliance and safety issues, but to look at the whole manufacturing sector of Bangladesh.

Mr Mustafa Allahma, Chairman, Bangladesh Freedom Fighter Journalist Council felt that in addition to provision of providing appointment letter to workers, probation period should also be introduced.

Mr Z M Kamrul Anam, President, Bangladesh Textile and Garments Workers’ League (BTGWM) commented that responsibility both at home and at work make the women workers extremely tired and less productive. He also emphasized on the provision of toilet facility for women workers.

Mr Delwar Hossain Khan, General Secretary, Bangladesh Labour Foundation claimed that the living conditions of the workers and also the overall conditions at the factory was unsatisfactory and inadequate. Medical facilities were also very poor in the RMG factories especially in the sub-contracting ones. The workers’ wage/ income were not also enough to avail the medical facilities as this was perceived as extra expenses, added *Mr Fakhruddin Ahmed*, President, Bangladesh Garment Workers Federation.

On the issue of job security *Mr Annisul Huq* noted that the question did not arise as the sector was unable to get adequate number of workers, and in addition, migration and demand for workers was also very high. He also pointed out that there were very few factories who were not making payment on time and claimed that most of the factories were compliant in this regard. “If a factory has 500 workers then the question of minimum wage is applicable for only 70 workers”, he added.

Trade Union (TU) Activities

Mr Mukhlesur Rahman, Chairperson, Bangladesh Shongjukta Sramik Federation, noted that many of the participants mentioned about sporadic unrest but none had explained why such unrest was taking place. He said, “The Labour Advisor has mentioned that TU activities are suspended due to emergency but I think TU activities are legal and are in accordance with the Labour Law”. He wanted to know whether the country’s trade union activities are fully suspended and also whether they can do collective bargaining. In this context *Mr Z M Kamrul Anam*, President, BDGWM, expressed his concern regarding some worker representatives being transferred or terminated from service and that no actions were taken as TU activities were suspended. Some speakers suggested that since TU activities were suspended due to emergency, monitoring cells should be more effective in order to take care of welfare issues.

Regarding workers committee *Mr Annisul Huq* informed that according to the 2006 Act, if one-third of the workers want, then the factory owners would allow activities of the workers committee. He was hopeful that if there was harmony between government, owners and workers then the sector would move ahead.

Remarks by *Mr Peter Davis*, Director Greater Access to Trade Extension (GATE) Project Development & Training Services, Inc, USA

Mr Davis pointed out that it was feared that after MFA-phase out Bangladesh’s export-oriented RMG sector would face catastrophe. But the country has successfully come out of that stage. He indicated that one reason for success was China’s agreeing to additional quotas on some items until 2008. He warned, however, that the real test for Bangladesh, India, Pakistan and Vietnam would start from 2009 and stressed that this kind of research and dialogue should continue, as Bangladesh would have to face more intense competition in the world apparel market in near future.

Mr Davis underscored that in order to prepare for 2009 the government and owners need to work together for the skill development of the workers. They need to be as productive as possible in the industry and much emphasis should be given on training. *Mr Davis* concluded by emphasizing on the importance of the sector and said that lives of millions of people depend on the jobs and earnings from this sector, including not only the workers and their families, their extended families in rural areas are also receiving benefits.

Comments by the Special Guests

Mr Mahbubur Rahman, President, ICC-B

Mr Rahman started his comments with the issue of minimum wage. He said, “There has been a lot of discussion regarding wage, there are some shortcomings but hopefully by 31 August every factory will come out compliant”. He felt that the wage rate was rightly fixed at grade 7 and hoped that the sector would continue to be competitive in the coming years. He remarked, “Bangladesh has turned out to be strong after MFA phase out due to the restrictions on China”. But he warned that there is no reason to be complacent about it rather there is every reason to be cautious in coming years.

Mr Rahman felt that compared to 80s and 90s there has been revolutionary change due to supply chain induced compliance requirement, which was why they also could increase their volume of export. Commenting on the issue of women workers, he said that in a lot of cases women workers cannot work overtime due to family reasons, as a result they draw lower salary compared to male workers. He opined that over the years attitudes of the employers have also changed positively. “They are now employing married women as well and by doing that they are taking a risk of missing that worker for 3-4months”, he added.

Mr Rahman stressed that in the RMG industry there was no gender discrimination. He however, noted that one must recognise the contribution women are making in the RMG sector and therefore more attention should be given to women workers’. In addition, training and health care of these workers should also be given priority. Regarding issuance of appointment letter, he stated that the owners are reluctant to do that as they think that workers would leave the job any time without giving any notice even if they have the letter. He, however, emphasised that the employers should be respecting the law and ensure issuance of appointment letters. *Mr Rahman* concluded by commenting on the report, “Although this is a very good and positive report, sample size should have been larger covering wider areas”.

