REPORT ON "DHAKA SUMMIT ON SKILLS, EMPLOYABILITY, AND DECENT WORK 2016"

Held on December 11-13, 2016 Dhaka, Bangladesh

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SOCIAL DIALOGUE



Bangladesh Employers' Federation

Ministry of Labour and Employment Government of Bangladesh



National Coordination Committee for Workers Education (NCCWE)

Organized by

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Report on "Dhaka Summit on Skills, Employability, and Decent Work 2016"

Held on December 11-13, 2016, Dhaka, Bangladesh

A detailed report comprising of various documents, research papers, speeches, discussions, and photographs in connection with "Dhaka Summit on Skills, Employability, and Decent Work 2016"





Organizers



Ministry of Labour and Employment Government of Bangladesh



Bangladesh Employers' Federation

NCCCWE National Coordination Committee for Workers Education (NCCWE)

Co-organizer



Knowledge Partner



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Organization

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Dhaka Skills Declaration



EXECUTIVE SUMMARY Dhaka Summit on Skills, Employability, and Decent Work 2016

Initiative

Originating from the ILO's centenary "Future of Work Initiative", and inspired by the national development goal, Vision 2021, the tripartite constituents of the ILO in Bangladesh, government, employers, and workers initiated a high level national dialogue titled, "Dhaka Summit on Skills, Employability, and Decent Work 2016", which was held in Dhaka, Bangladesh on 11-13 December 2016.

Organizers

The initiative was organized jointly by the Ministry of Labour and Employment, Bangladesh Employers' Federation (BEF), and National Coordination

> INAUGURAL CEREMONY DHAKA SUMMIT ON SKILLS, EMPLOYABILI AND DECENT WORK 2016 Chief Guest Sheikh Hasina MP Extractile Prime Multiper Intervention of Respirate States

> > Committee for Workers Education (NCCWE), with 'a2i' Programme under Prime Minister's Office, as the co-organizer. It was supported by the International Labour Organization (ILO), Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA), World Bank, Swiss Agency for Development and Cooperation, the government of the Netherlands, Canada, the UK, and the EU, and other member firms of BEF. Centre for Policy Dialogue cooperated as the knowledge partner.



Focus Areas

Bearing in mind the four broad thematic areas for "Future of Work Initiative", i.e., work and society, decent jobs, organization of work and production, and governance of work, the discussions at the Dhaka Skills Summit centered on the following four focus areas: Skills, Employability, Decent Work, and Social Dialogue. Six papers/presentations on these four thematic areas were prepared by eminent researchers and experts from home and abroad and presented during the Summit.

Program

Inaugural Session: Hon'ble Prime Minister and the Chair of the National Skills Development Council (NSDC), Sheikh Hasina, MP inaugurated the Summit on December 11, 2016 at Osmani Memorial Hall, Dhaka. Director General of the ILO, Mr. Guy Ryder was present as one of the Special Guests. Hon'ble Ministers for the Ministry of Education, and the Ministry of Expatriates' Welfare and Overseas Employment, and the Hon'ble Minister of State for the Ministry of Labour and Employment also graced the occasion. The Secretary-General of International Organisation Employers, of ambassadors. representatives of employers and workers, including President of Bangladesh Employers' Federation, and Chairman, NCCWE also spoke at the event.

Technical Sessions: Four technical sessions were held at the Grand Ballroom of Hotel Pan Pacific

Sonargaon, Dhaka on December 12-13, 2016. The sessions were chaired by distinguished persons from the government. Experts from Bangladesh and abroad prepared and presented the keynote papers. Panelists from government, business, and development backgrounds critically reviewed the keynote presentation in each session, followed by lively question and answer sessions.

Closing Session: The closing ceremony was held on December 13, 2016 at the Grand Ballroom of Pan Pacific Sonargaon, with Hon'ble Minister for Finance, Mr. Abul Maal Abdul Muhith, MP as the Chief Guest, and Hon'ble Ministers for the Ministry of Commerce and Ministry of Industries as Special Guests. At the end, on behalf of the tripartite organizers, the CEO of NSDC Secretariat read out the "Dhaka Skills Declaration" as the outcome of the 3-day event.

Key Issues and Recommendations

The key issues and recommendations made during the 3-day event are captured in "Dhaka Skills Declaration". The most salient ones are listed as follows:

- 1. "Employment-led growth model" adopted by Bangladesh needs to be implemented effectively in order to achieve the national objectives for socio-economic development.
- 2. Need based skills and education is key to national prosperity and growth, and for economic and social empowerment for all, particularly for women and youth.
- 3. Enhanced opportunities for employment will pave way for decent work, appropriate interventions from the government, but support from employers, and development partners would be needed.
- 4. Apprenticeship and entrepreneurship are two effective means for creating employment opportunities.
- Bangladesh can ensure and move ahead her place in the global supply chain of goods and services by focusing on competitiveness based on productivity of the workforce.
- 6. Safe work place and decent jobs are two priority areas where an effective social dialogue among stakeholders is key to success.
- 7. Bangladesh needs an operational institutional and conducive regulatory regime and incentive system for effective development of her human capital.

BACKGROUND NOTE

Bangladesh Employers' Federation's initiative for "Dhaka Skills Summit 2016"

A high profile Private Public Dialogue on improving Employability, Skills & Productivity (ESP), Decent Work and role of government, employers, workers and development partners in the context of the ILO's 'Future of Work Initiative'

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1. Preamble

In line with the national development goal, Vision 2021, the business community is keen to make the transformation of Bangladesh towards a middle income country a reality.

Bangladesh Employers' Federation (BEF) is the apex organization representing the legitimate interests of employers across all industrial sectors in Bangladesh.



In addition to the traditional role of representing the employers in assisting the government in developing the regulatory and policy framework related to labor and employment, we are very much engaged in improving the industrial relations, determining minimum wages, promoting workplace safety, and development of skills and productivity.

We are concerned not only with the present issues of demand, supply, and productivity of the labor force, but also with the factors affecting the employability of the country's human resources in mid and long term.

These factors include the pace of economic growth offering creating employment, employability of the workforce in terms of their education and skills, ability of employers to offer a living wage in the context of local and global competition and cost of doing business, return on investment, changes in technology, and so forth.

Among these factors, BEF considers productivity of workers as a result of the right set of skills among the workforce is critical for sustainable and inclusive socio-economic development in the local and international context.

BEF, being one the tripartite constituents of the International Labour Organization (ILO) in Bangladesh, is a part of the ILO's centenary 'Future of Work Initiative' 2019. Considering BEF's focus on Employability, Skills and Productivity (ESP), and the ILO's centenary initiative on synonymous themes, we are planning to organize a high profile and interactive Private Public Dialogue (PPD) for one day in December, 2016 in Dhaka.

The rational for organizing such a dialogue is explained in the following sections:

2. Employment and Skills Needs at Present and in Future

As of now, only 2% of the current 80 million strong laborforce are considered skilled. The rest are unskilled and semi-skilled. Annual 2.2% growth of the laborforce, or additional 1.7 million new entrants in the job market annually, without adequate education or skills training, the situation is aggravating, particularly in form of youth unemployment and widespread underemployment of about 15 million workers. This results in low productivity, low employability, low income, and poverty. This scenario is for the local job market.

If we look at the scenario of our overseas job markets, we see about 9.3 million workers living and working in 160 countries, sending back over 15 billion US dollars annually. This sum is substantial, of course, as it is 14% of the current GDP and 9 times the annual amount of FDI. But it is also meager, if we consider per capita remittance of only US \$ 1646 sent by the migrant workers, whereas per capital GDP stands at US \$ 1316. In the last few years, about 400,000 workers left the country each year to work overseas, with about 300,000 of them with no skills training whatsoever. This keeps the future growth prospect of our remittance earning poor. Moreover, the falling petroleum prices are turning the economy of the Middle East, our largest market for migrant workers, leaner and thus increasing our risk of losing remittance income from these countries.

According to the current estimates considering the demographic trends, about 67% of the 210 million or 140 million people of Bangladesh will be of working age in 2030, compared to the 80 million workers out of a population of 160 million in 2015. The current economic trends show that Bangladesh will transform into a high middle income economy by 2030 from the current LDC status. The size of the economy will grow too, and will enjoy the 30th position globally in 2030 compared to the current 49th in 2015. With the changes in the size and quality of the economy, the nature of employment will change too.

It is the right time now to prepare ourselves for the changes. Not only that, we need to define what kind of changes we need to bring forth. It's about time that we define what skills we need to successfully compete in the global market, transform ourselves into a knowledge based economy, and find the rightful place that we deserve in the global supply chain of goods and services.

3. Initiatives by Government and Development Partners

Good news is that there has been a major policy shift at the national level in favor of skills development. since 2009. The recent national policy documents, e.g., the 6th Five-Year Plan, Mid-Term Budgetary Framework, Accelerated Poverty Reduction Strategic Paper, the 7th Five-Year Plan, etc., have started favoring an employment-led growth model for the national economy and development. The National Skills Development Policy has been framed, the highest body for skills development, National Skills Development Council chaired by the Hon'ble Prime Minister has been established and made functional. The proposed National Human Resources Development Fund is under active consideration of the government. More specifically, there have been substantial budgetary allocations targeted at developing the infrastructure and physical facilities for technical and vocational education.

All these initiatives and more are being supported by various major development partners, in terms of technical and financial assistance. ILO, ADB, World Bank, SDC, JICA, CIDA, DFID are amongst the major development partners supporting various skills development programs and projects in Bangladesh.

However, the business community feels the need for increased coordination among the government agencies implementing projects supported by development partners.

The development partners themselves also need more harmonization within different initiatives to avoid duplication of activities and wastage of resources.

There is an urgent need for both parties, the government and development partners to include the private sector in their decision-making process, while designing and implementing various skills development projects in order to make the impact need-based and realistic.

The employers of major industrial sectors have already formed a number of Industry Skills Councils (ISCs) to bridge the gap between the skills needs and supply.

In the same vain, there is also the need to bridge the gap between industry needs and the supply of technical and financial assistance provided by the development partners, implemented by the government, and others.

Considering the above, a high level dialogue between the employers, development partners, government agencies, national and international experts, workers' representatives, and other stakeholders could be useful for optimizing the efforts of the government and development partners in skills development. The discussions will also help in effective strategy development to address the skills development challenges arising from the mismatch in skills supply and demand, weak institutional capacity, and poorly coordinated project implementation.

The proposed "Dhaka Skills Summit 2016" event will take into consideration the key thematic areas of ILO's centenary dialogues, sustainable development goals for which Bangladesh is committed to, and national development objectives of Visions 2021, with skills development as the core theme.



Considering limited time and resources, the dialogue will focus on a number of priority issues only, such as, initiatives and roles of government and development partners in skills development, need for management education and use of technology in progressing towards a knowledge based society, tapping the potentials of overseas labor markets through upscaling our skills, and expanding the scope of apprenticeship as an effective means for skills development.

4. Highlights of the Proposed Dhaka Skills Summit 2016

Aligning with the 4 key thematic areas of the ILO's centenary conversation, e.g., work and safety, decent jobs, productivity, and governance of work, the highlights of the proposed Dhaka Skills Summit 2016 are summarized in the table below:

Title	Employability, Skills, and Productivity (ESP) Dialogue 2016		
Where	Dhaka, Bangladesh		
When	In December, 2016 coinciding with the planned visit by the ILO DG		
How	Tripartite, with support from the development partners		

Who	• Participated by international and national policymakers, government, supra-national bodies, employers, workers, researchers, civil society, and media.		
	• BEF provisionally plans to invite about 3 high profile guests and engage 1 international expert.		
	• There will be about 500 participants.		
Why	To explore ways and reach consensus in determining future course for our enterprises and labor force in local and overseas markets		
What	BEF will arrange for 4 keynote research papers by local and international experts		
Duration	One day		

5. Topics for Keynote Research Papers

With a view to developing effective strategy and policy formulation regarding sustainable and more productive employment creation at home and overseas, BEF plans to undertake research studies and subsequent publication of 4 keynote papers. These keynote research papers will be presented at the PPD event for discussion among the stakeholders and experts. The outcome of the discussions will be submitted for the consideration of the policymakers.



The topics of the proposed three keynote papers will be as follows:

- (i) Mapping of the government's and development partners' initiatives for skills development;
- (ii) Management education and use of technology for transformation into a knowledge based society;
- (iii) Tapping the potentials of overseas labor markets - challenges and way forward; and
- (iv) Extending the scope of apprenticeship as an effective means for skills development in Bangladesh.

As of now, it has been planned that at least one of the proposed keynote papers will be prepared by an international expert and the rest three will be prepared by local experts.

6. Program

The detailed program will be developed later. However, the following key sessions will be covered during the day of the event:

• Inaugural Session: Will include statements by high profile guests from home and abroad, followed by a keynote presentation on "Mapping of the government's and development partners' initiatives for skills development".

- **Technical Session 1:** Management education and use of technology for transformation into a knowledge based society.
- Technical Session 2: Tapping the potentials of overseas labor markets – challenges and way forward.
- **Technical Session 3:** Extending the scope of apprenticeship as an effective means for skills development in Bangladesh.

There will be lunch and two additional breaks for tea in the morning and afternoon. All technical sessions may be followed by panel discussions and open discussions.

7. Cost Estimate

The estimated cost for organizing the proposed PPD event is BDT 13,248,012 (BDT Thirteen Million Two Hundred Forty Eight Thousand Tweleve) only or equivalent to US\$ 170,000. All other expenses in connection with the event, research activities, and preparatory Focus Group Discussions (FGDs) will be covered by BEF/employers. The tentative allocations are already made against selected development partners. BEF has already started contacting them for their commitment. The details are provided below:

* There were changes in actual sessions and program, than planned at the time of preparation of the background note.

Cost Estimate for Dhaka Summit on Skills, Employability, and Decent Work 2016

Serial	Description	Unit Cost	Quantity	Total in BDT
1	Venue, Decorations, Logistics, etc.			
1.1	Rental of Hall Rooms at Hotel Sonargaon	750000	2	1,500,000
1.2	Stage construction, venue prepapration, banners, audio- visuals, etc.	4768012	1	4,768,012
1.4	Sub-Total Venue, Decorations, Logisitics, etc.			6,268,012
2	Food & Refreshments and Other Meeting Costs			
2.1	Morning tea and refreshments for about 700+300 people	785	1000	785,000
2.2	Lunch for about 200+200 people	3000	400	1,200,000
2.3	Afternoon tea and refreshments for about 400+400 people	750	800	600,000
2.4	Bevergaes	500	1100	550,000
2.5	Honorarium for Rapporteurs and printing of final report	250000	1	250,000
2.6	Sub-Total Lunch & Refreshments			3,385,000
3	Research and Publications			
3.1	Honorarium for 3 keynote research papers	1000000	1	1,000,000
3.2	Expneses of preparatory meetings and FGDs	500000	1	500,000
3.3	Printing of souvenirs, and research papers	1000000	1	1,000,000
3.4	Stationeries, bags, etc.	1000	545	545,000
3.5	Sub-Total Research and Publications			3,045,000
4	Overseas Guest Speakers			
4.1	Expenses related to overseas guest speakers (lump sum)	250000	1	250,000
4.2	Sub-Total Overseas Guests			250,000
5	Contingencies			
5.1	Misc. contingencies			300000
5.2	Sub-Total Management Overhead & Contingencies			300,000
6	Total			13,248,012

In words: BDT Thirteen Million Two Hundred Forty Eight Thousand Tweleve or about US \$ 170,000

INAUGURAL SESSION



Inaugural Session

11 December 2016 Osmani Memorial Hall

Program Details:

Serial	Description	Time
1	Arrival of guests	10:00 am
2	Guests to be seated	10:30 am
3	Arrival of the Hon'ble Prime Minister	11:00 am
4	Recitation from the holy books (Al-Quran, Gita, Bible, and Tripitaka)	11:01 am
5	Welcome address by President, Bangladesh Employers' Federation	11:09 am
6	Audio visual on skills, employment, and economic growth in Bangladesh	11:14 am
7	Remarks by the Chairman, National Coordination Committee for Workers Education	11:17 am
8	Remarks by Director, Strategy and Operations, Human Development, & Senior Director (Acting), Education Global Practice, the World Bank	11:22 am
9	Remarks by Secretary-General, International Organisation of Employers	11:27 am
10	Remarks by HE Swiss Ambassador in Bangladesh	11:32 am
11	Remarks by HE Canadian High Commissioner in Bangladesh	11:37 am
12	Remarks by Mr. Md. Siddiqur Rahman, representing the RMG sector	11:42 am
13	Address by the Hon'ble Minister of State, the Ministry of Labour and Employment	11:47 am
14	Address by the Hon'ble Minister, Ministry of Expatriates' Welfare and Overseas Employment	11:52 pm
15	Address by the Hon'ble Minister, Ministry of Education	11:59 am
16	Address by the Director-General, International Labour Organization	12:06 pm
17	Inaugural Address by the Hon'ble Prime Minister	12:20 pm
18	Launching of 'Bangladesh Business and Disability Network' (BBDN)	12:35 pm
19	Refreshments	12:40 pm

Inaugural Ceremony

Held on Sunday, 11 December 2016 at Osmani Memorial Hall, Dhaka

After arrival of the Chief Guest, Hon'ble Prime Minister **Sheikh Hasina**, MP, the guests took their seats and the ceremony started with a solemn note by recitations from the holy books, Al-Quran, Gita, Bible, and Tripitaka. Then the speakers delivered their speeches according to the sequence of the program schedule.



Hon'ble Prime Minister,

Director-General of International Labour Organization, His Excellency Guy Ryder, Hon'ble Ministers, Excellencies, Members of Parliament, Secretaries to the Government, Our Worker Friends, Fellow Members of the Business Community, the Media;

Assalamu Alaikum and a very good morning,

On behalf of the tripartite partners and Bangladesh Employers' Federation, I welcome you all.

We are greatly inspired that the Chair of the National Skills Development Council, the Hon'ble Prime Minister of Bangladesh is here with us to inaugurate this Summit. It shows the commitment of the Government of Bangladesh at the highest level to support national skills development.

The Director-General, ILO's presence amongst us shows ILO's firm commitment, and the development partners', to assist us in transforming our human capital. I take this opportunity to congratulate him for being re-elected as the Director-General for the second term. The Director-General is here just after attending the 16th Asia Pacific ILO Regional Forum in Bali which was held last week, where we have seen a growing consensus of governments, workers, and employers of building an inclusive framework of Decent Work for the Asia Pacific region keeping 2030's SDGs in focus.

For the future of work, what is required is, one, the centrality of skills, and skills development, as a key to employability in local and foreign job markets; two, the need for apprenticeship programs as an important mechanism for large scale upscaling; three, market based skills through vocational and technical education in a Public Private Partnership (PPP) model; four, the criticality of inclusive growth with access to jobs for disadvantaged groups like persons with disability and the use of IT to facilitate this transition; and five, the need for full-spectrum development from the shop floor to professional training and education, Technical, Professional, and Vocational Education and Training (TPVET), the Swiss model, needs to be considered to enable permeability between Technical, and Vocational Education and Training (TVET) and tertiary education with focus on managerial and professional education to overcome the stigma of TVET in our society. This will assist in meeting the growing needs of skilled managers and professionals which cost us billions of dollars every year for expatriate managers. Development partners like Canada, European Union, the World Bank, and ADB can assist with ILO technical assistance. According to World Bank report, our expatriate workers have the lowest skill sets in South Asia, Hon'ble Prime Minister, earning half of Indian and Pakistani workers, and one third of Sri Lankans. If we could upskill them, our remittances could double to USD 30 billion.

Employers in Bangladesh believe that we need to ensure sustained employment generation and higher productivity to enhance the employability of Bangladeshi labor force both at home and abroad. This is a prerequisite for your Vision of 2021, Hon'ble Prime Minister, to turn our country into a middle income country, and for Vision 2041 to become a developed country, a vision to which all the tripartite partners are fully committed. By bringing national skills development to the forefront of a national HRD agenda, the government has ensured development of human capital in the integrated PPP model. The formation of the National Skills Development Council headed by the Hon'ble Prime Minister and the proposed National Human Resource Development Fund is a strategic move of the government. We urge

upon the government to operationalize the fund with equitable representation from the private sector in the fund management. The proposed National Skills Development Authority, under the Prime Minister's office, is a step in the right direction. Hon'ble Prime Minister, the NSDA Act also needs to be enacted on a fast track basis.

Bangladesh has been one of the pioneers of the last decade in reforming skills development in South Asia. We therefore request the Director-General, ILO to consider setting up a regional campus of the ILO's International Training Center (ITC-ILO) in Dhaka to cover the South and South East Asia.

World Disability Network Report states that in Bangladesh, the economic cost of exclusion due to forgone income from lack of schooling and employment of persons with disability and the caregivers is estimated at USD 1.2 billion annually or 1.7% of our GDP. Furthermore, it is estimated there are up to as many as 16 billion people with disabilities, nearly 10% of the Bangladeshi population, of which 40% are women.

We commend the Director-General, ILO for initiating the Global Business Disability Network in 2015. Bangladesh Employers' Federation is already a member of the Global Disability Network. Additionally, we are trying to set up a network of business enterprises to facilitate mainstreaming of Persons with Disabilities (PWDs) in Bangladesh. It is called Bangladesh Business & Disability Network (BBDN). The Hon'ble Prime Minister will officially launch the BBDN today.

The Hon'ble Prime Minister may also kindly consider declaring the year 2017 as the Year of PWD's inclusion in the mainstream of the Public and Private Sectors of the country.

What better right for the persons with disability, Hon'ble Prime Minister, could we give as a gift in this month of our victory of liberation war?

