



BANGLADESH WORKING GROUP
Tuesday 09th Sept 2008
International Convening - New York

Attending:

Paul Dearman - Tesco
Maritha Lorentzon - H&M
Simon Zadek - MFA Forum Secretariat
Sasha Radovich - MFA Forum Secretariat
Daniela Johns - MFA Forum Secretariat
Claire Bussy Pestalozzi - MFA Forum Secretariat
Anna Turrell - MFA Forum Secretariat
Nina Inamahoro - AccountAbility
Maya Forstater - AccountAbility
Rabeya Akter - Bangladesh Independent Garment Workers Union Federation (BIGUF)
Ben Geraci - Bentex Group Inc.
Ayesha Khan - Business for Social Responsibility
Hee Won Brindle-Khym - Fair Labour Association
Nancy Contreras - Gap
Kindley Walsh-Lawlor - Gap
Daryll Knudsen - Gap
Steven Oates -ILO
Aleix Gonzalez Busquets - Inditex
Trina Tocco - International Labor Rights Fund
Neil Kearney - ITGWLF
Steve Grinter - ITGWLF
David Baron - Kahn Lucas
Anna Walker - Levi Strauss & Co
Lynda Yanz - Maquila Solidarity Network
Caitlin Morris - Nike
Fukumi Hauser - Nike
Alik Durquiza
Joyce Kortlandt - Oxfam
Shamima Nasrin - SBGSKF
Nazma Akter - Awaj Foundation
Alfred B Anzaldua - U.S. Department of State
Kohl Singh Gill - U.S. Department of State
Gabriella Rigg - U.S. Department of State
Anastasia Liu - USAID
Suze - Francois - Wal-Mart
Laura Rubbo - Walt Disney

Main topics covered:

Chair: Paul Dearman, Co-Chair (Tesco)

1. Welcome / Introduction

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2. An update on the current situation in Bangladesh
3. Achievements, challenges and goals
4. Discussion of proposals and options
5. Action points

2. An update on the current situation in Bangladesh

Generally, this meeting aimed at finding consensus amongst participants on the future direction of the Bangladesh working group.

Currently, participants perceive that commitment by some participants has dropped and that this is closely linked to the fact that the original fear of declining orders following the phase-out of the Multi-Fibre-Agreement did not become reality. It was noticed by the group that the MFB was not present at this meeting. The MFB decided not to participate at this year's convening citing this meeting followed too closely the last meeting in Dhaka in June. The MFA Forum is expecting a project proposal from the MFB to the buyers group aimed at strengthening factory compliance in a pilot group of factories.

There is consensus amongst participants the MFA Forum should not withdraw from Bangladesh. However it is imperative that the group identify activities to address the serious concerns facing the industry.

Some participants raised severe concerns about the worsening situation in the country. Neil Kearney (ITG) stated that it is comparable with a state of anarchy. Furthermore, there is a credible threat that declining labour standards do not just affect Bangladesh garment workers but other countries in the region in general as standards are driven down.

The group was updated on the letter agreed by the participants at the Dhaka meeting in which MFA Forum participants who signed communicated their views on the minimum wage level and freedom of association to the Bangladesh Government.

Decision:

There was consensus amongst the participants that the current conditions in Bangladesh are unacceptable and deteriorating. While the buyers that are currently sourcing from the country do not intend to withdraw, they want to continue their engagement with the Forum and agreed that their collaborative actions need to have a stronger impact.

3. Achievements, challenges and goals

When the MFA Forum started its Bangladesh initiative four years ago, the aim was to improve the dialogue amongst the stakeholders. It can be concluded that dialogue has improved, and in addition to that a local group (i.e. the MFB) was established. However, more recently it was recognised that relying only on dialogue is no longer enough to achieve an impact on the ground.



Neil Kearney (ITG) made the announcement that 48 hours prior to this meeting, the Bangladesh Government had partially lifted the ban on trade union activities, but added that there are still significant conditions attached to this.