Dr Hamida Hossain, Former Director & Founder Member

Ain O Salish Kendra (ASK)

Dr Hamida Hossain was skeptical about the study and felt that the study was a bit biased towards the industry. She thought that the study should have been done from social environment perspective rather than from economic point of view.

She questioned the steps taken to tackle the challenges that the industry had been facing for the last 10 years. She referred to previous studies on workers and argued that issues discussed previously were yet to be addressed. She commented that the primary and

secondary level education that the workers received do not facilitate the skill development at work in the factories and there is a need to examine this aspect. She disagreed that education was the reason for lack of efficiency of the workers and mentioned that reasons such as working and living conditions, security both at the factory and outside are the main factors responsible for their lack of efficiency.

She expressed her disappointment regarding fire incidences and remarked that despite steps taken for prevention of fire, accidents were still happening. She indicated that this was happening due to lack of proper monitoring. *Dr Hamida* referred to *Mr Annisul Huq*'s comment on workers' migration and argued that workers migration have increased basically because of the unhealthy condition of the factories. About the unrest that occurred last year she noted that the incidence took place because of deprivation of workers' rights.

Dr Hamida Hossain noted the lack of industry's effort to reach upper/high end market. She recommended that BGMEA and BKMEA should conduct market research for market diversification and expansion. As regards maternity leave, she suggested it to be 3 months instead of 4 months as the government employees enjoy 3 months leave.

Overall, she felt that the whole issue was basically a management issue, which cannot alone depend on buyers' compliance requirement. She emphasized on law enforcement rather than formulation of new laws. She concluded by remarking that government was failing to play the facilitating and regulating role between workers and owners which was crucial.

Comments from *Mr Ashfaq Hamid*, Labour Secretary

Ministries of LGRD and Labour & Employment

Mr Hamid confirmed that the payment to the workers in the first week was being ensured through continuous monitoring of the factories. He informed that the number of chaotic incidences in factories have gone down and expected to go down further. In this connection the secretary mentioned about the active role played by the labour Committee and the Task Force formed by the government. On the question of suspension of Labour Act the Secretary noted that the Act, in fact, was not suspended and that the government was using emergency law as and when it seemed necessary.

In response to the query on what will happen after 2009 *Mr Hamid* mentioned that the law of comparative advantage would work and Bangladesh, though a small country, would still have a place in the world market. He endorsed the training requirement of the workers. In this connection he reminded the audience about the WTO committee formed in 2003 who was responsible to ensure that developed countries would provide assistance

for skill development of workers in developing countries. “Without external assistance it would be difficult for a country like Bangladesh to bear such expenses”, he added. He was optimistic that all problems in the RMG sector would gradually be resolved and he assured that the suggestions from the dialogue would be carefully looked at and addressed by the government.

Concluding Remarks by the Chairperson

Professor Rehman Sobhan expressed his dissatisfaction by saying that the discussion on the same issues have been continuing for the last 20 years. Over the years, a lot of positive changes have taken place in the RMG industry and exports have also increased from \$500million to \$8billion but not much has changed in terms of workers rights. He pointed out that the wage rate has surprisingly gone down to \$22 in 2004-2005 from \$31 in 1991-1995. He felt that the industry that has performed and improved so dramatically should not be paying such low wage to their workers. While comparing the skill level of Bangladeshi workers with Chinese workers he emphasized on their skill development through training. Because it is now directly linked to the survival of our RMG sector in the face of fierce competition.

He strongly urged that Bangladesh should work hard and take all necessary steps to develop the skills of its RMG workers which would help to move to high value-added products and target higher-end branded markets. He emphasised on increased investments from the government and private sector focusing on workers’ training which would in turn increase workers’ productivity.

He advised the labour representatives that since they all belonged to the same sector, they should work in harmony and it would be effective if there is one representative who would raise all the issues with the owners and the government. He concluded by proposing an incentive for the workers by making them shareholders in the factory. The motivation of workers would then increase as they would be able to relate their performance with the performance of the industry. Such motivation would increase their productivity and profit which would ultimately benefit the sector, he added.

Dr Debapriya Bhattacharya added that the comments/complaints/opinions discussed at the dialogue would be recorded and a report would be sent to the government for implementation. He was hopeful that since both the Labour Advisor and Secretary were present, they would be able to relate to the report and take necessary actions.

Dr Bhattacharya ended the dialogue by thanking all the participants.