I thank everyone once again for joining us today in the inaugural session of the Dhaka Skills Summit 2016. Thank you.

The welcome address by Mr. Khan was followed by a short audio visual clip on skill, employment, and economic growth in Bangladesh.



Bismillahir Rahmanir Rahim;

Today's Chief Guest, the Hon'ble Prime Minister Sheikh Hasina MP;

HE Md. Mujibul Haque MP, Honorable Minister of State, Ministry of Labour and Employment;

Director-General of the International Labour Organization, HE Mr. Guy Ryder;

Mr. Mikail Shipar, Honorable Secretary, Ministry of Labour and Employment;

Mr. Salahuddin Kasem Khan, President, Bangladesh Employers' Federation;

Leaders from various national-level labor federations, Representatives from Employers' Organizations, Business Leaders, ILO Foreign and Local Representatives, Invited Guests, Reporters:

Assalamualaikum.

On behalf of the workers movement of Bangladesh, I welcome you all.

You are aware that in today's competitive market, technological innovation is causing changes simultaneously in both the labor and job markets. This can be a huge challenge for us; however, it is also opening up windows of opportunities. The labor market and job market of Bangladesh are also connected with this. Therefore, we have to adapt to this change and development, and advance ahead in these changing times, ensure the development and employment of human resources, occupational health and safety, fair and decent wages, improvement in the quality of life, social protection, overall working towards sustainable development, and ultimately, a brighter future.

To achieve all these, we need to improve the skill level of our workforce. Using developments in

technology to our advantage, we need to modernize our agro-based economy. In the areas of agriculture, forestation, fisheries and animal husbandry, we have to ensure the participation of a trained and modern labor force. We have to focus on skills development from now onwards in order to benefit from our 'blue economy' using sea fish as a resource. In accordance with the compliance requirements of the modern world's environment and climate, we have to create and promote opportunities for green jobs, which would also help in the local-level employment generation. Jute, the traditional golden fiber of Bengal, needs to be safeguarded and protected, and hence we will have to modernize the factories and overall infrastructures to achieve that objective.

In this age of technological advancement and automation, many of our factories and industries are being shut down or downscaled. The availability of training and re-training facilities for these workers needs to be ensured. We are also witnessing rapid modernization in the agro-industry. Production success should be our top priority. At the same time, we need to arrange alternative training facilities for the redundant workers. If we can develop our huge population into manpower, income at the individual and family level would increase, thereby leading to national-level development.

Along with skills development, we need to ensure due respect to work and decent work conditions. Our society and culture has a tendency to not acknowledge the work of a laborer with due respect. Usually a skilled laborer is valued less than a clerical worker. This attitude and mindset needs to change. The expertise of returning migrant workers has to be utilized to train members of both domestic as well as foreign-bound workforce. In addition, the possibility of development would increase further if we can use the skills of the returning migrant workers in our domestic arena.

We have labor laws in our country; however, we need to focus on the implementation of these laws. Through proper implementation and practice of skills development, youth employment generation opportunities for the country will increase manifold.

On behalf of the workers' movement, I congratulate the government, the ILO, and all other related parties for working towards skills development. In particular, Mr. Guy Ryder of ILO has offered us tremendous help, especially after the Rana Plaza incident, and I would like to congratulate him on behalf of the workers' community for his continued support.

To conclude, I would like to state that skilled human resource is the key to national strength, honor, and overall development. In order to secure this development, we have to work towards establishing proper honor and status of work and workforce, as well as ensure world-class workplace health and safety standards, adequate compensations, and fair wages. Only then will the skills of our youth labor force be properly utilized.

With this, I would like to end my speech here. Thank you and Assalamualaikum.

Remarks by Mr. Amit Dar, Director, Strategy and Operations, Human Development, & Senior Director (Acting), Education Global Practice, the World Bank

Thank you. Your Excellency, Hon'ble Prime Minister Sheikh Hasina, MP, respected Hon'ble Minister of Education Mr. Nurul Islam Nahid, Respected Hon'ble State Minister for Labour and Employment Mohammad Mujibul Hoque, Respected Hon'ble Minister for Expatriates' and Overseas Employment Mr. Nurul Islam, Respected ILO Director General Mr. Guy Ryder, distinguished guests and friends,

I am delighted to be here today and be present among you at the inauguration of the Dhaka Summit on Skills, Employability, and Decent Work 2016 - an event which highlights the significance of skills development and decent work for human development and economic progress in Bangladesh. Bangladesh's development trajectory is unique, especially in the case of human development where the country has achieved universal enrollment in primary education and eliminated gender disparity in primary and secondary education well ahead of many other countries at the same level of development or at higher levels of development. The demand for higher education, higher levels of education and skill continues to rise among Bangladeshis especially among women whose participation in the work force

is growing. With jobs being created for the workforce, the economy continues to grow strongly and more than 16 million people have now been lifted out of poverty over the last decade. I would like to commend the government of Bangladesh for the remarkable progress achieved in human development and the success in transforming these gains into economic progress as observed by sustained growth and reduction in extreme poverty. And Bangladesh is now set to realize its vision of becoming a middle income country over the next two years. To reach the middle income country status, an important ingredient will be the need to have people with the right sorts of skills to help Bangladesh compete effectively and successfully in both the regional market and also the global labor market.

Skills development creates opportunities for better employability and higher quality jobs, and thus can play an important role in growth and poverty reduction. But to ensure better employment opportunities for the Bangladeshi labor force, in both local and overseas job markets, improvements in quality, access, equity in the skills development area are still needed. The government's strong commitment to skills development and its efforts have built sustainable implementation capacity and improved the governance. There is a significant focus and increased focus now on linking skills development to labor market outcomes and to the needs of employers. Mindset changes towards the value of technical education in the society are now more prominent and many more success stories are also emerging from the sector.

An increased convergence on solutions and results amongst skill development stakeholders are also supporting in bringing world-class TVET in Bangladesh. From our side, from the World Bank, our country partnership framework continues to support improving quality and access to education and skills development. At present, we are working closely with the government through operations which span primary, secondary, tertiary, and vocational levels, culminating in an estimated commitment of USD 1.5 billion in the education sector. These operations aim to enhance the access to more and better jobs for the 2.1 million youth entering the labor force in Bangladesh each year. Our support of the government's work in the technical and vocational education has seen impressive result in the past few years. The Skills Training and Enhancement Project, known as STEP, is designed to address the key issues concerning the TVET sector in the areas such as guality and access, and equity, and over the last 6 years, the project has helped increase TVET enrollment by over 200,000 youth and has provided stipends to more than 110,000 poor students in 93 polytechnic institutes and also introduced a number of innovative training concepts. But, as we all recognize, there is still a long way to go. More than 80% of the Bangladeshi workforce remains in

the informal sector, often in low-paid and insecure jobs. Pathways for skills development for all still remain a challenge. Continued support of the sector in a coordinated manner along with knowledge building and sharing to deepen understanding on the key challenges and solutions, moving forward is going to be critical. And this summit, the first Dhaka Summit in this regard provides an excellent platform and an opportunity for promoting such a dialogue in knowledge sharing and skills development in Bangladesh. The next three days, I believe, will be an excellent opportunity for policymakers, employers, academics, development partners and other skills practitioners in solidifying the commitment to the whole area of skills development in Bangladesh. In conclusion, I would again highly acknowledge the Prime Minister's and the government's leadership, the remarkable achievements that Bangladesh has made in the Human Development sector, and a very strong commitment moving forward to human development and skills development. We, the development partners and other stakeholders in this sector stand committed to working with you in ensuring that the progress continues and is sustained in the future.

DHAKA SUMMIT ON SKILL EMPLOYABILITY, AND DECENT WORK



Dear Hon'ble Madam Prime Minister, Dear Excellencies, Dear Participants,

I am very honored to be here today with you and I really thank you for the invitation to participate in this Summit on Skills, Employment, and Decent Work. I was last week in Jakarta and Bali and when I always arrive in Asia, I can feel the vibes, the energy that is driving this region. In Bali and Jakarta, skills and education were also relevant topics being addressed, and here again we are, discussing this important topic, which shows that we really are taking a lead. But there is also a sense of urgency here. Maybe, first a few words about the International Organisation of Employers. IOE is the global voice of business on social and labor policy, and representing over 150 employers federations worldwide and I am very proud that the Bangladesh Employers' Federation (BEF) is my member here, and is taking an active stand on this important topic. The IOE also serves as a secretariat for the employers within the International Labour Organization and has considerable stake in the broad UN system. And I represent business with regard to social and labor policies, so where we focus on is

sustainable enterprises, education and skills, human rights, informal to formal economy, just to give a few examples here.

If we look into the future of work, one of the things that is always mentioned is the rapid transformation and change that is taking place. If we look into the labor market and the workforce, and that of course is driven by technology among others. If I may highlight a few sectors where we see this transformation in Asia as well as in Bangladesh, I want to give you some examples. Automated sewing machines in Textile clothing and footwear will reduce the need for low-skilled workers, but it will also increase the need for semi and higher skilled workers with skills in technology and IT. If we look into the retail, maybe it is not so prominent yet, but also into the future in Asia. we'll see a need for firm driven e-commerce and that does require different skills. If we look in the automotive sector, not too present in Bangladesh, but might come in the future, you see the huge changes, changes that require a different type of people, with different skills, who have a strong focus on stamp skills. The future will look different. We will drive cars maybe not by ourselves any more in a few years, and the cars will become greener. But also if you look into business process outsourcing or shared service centers, there is a future there. They have generated a significant number of jobs in Asia, but they require people who have the language capabilities, who have the IT capabilities, who have the finance capabilities to work in these kinds of environments.

I would say the future of work is already here now today, and change will be constant, that is one thing we know for sure. And we will need to embrace this change, and not see this as a threat but as a huge opportunity. We need to find solutions, solutions to the benefit of all. And we see a shift from lower to higher skilled labor needs, therefore we need to upskill our people, we need to re-skill, and continuous education is a key driving factor. We need the education system in place to address the skill gaps that are here today. Together with business, to ensure that what is needed in business is being provided for by the educational institutions. And just to summarize here, what we need first and foremost is to focus on the skills for the future. Those are soft skills, such as working in a virtual environment, working in virtual teams, working in matrix organization. But also as the stamp education has already highlighted before, science, technology, engineering, and math are very crucial here. But even for what we currently consider as low skill jobs, they also need permanent education and training, because even in lower skill jobs, those technical components, IT, will become more prominent and we will need to prepare our workforce for that.

Moving from lower skills manual labor to semi or even high skilled labor as well as offering technical option to work virtually and in different hours will also enable easier access for women as well as disabled persons. Equal opportunities for all will be an important driver for inclusive growth, and especially in a society with an aging population, this will be a must. It cannot be that we do not leverage women, and modernize our workforce. We cannot exclude 50% of the world population.

Business will need to invest in work-readiness programs, in apprenticeship and intern programs, as well as in continuous education which is also a responsibility of the person himself. But education is also, first and foremost, I would say, a government responsibility, and I think it is great to see all active here together today in this room. Business should however be very heavily engaged in this process to make sure that skills needed are being provided for, and this means being active in this forum, being active within the curricula that are being offered by the educational institutions to make sure that those are made fit for progress.

One more word regarding apprenticeships as a possible solution. The IOE is the board member of the Global Apprenticeship Network and so is the ILO, which offers local networks being set up where, together with business, together with all the partners, we all look into further building the requirements and the environments for apprenticeships, so maybe Bangladesh could take us on that challenge here.

To conclude here, in Bangladesh, access to education for all is a must. Education is a key driver to build an inclusive society, to generate economic growth, and to reduce poverty. Better educated people, with the right skills, will attract investment, and will offer business opportunities for Bangladesh, and in doing so, will create jobs and a brighter future for Bangladesh.

Thank you all.





Hon'ble Prime Minister of Bangladesh, Excellencies, Distinguished Delegates, Dear Friends,

A very good morning to all of you. It is a great honor and pleasure for me to be with you at the inauguration of the Dhaka Skills Summit today. I thank the organizers for inviting Switzerland, and for giving me the opportunity to speak in front of you. Switzerland has been a friend of Bangladesh for more than four decades now. Through this friendship and cooperation, we have discovered many values that our two countries share even though they are thousands of miles apart. One such shared value is the commitment of the two governments to foster the development of human capital. There is no secret - our two countries are at a different stage of economic development. Switzerland, as it has been mentioned this morning already before, has an exemplary model of development of human capital, which has lead to increase innovation and creation of jobs, particularly for the young. Bangladesh, on the other hand, is committed to develop and harness

human capital, and we are pleased to partner with the government of Bangladesh for this shared priority. Bangladesh has one advantage over Switzerland: its large, young, motivated population- an enormous resource. While unplanned population growth may pose a problem, Bangladesh has come a long way to control its growth in the last three decades. Today, ladies and gentlemen, we stand at a crossroads. Bangladesh has a young population. It can utilize this resource by reaping the benefits of this demographic dividend.

Ladies and gentlemen, allow me to open a bracket, and to establish the ties, a link with the other big conference taking place on this day in Dhaka - The GFMD Summit. With the 2030 agenda for sustainable developments, we have globally accepted targets on migration and development. This is an achievement in itself. Given that it seems impossible to include such targets in the SDGs just a few years ago. But now, here we are. Now that the international community has overcome the first hurdle, it is time to realize the goals. And the time is now. One common solution we find in the targets related to migration is the issue of human capital development in order to ensure safe migration. That is the link. Labor migration is important to Bangladesh. But it is important as well to train migrant workers in order to capitalize benefits from the demographic events even further.

Excellencies, ladies and gentlemen, the vital role that the private sector is playing in the development of Bangladesh and in all the other countries a very important role. To achieve the vision 2021, the Hon'ble Prime Minister, among us today, has emphasized it again and again. To realize the Vision 2021, public and private agencies should work hand in hand. They must work in partnership. They have to work together towards a sustainable development in the long term for the society as a whole, and with increasing importance for the environment. This skills summit is an outstanding example of how the tripartite constituents can work together. I would like to conclude my comments by mentioning the positive dynamics between the public and the private sector. I am sure the outcome of today's summit will be a roadmap, taking into account the interests of all the different stakeholders.

Excellencies, dear friends: I would like to express the Swiss government's sincere gratitude to the people and the government of Bangladesh, to the Bangladesh Employers' Federation, as well as to the National Coordination Committee for Workers Education. Your hospitality is outstanding. Thank you very much.

INAUGURAL CEREMONY tripartite constituents can work together. MMIT ON SKILLS, EMPLOYABI AND DECENT WORK 2016 **Chief Guest** Sheikh Hasina MP **Honourable Prime Minister** Government of the People's Republic of Bangladesh Organized by **RESPONSIBLE BUSINESS** PRACTICES MAKE AN ENTERPRISE SUSTAINABLE DHAKA SUMMIT ON SKILLS EMPLOYABILITY, AND DECENT WORK 2011



Hon'ble Prime Minister, Hon'ble ministers, Members of Parliament, Excellencies, Ambassadors, Secretary General of ILO, Representative of the employers, of the workers, dear guests: Good morning. Assalamualaikum. Shubho Shokal.

Thank you for inviting me today. I am pleased to be here with you to open this important tripartite dialogue on skills, employability, and decent work. Bangladesh has set itself the ambitious goal of becoming a middle income country by 2021. And reaching this milestone of economic growth and development will be a collective effort. It will require persistent support from all present here today, including continued government vision, commitment, and investment, ongoing investment of employers' capital, entrepreneurship, innovation and ingenuity. And equally important - the skills and intelligence provided by the workers and entrepreneurs of Bangladesh. Canada has been a development partner of Bangladesh since shortly after independence, and over the last 40 plus years, we have supported Bangladesh as it made great strides in achieving

its development goals. We are looking forward to support Bangladesh in its preparation to achieve middle income country status by 2021, and to help ensure that growth in Bangladesh is inclusive and leads to poverty reduction.

Canada is increasingly focusing on strengthening its trade relationship with Bangladesh. And we are refocusing our development assistance to support the poorest and most vulnerable including supporting the empowerment of women and girls. Trade and development are intricately linked. Traders build the economy, and economic growth is the fan to sway, to reduce poverty - as long as it is inclusive. For this reason, Canada has pledged to participate in this summit where we can work together with you who are the key stakeholders - the Government of Bangladesh, labor representatives, and employers - to support Bangladesh to build systems that accelerate economic growth and to do so in a way that ensures that the benefits are diversified across all Bangladesh society. There is a vision 2021 for education, training, and skills, and development, the Government of Bangladesh's plan to grow the economy and improve skills, employability, and decent work. We strongly support this vision, and we also support the government's effort to build an inclusive and gender sensitive TVET plan that is consistent with the labor market situation.

The government of Bangladesh will need the support and hard work of everyone here If it is to ensure that it has a diverse skilled work force necessarily for the economy of the future, and that it gets the maximum benefit out of its large demographic dividend, and also that the country finds its place on the global market. For our part, Canada is contributing to this high level vision though the skill training enhancement project and the Bangladesh Skills for Employment and Productivity Project, creating linkages between governments and the industrial training institutions in order to expand and improve training opportunities as well as strengthening their knowledge and skill of key government bodies. For the employers and the entrepreneurs here today, the most pressing labor challenge is the shortage of skilled workers in every sector at all levels because, without enough skilled workers, they will fail to satisfy productivity demands. Employers would know that having a diverse workforce with the right set of skills is crucial for future international success. And employers also know how important it is to have a recognized and trusted system of qualification so they can avoid wasting resources on double training. Canada is helping to strengthen this enabling environment by supporting the government of Bangladesh and its partner to implement the national skill development policy and reform, the technical, vocational educational training system, improving access for women and disadvantaged groups to receive a kind of valuable skills training they deserve. This is not only about spreading development to all segments of our society; it also gives employers a valuable tool to expand their business and contribute to increase economic growth for Bangladesh. It is also important to see that we have a National Coordination Committee of Workers Education here today. Your participation is not only the key to the success of this summit; it is the key to the future of Bangladesh because you represent the workers who are most directly impacted by these issues. These workers are the first to benefit from these efforts to make decent workplaces. When their skills are upgraded, it is their wage that would be improved. They would be in a stronger position to ensure that their labor rights are respected. And it is the

workers who are the first beneficiaries of increasing employment opportunities that follows skill training and skill upgrading.

Yesterday, I attended the Global Forum for Migration and Development. I heard the Prime Minister rightly saying that each migrant moves and works in dignity and safety. I must understand that workers are not only cheap labor. They as you said, have a history, a family, children, and they have skills also. One of the key issues related to migration is the recognition that a worker should have a choice. They must not be forced to migrate to find a job because it is not available in their country. This summit should contribute to achieve this objective. In conclusion, I would like to say that the Skills, Employability, and Decent Work 2016 summit provides the opportunity to advance this crucial areas. We have great expectation that by using the three days of the summit to explore and advance these issues, we can build a foundation to strengthen our own relationship with Bangladesh, and we can prepare Bangladesh to meet the expectation and the challenges for sustainable economic growth. Thank you so much. Dhonnobad.





Bismillahir Rahmanir Rahim.

Distinguished Chief Guest Hon'ble Prime Minister of Bangladesh Sheikh Hasina, Hon'ble Ministers of the Government of Bangladesh, my heartfelt gratitude and welcome to ILO Director General Mr. Guy Ryder for your wonderful leadership and support to Bangladesh. Your visit to Dhaka is remarkable for us as this is the only visit of an ILO Director General to Bangladesh in the past 30 years. Thanks for making it possible to be here and encouraging us.

Excellencies, Dignitaries, and Officials, Distinguished Business Leaders, Entrepreneurs, and Buyers, Friends from print and electronic media, ladies and gentlemen:

A very good morning to all of you.

It is December, the month of our victory. This will be the 45th anniversary of our independence. With deep respect, I remember all our freedom fighters who sacrificed their lives to bring our independence. I also remember with great respect the father of our nation Bangabandhu Sheikh Mujibur Rahman and most of his family members, who were brutally killed on 15th August, 1975. Bangabandhu fought his entire life for the wellbeing and economic freedom of our people. The daughter of Bangabandhu, the Hon'ble Prime Minister of Bangladesh Sheikh Hasina is leading our nation to fulfill the dream of the great leader. Under her leadership, Bangladesh now is a development surprise for the world in terms of social and economic progress. Let me take this opportunity to thank ILO for being with us as a partner since the beginning of our journey. Today, the RMG industry in Bangladesh is absolutely free from child labor and this was made possible through an excellent collaboration between Bangladesh Government, ILO, and BGMEA in 1995. We are thankful to all of you. Our partnership with ILO is ever growing. At present, ILO support has been vital for us in transforming this industry towards safety and achieving more harmonious industrial relations.

Distinguished guests,

The secret behind the robust performance of our economy is the apparel industry. This industry is playing a major role through employing 4.4 m people, empowering women, and reducing poverty. In the last fiscal year, our apparel export was \$ 28 billion and we have set a vision to reach \$ 50 billion export by 2021 when Bangladesh would celebrate its 50th anniversary of independence. To achieve this vision, sustainable industrialization will be the key for us in the coming days.

Developing skills, expertise, and efficiency are the priorities for us to sustain our growth, to penetrate the higher market segment, to diversify our product basket, and to enhance efficiency including optimum use of natural resources. We can ensure better livelihoods of our people if we can create better job opportunities for them and better job opportunities can be created through enhancing level of skill and value of products. BGMEA is running several skill development programs with the Government of Bangladesh and development partners like World Bank and ADB. To address the mid-level management shortage, BGMEA University of Fashion and Technology is playing an important role. Besides, we are providing skill training to and employment to people with disabilities. However, we need more efforts in efficiency enhancement of our workers, not only for our RMG industry, but also for other sectors, especially the migrant workers who could add a greater value and respect to our nation if they are properly skilled.