At the meeting a range of challenges were expressed. The participants shared their frustration about the lacking impact on the ground. The perceived lack of commitment by some participants and the lack of leverage of the MFA Forum are two of the major challenges. A further challenge is to identify and agree clear and tangible activities that allow for positive change on the ground. Ideally, this decision is accepted by the local participants on the ground (i.e. some kind of local ownership with international leadership).

4. Proposals and discussion of options

Following an initial buyers meeting, the following options were proposed to the full working group:

The group discussed the possibility of aligning two proposals relating to improving factory conditions. The first was suggested by the MFB (during the Dhaka meeting) to work with factories that have received low scores on their grading system and creating a program for the buyers group to assist them to achieve a higher grade. The second proposal was the possibility of creating a grading system that focuses primarily on top factories and changing buying habits away from lower level factories as an incentive programme. This would require clear communication on what buyers want from their suppliers. It would also demand clear communication with the MFB.

Participants perceived that the upside incentive created through this grading system together with a more serious voice could have a chance to achieve change. However, a detailed definition of such project needs to be developed, including questions on classification and whether audits may form the basis of this grading system. Steven Oates (ILO) shared with the group that the ILO is currently working on an improved auditing tool (based on the Better Work program) that potentially could be available to the Forum in the future (not before mid-2009).

Linked to the above suggestion may be a collective measurement program. It is understood that different buying companies have similar goals in improving factory conditions and are engaged in monitoring their supplier base. It was suggested that a mapping of these different activities could be very useful and potentially lead to a harmonisation of approaches. The MFA Forum could measure the levels of business placed with compliant factories, which then hopefully demonstrates that compliant factories gain business at the expense of non-compliant factories. Lynda Yanz believes that an agreement amongst the different buying companies to anonymously share information on suppliers and their compliance could be very powerful. Furthermore, it may be worth exploring whether MSIs (e.g. FLA, ETI and SAI) could support this work through their existing work on capacity building.



A third proposition is that of capacity building. It was suggested that a scheme be developed to upskill managers and supervisors, developing productivity enhancement and people management skills, drawing on existing best practices (e.g. ILO's Better Work program). It was suggested by the participants that this could be linked to the proposed grading system (i.e. the desire to achieve a higher grade in order to receive orders).

Another option could be the increased engagement with diplomatic channels and the government. This, however, requires significant thought. Some participants believed that the letter that was recently sent to the Bangladesh Government is not as fruitful as other initiatives may be. While new ideas are good, according to Joyce Kortlandt from Oxfam, it is important that other commitments, for example those made at the Dhaka conference (including the letter), are honoured. Another possibility could be to lobby the US Congress for preferential market access linked to legal reforms in country. This may also benefit from some cross-learning with the Americas WG and its experience with CAFTA.

Neil Kearney also expressed that there is a desperate need for corporations to demand from their suppliers to comply with their codes of conduct and set deadlines for this. Pursuing this persistently would give the MFA Forum also more credibility.

Finally, there was the demand for negotiating with the MFB a more balanced representation on the MFB with a sufficient number of trade unions and NGOs.

5. Action points

These proposals were translated into short action points, which in turn will form the basis for a more detailed and concrete work plan. This work plan should be delivered to ExCo by December 2008.

- MFAF to pursue the actions agreed during the July 2008 Dhaka conference.
- MFAF to seek commitment from buyers to demand supplier compliance publicly with Bangladesh labour law, international labour standards and their own codes of conduct by June 2009.
- Build a broad coalition of buyers committed to such an approach.
- Buyers communicate to BGMEA, BKMEA, the Government, and individual suppliers their intention to source only under these conditions and to design a framework to switch sourcing from non-compliant to compliant suppliers within Bangladesh.
- A framework will include consolidating grading of suppliers and buyer reporting on suppliers they work with in the "A level" category every 6 months and include capacity building programmes.
- Track changes and progress in Framework
- Communicate the need for effective labour inspections and to insist that the Government seek the technical assistance of the ILO.
- Seek to secure the support of its international agency members
- Explore trade relations routes to drive change
- Liaise with MFAF Purchasing Practices WG to advance progress.