List of Participants

(In alphabetical order)

<i>Mr Nasimul Ahsan</i>	Advocacy Chief, INCIDIN Bangladesh
<i>Mr Kamrul Ahsan</i>	General Secretary, Bangladesh Garments Workers Employees Federation
<i>Ms Shirin Akhter</i>	President, Kormojibi Nari
<i>Advocate Syeda Gulshan Akhter</i>	President , Women Committee, Bangladesh Labor Federation (BLF)
<i>Mr Babul Akter</i>	General Secretary Bangladesh Garments and Industrial Workers Federation (BGIWF)
<i>Ms Kalpona Akter</i>	Secretary General, Bangladesh Centre for Workers Solidarity (BCWS)
<i>Ms Nazma Akter</i>	President, Sangjukta Garments Sromik Federation (SGSF) and Chairman, Awaz Foundation
<i>Mr Md Edris Ali</i>	Deputy Project Director, Compliance Monitoring Cell Export Promotion Bureau (EPB)
<i>Mr Mustafa Allahma</i>	Chairman, Bangladesh Freedom Fighter Journalist Council
<i>Mr Amirul Hoque Amin</i>	General Secretary, National Garments Sromik Federation
<i>Mr Al Amin</i>	Student, Dhaka University
<i>Mr Z M Kamrul Anam</i>	President, Bangladesh Textile and Garments Workers' League(BTGWL)
<i>Lt Col M Anisuzzaman (Retd)</i>	Former Chairman, Bangladesh Terry Towel and Linen Manufacturers and Exporters' Association (BTTLMEA) and Managing Director, Global Fabrics
<i>Ms Shamim Ara</i>	President, Nari Committee, Bangladesh Jaityo Sromik Federation
<i>Mr Sultanul Azam</i>	Programme Officer, Kormojibi Nari
<i>Ms Ayesha Banu</i>	Assistant Professor and Chairman, Department of Women's Studies Dhaka University
<i>Mr M A Baset</i>	Director, BKMEA and Director, Southern Knitwear Limited
<i>Mr Jahanara Begum</i>	General Secretary, Bangladesh Garments Sromik Federation
<i>Ms Rosy Begum</i>	President, Nari Committee, Bangladesh Sangjukta Sromik Federation
<i>Major General (Retd) Amin Ahmed Chowdhury</i>	Advisor, Evince Group
<i>Mr Rafez Alam Chowdhury</i>	Managing Director, Evince Accessories Ltd
<i>Mr Bishwanath Das</i>	Programme Officer, Karmojibi Nari
<i>Mr Peter Davis</i>	Director, Greater Access to Trade Expansion Project, USA
<i>Mr Syed Nayeem Emran</i>	Business Development Analyst , IFC-SEDF
<i>Ms Shabnam Hafiz</i>	Chairman, Bangladesh Garments Sramik Mukti Andodlon
<i>Ms Narissa Haider</i>	Consultant, Business Enabling Environment, IFC-SEDF
<i>Mr Ashfaque Hamid</i>	Secretary, Ministry of Labour and Employment
<i>Ms Majeda Haq</i>	Gender Specialist, UNDP
<i>Mr Jafrul Hasan</i>	Programme Officer, Manusher Jonno Foundation
<i>Mr Khandker Badrul Hassan</i>	Chairman, BTTLMEA and Managing Director, N.N. Fabrics Ltd
<i>Mr Mohammad Hatem</i>	Director, BKMEA and Proprietor, M B Knit Fashion
<i>Mr Md Fazlul Hoque</i>	President, BKMEA & Proprietor, Knit Fashion
<i>Dr Hameeda Hossain</i>	Former Director & Founder Member, Ain O Salish Kendra (ASK)
<i>Mr Zakir Hossain</i>	Consultant, Katalyst
<i>Mr M Delowar Hossain</i>	General Secretary, Jatiyo Garments Sromik Kormochari Federation