Ladies and gentlemen, the secret of our success is our workers. They are the lifeblood of this industry. They are our major partners in this journey. So it is very important for us to ensure their safety, wellbeing, and dignity. Our constitution and laws protect the workers from all forms of exploitation and ensure their rights and dignity. Bangladesh ratified 34 conventions including 7 fundamental conventions in 1972 just after the year of our independence, whereas a number of developed and developing countries that have not ratified the fundamental conventions of ILO are demanding that we should be compliant. Such an irony. In an open market economy, this is creating challenge by distorting the level playing field. Our government, especially the Hon'ble Prime Minister Sheikh Hasina is extremely supportive to the welfare of the workers. I gratefully remember the moments after the Rana Plaza tragedy. Our Hon'ble Prime

Minister personally monitored the situations day and night. Within 73 days of the building collapse, our Government amended the Labor Law. Labor Rules were passed making it mandatory to form workers' participation committees by free and fair elections and safety committee. A workers' welfare fund has been established where apparel industry will contribute \$ 10 million this year which will grow with the growth of our exports. The Government increased minimum wage for RMG workers by 219% since 2010. After the Rana Plaza tragedy, we started factory by factory reform initiative. We are thankful to the government, ILO, buyers to join forces. The national initiative Accord and Alliance completed inspection in all factories. We believe all the remediation progress will be done by middle of 2018. Now our factories are investing a huge amount of money for remediation. How can this be justified? The price is going down.

Ladies and Gentlemen, Thank you all.



Address by Mr. Md. Mujibul Haque, MP, Hon'ble Minister of State, the Ministry of Labour and Employment

Bismillahir Rahmanir Rahim,

Uncompromising leader of the Democracy and Development, Hon'ble Prime Minister, Sheikh Hasina, MP;

Director General, International Labour Organization, Mr. Guy Ryder;

Hon'ble Ministers, Members of Parliament, Ambassadors, Representatives of the development partners, Respected Guests, Participants, Media Personnel, Ladies and Gentlemen;

Assalamualaikum and good morning to you all.

It is the month of December, the month in which we achieved victory. We participated in the liberation war on the calling of our great leader and Father of the Nation Bangabandhu Sheikh Mujibur Rahman. After nine months of struggle, we finally achieved our independence in this month in 1971. I pray for the departed souls of the family of the father of the nation, and of the 3 million martyrs of the Liberation War.

It is my great pleasure to be here in this inaugural session of the Dhaka Summit on Skills, Employability, and Decent Work 2016 which is being organized as part of the ILO centenary initiatives. The Summit is of great importance when Bangladesh envisions becoming a developed country under the leadership of our Hon'ble Prime Minister Sheikh Hasina. I would like to express my thanks to all who have been involved in managing the Summit. Distinguished Guests,

As a result of the farsighted policy and massive development initiatives of our present government, Bangladesh has achieved a stable economic growth of more than 6% in the recent years. Remarkable progress has been made in the education, social, infrastructure, and employment sectors. The progress made by Bangladesh in achieving the MDGs has been recognized globally. The pace of this progress is expected to be further expedited during the 7th Five-Year Plan of the current democratic government.

Ladies and Gentlemen,

In the last few decades, the economy of Bangladesh has gone through massive structural transformation. The contribution of the industry and service sectors has increased gradually. To keep pace with this process, our main challenge is to ensure supply of skilled manpower matching the demand. I believe the trained manpower and skilled labor in all sectors of the economy of Bangladesh are crucial for becoming a developed, happy, and prosperous country by 2041.

Dear Audience,

With the commitment to ensure Decent Work immediately after the independence, under the personal initiative of Bangabandhu Sheikh Mujibur Rahman, the Father of the Nation, Bangladesh became a member of the ILO in 1972 and ratified 29 ILO conventions in the same year. Now Bangladesh is a party to 35 ILO conventions including 7 of the 8 Fundamental Conventions. In recent years, there has been a significant progress in achieving development work goals in Bangladesh. With the assistance of development partners, necessary steps have been taken to ensure workplace safety in the export oriented RMG industries. The department of inspection has been updated with additional manpower, financial resources, and logistics. Trade Union registration has increased significantly. Minimum wage of RMG sector workers has been increased by 77% in 2013. We are working to

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establish a dedicated Occupational Safety and Health Institute to create trained professionals and manpower.

Distinguished Guests,

In the last hundred years, there has been a visible shift in the world of work. More changes are expected to be experienced in the coming years. We have to think of the way forward to cope with the emerging challenges. I believe we must have some insights of the challenges and recommendations from the Summit.

Bangladesh has a long constructive engagement with ILO. I would like to extend my sincere gratitude to Mr. Guy Ryder, D-G, ILO, for being here. We are committed to ensure Decent Work for all in Bangladesh with his support and initiatives.

I would like to extend my heartiest thanks to the Hon'ble Prime Minister for gracing the event. I hope the Summit will be concluded with valuable outcome.

Thank you.

Address by Mr. Nurul Islam, B.Sc., MP, the Hon'ble Minister, Ministry of Expatriates' Welfare and Overseas Employment

Daughter of Father of the Nation, Hon'ble Prime Minister Sheikh Hasina, MP;

Excellency, Director General, International Labour Organization, Mr. Guy Ryder;

Respected Guests, Ladies and Gentlemen;

Assalamualaikum.

I am honored to be here with you all in this historic Dhaka Summit on Skills, Employability, and Decent Work 2016. We deeply appreciate the momentous effort by our ministries and other organizing partners in making this summit a success.

Bangladesh has been blessed with a large pool of human resources since its independence. Our Father of the Nation Bangabandhu Sheikh Mujibur Rahman showed us the way to ensure sufficient job openings at home and abroad. We can now exploit positively our demographic dividend. Today, we have 11 million workers in 62 countries. This year alone, up till now, 7 lakh people have gone abroad on jobs. This is done through a safe, orderly, and lawful migration process. Moreover, annual remittances, in recent, years, rest at over 15 billion USD. Having the right skills is of paramount importance for employment in the national and international labor market. The challenges of skill development for migrant workers become more complex in the context of differentiated needs for skills and standards in different countries. For Bangladesh, high percentage of less skilled and unskilled workers keeps the average wages received by the Bangladeshi migrant workers much lower than expected, but about 2% of Bangladeshi migrant workers are considered as skilled workers now.

Under the leadership of Hon'ble Prime Minister Sheikh Hasina, the Government, development partners and all other stakeholders joined hand to hand, changed this scenario. We aim at sending at least half of the migrant workers as semi-skilled and skilled workers. This would double or triple the remittance flow.

Now the formal apprenticeship in the Bureau of Manpower employment and Training has increased 30 times from the level of 2011. Our certification through the National Technical and Vocational Qualification Framework is recognized by a number of host countries. We have also encouraged private sector's training facilities to be integrated under NTVQF that guarantees gender equality too. We have ongoing collaboration with Saudi private sector agencies in running joint training programs. My ministry has also engaged with internationally reputed certification agencies and international universities in this pursuit. We have called for increased investment in skills development programs for greater employment opportunity and productivity.

Thank you very much. Thank you all.

PROMOTING DECENT WORK IS OUR COMMITMENT

BHAKA SUMMIT ON SKILLS. EMPLOYABILITY, AND DECENT WORK 2016

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Hon'ble Prime Minister, Leader of our nation, Sheikh Hasina;

Hon'ble Director General of International Labour Organization, Mr. Guy Ryder;

Hon'ble Ministers, Hon'ble Members of Parliament, Representatives of the International Organizations, Leaders of Business Community, Investors, Employers, Industrialists and Labor Leaders, Excellencies, Distinguished Guests, Ladies and Gentlemen;

Assalamualaikum and good afternoon to you all.

In this month of December, when we are going to celebrate the 45th anniversary of our national liberation in the next couple of days, I am privileged to pay homage to Bangabandhu Sheikh Mujibur Rahman, the father of our Nation who led us towards victory as well as to our valiant martyrs who sacrificed their lives for our independence.

It is my great pleasure and honor to address the inaugural session of Dhaka Summit on Skills, Employability, and Decent Work 2016.

Hon'ble Prime Minister, Distinguished Audience,

In the post-MDG era, there is a significant policy shift in the education arena around the world. In the Incheon Declaration, new sets of educational goals have been determined to be achieved by 2030 in order to face global challenges and transforming them into opportunities. In addition to that, SDG 4.4 states that by 2030, the member states have to "substantially increase the number of youth and adults who have relevant skills including technical and vocational skills for employment, decent jobs, and entrepreneurship". Under the leadership of our Hon'ble Prime Minister Sheikh Hasina, we have formed a national education policy 2010 where the basic guidelines and strategies to turn our students into competent manpower through vocational and technical education have been indicated clearly. In line with the policy, the government has taken different programs and projects to increase the enrollment roll up to 20% in technical and vocational education by 2020. Necessary steps have been taken to implement National Technical and Vocational Qualification Framework at all levels of technical and vocational at education. We have expanded technical and vocation education in Madrasas. Special attention is given to our girl students for our TVET education.

Bangladesh has already been recognized globally for some of its remarkable and praiseworthy achievements in the education sector. Our enrollment is now around 99%, and we achieved gender equality up to secondary level by 2012. We have another example that is rare elsewhere in the world. Under the leadership of our Prime Minister, we have started giving free text books from pre-primary to secondary level. Last year, we distributed 337 million textbooks, and by January 2017 we will have distributed 362 million textbooks to our students. Our enrollment is increasing and our drop-out is decreasing.

In the globalized world, with heavy advancement of technology, it is imperative to increase and diversify learning opportunities using the wide range of education and training modalities. It is expected that all youth and adults, especially girls and women, can acquire relevant knowledge, skill and competence for decent work and life. It is quite crucial to develop opportunities and priorities by linking TVET with the world of work in both the formal and informal labor sector. In this high level forum regarding skills, employability, and decent work, I would like to mention that we need a holistic approach to face the challenges of technical and vocational education with a focus to achieve the SDG targets. We must be aware that the narrow focus on work-specific skills does not limit the capacity of our students from achieving high-level cognitive and non-cognitive skills such as problem-solving critical thinking, creativity, teamwork, communication and conflict resolutions.

I must appreciate the initiative of organizing Dhaka Summit. I would like to thank the organizers for inviting me and giving me this opportunity to say a few words before you. Thank you very much.

Thank you all. Joy Bangla. Joy Bangabandhu.

DHANA SUMMIT ON SKILLS, EMPLOYABILITY AND DECENT WORK 2016

> উন্নতিব পথে শিক্ষা ও কারিগরি দক্ষতাই সবচ্চয়ে শক্তিশালী বাহন



Hon'ble Prime Minister, Hon'ble Ministers, representatives of Employers and of Workers, Excellencies, Distinguished Guests, Ladies and Gentlemen;

I am honored to participate in this Dhaka Summit on Skills, Employability, and Decent Work taking place as part of ILO's "Future of Work" initiative. My last visit to Bangladesh was 6 years ago, and much has happened since then. Your country's development achievements have been considerable and are internationally recognized, but there have been difficult moments too. Challenges have emerged. And it is been through a shared commitment to overcome these challenges that the relationship between Bangladesh and the ILO has grown and deepened, so that today the ILO, thanks to the support of our development partners, manages a corporation portfolio worth over \$ 90 million. We have over 100 colleagues working in the country alongside government and employers' and workers'

organizations, and I want to say that we are proud of this, because together we have not hesitated to tackle difficult questions and we have done so because we are convinced that they are crucial to the sustained development and prosperity of Bangladesh and of all of its people.

Ladies and gentlemen, as Bangladesh prepares to celebrate its 45th anniversary of independence, the ILO is approaching its centenary in 2019. At a time when the world of work is undergoing change which is unprecedented in scale, pay, and depth, we think that we need to further our understanding of these changes, draw conclusions from them, so that we can continue to promote Decent Work opportunities for all and that is the challenge to which our Future of Work initiative is responding. As a first step, we have invited all of our member states to engage in national dialogues such as this one, and I am pleased to tell you that at the moment, we have such dialogues taking place in more than 130 member states around the world. Let me just say a few words about the work we are doing. In these national dialogues, we have asked to consider four questions. The first is about work and society. We should not forget that work is not only about earning enough money to live decently. It is also about self realization, about doing something meaningful, about contributing to something more than the individual. But, if work changes, so does the social function of work, and we really do need to pay greater attention to these issues. The second subject is the most frequently asked question of all--where will we find the jobs of tomorrow? Where will we find the 2 million jobs for the young people entering the labor market in Bangladesh every year or the 40 million that we need globally each year? Where are these jobs to come from, what will they look like? And the third conversation is about the changing organization of working and production. As you in Bangladesh know very well, new technologies, liberalization of capital flow and trade have seen production processes fragment, spread over national frontiers, become structured through complex contractual arrangements, employment relationships revolving quickly. And the implications of this new platform economy are beginning to appear paramount. And the fourth conversation is the logical sequence about how we govern these changes, what do we need to do, what policies, what laws, what processes, what institutions -- to make sure that this transformation of work leads us all in the direction of greater social justice.

Let me share with you some of the initial things that we are identifying in these conversations. What are the mega drivers of change in the world of work? For the first, of course, it is technology. It is often stated that we are on the verge of a fourth industrial revolution, and it is obvious that technological change will destroy jobs and create jobs. The question is, how do we manage that? And let's not make the mistake of believing that technology will decide everything. It is human agency, it is the policies that we decide, which will determine our future.

The second mega-driver of change is demography, or better said, 'differential demographies', because some societies are aging fast, but others are still useful, and of course Bangladesh is blessed with a young population, and that presents challenges and opportunities, because if Bangladesh is not able to find jobs for those 2 million new entrants into work force every year, then the risk is that the demographic dividend can become a demographic time bomb, and ironically, other societies, those that are getting older, face the challenges of an aging population. But one thing is for sure. These different and contrasting experiences mean that migration is going to be an ever-greater feature of the Future of Work. And the international community has come to Dhaka this week to decide, under Bangladesh's leadership, how we are going to face the challenge of better management of our migration processes.

A third mega driver of change, and it is not receiving much attention, is climate change and what we are doing to stop it. You know, we have overcome the misplaced belief that we have to decide either between jobs and growth or protecting the planet. We have now understood that we can and we must reconcile these twin objectives, and that we must do it urgently. The good news is that there can be a major jobs dividend in the transition to a low-carbon sustainable future. Bangladesh is addressing this complex situation with admirable purpose and is one of the best examples of community based adaptation to climate change and I want particularly to recall that this performance has drawn global recognition with the award in 2015 to the Hon'ble Prime Minister of the UN Champions of the Earth Award.

And the last mega-driver I want to mention, of course, is globalization. We have come to take globalization for granted; we have come to believe it is an inevitable part of our lives. Today, that assumption is being questioned as never before because, despite the extraordinary opportunities that globalization undoubtedly offers, it has often failed to distribute its benefits equitably and fairly. Millions feel left behind, and this has provoked, as we are seeing, an unprecedented political backlash, and the wide-spread feeling of social injustice, if it calls into question the future trajectory of globalization, it also calls into question the future trajectory of our world of work.

Ladies and gentlemen, from that global perspective, allow me just a few comments as a visitor and as a friend about the specifics of the situation here in Bangladesh, and I want firstly to congratulate the organizers of this event by picking up on three key themes of particular importance to your country. The first, of course, and it has been much referred to, is skills. To date, much of Bangladesh's economic development has been driven by low-price garments and by migrants' remittances. And for the RMG sector, and for Bangladesh as a whole, moving up the value chain is vital. Indeed, it is a pre-condition for achieving that middle income status that you pursue. For migrants and for local workers alike, access to better skills means opening pathways to get jobs at higher pay and greater productivity, and I am very encouraged by the initiatives being taken in this country to clean the framework of the National Skills Development Policies, to respond to all these needs. I think, put simply, we need to make sure that there is a better match between the supply of skills and the skills which are in demand in today's labor markets, and we must also makes sure that learning is a truly lifelong process.

The second topic you have chosen, guite rightly, is supply chains which have indeed triggered economic growth and created millions of jobs in Bangladesh and across the globe. Indeed, Bangladesh is a classic example with over 4 million jobs in the garments industry of what global supply chains can generate. But we know that they bring challenges as well. We have to ensure that pressure is on producer prices and delivery times. Intense competition and other factors do not lead to downward pressure on wages, working conditions, or respect for fundamental rights of working. Let me say that I believe that it is a shared national and international responsibility. And initiatives such as the Sustainability Compact concluded is a very good example of how that responsibility can be acted upon.

And the third area which you are highlighting, and I want to underline the importance of respect and

full implementation of fundamental principles of rights of work, and I refer particularly to freedom of association and collective bargaining. I am very pleased that the Government of Bangladesh has started to address these issues, but we recognize that there is still some way to go. We must ensure that the right laws are in place, but also that they are completed by the processes and the attitudes which promote confidence and cooperation of work, and I am delighted that a new social dialogue project will be launched later today for Bangladesh and for the RMG sector which I think will help respond to these needs and I congratulate all stakeholder for their foresight and undertaking this hugely important initiative.

And finally, let me highlight the need for continuing efforts to ensure inclusion of all of the workplace. I think that it is wonderful that today's event will include the launch of the Bangladesh Business and Disability Network. Congratulations for that. Let me also fly the flag for gender inclusion. Women make up the largest proportion easily of the RMG work force, yet most are and remain at the level of the shop floor. Few get to higher levels, but when they do, the whole nation will benefit. So let me conclude by thanking all who have made this event possible. I wish you good luck in the coming days. Together, you are doing nothing less than shaping the future of work, not only for ourselves, but for our children, and for their children. We are building the social justice upon which peace depends, and I believe that is worth the efforts that every single one of us put in. I thank you.



Inaugural Address by the Hon'ble Prime Minister (the actual address was delivered in Bangla, this official translation was provided by the Prime Minister's Office)

Bismillahir Rahmanir Rahim.

The Chair;

Director-General, ILO, Mr. Guy Bernard Ryder;

Colleagues;

Distinguished Guests and Participants;

Ladies and Gentlemen;

Assalamu Alikum and a very good morning.

I welcome you all at the "Dhaka Summit on Skills, Employability, and Decent Work 2016".

I would like to express my sincere thanks to Mr. Guy Bernard Ryder, Director-General of ILO and Ms. Linda Kromjong, Secretary-General of IOE for being present in this summit.

December is the month of our victory. I pay my deep homage to the Greatest Bangalee of all time, Father of the Nation Bangabandhu Sheikh Mujibur Rahman. I recall with profound gratitude the 4-national leaders, 3 million martyrs and 200 thousand women, who lost their innocence during the war of liberation in 1971.

Ladies and Gentlemen,

Bangladesh is a densely populated country with limited resources. Agriculture was once the main driving force of our economy. But with the increase of population it became difficult to meet the demand of a huge population from sustenance agriculture. As a result, our economy has gradually been shifted to manufacturing and service sectors.

It is essential to establish mills, factories and expand service sectors in order to meet the demand of employment of a huge population entering the workforce every year. At present, 54% of our GDP comes from service sector, 30% from industries and 16% from agriculture.

We need skilled manpower in every sector to build Bangladesh as middle income country by 2021 and a developed one by 2041. Bangladesh has achieved remarkable improvement in Human Resource Development Index for last few years. The demand of skilled manpower is changed with the rapid modification of technology. We have taken the initiative to fulfill the demand.

There is no alternative to skill training to create skilled manpower. The National Skill Development Policy 2011 was formulated to transform our huge population into skilled manpower prepared for the international labor market. With the support of development partners, our government has been working relentlessly to implement this with our limited resources.

Technical and financial assistance from ILO and other development partners are playing a significant role to implement the government's long-term technical and vocational education and training reform programs.

Ladies and Gentlemen,

Bangladesh has been successful in achieving the Millennium Development Goals. There is now a challenge for us to achieve Sustainable Development Goals. Increasing the supply of skilled manpower, creating new employment and income earnings capacity will help us alleviate poverty and other social indices to the desired level. I firmly believe, with our united efforts, we shall also be successful in achieving Sustainable Development Goals.

To create new employment, our government has been working relentlessly with new initiatives to encourage trade facilitation, reducing the cost of capital, infrastructure, uninterrupted power supply, and so on.

We have taken initiative to establish 100 Economic Zones across the country. To set up mills and factories, initiative has been taken to establish land bank. The government has been working for the establishment of new industries, port facilities and the creation of regional and sub-regional cooperation.

To bring dynamism in the implementation of the government's activities, the process of digitalization is underway.

The harmonized industrial relations, workers' rights and the welfare of labor has embarked on various programs such as the formation of labor welfare foundation fund, insurance programs for workers in the informal sector.

Safety and Inspection Department has been strengthened to ensure the better working conditions of factories. The Wage Commission is strengthened.

The workers in the Export Processing Zones have the right of Trade Union. The Bangladesh Labour Act has been amended to protect labor rights.

Our government has been implementing various programs aimed at improving education and skills such as technical and vocational education and training system reform, action-tailored and internationally recognized training system, new workplace skills training in the scope of expansion.

The expansion of vocational education and training, the creation of new infrastructure, modernization and capacity building of the institutions growth, the disabled and women friendly environment are taken care of by forming National Skill Development Council (NSDC). Our government has taken steps for the formation of the National Human Resources Development Fund for simplification of funding.

Steps have been taken to strengthen the NSDC secretariat to form the National Skill Development Authority. The coordination of skill development, improvement, uniform training program formulation, and evaluation system will be taken care of by NSDC.

Distinguished Participants,

Climate change, technological change, mechanization of agriculture and conversion of labor demand are heavily influencing the national economy. The increase of efficiency of manpower is undeniable.

I sincerely hope that the development partners will increase their cooperation in future as in the past in the arena of efficiency improvement, increase of reliability and creation of decent work environment.

I would like to request local and international entrepreneurs to come forward with respective development of industry's environment, ensuring labor rights, occupational health and safety, employ more women and the disabled workers, welfare measures for workers, provide support for the development of labor skills and creation of new employment. Our exports are increasing day by day mainly from garments and other limited export oriented industries. We should diversify our products and expansion of market for our future economy and jobs.

Our government has taken various schemes and provided incentive to increase the demand for our products and to expand the market. Only incentives are not enough, we also need to invest more in capital and technology and human resource development.

Most of our product including garments are trapped by low-wage, low quality, low cost, etc. We have to come out from this situation. At the same time, we have to think how to increase the value addition of our products. If we update our garment product design and marketed by ourselves with self-initiative, we would be able add more value.

We need to prepare ourselves with innovation, creativity and customized production capacity for the future. Only then, we can sustain ourselves in the world products and Supply Chain of services. Keeping this fact in mind, we need to match our education system with efficiency.

The national capacity will have to be achieved by skilled labor force as well as through developing skilled managers and skilled professionals. The university-level education system must adjust according to the needs of industry. Universities will have to start making the industry needed skilled managers with proper education and training systems.

> কারিগরি শিক্ষা গড়ে তোলে আত্মবিশ্বাস ও পেশাগত দক্ষতা

I hope that participating experts will help deliver their valuable opinions on skill, development, the creation of decent work and employability in the technical sessions in order to resolve the present challenges.

With this, I declare Bangladesh "Dhaka Summit on Skills, Employability, and Decent Work 2016" open and wish it a great success of this Summit.

Thank you all again.

Khoda Hafez.

Joy Bangla, Joy Bangabandhu.

May Bangladesh Live Forever.

Just before concluding the inaugural session, the Hon'ble Prime Minister officially launched the Bangladesh Business and Disability Network' (BBDN).

KA SUMMIT ON SKULS. LOYAAULITY, AND DECENT WORK 7010

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LAUNCHING OF BANGLADESH BUSINESS AND DISABILITY NETWORK (BBDN)

BBDN



Bangladesh Business and Disability Network

Employing persons with disabilities makes good business sense



"We have never considered disability a barrier to working capability. They work here due to their own qualifications, not because of special recruitment. To us, disability is part of diversity; inclusion is not a CSR or buyer obligation."

Beximco Fashions Ltd.

"We saw it works. I need workers, we are not paying extra and they can do the job. Turnover is lower. This is a good investment, a win-win situation"

> Nayeemul Choudhury Director, Interstoff Apparels

Background

With approximately 16 million persons with disabilities among its 160 million people, Bangladesh cannot afford to leave such a large proportion of the workforce unemployed. Over the years, employers around the world have realized that promoting and including persons with disabilities in the workplace is important for companies seeking the best talent and a diverse workforce. Companies that are disability-inclusive provide a better workplace for all their employees. Such companies maximize the full potential of the workforce for the benefit of both the company and its employees and are better positioned to respond to diverse market needs.

Who we are?

Under the umbrella of the Bangladesh Employers' Federation, the Bangladesh Business and Disability Network (BBDN) is a voluntary group of representatives from business, industry, employers and selected non-governmental and disabled peoples' organizations. BBDN has a primary purpose of helping people with disabilities to find decent work and for employers to recruit staff with disabilities.

BBDN believes that by participating in such a network that will facilitate knowledge sharing and other activities, members can benefit from improved productivity, reduced employee turnover and associated costs, safer and better workplaces and increased customer and community brand loyalty. Employers will increase their capacity to address their needs related to diversity, corporate social responsibility, legal adherence and human resources.

Our mission

The Network's mission is to raise business awareness about the positive relationship between the inclusion of people with disabilities in the workplace and business success.

Our purpose

The purpose of BBDN is to increase disability diversity in the Bangladesh workforce through knowledge sharing, collaborative action, improving technical skills of member organizations, and through corporate social activities, as well as to assist companies to adapt products and services to the needs of disabled persons.

TECHNICAL SESSIONS



Technical Session 1

"Skills for Decent Employment: An Effective Means of Social Transformation: Past, Present, and Future – the Case of Bangladesh."

Day 2 – Monday, 12 [
Pan Pacific Sonargaon Hotel, Grand Ballroom (10:30 am – 12:30 pm)					
Time	Event	Speakers & Content			
10:30 – 11:00 am	Guest arrival and welcome tea				
11:00 – 11:10 am	Introductory remarks by the chair of the session	Mr. Abul Kalam Azad, Principal Coordinator - SDG to the Hon'ble Prime Minister			
11:10 - 11:25 am	Keynote presentation	Mr. Md. Mokhlesur Rahman, Senior Operations Officer, Education Global Practice, World Bank, and Dr. Syema Haque Bidisha, Associate Professor, Department of Economics, University of Dhaka			
11:25 – 11:55 am	Panel discussion:	Expert panel:			
	Moderated by: Mr. Syed Nasim Manzur, President, MCCI Discussion to be based on:	 Mr. ABM Khorshed Alam, CEO, NSDC Mr. Mohammed Nasir, representative, RMG sector 			
	a) Where is the industry heading and potential?	3. Ms. Tahsinah Ahmed, Director, Skills Development, BRAC			
	b) What are the skills gaps?	4. Mr. Shafquat Haider, Industry Skills Council-			
	c) What are the possible strategies to address the skills gaps?	ICT 5. Mr. Gabriel Bordado, Regional Skills			
	d) What are the policy interventions based on other market experiences?	Specialist, ILO 6. Ms. Shamsunnahar Bhuiyan, General			
	e) What are the challenges for institutional capacity building (NSDC Secretariat, BTEB, DTE, TVET institutions in general)?	Secretary, Mohila Sramik League			
	f) What could be the possible strategies for sustainable fund mobilization for skills development?				
11:55 am - 12:25 pm	Question and answer session				
12:25-12:30 pm	Wrap up by the Moderator	Moderated by Mr. Syed Nasim Manzur, President, MCCI			

Program Details of Technical Session 1:

Chair



Mr. Abul Kalam Azad Principal Coordinator - SDG to the Hon'ble Prime Minister

Moderator



Mr. Syed Nasim Manzur President Metropolitan Chamber of Commerce and Industry, Dhaka



Keynote Speakers



Mr. Md. Mokhlesur Rahman Senior Operations Officer **Education Global Practice** The World Bank



Dr. Syema Haque Bidisha Associate Professor Department of Economics University of Dhaka

Panelists



Mr. A.B.M. Khorshed Alam CEO (Additional Secretary) National Skills Development Council Secretariat



Ms. Tahsinah Ahmed Director Skills Development BRAC



Mr. Gabriel Bordado Regional Skills Specialist, ILO



Mr. Mohammed Nasir Representative of RMG sector Vice President (Finance) Bangladesh Garment Manufacturers and Exporters Association (BGMEA)



Mr. Shafquat Haider Chairman Industry Skills Council-ICT



Ms. Shamsunnahar Bhuiyan General Secretary, Mohila Sramik League and Member, NCCWE

Summary

After a brief introductory remark by the Chair on the subject of skills development, Mr. Rahman and Dr. Bidisha presented their keynote paper.

The research paper underscored the importance of technical and vocational education along with formal education, and analyzed the prevailing situation in the country in terms of skills and training in various trades and industrial sectors. The paper also shed light on the demand for various skills in future by analyzing the industry trends, and cited various statistics on the supply side of skills and training. The issue of mismatch between the demand and supply of skills was an important issue that was raised. In addition to the need for skills development for workers, the need for capacity building of managerial staff was also discussed in the paper. The specific skills and employability issues concerning the migrant workers, women workers and disadvantageous groups were also discussed. Then the challenges of skills development were discussed and appropriate recommendations were presented for discussion by the expert panel and participants. The keynote papers and presentation from this session can be found in the annexure.

The following major points to note came up from the discussion by the panelists followed by an open Q&A session:

- It is difficult to foresee the future skills needs due to rapid changes in the industries due to technological innovations and shifts in the global market.
- Industry Skills Councils (ISCs) formed for effective skills development need to be made functional with adequate initial support from the government and development partners.

- Quality of technical skills and general education needs to be ensured.
- Skills training should be based on industry demand, and diversification of production basket targeted at the local and export markets.
- There is a need for coherence between the industry, training institutions, and government agencies while developing the curricula.
- Awareness campaign is needed to remove the social stigma on technical and vocational education.
- A greater number of girls and women should be included in the technical education for their improved empowerment.
- All skills development initiatives should focus on the inclusion of informal sector and SMEs for greater inclusiveness.
- Lack of qualified technical teachers and appropriate equipment in the technical training institutions is a formidable challenge that needs to be addressed immediately.
- Public and private sector, and development partners need to work together to mobilize adequate resources for skills development.
- Synergy between basic education and TVET needs to be established.
- Communication, teamwork, learning to learn, these basic and general skills are very important, and will be more important in the future.
- Once Bangladesh graduates into a middle income country, the possible decrease in the funds available from the development partners needs to be handled by proper planning and increased commitment from the government and the private sector.
- Innovative financing mechanism for skills development will need to be in place.

Technical Session 2

"Employer-Led Initiative for Promoting Inclusive Youth Employment: Expansion of Apprenticeship"

Program Details of Technical Session 2:

Day 2 - Monday, 12 December 2016					
Pan Pacific Sonargaon Hotel, Grand Ballroom (2:00 – 4:00 pm)					
2:00 – 2:10 pm	Introductory remarks by the chair of the session	Dr. Qazi Kholiqu <mark>zzaman Ahmad, Chairman, Palli</mark> Karma Sahayak Foundation			
2:10 – 2:15 pm	Remarks by the Co-chair	Begum Shamsunnah <mark>ar, Secretary, Ministry of</mark> Expatriates' Welfare a <mark>nd Overseas Employment</mark>			
2:15 – 2:30 pm	Keynote presentation (i) 'Apprenticeship Development in Bangladesh'	Mr. Anir Chowdhury, Policy Adviser, 'a2i' Programme, Prime Minister's Office			
2:30 - 2:45 pm	Keynote presentation (ii) 'Youth Self-Employment and Entrepreneurship Development'	Ms. Eva Majurin, Enterprise Specialist , ILO New Delhi and Mr. Francis De Silva, Skills Specialist, ILO Dhaka Office			
2:45 - 3:20 pm	Panel discussion:	Expert panel:			
	Moderated by: Dr. Arif Dowla, ACI Group	1. Mr. Moinuddin Ahmed, representative, RMG sector			
	Discussion to be based on:	2. Mr. Siroco Mesereli, Deputy Director, SDC			
	a) The latest initiatives for promoting	3. Mr. Ejaj Ahmad, Founding President, BYLC			
	apprenticeship	4. Mr. Md. Salim Reza, Director General, BMET			
	b) Challenges of under-employment and youth unemployment	 Mr. Benjir Ahmed, President, BAIRA Dr. Wajedul Islam Khan, General Secretary, 			
	 c) The strategy to address the youth unemployment 	NCCWE			
	 d) The dimensions of rural non-farm employment for youths 				
	e) Challenges of institutional capacity building in regards to apprenticeship (SME employers, regulatory bodies, curricula implementation, supervisors etc.)				
	f) Role and focus of policymakers and employers on addressing youth employment				
	 g) Economic integration of returning migrant workers h) Strategy for formalization of informal apprenticeship 				
3:20 - 3:55 pm	Question and answer session				
3:55 – 4:00 pm	Wrap up by the Moderator	Moderated by: Dr. Arif Dowla, ACI Group			
4:00 pm	Refreshments				
		I			

Chair



Dr. Qazi Kholiquzzaman Ahmad Chairman Palli Karma Sahayak Foundation

Moderator

Co-chair



Begum Shamsunnahar Secretary Ministry of Expatriates' Welfare and Overseas Employment, Government of the People's Republic of Bangladesh



Dr. Arif Dowla ACI Group



Mr. Anir Chowdhury Policy Adviser 'a2i' Programme Prime Minister's Office

Keynote Speakers



Ms. Eva Majurin Enterprise Specialist ILO New Delhi, India



Mr. Francis De Silva Skills Specialist ILO Dhaka Office

Panelists



Mr. Moinuddin Ahmed Rrepresentative, RMG sector First Vice President, BGMEA



Mr. Ejaj Ahmad Founding President Bangladesh Youth Leadership Center



Mr. Benjir Ahmed President Bangladesh Association of International Recruiting Agencies



Mr. Siroco Mesereli Deputy Director, SDC Embassy of Switzerland in Bangladesh



Mr. Md. Salim Reza Director General Bureau of Manpower, Employment and Training



Dr. Wajedul Islam Khan General Secretary National Coordination Committee for Workers Education

Summary

After brief introductory remarks by the Chair and the Co-chair on the subject of employment generation and apprenticeship, Mr. Anir Chowdhury, Policy Adviser, 'a2i' Programme, Prime Minister's Office, made the first presentation titled, 'Apprenticeship Development in Bangladesh'. Then Ms. Eva Majurin, Enterprise Specialist, ILO New Delhi and Mr. Francis De Silva, Skills Specialist, ILO Dhaka Office made their presentation in two segments on 'Youth Self-Employment and Entrepreneurship Development'.

Mr. Anir Chowdhury, in his presentation, cited various statistics on employment and labor markets, and mentioned major initiatives taken by the government and development partners on employment generation and apprenticeship. He inferred that the current target for achieving 10% apprenticeship of the labor force by the year 2020 is achievable, if the apprenticeship programs are implemented efficiently and under appropriate regulatory and incentive mechanism.

Ms. Eva Majurin's presentation underscored the need for establishing linkages between skills and entrepreneurship training for successful entry into the labor market by the youth. She substantiated her inference by citing various examples of success stories from development initiatives across the world.

Mr. Francis De Silva, in his presentation, mentioned that self employment was increasing in Bangladesh but not at the level that we needed. Self-employment in Bangladesh prevailed in own-account professions and trades like hawkers and footpath vendors. Mr. De Silva underscored the need for focusing on microenterprise and SME level, in prospective industrial sectors, such as, electronics and electrical goods, software development, light engineering and metal work, agro processing/ agri-business, leather and leather goods, knitwear and readymade garments, plastics and other synthetics, healthcare and diagnostics, educational services, pharmaceuticals/ cosmetics/toiletries, fashion rich personal effects, wear and consumption goods, and etc.

The following major points were raised during the discussion by the panelists and the following open Q&A session:

Apprenticeship should be financially and economically attractive to the employers.

- The population of Bangladesh needs to be transformed into productive human capital by taking appropriate and timely initiatives.
- We need commitment of funds and resources, better coordination between government agencies and institutes and donor agencies.
- Bangladesh needs to adopt modern and effective approach to education by replacing the memorization as the current dominating feature.
- Appropriate measures to recognize prior learning are needed to promote formalization of informal level skills.
- Options for vocational training should be introduced early in the mainstream general education.
- Steps should be taken to formalize informal apprenticeships in various industrial sectors and trades.
- SME clusters in Bangladesh need to be organized and offered apprenticeship and skills development opportunities.



Technical Session 3

"Decent Work in Global Supply Chain: A Match Making Challenge for Bangladesh; Consumers'- to Retailers' Response to Manufacturers' Needs-An Unnoticed Reality"

Program Details of Technical Session 3:

Day 3 - Tuesday, 13 December 2016					
Pan Pacific Sonargaon Hotel, Grand Ballroom (10:00 - 11:30 am)					
10:00 – 10:10 am	Introductory remarks by the chair of the session	Mr. Kazi Am <mark>inul Islam, Executive</mark> Chairman, BID <mark>A</mark>			
10:10 - 10:25 am	Keynote presentation by CPD	Dr. Mustafizur Rahman, Executive Director, CPD			
10:25 - 11:05 am	Panel discussion:				
	Moderated by: Mr. Md. Shafiul Islam (Mohiuddin), First Vice-President, FBCCI	Expert panel:			
	Discussion to be based on:	1. Mr. Mahmud Hasan Khan (Babu), representative, RMG sector			
	a) Major challenges to remain competitive and compliant at the same time	2. Mr. Khondaker Mostan Hossain, Joint Secretary, MoLE			
	 b) How do we streamline our production process to the recent global trends in 	3. Mr. Md. Hatem, representative, RMG sector			
	consumer choices, e.g., fair trade, green products, decent work, etc.?	4. Mr. Syed Sultan Uddin Ahmed, BILS			
	c) The strategy to address the decent work gaps in our production process	5. Ms. Nazia Haider, Senior Program Officer, SDC			
	 d) Diminishing CM value vis-à-vis increasing cost of compliance 	6. Mr. Miran Ali, representative, RMG sector			
	e) Strategies for sustaining competitive edge in the global supply chain	7. Ms. Shwapna Bhowmick, Country Head, Marks & Spencer, Bangladesh			
	 f) Empowerment of women workers and emerging social and family issues 	Regional Office			
11:05 - 11:30 am	Question and answer session				
11:30 - 11:35 am	Wrap up by the Moderator	Moderated by: Mr. Md. Shafiul Islam (Mohiuddin), FBCCI			
11:35 am - 12:00 pm	Refreshments				

Chair



Mr. Kazi Aminul Islam Executive Chairman Bangladesh Investment Development Authority

Moderator



Mr. Md. Shafiul Islam (Mohiuddin) First Vice-President The Federation of Bangladesh Chambers of Commerce and Industry



Dr. Mustafizur Rahman Executive Director Centre for Policy Dialogue

Panelists



Mr. Mahmud Hasan Khan (Babu) Representative, RMG sector Vice President Bangladesh Garment Manufacturers and Exporters Association



Mr. Khondaker Mostan Hossain Joint Secretary Ministry of Labour and Employment



Mr. Mohammed Hatem Representative, RMG sector Former First Vice-President Bangladesh Knitwear Manufacturers & Exporters Association



Mr. Syed Sultan Uddin Ahmed Executive Director Bangladesh Institute of Labour Studies



Ms. Nazia Haider Senior Program Officer, SDC Embassy of Switzerland in Bangladesh



Mr. Miran Ali Representative, RMG sector Director Bangladesh Garment Manufacturers and Exporters Association



Ms. Shwapna Bhowmick Country Head Marks & Spencer, Bangladesh Regional Office

Summary

After a brief opening remark by the Chair on the contemporary issues of global supply chain vis-àvis Decent Work concept, Dr. Mustafizur Rahman, Executive Director of CPD made his keynote presentation.

Dr. Rahman highlighted the current challenges faced by the Bangladeshi manufacturers and exporters in terms of falling prices and increasing cost of doing business. His paper mentioned that increasing cost of compliance and wages combined with falling prices and increasing price competition posed overwhelming challenges to the Bangladeshi manufacturers. His paper also presented an analysis of distribution of margin. Recent trends in consumer preferences, such as, fair trade products, carbon footprint, green technology, organic products were also discussed. His paper identified the weaknesses in the value chain, areas where capacity building is needed, and their related cost structure. The full research paper and the PowerPoint presentation can be found in the annexure.

The following major points were raised during the discussion by the panelists and the following open Q&A session:

- The distribution of costs along the value chain shows a strong bargaining position of buyers/ retailers in the buyer-driven value chain, which needs to be rationalized by distributing some of the costs to the buyers/retailers for the sake of sustainability and for promoting rational production and consumption behavior.
- Apportioning responsibilities along the global value chain in view of the SDGs has become critically important in view of the emergent situation.

- Left to market forces, compliance assurance on a sustainable basis may not be possible, and interventions would be required from government and supranational bodies.
- Bangladeshi suppliers need to be capable of bargaining and not be scared about expressing the reality to their buying counterparts; and at the same time, there should be a mechanism to distribute the gains to the workers.
- Most of the Bangladeshi manufacturing sectors have the lowest value-addition, while higher value addition was taking place in premanufacturing and in sales/after sales; These are the areas we need to focus on for developing our capacity.
- An improved industrial relations achieved through social dialogues in Bangladesh will improve our bargaining capacity in the international arena, and help us securing a more stable position in the global value chain.
- There is a need for formulating a strategy to urge upon the buyers and retailers to increasingly bear a fair share of the cost of compliance in order to ensure decent work in Bangladesh.

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Technical Session 4

"Strengthening Social Dialogue, Industrial Relations, and Workplace Safety – A Means for Closer Partnership"

Day 3 - Tuesday, 13	B December 2016		
Pan Pacific Sonarga	on Hotel, Grand Ballroom (12:00 -1:30 pm)		
12:00 – 12:10 pm	Introductory remarks by the chair of the session	Dr. Mohammed Farashuddin, former Governor, <mark>Bangladesh Bank</mark>	
12:10 - 12:25 pm	Keynote presentation, CPD	Dr. Khondaker Golam Moazzem, Additional Research Director, CPD	
12:25 - 12:55 pm	Panel discussion:	Expert panel:	
	Moderated by: Mr. Asif Ibrahim, Vice- Chairman, Newage Group	1. Mr. Faruque Hassan, representative, RMG sector	
	Discussion to be based on:	2. Advocate Delwar Hossain Khan,	
	a) What policy & regulatory space do we need to improve social dialogue?	NCCWE 3. Mr. A.H. Aslam Sunny,	
	b) What are the major factors preventing social dialogue?	representative, RMG sector4. Mr. Syed Ahmed, Inspector	
	c) Social dialogue in EPZs	General, DIFE	
	d) Capacity building of tripartite constituents for social dialogue	5. Mr. Kamran T. Rahman, Adviser, BEF	
	e) Encouraging effective trade union at the enterprise level	6. Mr. Alexander Andersson, Representative from H & M	
	 f) Strategy for building trust among the social partners 		
12:55 – 1:25 pm	Question and answer session		
1:25 – 1:30 pm	Wrap up by the Moderator	Moderated by: Mr. Asif Ibrahim, Newage Group	
1:30 - 2:30 pm	Lunch Break		

Program Details of Technical Session 4:

Chair



Dr. Mohammed Farashuddin Former Governor Bangladesh Bank

Moderator



Mr. Asif Ibrahim Vice-Chairman Newage Group

Keynote Speaker



Dr. Khondaker Golam Moazzem Additional Research Director Centre for Policy Dialogue (CPD)

Panelists



Mr. Faruque Hassan Representative, RMG sector Senior Vice President Bangladesh Garment Manufacturers and Exporters Association



Mr. A.H. Aslam Sunny Representative, RMG sector 1st Vice President Bangladesh Knitwear Manufacturers & Exporters Association



Mr. Kamran T. Rahman Adviser to the Committee Bangladesh Employers' Federation



Advocate Delwar Hossain Khan General Secretary, International Trade Union Confederation Bangladesh Council, and Member National Coordination Committee for Workers Education



Mr. Syed Ahmed Inspector General The Department of Inspection for Factories and Establishments



Mr. Alexander Andersson Representative from H & M

Summary

After a brief opening remark by the Chair on the contemporary issues of industrial relations and importance of social dialogue, Dr. Khondaker Golam Moazzem of CPD made his keynote presentation.