<i>Mr Annisul Huq</i>	Former President, BGMEA & Chairman, Mohammadi Group
<i>Mr Md Anwarul Iqbal, PPM (Bar), BPM</i>	Hon'ble Advisor to the Caretaker Government Ministries of Local Government, Rural Development and Labour & Employment
<i>Mr Md Aminul Islam</i>	Deputy Secretary (Labour), Ministry of Labour and Employment
<i>Mr Nawshin Nazrul Islam</i>	Research Officer, Kormojibi Nari
<i>Mr Shohidul Islam</i>	President, Bangladesh Jatiyotabadi Garments Sromik Dal
<i>Ms Kazi Shema Islam</i>	General Secretary, Teachers Committee Bangladesh Sangjukta Sromik Federation
<i>Barrister Sk Jenefa K Jabber</i>	Compliance Consultant, BGMEA
<i>Mr Ziaul Huq Khan</i>	Assistant Director, Directorate of Labour and Employment
<i>Ms Runa Khan</i>	Executive Director, Friendship
<i>Advocate Delwar Hossain Khan</i>	President, Bangladesh Jonoshadin Garments Sromik Federation
<i>Ms Shaila Khan</i>	Senior Program Officer (Policy Support and Advocacy), UNDP
<i>Ms Mahmuda Rahman Khan</i>	Gender Advisor, Program Office, USAID Bangladesh
<i>Dr Nasreen Khundker</i>	Research Director, CIRDAP
<i>Ms Khadija Leena</i>	Senior Manager, BRAC
<i>Mr Mayen Uddin Mondal</i>	General Secretary, Bangladesh Sanjukta Garments Sromik Federation
<i>Ms Shamima Nasrin</i>	President, Shadhin Bangla Garments Workers Federation
<i>Mr Mohammad Rafiq</i>	General Secretary, National Garments Taylor Workers Employees Centre
<i>Mr Mahbubur Rahman</i>	President, International Chamber of Commerce – Bangladesh (ICC-B) Chairman & CEO, ETBL Holdings Ltd.
<i>Ms Safina Rahman</i>	Director, DCCI and Director, Lakshma Sweaters Ltd
<i>Mr Tauhidur Rahman</i>	President, Bangladesh Poshak Shilpo Sromik Federation
<i>Mr Kazi Siddiqur Rahman</i>	General Secretary, Bangladesh National Workers Federation
<i>Mr Muklesur Rahman</i>	President, Bangladesh Sanjukta Sromik Federation & Member, Advisory Council - BILS
<i>Ms China Rahman</i>	General Secretary, Federation of Garments Workers
<i>Mr Nurul Islam Ratan</i>	Chairman, Bangladesh Labor Federation
<i>Mr Sirajul Islam Rony</i>	President, Bangladesh Jatiyo Garments Sromik Kormochari League
<i>Ms Rina Roy</i>	Director(Right), Manusher Jonno Foundation
<i>Mr Thelma Irene Rozario</i>	Director, CARITAS-Bangladesh
<i>Ms Mashuda Khatun Shefali</i>	Executive Director, Nari Uddog Kendra
<i>Ms Shahida Parvin Shikha</i>	Office Secretary, Bangladesh Trade Union Kendra
<i>Ms Hasina Shipra</i>	Programme Officer, Bangladesh National Woman's Lawyers Association (BNWLA)
<i>Ms Dina Siddiqi</i>	Research Associate, University of Pennsylvania
<i>Professor Rehman Sobhan</i>	Chairman, Centre for Policy Dialogue
<i>Ms Rokeya Sultana</i>	President, Jatiyo Garments Sromik Jote
<i>Mr Shalauddin Swapon</i>	President, Bangladesh Nationalist Garments Workers Federation (BNGWF)
<i>Mr David John Welsh</i>	Country Programme Director American Centre for International Labour Solidarity
<i>Ms Anika Yousuf</i>	Student, Williams College, USA

List of Journalists
(In alphabetical order)

<i>Mr Razu Ahmed</i>	Staff Reporter, The Daily Ajker Kagoj
<i>Mr Miraj Ahmed</i>	Reporter, NTV
<i>Mr Farid Ahmed</i>	Cameraman (News), Bangladesh Television
<i>Mr Hasiba Ali</i>	Staff Reporter, Jai Jai Din
<i>Mr Rokonuzzaman Anjan</i>	Reporter, The Sangbad
<i>Mr Pintu Anwar</i>	Reporter, Daily Diner Sheshey
<i>Mr Salahuddin Bablu</i>	Senior Reporter, The Daily Inquilab
<i>Mr Owasim Uddin Bhuiyan</i>	Correspondent, United News of Bangladesh (UNB)
<i>Mr Obaidul Gani Chandan</i>	Reporter, Bangla Vision
<i>Mr Sarwar A Chowdhury</i>	Staff Reporter, The Daily Star
<i>Mr Kamran Reza Chowdhury</i>	Reporter, BD News 24
<i>Mr Hamidul Haque</i>	Staff Reporter, RTV
<i>Mr Sanaul Haque</i>	Senior Reporter, ATN Bangla
<i>Mr Md Obaidul Hoque</i>	The Daily Sarkar
<i>Ms Mansura Hossain</i>	Staff Reporter, The Prothom Alo
<i>Mr Jamal Hossain</i>	Staff Reporter, News Network of Bangladesh (NNB)
<i>Mr Shafiqul Islam</i>	Reporter, The Daily Amader Shomoy
<i>Mr Shirajul Islam</i>	Senior Reporter, Exclusive News Network (ENN)
<i>Mr Tom Felix Joehnk</i>	Correspondent, The Economist
<i>Mr Humayun Kabir</i>	Reporter, The Financial Express
<i>Mr Jahangir Shah Kajol</i>	Staff Reporter, The Daily Ittefaq
<i>Mr Niaz Iqbal Pavel</i>	Staff Reporter, The Daily Dinkal
<i>Mr Md Golam Quddus</i>	Journalist and Researcher, Daily Desh Patrika
<i>Mr Rakib Uddin</i>	Reporter, The Daily Deshbangla
<i>Mr K M Shahjahan</i>	Staff Reporter, Dainik Janata