Dr. Moazzem's paper focused on the importance of social dialogues in improving industrial relations and workplace safety. He evaluated the recent initiatives to improve the workplace safety, and recommended future areas of works for ensuring long term sustainability of the ongoing initiatives. He identified the major past and present challenges arising from increasing volumes of investment, production, and trade in the context of worker-employer relationships and regulatory authorities. His paper benchmarked the mechanisms for social dialogue prescribed in the regulatory framework, such as trade unions, CBAs, participatory committees, etc., and made recommendations for improvement. The research paper and the presentation can be found in the annexure.

The following major issues and suggestions came up from the subsequent panel discussion and open question and answer session:

- Institutional capacity building, particularly for the Department of Inspection for Factories and Establishments (DIFE) and Department of Labour (DoL), will be needed.
- Existing legal framework concerning the issues of workplace safety, and social dialogues should be upgraded.
- Uniform labor laws should be applicable for everyone in Bangladesh, including the EPZs.
- Violation mitigation mechanism should be transparent to all parties.
- There is a need for upholding the environment and socially responsible ways of doing business.
- Social dialogues, both formal and informal, need to be encouraged in order to find solutions, build trust, and improve the capacity to negotiate with external parties.



CONCLUDING SESSION



Concluding Session

13 December 2016 Pan Pacific Sonargaon Hotel, Grand Ballroom

Program Details:

Serial	Description	Time
1	Guests to be seated	03:00 pm
2	Welcome remarks by Mr. Salahuddin Kasem Khan, President, Bangladesh Employers' Federation	03:05 pm
3	Presentation of summary of discussions by Mr. Mikhail I. Islam, Industry Skills Consultant	03:10 pm
4	Remarks by Ms. Rowshan Jahan Shathi, National Coordination Committee for Workers Education	03:25 pm
5	Remarks by Ms. Beate K. Elsässer, Director, Cooperation, Embassy of Switzerland	03:30 pm
6	Remarks by Ms. Linda Kromjong, Secretary-General, IOE	03:35 pm
7	Remarks by HE Benoît-Pierre Laramée, High Commissioner, High Commission of Canada	03:40 pm
8	Remarks by Mr. Mario Roncor, Minister-Counselor, the Delegation of the European Union	03:45 pm
9	Remarks by Mr. Kazi Aminul Islam, Executive Chairman, Bangladesh Investment Development Authority	03:50 pm
10	Remarks by Ms. Tomoko Nishimoto, Asst. DG & Regional Director, ILO (Asia & the Pacific)	03:55 pm
11	Remarks by Mr. Mansoor Ahmed, representing RMG sector	04:00 pm
12	Remarks by Hon'ble State Minister for Labour and Employment	04:05 pm
13	Speech by the Special Guest, Hon'ble Minister, Ministry of Commerce	04:15 pm
14	Speech by the Chief Guest, Hon'ble Minister, Ministry of Finance	04:30 pm
15	Announcement of 'Dhaka Skills Declaration' by the CEO, National Skills Development Council	04:55 pm
16	Refreshments	05:00 pm

Concluding Session

Held on Tuesday, 13 December 2016 at Pan Pacific Sonargaon Hotel

After arrival of the Chief Guest, Mr. Abul Maal Abdul Muhith, MP, Hon'ble Minister, Ministry of Finance, the guests took their seats and the closing ceremony started in the afternoon of the 13th of December, 2016, at the Grand Ballroom of Pan Pacific Sonargaon, Dhaka. The designated speakers delivered their statements and addresses following the sequence of the program schedule.



Bismillahir Rahmanir Rahim,

Hon'ble Jonab Abul Maal Abdul Muhith, MP, Hon'ble Minister of Finance

Jonab Mohammad Mujibul Haque, MP, Hon'ble State Minister for Labour and Employment,

Excellencies, Distinguished Guests, Employers, Workers, Friends, Development Partners, Media Personnel, Participants, Ladies and Gentlemen:

A very good afternoon. Assalamualaikum.

On behalf of the tripartite organizers and Bangladesh Employers' Federation, it is my great honor to welcome you all at this closing ceremony of the 3-day "Dhaka Summit on Skills, Employability, and Decent Work 2016" held in the backdrop of two related important events, the GFMD Summit in Dhaka and the 16th Asia Regional Pacific Conference in Bali.

During the last two and a half days, many issues have been discussed, and a number of important announcements have been made. We have listened to the deliberations and visions and directives of all stakeholders and the Hon'ble Prime Minister at the inaugural session, complemented by the learned discourses by the Director-General of the ILO, Hon'ble ministers, experts, practitioners, employers, workers, development partners, and the civil society. The focus has been on the strategies and action plans for skills development and human capital development based on the SDGs to make our country ready for the 21st century jobs, skill based on innovation, technology, entrepreneurships, apprenticeships to enhance productivity, quality and price in the global value chain. The four well-attended technical

sessions have enriched our knowledge and given us key directives to the way forward. A summary of discussions will soon be presented by the rapporteur, and the Dhaka Skills Summit Declaration 2016 will be launched at the closing. The DG ILO has expressed his keen interest to be informed of the proceedings of the Summit. He briefly attended the session on Social Dialogue and addressed the participants. This was a red-letter day for us.

The world is now realizing that skill development is a sine qua non for employment generation and sustainable human development. It is also an essential element to find the market niche for our products and services in the global supply chain in a sustainable manner with fair pricing which has to be ensured for good services in the global supply chain as there is a cost of compliance which should not affect our competitiveness and expose us to unfair competition. We need a level playing field. Our economy is on a very good growth trajectory of 7% plus. We are also expecting to reap the benefits of the 'demographic dividend' provided we can up-skill them in market-based skills. To maximize the benefits from this favourable situation, we need to prepare our human capital till proper education and training systems are full spectrum. Skills development program needs to be implemented now from the shop floor to managerial training and education. TVET must be transformed to TPVET, which includes professional education to remove the social stigma of TVET in our society.

The Hon'ble Prime Minister officially launched the Bangladesh Business and Disability Network at the inaugural ceremony of the summit. We hope this Network will soon start contributing to mainstreaming the persons with disabilities in the job market and play a key role in advocacy to activate disability laws and policies that are already in place yet remain largely unenforced.

A PWD action plan for apprenticeship training and job placement is critical in support of the ILO development partners. Tax incentives need to be put in place, Hon'ble Finance Minister, to incentivize employers. If we can all commit to employ 1% PDW's workers annually in the public and private sectors, by 2030, we will have met our SDG goals of leaving no one behind in our effort for an inclusive development process. Hon'ble Finance Minister, I recall you had made an impatient plea at the end of Poverty Bill on 17 October 2016 in the presence of the Hon'ble Prime Minister and the World Bank President on behalf of this disadvantaged segment of our population of which PWD's constitute 10%, that is, 16 million people, of which 40% are women. We appeal to the government to declare 2017 as the year of disability inclusion in the workplace.

On behalf of the employers, I would like to suggest that utmost priority should be given to the setting up of the National Human Resource Development Fund (NHRDF) and make it operational from 2017. We have been advocating this from the Private Sector and are grateful to you, Hon'ble Finance Minister that you are now setting up the Skills Development Fund in the National Budget in 2015-16. The PPP fund must focus on apprenticeships, training and RTOs, professional and managerial training, persons with disability, and IT.

Before I conclude, I would like to express my gratitude and appreciation to the co-organizers of this event, the Ministry of Labour and Employment, and the National Coordination Committee for Workers Education for their continuous engagement that has made this Summit possible. Indeed, this is a social dialogue. I would also like to express my appreciation to the Access to Information (a2i) Program of the Prime Minister's Office, the World Bank, Swiss Agency for Development and Cooperation, International Labour Organization, governments of the UK, the Netherlands, and Canada, other development partners, Centre for Policy Dialogue, BGMEA, BKMEA, and other employers for their financial, material, and intellectual support in organizing this 1st Dhaka Skills Summit, which we believe needs to be outcome based with accelerated implementation by the tripartite partners.

In this month of the war of liberation victory, we should pledge to work together, as we did in 1971the workers, employers, the Government of the Bangladesh - to win our liberation from poverty by 2030 so the fruits will reach the hard working and resilient people of Bangladesh so richly deserved. Thank you.

BEF President's welcome address was followed by a presentation of the summary discussion for the last two and a half day by Mr. Mikhail I. Islam, Industry Skills Consultant. His presentation can be found in the annexure.

Remarks by Ms. Rowshan Jahan Shathi, National Coordination Committee for Workers Education (NCCWE):

Hon'ble Chair, Chief Guest, Hon'ble Minister, Ministry of Finance, Mr. Abul Maal Abdul Muhith, MP, Hon'ble State Minister for Labour and Employment Mr. Md. Mujibul Haque, MP, Excellencies, Ambassadors, Representatives from different International Organizations, Government Officials, Trade Union Leaders, Distinguished Guests, and my colleagues:

Good afternoon. At first, on behalf of NCCWE and the workers movement of Bangladesh, we are thankful and impressed by the arrangement of the conference of the last couple of days. I believe this joint effort and initiative will have evolved a new era of our future Decent Employment of Bangladesh.

Now, it is needed to go ahead with our integrated and coordinated effort together. In this regard, we need a forum for detecting limitations and challenges in the process to address those for better result of this initiative. We would like to give thanks to the Hon'ble Prime Minister for the inauguration of this Summit, and we are also grateful to the Director General of the ILO for his generous effort and cooperation for the success of this Declaration. A good number of recommendations have been drawn from the primary discussions. Now, we need to implement this Declaration under the guidance of a National Planning and Framework.

As \$50 billion export target is already set, therefore we need to use our human resources effectively to achieve the target successfully. As part of workers movement, I want to say that workers are the integral part of the industry and national development. So, without involving workers in this journey, nothing will be achieved. For the implementation of SDG, we needed to address this issue of capacity development with the workers very steadily. In this regard, we should ensure the skill development of our youth workers. Besides, we should also upgrade the capacity of those workers who may have lost their jobs due to redundancy. It is a must to ensure social safety net for all workers. If we can do this, it will be possible to ensure our development. Finally, we look forward to a prosperous Bangladesh to fulfill the objectives of Sustainable Development Goal with ensuring sound industrial relations. Our workers rights should be ensured through effective social dialogue. At the end, I would like to thank Bangladesh Employers' Federation, our Government for assisting the stakeholders including ILO for the capacity building of the country's labor force. Thanks again for giving me the opportunity to share something from the workers community. Thank you all.



Good afternoon.

Hon'ble Minister of Finance, Hon'ble Minister of Commerce, Hon'ble State Minister of Labour and Employment, Excellencies, Dear Guests:

It is a great honor for me to be present in the closing of the Dhaka Skills Summit, and it has indeed been a pleasure for Switzerland to be a contributing partner to this event. I would briefly like to reiterate 4 very basic issues which are, in our view, crucial to be addressed in skills development in the coming years. These are:

- (i) Role of the Private and the Public Sector
- (ii) Labor Market Orientation
- (iii) Decent Work ; and
- (iv) Inclusion

Ladies and gentlemen, skills training is not a goal in itself, but a means to an end. Skilled workers are essential for a productive and sustainable economy. Bangladesh has huge workforce potential, but a very low productivity of the workforce. A key limiting factor to make use of this potential is the large number of unskilled and poorly skilled workers. This negatively affects the quality of products and services in all sector, be it readymade garments, construction, pharmaceutical, or any other sector. It also affects private sector and GDP growth. Hence, both the private and the public sector have, and that was shown. I believe, in this Summit, an inherent interest to contribute to a skilled workforce. But the roles must be clear. This Summit is a first step into the right direction. The private sector, which has a fundamental interest in skilled workers, should be in the driver's seat. But this also means that the private sector has to invest into skills training. The role of the public sector in contrast to the still prevailing situation in Bangladesh is ideally limited to standardization certification, and accreditation. Or to say differently, in an advanced economy, the public sector sets and controls the framework and regulations, while the private sector provides the content and major funding for skills training. The increased participation of the private sector in skills training will result in trainings that are more relevant for the labor market. This will also address the current mismatch between the demand and supply of skilled workforce. Certain ways of skill provision, such as the apprenticeship system which is widely practiced in Switzerland, could further strengthen the labor market relevance of the training. However, it is also important to note that the job is not done only by improving the professional skills of workers. They also need better soft skills. Just to mention a few, workers need occupations safety and health training in order to prevent accidents and injuries which affect their lives, and at the same time the business operations of the employer. Workers also profit from language and communication skills to find a suitable job in the labor market. Workers must know their rights and their duties. Also important, the marginalized must be given a chance to profit from skills training. It provides them with a livelihood. By lifting themselves out of poverty, the poor and the marginalized create a particularity high dividend for the society.

To close, I would like to highlight, in this context, the importance of Decent Work conditions. It is the right

of the worker and an obligation for the employer to provide healthy working conditions and certain levels of social protection. For this to happen, a tripartite exchange, like during this Summit, is essential. Eventually, the Government, the employers, and the trade unions have to address jointly and constructively, in a social dialogue, the constraints to skill development. I do hope that this Summit marks the starting point for the intensification of this tripartite dialogue. I thank you very much for your kind attention.




Hon'ble Ministers, Excellencies, Dear Guests, Dear Participants,

I really thank you again for inviting me here to say these three days of I would say interesting debates, foremost, for your passionate debates. I was not able to attend each and every session, but I was in the far majority of them, and I have seen true engagement. I have seen that people wanted to engage, wanted to ask questions, a thing that really inspired me to also to be here and I think that was really great to have been with you.

I think this active engagement of entrepreneurial spirit, that is something you sense the moment that you start into the womb because it also what I sensed when I had been to other meetings this week here in Bangladesh. I am not going to repeat all the content that was discussed. I think the previous speakers already addressed those. A great summary is already being shared with you. So I am just going to share a few of my observations and give a few points that I fear is important for the way forward. Before I do that, I have got many great things to say, but I also have to be a bit critical. I am going to be a bit critical about diversity here because the last panel was an all-male panel. So if there was one wish, I would say all panels in the future should be diverse. There are five things I want to say; the first is about purpose. Purpose is important for firm. What you are doing here today, in the coming days will be more important in your future steps is about designing the future for your country here and now. We are focusing on education; we are focusing on skills development. You all have made sure that there will be a brighter future--for your workers, your youth, your children, but also for business--by making sure that the skills and education are there to make them grow, and by doing so, provide jobs.

The second thing is promote. I really would encourage everyone of the participants to step out of this room and be an ambassador. Be the ambassador of this movement. That is really needed to bring Bangladesh, I would say, to the next area. You all have been here and I think the task is now on you to create a movement and spread the word.

The third point I want to address you is partner. Being and working together in partnership. That is what is

going to make this a success. The challenges are huge. The opportunities are great. You can only find the solutions together, and the partnership that I found here in this room these three days, the partnership in such a designed program, the great support of workers, of business, of government, of society - that is what remains important, and that partnership should continue in the future.

The fourth point is about progress. Progress has to be made, but it is also very important that in the progress you make, you measure it, that you define clear action plans, that there is a plan of milestones, that there are key performance indicators, how we are going to measure success if we do not do our base learning right. And common for business, I think, there is a crucial element that has to be present in building action plans to drive this.

And the fifth point is about pride. I think you can be proud about what you have done here over the last three days. I really would appreciate that you go home and can say, 'What we did was great'. You can be proud of what you stand for and you also have to be proud about how you bring forward the future.

Again, thank you for being here. From the International Organisation of Employers, I am very proud about my member BEF, and I really look forward to continue working with them. Thank you again.





Hon'ble Ministers, Dear Guests, Assalamulaiakum, Good afternoon.

It has been my great pleasure to hear about the dynamic and engaging discussion over the last two days. This summit has brought together important stakeholders to discuss skill, employability, and decent work, and to promote solutions was to representing their different interests. As we have seen, providing skill for employment and making sure these skills are available to both women and men is the key to Bangladesh's future prosperity. It is a link between economic development and poverty reduction. Improved workplaces and markets are keys to improving living conditions and achieving the SDGs. Supporting workers to acquire market driven skills increases their access to more and better jobs and gives them strength to protect their own rights. And by ensuring that women as well as men are ensured equal access to education and skills training, we now promote equal opportunities in the labor market, and equal participation in decision making.

Bangladesh aspires to become a middle-income country by 2021, and reaching this milestone

of economic growth and development will be a collaborative effort between all stakeholders of Bangladesh's society. Expanding economic growth to the poorest and most marginalized and protecting the equal rights of women to participate in the labor market fairly will enable Bangladesh to continue to grow and prosper at the next level.

My colleagues here today have expressed in the past two days, that Canada sees this as a sector of greatest opportunity, with the potential to make momentous change happen in Bangladesh. Skill training improves the productivity of workers and increases their employability and earning potential on the local and international market. And it eventually makes Bangladesh competitive globally. Skills training can ensure that Bangladesh economy move up the production value chain, and evolve into an economy of the future. Because skills training make you productive and employable, it could have Bangladesh make use of their demographic dividend to turn the country into a financial powerhouse. And just as importantly, skill training can empower girls and women and allow them to reach their full potential, and it can give opportunities and economic independence to people with disability, ethnic minorities, and others who are marginalized, thereby reducing the need for them to be the responsibility of the state and allowing them to contribute to the country's economy.

I want to touch specifically on two issues that I have seen in the conclusion of the report, but I think they deserve a little more emphasis on. I want to talk about the importance of skilling women and girls, and green economic growth, and link these to the summit topic of skills, employability, and decent work. Women and girls: how is gender equality empowerment a priority of the Government of Bangladesh. Women's participating in TVET in Bangladesh continues to be comparatively low. Addressing all the buyers to focus on female participation in TVET and labor force is a slow process, and it would take time. Our priority, in Bangladesh, is ensuring education and TVET learning environment allow girls and women to be safe and to learn in a safe, harassment-free environment. Secondly, must work be done with employers to ensure that once the women are trained and skilled, the marketplace is willing to hire them. In Canada, our government has a new focus on equality and women's empowerment and strong support for investment in skills training for girls and women. Women are more often attracted to TVET and training because, it has a high status, and TVET graduates have a greater likelihood of getting a good job in the area of study sooner than many other students. Being skilled or adding a trait also offers flexible employment prospects, flexible hours, home businesses, and working from home that is sometimes highly valued by women with children or family members to care for.

The second point I want to touch on is their need to invest in skills for job of the future. There is an increasing trend around the globe for a new type of skill; green skills. That is what equips people to drive clean or green economic growth. For TVET in

Bangladesh, the challenge is not only building the capacity to deliver the next generation of technical skill development, but they need to rethink education and skills training post 2015. The greening of TVET offers a unique opportunity to fully integrate girls, women into a new skilled labor sector. The green technology sector and green jobs are relatively new. So there is less stereotyping of whether these jobs are done by women or men. If there is an equal proportion of girls and boys who are trained in this program, it is more likely that they will be employed together, work together, and will be respected for their shared knowledge and skills. This offers the opportunity to keep women at the forefront as opposed to trying to integrate them after, while attempting to remove the stereotypes of the job being specifically for men and women.

To conclude, Canada supports the Government of Bangladesh in its effort to bring together industry, civil society, and development partners, to advance Bangladesh's skill agenda, and expand economic growth to the poorest and the most marginalized. We believe Bangladesh's focus on skill can be transformational. If you are able to close the gender gap and labor market participation. If you focus on women's economic empowerment, and only increasing availability of market-relevant skills training to women. And if you can help the industry, identify meaningful employment successfully opportunities for youth. This combination will enable you to focus on green jobs that will be relevant to face the challenges of climate change, and will allow Bangladesh to move quickly ahead and with technological innovation, making strong use of demographic dividend and newly skilled national workforce of both women and men. This summit is the beginning of a journey. I hope and I wish, and I am sure that Canada will want to be a part of that journey. Dhonnobad. Thank you very much.





Hon'ble Ministers, Dear Guests,

Education is a focus sector of the European Union Development Cooperation, and I would like to share with you today a few messages on this specific area. In fact, as EU, we are very glad to have contributed directly as a primary actor with the ILO through the realization of the TVET skill sector reform project, which has been running from 2008 till 2015. We are contributing to the ILO to lay the foundation of a modern industry responsibility including TVET system. One of the main results of this program has been the formulation and then the adoption of the national skill development policy of Bangladesh, and the starting of the implementation. Key issues like the access to professional education, the establishment of verification framework, and the standards have been built by this program, and the overall approach has been, of course, to move away from the supply to the demand-driven industry, market-driven approach for professional and technical education.

I also think the contribution that we, as EU, provided, gave the possibility to many donors to intervene. In effect, we have to testify to a very wide participation of not only different partners but also from different sectors. We will continue with that contribution.

We have just had a signing ceremony with the Minister of Education, the Minister of State for Labour and Employment, also here today, ILO Director-General, to mark the launching of the new program where our many objectives as EU will be reinforced and strengthen the whole professional education system.

ILO is to model training activities relevant to specific sectors, but all these will become sustainable only if there is a very strong system, only if there is a policy framework for professional education based on long term goals. It has a very clear governance mechanism, very efficient institution. So this is the area where we would like you to contribute more because we believe that it is only through a structured sustainable system that the country will face the challenges that during these 3 days all the participants have very clearly outlined. Of course, ultimately, what do we mean for a TVET system? We mean that at the end of the road, there should be a specific model for vocational education and training which will be adopted and developed according to the country specificity and

need. And this system undoubtedly will have, as it is already doing in a proportion even bigger to be based on an active partnership between public and private sector. But probably also the role of the state, given the number, given the need, will continue to be very relevant and of paramount importance. Of course, the system also and its governance will be a stimulant because this way, we will be able to overcome the mismatch between the skill demand and supply beyond the specificity of one sector which we will be valid today but not anymore tomorrow. So it is really an overall approach which is required. The deliberations here went much more on a global approach of social dialogue. We think, as EU, that the development of a very strong long term education system including TVET is crucial for the country's social development and economic development and we will continue as EU to be very much engaged with our different ministries, with our colleague in ILO and other development partners for the development of skill in Bangladesh. Thank you very much.





Hon'ble Chief Guest Mr. Abul Maal Abdul Muhith MP, Minister for Labour, Representatives of the Workers, Employers, Members of the NGOs, Representatives of various national and international organizations and bodies, representatives of print and electronic media, my colleagues from various government agencies, departments, and ministries, distinguished Guests, Excellencies, Ladies and Gentlemen:

I really feel honored to be part of this august gathering here today. This event on Skill, Employability, and Decent Work is very timely. As we are at the early stage of our work, to achieve our national goal for 2021 to become a higher-middle income country, and our national goal to become a developed country by 2041 and our international goals of 2030 agenda for sustainable development. You are aware that we have achieved our Millennium Development Goal ahead of time, ahead of many other countries. This is what we would like to repeat in case of Sustainable Development Goals, as has been suggested by our Hon'ble Prime Minister on different occasions. To achieve this goal, we have to focus on Decent Work as a goal of sustainable development in itself and also a cross-cutting goal, for achieving other goals of sustainable development. We focus on Decent Work because it is the kind of work that, I mentioned in our other session, that liberates our energy, helps us to realize our potential, gives us freedom, protects our families, recognizes dignity of our work and enables us to engage as a useful member of the society and a citizen of this beloved country of which we are all very proud of.

The issues of Decent Work, Skills, and Employability, are linked. That is why this government has taken a massive initiative to deal with these issues with the highest commitment at all levels of political leadership, especially at the level of the Hon'ble Prime Minister. You are aware that she heads the National Skill Development Council, and the presence of the Hon'ble Prime Minister in the inaugural session of this Summit, and the presence of the Hon'ble Finance Minister and Minister for Labour here bears testimony to the fact that there is enough commitment at all levels of government. So now it is up to us to take it forward and in her inaugural address, the Prime Minister has eloquently highlighted the salient aspects of the massive programs that have been taken by the government.

Definitely the government initiatives are not the government's alone; it is alliance with reality, it is alliance with all the actors like private sectors, NGOs, voluntary organization, international bodies, and national organizations, all. Excellencies, details of those issues have been discussed in the limited time we had at the thematic session. Now at this point I would like to emphasize a few points.

Firstly, when we talk about Decent Work, we always relate to Global Value Chain and with reference to, very often, garments sector. We have to understand that we have to have decent work at the top of the agenda irrespective of whether we are talking about operating within the global value chain or not. Even in the production and consumption at the domestic level require serious consideration of Decent Work issue.

Secondly, I would like to emphasize that productivity is the key to Decent Work. Unless we become more productive, we have heard from the presentations that there are so many factors, so many issues, so many constraints that squeezes, that makes it so difficult for improving work condition. So productivity is something that we have to emphasize on, and productivity is something in which we have many players, and every actor has to play his assigned role. So Let us take the responsibly and go ahead to make sure that we have enhanced productivity in all our activities across the economy, in agriculture, in industry, in services sector.

Thirdly, let workforce be the key to development, and that is why we have to leverage their energies. We have to empower them. We have to improve. We have to equip them with knowledge and skills, we have to engage them, and we have to realize that potential, and in order to do that, we have to have serious and sincere work in the field of industrial relationship. You see, we have to change our psyche then. When I talk about issues relating to labor, or worker, we say industrial dispute. When we talk about the same things or issues at the board level, we say board issues. It is the kind of treatment that we have behind all our psyche. When it is related to workers, we call it dispute. When it relates to board members, we call it issue. So let us see how we can change our total perception regarding dealing with industrial relations issues.

Next point is reform and development, which I think is very critical, and the government has understood this and that is why a series of reform initiatives have been taken by the government, including enacting laws where and whenever necessary. In this context, I can refer to the One-stop Service Act which is coming for the investors. So that process of improving regime, laws, rules, regulations, processes and procedures, should be continuous. It should not be one-off.

Another point I would like to make is something you all know. We have been growing. Our growth has been inclusive unlike many other countries thanks to the excellent economic management that the government had, and the excellent policy of development of the Hon'ble Prime Minister. However, we still have issues, huge issues, regarding employability. If you look at the data, Bangladesh is a country with the highest youth unemployment, and highest educated unemployment in the region. This is not bad news. It is good news in some sense. We can use this in order to develop our economy. So I think we need to work on this issue with knowledge acquisition, skill, entrepreneurship development and advancement. I would also draw your attention to the fact that our economy is making a structural shift from labor and product based economy to knowledge-based industrial and service economy. And you see the unemployment? This is a reflection of this structural change. We have to make this transition smooth. And there, we need to work very seriously.

Finally, I would like to thank the panelists, the moderators and the presenters during various sessions. I had the privilege of attending a session with Dr. Mustafizur Rahman, which came up with an excellent illustration of the issues that we have to focus on and probably has given us a lot of food for thought. I would especially like to thank the participants of this event. I have seen the patience; I have seen the interest and enthusiasm, with which you have participated. I am an optimist but I was amazed that you have inspired me. Thank you very much. Thank you all.

Remarks by Ms. Tomoko Nishimoto, Assistant Director-General and Regional Director, ILO (Asia and Pacific)

Thank you, Master of the Ceremony.

Hon'ble Chief Guest Minister of Finance, Hon'ble Special Guest, State Minister for Labour and Employment, President of Bangladesh Employers' Federation, Your Excellencies, Representatives from Employers' and Workers' Organizations, Distinguished Guests, Ladies and Gentlemen:

First thing I would like to say is a big, big thank you to the Bangladesh Employers' Federation for organizing this very important event, and coorganizers, the Ministry of Labour and Employment, and to those who have contributed to the discussions and preparations. The discussions were so rich and informative that we were very pleased to be a part of this very important event.

This summit is also a part of the ILO's Global Future of Work Initiative, which was launched by the Director General in November last year. Since then, similar conversations, national dialogues, and events are happening in over 130 countries around the world. And their outputs are fed into the activities and discussions that will mark the ILO's centenary anniversary event, which will take place in 2019. Our organization will be 100 years old in 2019. So we very much look forward to receiving the detailed report as well as the declaration very soon so that we can send this input to the ongoing discussions on Future of Work. Actually after the National Dialogue phase, which is about a year, and to continue till the end of June next year, we will be having the Global Commission for Future of Work, and they will be looking at all the reports coming out from national dialogues from all over the world, so it is very important to have the input from Bangladesh.

The Future of Work Dialogues, and of course this event, is taking place at a very important time, as you know. Global trends like technological advancement, migration and climate change are all bringing unprecedented changes that can seem to be as much as a threat but also an opportunity. So reflections and dialogues like these among the tripartite constituents and beyond is very, very vital to make sure that the country will be able to respond to those changes and take all the challenges and opportunities under control.

Now, we are also pleased to see that the Government of Bangladesh is taking a very proactive approach to dealing with those challenges, but also one of the very active countries which are promoting the implementation of the 2030 agenda for Sustainable Development along with the 17 Sustainable Development Goals. All 17 SDGs are Fundamental to the achievement of economic growth and social justice. In particular, as you all heard again and again, we have this 'Decent Work for All' at the core of the SDGs as SDG 8. It is promoting Inclusive Sustainable Economic Growth, Employment, and Decent Work for all. But for the topic of this Summit, it is Skills Development, a very important and visibly incorporating the issue of skills development, the importance of skills development is SDG 4, is quality education goal. But if it is to work, it must ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. And under Goal 4, there are 10 international agreed targets, and 5 out of 10 under the education goal of SDGs refer to skills development, technical and vocational training. This is a very sharp difference between the education goals that we have had under the Millennium Development Goals which places primary education as the key target. Now, all over the world, every country has realized that along with primary and secondary education, the technical and vocational education, skills development and lifelong learning, re-profiling, re-training the workers is one of the most important ingredients and then target to ensure this sustainable development and Decent Work for all. So we are very pleased that Bangladesh is taking the lead in this discussion, and countries who take proactive actions like Bangladesh will get ahead in the game. So it is a very, very encouraging start of the 2030 agenda implementation in this country.

In this context, I would like to also reiterate our precision of this particular event, which is a manifestation of Bangladesh's Commitment, leadership, and foresight in this very important topic of skills employability, and decent work. Almost all targets, as I mentioned, are very important under the SDG 4, and refer to equal access by women and men and the need to address the gender disparity. So I do hope that sufficient attention was paid to gender equality and women empowerment during the discussion in the last 3 days and follow up actions that you would take as a follow-up to this summit, will have the sufficient gender-sensitivity in it. As we all say, women are half of the population and just like the birds, you cannot fly high in the global arena if your one wing is not sufficiently strong.

Ladies and gentlemen, please allow me to make just three points from ILO's perspective that are very important and arose from this discussion. One is skills, obviously. Second one is global supply chains. And the third one is a social dialogue. For the skills, ILO is currently implementing the Bangladesh Skills for Employment project, and that is funded by Canada, and as noted by the representative of the EU, just yesterday we signed an agreement with the European Union and the Government of Bangladesh to launch a new initiative to support the Bangladesh Skills Reform Program to strengthen institutional capacity requirement for effective delivery of Skills Development. And I take this opportunity to thank Canada and EU for their support in this regard.

The next issue I would like to highlight is Global Supply Chains. This topic was very hotly debated and it was high on the agenda globally in this year's International Labour Conference, and it is very appropriate it is one of the focuses of this summit. We must ensure that the millions of Bangladeshi working in the global supply chains do so in an environment that is both safe and respects their rights.

I would like to also refer to the Sustainability Compact imposed by Bangladesh, the EU, the US, Canada, and the ILO, which is making an important contribution to improving conditions in RMG sector in Bangladesh.

Finally, the point I would like to highlight is of course the Social Dialogue. This Summit itself is a manifestation of the social dialogue and has brought about many important aspects of the social dialogue. As the Director General noted, it is important, it is not easy, but it is so vital for the development of any of the aspects of Decent Work agenda.

This week we launched an important new ILO project in this regard also, "Designed to Support Social Dialogue and Improve Industrial Relations in the Readymade Garments Sector". And by supporting the ideas of partnership and inclusion, we believe this initiative would help Bangladesh achieve the social and economic progress it aims for. We would like to thank, for this project, Sweden and Denmark, for funding this project. It will go a very long way and also contribute to the follow-up action of this summit. Ladies and gentlemen, the discussion of the last three days are very important. I thank you all for your inputs. This was not just another conference. The conclusions will shape and guide our work for years to come. As such, they would have a very real impact on the livelihoods of millions of people in this country. The leaders like you who do not hesitate to take bold steps will make the much needed change happen. I salute you all, and am looking forward to seeing the continued leadership from all of you. Thank you very much.



Good afternoon, Distinguished Guests, Ladies and Gentlemen.

At first, I would like to convey my gratitude to the Hon'ble Minister, Ministry of Finance, and the Hon'ble State Minister, Ministry of Labour and Employment. I would like to extend my gratitude to HE Ambassadors, High Commissioners, Representatives from the ILO, colleagues from Bangladesh Employers' Federation, BGMEA, NCCWE, Senior Officials from Bangladesh Government, and representatives of Donor Agencies. I would like to pay my heartiest thanks to the distinguished Speakers today. This event has been a very successful one, and we hope that it will bring in the kind of dialogue that inspires change, and we would like to thank the ILO for taking this initiative.

We are currently observing a huge shift in the knitwear sector industry on a global scale with new trainings and social changes that are being practically implemented in the industry. And after this event, we are very much optimistic that this will further inspire a more strengthened social dialogue, industrial relations, and workplace safety. The knitwear sector currently contributes in Bangladesh economy through generating the employment, involving women in the formal sector, increasing substantial export earnings, reducing childlabor and many more development aspects. Along with this, a strong backward linkage, Bangladesh's knitwear sector is continuously contributing to the economy and lifting up the socio-economic conditions of the laborers to official's engagement with this sector. Let me share some of our key initiatives before this august gathering. BKMEA has been working effortlessly towards achieving favorable outcomes for skill development, for employability and improving socio-economic conditions. BKMEA has been working and taking steps to build a more inclusive future as we pledge to train persons with disability so that they could be effectively sent out to specific job markets. This sector has been proactive in ensuring that productivity remains at its peak and have been working to ensure competitive wages and productivity balance. BKMEA has also been working towards implementing policies that are correlated to trade and employment in conjunction with the government and international organizations and donor agencies in order to uplift Bangladesh in the regional hub of the trade. This will help create a firm and modern foundation upon which the industry will strive to achieve a target of exporting up to USD 21 billion by 2021, and USD 31.56 billion within 2030 for the knitwear sector.

We continue to support research and innovation that correlate to the development of important issues and fall in line with the SDGs. These issues include occupational health and safety, labor rights, structural integrity of buildings, promoting green technology as well as responsible business conduct. We at BKMEA put utmost importance towards developing skills that correlate to employability and provide Decent Work. Once again, thank you for giving the opportunity to be a part of this momentous day. Thank you all for your patience. May Bangladesh live long.



Bismillahir Rahmanir Rahim

Respected Chief Guest, Mr. Abul Maal Abdul Muhith, MP, Hon'ble Finance Minister;

Excellencies, Development Partners, Ambassadors, Employers, Trade Union Leaders, Distinguished Guests, Media personnel, Participants:

Shudhibrindo,

Bijoer mash e 1971 sal e muktijuddhe jara shohid hoyechhilen, tader shokoler proti, jatir jonok Bangabandhu Sheikh Mujibur Rahman, jar ahobane amra juddhe ongshoghoron korechilam, tar proti, ebong tar poribare jara shohid hoyechen, tader shokoler proti ami shoddha gyapon korchi. Ekisathe Rana Plaza, Tazrin Fashions, shorboshesh tongite Tampaco ebong recently Ashulia te ekta factory te soho jara kormo roto obosthaey sromik jara accident er karone mrittoboron korechen, tader attar proti ami shroddha gyapon korchi.

Ladies and Gentlemen,

Jointly we have been able to organize the threeday long Dhaka Summit on Skills, Employability, and Decent Work 2016. I would like to extend my thanks and gratitude to the organizers, national and international partners for successfully organizing the summit. I am very much grateful to the participants and resource persons of the summit for their valuable suggestions and recommendations to create more jobs through skill development training increase in industrial productivity and to ensure Decent Work in Bangladesh.

Dear Participants,

In the summit, there has been a rigorous discussion on the various issues of export, trades, readymade garments, frozen foods, leather goods, global price trends of cotton, chemicals, polyester, petroleum, etc. We have been highlighted. We have been enriched with the experts' comments and recommendations for sustainable development of these important sectors of the economy. We have to implement this on a priority basis. The global market is very competitive and rapidly changing. In order to sustain ourselves in the global market, we have to ensure labor rights in the RMG sector and other workplaces. We have to do this as a responsible business conduct. We expect that as a responsible business player, the international brands and buyers would response positively in price fixing with the import compliance, apparel factories, and firms. This will eventually encourage the employers in investing more in improving labor standard.

Ladies and gentlemen,

In this age of highly developed information technology, the consumers around the world are very much concerned about what is going on in the world supply chains. The electronic media in Bangladesh are also covering our every activity independently. There is nothing to hide. In this situation, if we fail to respond to the consumers and buyers on labor and social standards, in production process, we may lose our share in the global market.

Through this summit, we have been able to realize the changes more categorically. Recommendations have also come up to overcome these challenges which require the right steps for implementation.

In order to improve overall workplace safety, we have implemented massive legal and administrative reforms, but we have to do more to ensure Decent Work. The Summit has come up with specific recommendations in this area. We should put our every effort to implement these recommendations through strong partnership and social dialogue with the tripartite constituents to uphold workplace safety in the country. Regarding workplace safety, zero tolerance will be our future strategy.

Skilled labor leads to increased productivity. Increased productivity leads to profit for more investment required for sustainable development.

There is a direct link between development of skills and employability. There is no alternative to skilled labor for industrial development in a country like Bangladesh with a huge segment of youth population. The public-private partnership is essential to get benefits from this huge youth population. During this summit, we have inaugurated a project on social dialogue and also signed an agreement to implement two projects. I hope these projects will continue in improving labor rights and skill development in Bangladesh.

Ladies and Gentlemen.

As part of the ILO "Future of Work" Initiative, under the ILO centenary initiatives, dialogues are being organized globally by the ILO member states. Based on the recommendations of these dialogues, the ILO should come up with coherent strategies and programs for developing countries. The Decent Work goals and targets of the UN Sustainable Development Goals 2030 have been incorporated in the National Strategies and Plans in Bangladesh. There is a definite link in the stages and development of decent work. With the gradual economic development, and with partnership and social dialogue, Bangladesh is committed to ensure Decent Work in sectors of the economy. In the process, we expect the development partners and ILO with us. I would like to take the opportunity to thank the Hon'ble Finance Minister for his presence among us. Thank you.





Bismillahir Rahmanir Rahim.

Hon'ble Chief Guest, Respected Mr. Abul Maal Abdul Muhith, Hon'ble Minister of Finance, Hon'ble Special Guest, Mr. Mujibul Haque, MP, Hon'ble State Minister for Labour and Employment, Mr. Salahuddin Kasem Khan, President, Bangladesh Employers' Federation, Ms. Tomoko, Assistant Director General, ILO, Excellencies, Distinguished Guests, Ladies and Gentlemen, Employers, Trade Union Leaders, Development Partners, Media Participants,

Assalamualaikum and good afternoon to you all.

It is a great pleasure to express my heartfelt appreciation on behalf of the Ministry of Commerce, to the Ministry of Labour and Employment, Bangladesh Employers' Federation," National Coordination Committee for Workers Education, to organize such an important and timely Dhaka Summit on Skills, Employability, and Decent Work 2016. Many issues have been discussed in the two days, at technical level within, and we heard the inaugural speeches of the Hon'ble Prime Minister and the Director General of the ILO. Among the issues that my Ministry deals with, the relationship between trade and employment for social economic development and employment generation is very important and was discussed at length. It is a well known fact that Bangladesh has been showing a steady and remarkable growth in the export sector for the past many years. You all know that 81% of the foreign exchange earning comes from our readymade garment industry. Our RMG is the second largest in the world. It started its journey in the late 70s, and our first consignment of export was only \$ 12,000. And in 1972 or 73, our export was only \$300 million. That has risen to 34.25 billion last year. We targeted it will be 37 billion next year and in 2021, we celebrate our 50th anniversary of independence, our total export will exceed 60 billion of which, we are hoping that, \$ 50 billion will come from our readymade garment industry. In the readymade garment industry, some 4.32 million workers are working of which 80% are women. And our trade, two way trade at the present moment, import and export, it is more than \$74 billion, of which, \$34 billion is our total export. The current account balance of the money is surplus. If we add remittance and export, then it is more than our import payment. So that is the position of Bangladesh

at the present moment. We are trying to diversify our export items, not only of the product, but also the destinations. In our 7th Five Year plan, we have targeted that in 2021, we will be a middle-income country where our export will exceed \$ 60 billion. We are now interested to create skilled workers. We have a university that trains people for the RMG sector. In a globalized world, most factors of production are mobile, but skills of the work force need to be developed, and it takes time and proper planning for that. Our country has 43.4 million young people aged between 15-29 years which is about 28% of the total population. Of them, the youth labor force was 23.4 million in 2013. The total labor force of Bangladesh increased by 22.60 % to 61.7, million in 2013 from 49.5 million in 2005-6. Over 45.1 % of the employed population was working in agriculture, followed by 34.1% in service sector, and 20.85 in industry sector. Annually, an average of approximately 2.5 million new entrants join our workforce. Only 5% receive formal training before entering into the labor market. An estimated 5.7 million people, about 5.4 of the total population have participated in formal training before they enter the labor market. The Government believes that fast growth, competitiveness, and social stability largely depend on the transformation of the working age population into productive human resources. We have got 8.6 million people working in various countries of the world and we receive remittance of around 16 billion USD which could have been far more if we had a skilled workforce.

Ladies and gentlemen, Distinguished Guests,

There is skill shortage in Bangladesh in general. In sectors like pharmaceutical and chemical, frozen foods, agro-processing, ship building, light engineering, and other emerging sectors with high export potentials, there is a shortage of adequately skilled workers, and also technically sound supervisors and managers. The link between academia and the industries need to be strengthened. Quality management is an area where we need skills development on a priority basis.

Our country's economy and industrial relations is in a transition when we must be ready to receive the opportunities and face the challenges posed by the changing world markets, and our own domestic level of industrialization. We need, more than ever before, proactive cooperation between the government, workers, and employers to agree on priority issues affecting the labor, employment, and industrial relations. I hope the outcome of this meeting will help us to initiate and maintain the proactive cooperation among ourselves.

This dialogue is a good sign that such cooperation among the stakeholders does exist. We hope to take the outcome of the dialogue in good spirit and play out our respective roles and carry out the recommendations.

Our country is moving towards the positive economic development under the leadership of our Hon'ble Prime Minister. Last year, our GDP was 7.1%, and we projected in our 7th Five -Year Plan, that it will be more than 8% in 2020. As you know that we are working seriously to implement the decision of the SDGs, Sustainable Development Goals, and we hope that we will be able to achieve it, as we did in our Millennium Development Goals. Where the contribution of agriculture was 75% in our first gazette of 1972-73 it is in now 15%, contribution of industry now is 29%, and contribution of service sector is 56%. So, Bangladesh is moving towards economic development and we strongly hope to continue our effort to achieve US \$60 billion export target in 2021 and become a middle-income country. I pledge to fulfill the support of my ministry. With this, I conclude, giving you my gratitude. I wish you all the best. Thank you very much. Joy Bangla, Joy Bangabandhu.

Thank you all.





Respected Chairman,

We have a very distinguished panel here this afternoon, and this is an occasion of a function after the 2 days of labor that you have put in which has resulted in the Dhaka Declaration after this tripartite summit on Skills, Employability, and Decent Work. First of all let me thank the organizers and I appreciate the participation of the development partners for undertaking this program in the last 2 days.

We all know that Bangladesh has fixed two targets for itself: to be a middle income country by 2021, and to be a developed country by 2041. Our first target is almost achieved and may be formally declared in 2021 after the training development committee meeting of the United Nations in 2018. For the next journey, we have to be especially active. It is not that simple. And we have some limitations in resources as well as in our capacity to manage and utilize the resources. Efficient and transparent management of resources and capacity building in both the public and the private sectors is extremely important for this country. This government, led by Sheikh Hasina, is in office for the second time, and we followed, in this period, an employment-led growth model. Not in substitution, but I should say complementary to the export-led growth model that we adopted earlier. And this change in employment-led growth model requires, on a very large scale, the development of human capital of the nation. And in our vision of this human capital development, we have also cared for inclusion, equity, and sustainability. We assure that the greater the skill of the workforce, the better is its employability. A better employability provides the opportunity for inclusion, equity, and sustainability. We have, roughly, 20 million new entrants into the labor force every year. Roughly half a million we exported abroad this year. Last year, it was more than 600.000. This year too it will probably be the same. The rest of the 15 million we absorb at home. Official statistics give an unemployment rate of about 4%, but actually it is much higher. They are not really unemployed because what happens is they get absorbed in agriculture and services sector where jobs are divided. More people work for say the same jobs which were previously done by less number of people. That is how we have this 4% unemployed rate. If we consider that many of these employed people are really unemployed, then we have roughly about 1.8 million who are unemployed at the moment. So, you have 20 million additional workers every year,

2 million of additional labor every year, and you have 1.8 million who are in a sense unemployed. So, when we think of a plan for 5 years, we have to think of adding additional jobs in the country, and in order to add additional jobs in the country, I think it is important that we develop skills for the workforce. If we have a skilled workforce, I believe automatically we should be able to produce more goods of better quality as well, and probably create employment opportunity for more people. Not necessarily for the skilled, but for the unskilled also, who have to support the skilled people in the addition to the productivity they are giving to the country.

Let's think of the next 5 years. We have 2 million new entrants into the workforce, 1.8 million of the backlog, so the economy demands that you should be employing 3.8 m people or 11.8 in the next 5 years. We can be reasonably certain that we should be able to export about 30 million, so we are left with 8.8 million more.

This government has been trying its best to create more employment opportunities because, as we do that, we will have addition of wealth. As we do that, we can reduce poverty in which we have a pretty good performance. A very important element in doing this thing is technology. Technological innovations, and technology have a tendency for something opposite to the labor intensive industrial process of development. So what do we do? We cannot give up the advantage of technology and technological innovations but we have to meet the challenge of how accepting the technology and technological development will also provide for greater absorption of the labor force. Not by reducing the work period, i.e., to say having 6-day work hour, or 4-day week. These are options which we can consider, but it's something that perhaps is not justified for the level of economy that we have in Bangladesh at the moment. Realizing the seriousness of the problem, we have given great emphasis on skills development. And interestingly, a skills development program I have in my own ministry, which has nothing to do with executive work of the government, but this has been done deliberately because this is not an executive program as far as my ministry is concerned. It is a promotion program and although I have this program in my ministry, we are not directly taking up any activities for labor training. We are farming out labor

training to subsidiary programs. We have already been able to do it in respect of two or three kinds of work forces and we expect that we should be able to promote a few more of such subsidiary programs.

We created national Human Resources Development Fund, with an initial contribution of 100 crores, which is about 12.7 billion dollars. It was pointed out to me by Salahuddin Kasem Khan that we should do something for the disadvantaged segments of the population that we should develop, under the Human Resource Development Fund, training programs for apprenticeship and professional managerial training. I have mentioned elsewhere that although we have created various levels of professional people, there is a tremendous dearth of professional managers and trainers. Our garment industry alone sends out 4 billion USD a year, which goes mostly to India and Sri Lanka, who provide this stock of people, professional managers and trainers. We should make serious attempt to substitute them, and that is possible by developing institutions of training and professional management in Bangladesh, and also inducing our vocational trainees and many of the business graduates to move to these training, and training of trainers and training of management and professional people. I think we have quite a number of organizations in the country to work in this area other than the Ministry of Labour. For example, they get active in it, and they are active in it. The World Bank is helping us. The Swiss Agency for Development and Corporation, they are also working, and of course, the International Labour Organization. Some of the bilateral donors, bilateral development partners, UK, Netherlands, Canada, and others are also active in this area. I would make an appeal to all of them that this Skills Summit, which is the first one, which we are holding in Dhaka, should i) continue with the tripartite partnership that we have, and ii) work for meeting the gaps that we have in our managerial and finance skills. I think, if we make it the target for the next year it would be quite enough for us for the time being. So with these words, I would like to conclude my speech. Thanking all the participants for being here, and all the people who spoke to you, giving out their ideas and particularly summing up what they have been able to do in the last one and half day.

Thank you. Khoda Hafez. Joy Bangla. Joy Bangabandhu.

DHAKA SKILLS DECLARATION

Mr. A B M Khorshed Alam, CEO, National Skills Development Council Secretariat, on behalf of the tripartite organizers of the Summit, read out the "Dhaka Skills Declaration 2016".

Introduction

We, Ministry of Labour and Employment, Bangladesh Employers' Federation (BEF) and National Coordination Committee for Workers Education (NCCWE), representing the government, employers and workers, respectively, do hereby jointly declare the outcome of the 3-day tripartite dialogue titled, "Dhaka Summit on Skills, Employability, and Decent Work 2016" in the context of ILO's Centenary Initiative on the theme of "Future of Work" on 11-13 December 2016 in Dhaka, Bangladesh, and pledge ourselves to implement the same, as set forth below:

Attaining Vision and Objectives

I. We assure our contribution to the 'employment-led growth model' by taking appropriate initiatives for skilling people, creating new employment opportunities, and enhancing the employability of our workforce in order to realize the national objective of Vision 2021, and thus to turn Bangladesh into a middle-income country by the Year 2021.

DHAKA SUMMIT ON SKILL

NCCWE

- II. We reaffirm, in line with our national circumstances, development context and national policies, **our commitment to the Sustainable Development Goals (SDGs)** of reducing poverty, eliminating hunger, promoting a safer environment and workplace, and responsible production and consumption, among others, by appropriate actions to **create iobs and develop human capital.**
- III. We reiterate our determination to use all policy tools – monetary, fiscal, and structuralto achieve measurable and significant progress within the Year 2021 in skills development and capacity building, leading to a better competitive edge in the global supply chain.

Improving Regional Cooperation

IV. In near future. we aim to align our trade and employment related policies to effectively and efficiently use the leverage of Bangladesh's strategic geographic location to turn the country into a regional hub for trade, transport, and logistics by adding value in manufacturing, processing and service industries.

- V. We shall continue to regularly interact with the organizations responsible for promoting skills and employment among the regional countries and exchange pertinent information and **"best practices"** with them with the objective to create a **regional forum on skills development**, and move towards **regional standardization** of skills.
- VI. We, therefore, request the ILO to consider setting up an International Training Center in Bangladesh as a regional ILO center for South and South East Asia.

Strengthening National Policy and Regulatory Frameworks

Our efforts in this area will focus on:

- VII. Rendering support to expedite the finalization and promulgation of a National Skills Development and Employment Act, and formulation of Rules to set up an appropriate National Skills Development Authority (NSDA).
- VIII. Expanding the scope for National Technical and Vocational Qualifications Framework (NTVQF) to widen the coverage in terms of the number of qualifications for technical, vocational and professional courses.
- IX. Promoting equitable private sector participation in managing the National Human Resources Development Fund (NHRDF).
- X. Supporting the effective implementation of the provisions in Chapter 18 of Bangladesh Labour Act 2006, on apprenticeship, and amending its Rules to expedite and widen the apprenticeship practices.
- XI. Establishing an **"ICT enabled online, interactive and real time Labour Market Information System"** where the workers can learn about the training and employment opportunities and the employers will know where they can find the specific skill.
- XII. Expanding the assessment and certification system through **Recognition of Prior Learning** (**RPL**) for various skills and trades throughout

the country, with specific arrangements for recognizing and utilizing the skills and experience of **returning migrant workers**.

Development of Skills and Human Capital

- XIII. Acknowledging the importance of migration and inward remittance, we pledge to align our skills development programs with the needs of the overseas labor markets, and promote a safe, transparent, accountable, and efficient migration.
- XIV. We strongly feel that our efforts in reforming primary, secondary, tertiary and professional education, and technical and vocational training should progressively focus on innovation and ability for customized production of goods and services considering the present and future trends at the global context. An enabling environment for innovation ecosystem through academyindustry partnership should also be created.
- XV. The urgent need to set up **Centers of Excellence in management and professional education and training** in collaboration with institutions in the public and private sectors to stem the financial outflow for expatriate managers and technical professionals and ensure the permeability between technical and vocational education and training (TVET) and professional education and training (TPVET)

Sustainable Position in the Global Supply Chain

- XVI. In order to secure our position in the **global supply chain** of goods and services in a sustainable manner, we shall strive to restructure our competitive advantages based on **higher productivity** instead of the current basis of **low wages**.
- XVII. Acknowledging the challenges of the increasing cost of doing business arising from the requirements of social and environmental compliance, we shall effectively engage with the international community of clients and consumers to persuade them to bear a fair share of the costs.

Investment Mobilization

- XVIII. We underscore the importance of **public and private investments** in developing human capital and measures that promote inclusive socio-economic development and **sustainable growth, green technology and green jobs** with meaningful support from the development partners in line with the national development goals.
- XIX. We recognize the importance of an effective national planning process to ensure adequate investments in physical infrastructure with matching **investment in education and skills**, **and institutional capacity building** with a view to maximizing the benefits of demographic dividends and gainful employment of the country's youth population. Cognizant of the **need for aligning skills development initiatives** with the ongoing and future reforms in trade policies, we intend to provide necessary support to develop the human capital to **strengthen the competitive advantages of our labor intensive and export-oriented** industrial sectors.

Decent Work and Harmonious Industrial Relations

- XX. We recognize that quality employment including a Decent Work Agenda, and promoting the fundamental principles and rights at work, are integral to inclusive and sustainable development, and intend to undertake the right steps to introduce appropriate **social safety net schemes in phases**, and promote harmonized industrial relations through social dialogues.
- XXI. We re-affirm our commitment to undertake the necessary endeavors towards **transition to formalization** from the informality prevalent in our economy, within the parameters permitted by the level of our socio-economic development.
- XXII. We endorse the importance of undertaking due initiatives for **better workplace cooperation** and continuous social dialogues.

- XXIII. We shall continue to improve the ongoing initiatives to enhance the conditions of occupational health and safety at the enterprise level across industrial sectors, and shall further develop our capacity to regularly monitor, inspect, and contain any lapses thereof.
- XXIV. With support from the national stakeholders and development partners, we pledge ourselves to adhere to the international norms and good practices to ensure the sustainability of businesses and enterprises while upholding environmentally and socially responsible ways of doing business.
- XXV. We believe that it is important to initiate a national awareness campaign by engaging the media and other social institutions to popularize technical, professional, and vocational education and training, and to develop a culture of recognition of the dignity of labor in the society under the guidance and supervision of National Skills Development Council.

Mainstreaming Persons with Disabilities

- XXVI. We commit ourselves to promoting disadvantaged groups, particularly **persons with disabilities (PWDs)**, in all skills and employment generation schemes **including apprenticeships**, and policy and regulatory frameworks; and encourage the use of **IT applications** for the PWDs.
- XXVII. We also urge upon the appropriate authority to declare 2017 as the Year for Disability Inclusion in the mainstream of the workforce.

Promoting Gender Equality

XXVIII. We commit to promote **Gender Equality** in skills system, TVET institutions and employment following the National Skills Development Policy and National Strategy for **Promoting Gender Equality in TVET.** XXIX. We shall continue our efforts to provide employment driven skills to women in nontraditional occupation to promote gender and diversity in work place and women's empowerment.

Acknowledgement

XXX. We express our gratitude and appreciation to the Access to Information (a2i) Programme of the Prime Minister's Office, ILO Country Office for Bangladesh, the World Bank, Swiss Agency for Development and Cooperation, BGMEA, BKMEA, other employers, Centre for Policy Dialogue, Governments of the Netherlands, Canada, and the United Kingdom, the European Union, other development partners, and all others who have provided material, financial, and intellectual support and cooperation for organizing this event, and hope that such cooperation in areas of national interest would continue in future. TRIPARTITE WORKING COMMITTEE

Government



Mr. Md. Mujibul Haque Hon'ble State Minister Ministry of Labour and Employment Government of the People's Republic of Bangladesh



Mr. A.B.M. Khorshed Alam CEO (Additional Secretary) National Skills Development Council Secretariat



Mr. Mikail Shipar Secretary Ministry of Labour and Employment Government of the People's Republic of Bangladesh



Mr. Khondaker Mostan Hossain Joint Secretary Ministry of Labour and Employment Government of the People's Republic of Bangladesh



Mr. Mohammad Monirul Islam Director General Economic Affairs Wing, Ministry of Foreign Affairs Government of the People's Republic of Bangladesh

Employers



Mr. Salahuddin Kasem Khan President Bangladesh Employers' Federation



Mr. AKM Salim Osman, MP President Bangladesh Knitwear Manufacturers & Exporters Association



Mr. Md. Siddiqur Rahman President Bangladesh Garment Manufacturers and Exporters Association



Mr. Kamran T. Rahman Adviser to the Committee Bangladesh Employers' Federation



Mr. Farooq Ahmed Secretary-General Bangladesh Employers' Federation

Workers



Mr. Shah Md. Abu Zafar Chairman, NCCWE President, Bangladesh Labour Federation



Dr. Wajedul Islam Khan Member-Secretary, NCCWE General Secretary, Bangladesh Trade Union Centre



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ANNEXURE

BUILDING A SKILLED WORKFORCE IN BANGLADESH

Md. Mokhlesur Rahman The World Bank





Bangladesh Economy is Growing Strong with Improvements in Human Development

- GDP growth exceeded 7 percent in FY16; strong resilience to external and internal challenges;
- Extreme poverty rate dropped to 12.9 percent in FY16;
 - more than 20 million people lifted out of poverty over the past decade in Bangladesh
- Industrial production rose by an estimated 10.1%, driven by growth in large and medium scale manufacturing and construction; while the services sector growth accelerated from 5.8% in FY15 to 6.7% in FY16;
- Human development outcomes have also improved for Bangladesh;
- Fastest decline in child and infant mortality rates among developing countries and attained near universal access to primary education and gender equity at the primary and secondary education levels;
- Demand for higher education is also rising GER in tertiary education increased from 6 percent in 2005 to 13 percent in 2014;
- Women's labour force participation increased significantly between 2003 and 2013, while gender wage differentials narrowed.

Increasing demand for Skills Development

- Supply of large and increasing population of working-aged citizens
 - On-going demographic dividend during the

next 2 decades; 2.1 million youth enter the job market every year

- Transform growing young population to highly skilled workforce
- Economic shifts toward industry and services
 - 55% of the workforce employed in industry and services
- Increasing demand for more skilled, higher productive workers
 - 15 million new jobs projected to be created next 10 years in 7 thrust sectors: Ready-Made Garments (RMG), exportoriented manufacturing, light engineering, ship-building, agri-business, ICT and pharmaceuticals (World Bank, 2015).



Raise the share of students in the TVET system to 25 percent by expanding access to quality technical and vocational education and training

- National Skills Development 2011

SKILLS FOR DECENT EMPLOYMENT-AN EFFECTIVE MEANS OF SOCIAL TRANSFORMATION

Presented by

Md. Mokhlesur Rahman Dr. Sayema Haque Bidisha The World Bank Team

Background

Skill development is a cumulative process.

The concept is a vast one:

(i) basic cognitive skills

(ii) job specific skills:

(a) acquired through higher education (b) obtained through training

(iii) soft skills

One avenue of skill acquisition: TVE:for transition towards greater degree of industrialization.

Another broad avenue of skill: formal educational institutes: such professional skills are crucial to meet SDGs in the medium to long run.

Organization of Presentation

Section 1: Background

Section 2: Features of Work Force in terms of Skill **Profile**

2.1 Country Level Analysis of Overall Skill Profile:

2.2 Skill Profile in terms of Technical and Vocational Education:

2.3 Features of Migrant Work Force in terms of Skill Profile:

Section 3: Understanding Demand for Skill

3.1 Current Skill Demand

3.2 Skill Mismatch

3.3 Cross-Country Comparison

Section 4: Challenges and the Way Forward

4.1 Challenges

4.2 Assessing Future Skill Demand

Section 5: Policy Recommendations

Key Features of Work Force in terms of Skill Profile

Education Level	Male	Female	All
No Education	16.21	18.25	16.81
Primary	25.15	30.35	26.68
Secondary	32.03	29.97	31.42
Higher Secondary	15.57	13.9	15.08
Tertiary	10.66	7.18	9.63
Others	0.39	0.35	0.38

	Female	Male	Total
Have Used Computer	10.05	11.35	10.97
Have Internet Access	7.65	7.54	7.57
Have used Internet	13.46	15.04	14.57
Have used Mobile	89.45	94.7	93.15
Phone			

Key Features of Work Force: 'Decent Job'

- Not only to provide employment opportunities, but also to ensure 'decent' jobs.
- A decent job....one which is permanent with written contract, 'decent' working hour and earnings along with essential institutional features e.g. leave, pension, termination notice etc.
- Only 10% 'decent' jobs under wage employment (Raihan & Uddin, 2016).
- 'Decent' jobs (wage emp) mostly held by those with university education (55.78%) or with SSC/ HSC degree (30.68%).
- Training increases probability.



Key Features of Work Force: Training

Training which needs higher skills is neither widely available, nor highly demanded.



Figure 2.3: Types of Training Receieved



Key Features of Work Force: Training

- Training needs are catered mainly by private institutes
- Short term training generally, associated with low skilled jobs



Figure 2.5: Nature of Training Providing Institues



Features of Migrant Work Force in terms of Skill Profile

- Low skill base and concentration in a number of countries.
- Skill up-gradation due to competition is a key policy issue.
- Skill transferability and lack of accreditation of skill in destination.



Understanding Demand for Skill





Understanding Demand for Skill













Skill Mismatch: Regional

- Used LFS 2013 Data and constructed Skill Mismatch Index.
- Skill mismatch in major economic zones -more important to build skills in those regions than creating new jobs.
- Economic opportunities are not well-spreadincreasing need for decentralized labor market policies.
- Need for district or at least region specific policies to capture the area specific characteristics.

Skill Mismatch: Sectoral

- Shortage of semi-skilled and skilled personnel in general. Skill-gap is highest in agro-food sector, followed by RMG and IT (Murshid, 2016).
- Training demand will be highest in RMG sector.

Cross Country Comparison







Key Challenges

- Lack of Incentive for Skill Up gradation
- Weak Linkage Between School to Work Transition
- Question of Quality at Different Stages of Education and Training Programs
- Limited Scope of Skill Development for those in the Informal Sector
- Inequities in terms of gender and income
- High Drop Out Rate

Overall Recommendations:

- To increase allocation in human resource development.
- To deal with skill mismatch: collaboration between vocational institutes and industry (Thailand, China); collaboration with Ministry of Labor/Commerce (India); involving industry sector representatives (India) etc.
- To modernize tertiary education with more graduates in science and engineering.
- To emphasize on quality of education, particularly at primary and secondary level.
- To create employment opportunities at innovative sectors.
- To deal with negative social values associated with TVE: rapid expansion of technical education (India), collaboration between TVET and standard schooling, short courses on TVE resources to the students in standard system (Sri Lanka).

Managerial & Administrative Recommendations:

- Comprehensive studies to know about the relatively neglected areas. E.g. policies like public-private partnership at institutional level (Sri Lanka).
- Monitoring and evaluation of ongoing projects e.g. linking each of the projects with specified target (e.g. SDG goal).
- Effective coordination across relevant personnel.
- To consider innovative ideas of administering TVE e.g. Philippines adopted three additional modes of training.
- To formulate and implement targeted policies e.g. India required technical institutions to offer specialized research and to allocate additional funds.

Recommendations for Females/ Disadvantaged Group

- To establish day care centers at the workplace and to extend maternity and post-maternity leave, introducing flexible and part time working hour.
- To increase representation of females at tertiary education holistic approach is needed (residential facilities, better communication, preventing child marriage).
- To decentralize education planning, e.g. specialized programs on non-formal, low-tech vocational training, gender sensitive.
- To consider decentralized labor market policies to create balanced economic opportunities.

Recommendations for Overseas Workers

- Upgrading skill level through aligning existing education and providing training with required international accreditations.
- To consider innovative areas and to align training facilities.
- To incorporate effective pre-departure and postarrival assistance system.
- Utilizing the skill and experience of returnmigrants by linking them to relevant industries.
- Demand assessment at local level. local level government bodies can help in job search and matching.
- To support the migrant/remittance based small enterprises (training, credit).

SKILLS FOR DECENT EMPLOYMENT-AN EFFECTIVE MEANS OF SOCIAL TRANSFORMATION

Prepared by The World Bank Team

(Md. Mokhlesur Rahman¹ Dr. Sayema Haque Bidisha² DeenTaposh³)

Abstract

Despite of attaining significant progress in attaining consistently high growth rates of above 6 percent over the last 5 years and in making remarkable progress in a number of human development indicators, e.g. infant mortality, gender parity at primary level etc., Bangladesh is still left behind in terms of skill component of its population. On one hand, very small percentage of its population possesses tertiary level of education or high skill level, whereas on the other mismatch in the demand and supply of relevant skill is often argued as a key reasons behind unemployment and inefficiency in the labor market. In case of TVE, the participation is still quite low with the existing system often being criticized for out dated technology and curriculum, leading to greater skill mismatch in the job market. Given the abundance of manpower and skill level of the work force, the labor market of Bangladesh is also argued to be characterized as the one with persistent unemployment/under employment on one hand and on the other concentration of workers in low productive and low paid jobs without any formal institutional recognition. The policy focus should therefore be, not only to create job opportunities but also to provide opportunities for the workers to get them engaged in 'decent jobs' with stable earnings and formal institutional arrangements, paving the way towards transforming their lives. In this connection, the importance of skill formation through education and training program cannot be

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over emphasized. In addition, given the success of Bangladesh in the context of MDGs, the challenges remain to meet the SDGs and to upgrade from its recently achieved lower middle income status to middle income status by 2030. Given the scarcity of land or natural resources, skilled manpower can be considered as the key component of attaining the goals.

The paper has primary utilized a number of secondary sources of data as well as relevant government documentsto understand the skill profile of the work force of Bangladesh and tried to make an assessment of demand for skill in lieu of the development goals of the country. The recent Labor Force Survey 2013 data of Bangladesh and the Enterprise Survey 2013 of the World Bank have been the key sources in this regard. In addition, country studies on skill development has been considered in greater detail to understand the comparative picture of Bangladesh. The 7th Five Year Plan of the Government of Bangladesh has closely been followed in order to assess future skill demand. The methodology is therefore mostly quantitative where the analyses have been conducted with the help of descriptive tables and graphs along with econometric estimations.

In assessing the supply side of the analysis, anextensive analysis of the overall skill profile of the country has been conducted. The Labor Force Survey 2013 data revealed that in terms of education level of the labor force, over time although there has been some degree of improvement, still very small percentage of labor force possess tertiary level of education and only around 10 percent has reported to have received some sort of training. In addition, training which requires higher skill is neither widely available, nor highly demanded- a fact which could be related to the failure of supply side of Bangladeshi labor market in creating high skilled and better paid jobs. In terms of the composition of migrant labor, our migrants can primarily be characterized as lowskilled with low level of formal education and training experience- less than 1% of migrant work force can be classified as professional with the major portion

being less skilled (45%). The demand side analysis reflected that, the current employee pool is highly dominated by business and arts graduates and most of the employees are hired with a skill shortage. Firms are also found to spend significant amount of resources to train their employees and lack of skilled employees is one of the major constraints for firms in operating their day to day business. Employers also reported that there is lack of skilled applicants in higher skilled occupations, such as, in the positions of manger, technician and associate professional and professional categories than in the middle and low-skilled occupations. Based on a regional skill mismatch index, our analysis has found a significant level of skill mismatch in all the major economic zones of the country- it is therefore more important to build skills in those regions than creating new jobs. A comparative analysis across different South Asian countries has revealed that, India has the highest proportion of unskilled production workers in the region, followed by Bhutan and Bangladesh. Although Bangladesh has made TVET as one of the major focuses in education policy, 'Participation in TVET as a percentage of Upper Secondary level of Education' is significantly low in Bangladesh compared to the global landscape. The most crucial piece of information on skill development can be related to its financing and it is somewhat surprising to see that Government Expenditure on Education as a percentage of GDP has gone down in Bangladesh over the years.

Based on our analysis, key challenges in skill development can be summarized as those of:(i) Limited Scope of Skill Development for those in the Informal Sector, (ii) Inequities in terms of gender and income, (iii) Lack of Incentive for Skill Upgradation, (iv) High Drop Out at Primary and Secondary Level, (v) Weak Linkage between School to Work Transition and (vi) Question of Quality at Different Stages of Education and Training Programs. Based on these constraints and the targets of the 7th Five Year Plan, the paper has proposed a number of short, medium and long term policy targets in line with the SDGs.

Finally, the paper has proposed a number of policies and strategies for skill development, such as, increasing allocation in human resource development, improving quality of education, up grading the existing curriculum, gender sensitive support system for the females, better coordination among relevant service givers, effective monitoring and evaluation of on going project etc.

Section 1: Introduction & Background

With a view to attaining high growth rate with improved life of the citizens, the role of skill development cannot be over emphasized. Skill development is however not a short term or temporary phenomenon but can better be termed as a cumulative process which begins at early stages of life and can continue over the life cycle through a number of avenues (WB, 2014). Skills not only enhances and expands an individual's capacity of earning and thereby improves living standard, by transforming the work force, it can contribute immensely towards the growth momentum of an economy.

In the context of Bangladesh, despite of attaining significant progress in attaining consistently high growth rates of above 6 percent over the last 5 years and making remarkable progress in a number of human development indicators, e.g. infant mortality, gender parity at primary level etc., the country is still left behind in terms of skill component of its population. On one hand, very small percentage of its population possessing tertiary level of education or high skill level with a substantial percentage having no formal education at all, whereas on the other mismatch in the demand and supply of relevant skill is often argued as a key reason behind unemployment and inefficiency in the labor market. Similar picture also prevails in the skill composition of overseas migrant workers as more than half of the migrants are found to be concentrated in low-productive and low-skilled jobs. In case of TVE, the participation is still quite low with the existing system often being criticized for out dated technology and curriculum, leading to lesser return to it and greater skill mismatch in the job market.

Given the abundance of manpower and skill level of the work force, the labor market of Bangladesh can be characterized, on one hand as persistent unemployment/under employment and on the other concentration of workers in low productive and low paid jobs without any formal institutional recognition. It has also been increasingly recognized that, mere employment creation does not necessarily lead to social and economic inclusion (Raihan and Uddin, 2016). The policy focus should therefore be, not only to create job opportunities but also to provide opportunities for the workers to get them engaged in 'decent jobs' with stable earning and formal institutional arrangements, paving the way towards transforming their lives. In that connection, the importance of skill formation through education and training program cannot be over emphasized.

The country has experienced a significant structural transformation since its independence as the share of agriculture to GDP has reduced from 26% in 1999-00 to 20% in 2011-12 with the share of manufacturing (without construction) increased from 17% to 21% within this time period. This shift on one hand has brought in a vast range of opportunities in terms of newer dimension of job opportunities while on the other also attaches a number of challenges in terms of greater demand in a wide range of skill categories. The structural transformation is also associated with an expansion of RMG sector in Bangladesh, constituting 80% of total export volume. RMG sector also absorbs around 50% of manufacturing sector employment of which around 70% are female workers. With an expansion of RMG along with other export items over the last three decades or so, the economy has gradually opened up, which has resulted in greater competition and integration at global level. In order to compete in the global market and also to move towards greater degree of industrialization, skilled man power is undoubtedly the pre-requisite. Investing in skill formation as well as working on the mismatches in skill demand and skill supply, therefore is considered as the key policy agenda for Bangladesh. Besides, the country is currently going through a demographic transition, and to reap the benefits, it is crucial to invest in skill development of the youths so that they can contribute directly towards attaining the SDG goals.

In addition, given the success of Bangladesh in the context of MDGs and of maintaining above 6% growth rate for a decade or so, the challenges remain to meet the SDGs and to upgrade from its recently achieved lower middle income status to middle income status by 2030. Given the scarcity of land or natural resources, skilled manpower can be considered as the key component of attaining the goals. The Sustainable Development Goal SDGs, especially those of Goal 4 of ensuring quality education, Goal 5 of gender equality and empowerment of women and Goal 8 of decent work especially have been given emphasis on skill development. In addition, the 7th Five Year Plan along with the Vision 2021 of the Government has repeatedly stressed the importance of skill development programs in attaining the development targets. After attaining lower middle income status, the challenge is to reach the middle income status by 2031 and there is no denying the fact that, human resources endowed with relevant skill can act as a crucial ingredient in that regard. However, in order to formulate and implement the strategies and policies

of skill development it is crucial to first understand the supply and demand side of skill as well as to get clear insights of the prospects and challenges of skill development in attaining the development goals of the country.

The concept of 'skill' is however quite a vast one which can broadly be conceptualized into a number of categories: (i) basic cognitive skills-these are literacy and numeracy skills obtained through primary education; (ii) job specific skills-these can broadly be of two types: (a) skills acquired through higher education, which can be of pure academic nature or of technical and vocational type and (b) skills obtained through training-either on the job training or out of the job training acquired personally by an individual; and (iii) soft skills-these skills refer to those obtained outside of any formal academic institutes and primarily through interpersonal communications. Skill acquisition is therefore a complex and diverse issue which encompasses a wide range of institutional as well as non-institutional features where the former requires government intervention and policy support.

Broadly speaking, one avenue of skill acquisition can be through technical and vocational education (TVE)-these mid range of skills can help to provide employment opportunities for the large pool of unemployed/under employed mass and can fulfill the demand for skill level required for the transition towards greater degree of industrialization. In the context of TVE, a number of challenges including those of lesser market orientation of skills training programs, back dated curriculum and insufficient competent staffs and inequities in terms of targeting those in the remote areas, remain for pursuing strategies for effective skill formation. Another broad avenue of skills are those acquired through formal educational institutes e.g. through primary, secondary and tertiary level of education-such skill profile if can be accomplished while maintaining quality then can serve to meet the requirement of high skilled works e.g. those of health professionals, engineers, science and technology specialists etc.and all such professional skills are required to meet the SDGs and to lift the country towards high growth trajectory in the medium to long run. Therefore, with a view to generating employment for the large mass of people and to attain the SDG goals within the stipulated time, policy focus should be attached to both streams of skill development programs.

This paper has utilized a number of secondary data sets as well as relevant government documents to

understand the skill profile of the work force of Bangladeshalong with an assessment of demand for skill in lieu of the development goals of the country. Based on the targets of skill requirement of the country, a number of recommendations have been proposed to make an attempt to improve the skill content of the work force through policy guidelines.

Section 2: Features of Work Force in terms of Skill Profile

2.1 Country Level Analysis of Overall Skill Profile:

Given that labor force is argued to be the engine of growth, it is of paramount importance to understand its quality with greater detail. As shown in Table 2.1, the labor force participation rate has been around 55-60 percent without much change over the last few years. In comparison to males, female participation in the labor market has been typically low, which is about 33%. Despite a steady increase of female labor force for the last three decades. LFS 2013 has revealed a slight fall in female labor force in recent years in comparison to that of LFS 2010. The rate however is still impressive in comparison to many other developing countries. Table 2.1 also reveals that, the highest participation of females can be observed during their 20's, whereas for their male counterparts, the rate was found to be highest during late 30's.

Table 2.1: Labor Force Participation Rate ofPopulation of Different Age Category (%)

LFPR	M	ale	Female		All	
LFPK	2010	2013	2010	2013	2010	2013
15-19	48.4	36.43	29.4	22.96	39.4	29.58
20-24	75.9	68.58	41.0	47.13	56.7	56.98
25-29	92.2	96.18	44.7	48.42	66.6	71.24
30-34	97.3	98.70	46.6	36.51	70.8	67.05
35-39	98.3	99.22	47.7	32.24	72.8	65.45
Youth (15-29)	69.50	66.23	38.22	39.59	53.24	52.28
Total	82.5	81.26	36.0	32.52	59.3	56.35

Source: Compilation from Labor Force Surveys, Bangladesh.

There is no denying the fact that, it is not mere quantity or absolute numbers, but rather quality of labor force in terms of skill level that is crucial for the growth of the economy. In this regard, it is the productivity of labor which is of prime importance. During the 6th FYP period, there has been a commendable improvement in labor productivity as shown in Figure 2.1 as productivity has estimated to have grown by 3.6 percent per year. It is needless to say that increased labor productivity can be closely related to educated, skilled and healthy work force. The role of education in this regard can therefore be of paramount importance. In terms of productivity a number of other factors, e.g. training, ICT services etc. can contribute as well in raising productivity. The following analysis examines the quality of youth labor force in terms of such contributing factors.

Figure 2.1: Growth in Labor Productivity (2005-06 prices, in thousand Taka)



Source: BBS and 7FYP

In terms of education level of the labor force, LFS data reveals that, over time although there has been some degree of improvement, still very small percentage of labor force possess tertiary level of education and according to 2013 LFS, only around 11 percent of male labor force has a tertiary level of education (Table 2.2). Table 2.2 also reveals that around 17 percent of labor force (16 percent males and 18 percent females) are found to have possessed no education. The quality of labor force is therefore not that optimistic in terms of educational qualification.

Education Level	Male	Female	All
No Education	16.21	18.25	16.81
Primary	25.15	30.35	26.68
Secondary	32.03	29.97	31.42
Higher Secondary	15.57	13.90	15.08
Tertiary	10.66	7.18	9.63
Others	0.39	0.35	0.38

Source: LFS 2013

Given the structural transformation of the country, emphasis is also needed to be given on technical and vocational education (TVE). As shown in Table 2.1A in Annex, only around 10 percent of labor force has reported to have received some sort of training. This percentage is even lower for females.

The role of ICT services in raising productivity of workers has increasingly become important, especially in the face of increased competitiveness in the global market. As shown in Table 2.3, although 15 percent of labor force has reported to have used internet, the proportion is much lower when it is related to having access. Besides, only 11 percent has reported to have used computer. Therefore, despite the recent expansion of ICT services, the coverage is yet to contribute towards human resource development of the greater mass of youth.

Table 2.3: ICT Access of the Labor Force

	Female	Male	Total
Have Used Computer	10.05	11.35	10.97
Have Internet Access	7.65	7.54	7.57
Have used Internet	13.46	15.04	14.57
Have used Mobile Phone	89.45	94.70	93.15

Source: LFS 2013

It is needless to mention that mere participation in the labor force cannot bring significant change in the growth momentum of the country provided it is not accompanied with employability in permanent paid job. Table 2.4 further classifies the labor force in terms of specific labor market status. According to LFS 2013, around 5% of the labor force is reported as unemployed where the proportion is much higher for females than those of males. An interesting revelation can however be observed in the composition of the employed- around 16 percent of employed labor force are found to be associated with unpaid work. These unpaid workers are the 'contributing family helper' who contributes to the economic activity of their household without any monetary remuneration. It is therefore another critical yet neglected area to focus on-it is not only employability that should be taken into account in policy discussion but also the quality of employment that should be given emphasis in the context of labor productivity and growth potential of the economy.

Table 2.4: Labor Market Status of Population:2013

	Female	Male	Total
Unemployed	9.15	3.35	5.06
Employed	90.85	96.65	94.94
Paid	49.81	92.00	79.55
Unpaid	41.04	4.65	15.39

Source: LFS 2013

With a view to attain the SDG goals and to ensure better living standard of people, it is important not only to provide employment opportunities for the work force, but also to ensure 'adequate' and stable earnings with proper institutional features or in other words to ensure 'decent' jobs. The concept of 'decent' employment can however be quite a complex one as there is no widely accepted definition of it. However, for simplicity, as suggested by Raihan (2014), in the context of wage employment, a decent job can be formally termed as the one which is permanent of nature with written contract, 'decent' working hour and earnings along with essential institutional features e.g. leave, pension, termination notice etc.⁴ Research has (Raihan and Uddin, 2016) revealed that, only 10% jobs under wage employment category can be termed as 'decent' with more than half (54%) as 'good-enough'. 'Decent' jobs (within wage employment) are mostly held by those with university education (55.78%) or with SSC/HSC degree (30.68%) and also those with training increases the probability of having a decent job by 3.2% (Figure 2.2). The findings therefore further emphasizes on greater policy focus on higher education and expansion of training facilities.

Figure 2.2: Relation between Education and Quality of Job



Source:Raihan and Uddin (2016).

4 According to Raihan and Uddin (2016), jobs can be classified as: (i) good enough (a paid job); (ii) good job (permanent work with decent earnings) and (iii) decent job. For detail classification, see Raihan and Uddin (2016).

2.2 Skill Profile in terms of Technical and Vocational Education:

2.2.1 Technical and Vocational Education: Evidences from LFS 2013

Given the increasing importance of TVE, it is crucial to understand it in greater detail. In this connection, Figure 2.3 presents the types of training received by the respondents -out of those who received some form of training, 27.67% received training in computer related studies, 24.53% in agriculture crop production and preservation, and 9.75% respondents received training in the field of readymade garments.



LFS 2013 respondents were, also, asked about the kind of training they would like to acquire (Figure 2.6) and 22.40% respondents said that they would like to obtain training in agriculture crop production and preservation, 16.50% were interested in driving & motor mechanics related field, followed by 9.40% in wielding. After combining the findings from Figure 2.3 and 2.4, it becomes feasible that training which needs higher skills is neither widely available, nor highly demanded- a fact which could be related to the failure of supply side of Bangladeshi labor market, resulting in failure in creating high skilled and well paid 'decent' jobs.



According to Figure 2.5, majority of the respondents who received any form of training reported that they received it from private institutes. One reason of the stark difference between private and government training institutes could be due to the fact that government TVET institutions are generally located near urban centers, thereby making it hard to reach for rural mass, especially for rural females.



Figure 2.6 depicts the duration of training. It is evident from the chart that most of the training that the respondents completed is short term in nature. Short term training is, generally, associated with low skilled jobs-generating limited earning opportunities. Hence there is a need for promoting the necessity of longer term and higher skilled training courses.



⁵In calculating the magnitude of the monetary gains of acquired education or skills, be it traditional or TVET education, estimates on returns to education is widely used in literature. Figure 2.7 present and compare findings from regression models between level and type of schooling or skills and earning and found that, in general, 1 year of schooling increases monthly earnings by 1.4 percent. Although they are insignificant in isolation, the study finds primary and secondary level of education important as an entry condition to the higher level of education, where returns are significant. It is, also, evident from the above chart that, in terms of earnings, returns to TVET education stands at 2nd position. In conclusion, these findings expose that there might be a labor shortage at jobs that require higher level of years of schooling or jobs which require technical skillshence there is a scope of higher and better quality of investment in TVET.

A recent survey of NSDCS (2015) on 605 Technical Schools and Colleges (TSCs) and Technical Training Centers (TTCs) throughout the country revealed a number of interesting findings too:

- There exists significant disparity in terms of coverage across regions-while Rajshahi has highest concentration of institutions, Sylhet has the lowest.
- In Sylhet and Chittagong, there is however greater percentage of enrollment capacity filled in and also has higher average of technologies/ trades.
- In terms of the type of learners, the highest proportion was found in SSC VOC programindicating greater demand for this type of graduates.
- A striking feature of the survey was related to capacity of the institutes and it was found that, about one fifth of capacity of these institutes remained vacant. In this context, HSC VOC institutes have highest percentage of utilization.
- The survey reflected lack of competency of instruction staff. The proportion of female trainers is also very low in TVE institutes.
- In terms of gender parity, the picture was found to be quite bleak too.
- The technical institutes are found to suffer from essential technical equipment for offering modern training. The survey also found under-
- 5 The returns data are authors' calculation from LFS 2013.

utilized capacity in at least 5% of training facilities.

The challenges in the TVE are therefore not only to increase access and coverage in a symmetric manner but also to ensure quality of training through well trained instructors and market oriented curriculum.

2.3 Features of Migrant Work Force in terms of Skill Profile:

For the last four decades or so, migration and resulting remittances have argued to play a pivotal role in the overall development effort of third world economies. In the context of Bangladesh. international migration on one hand serves as an important means to absorb the domestic labor force while on the other contributes to country's foreign exchange earnings. In addition, remittances are argued to have significant contribution towards the livelihood of remittance earning households. According to the 2015 estimates of the Bureau of Manpower and Employment (BMET), 5,55,881 Bangladeshis are working abroad, injecting in as high as 15 billion USD in the economy. The concern however remains in a number of areas, including those of financial security of the migrants, along with their job security and labor rights. In addition, given the overwhelming concentration of migrants in low skilled, low productive jobs, a major concern remains in terms of the quality of employment.

As the data shows in Figure 2.1A, Annex, middle Eastern countries have been the main destination of Bangladeshi migrants with Saudi Arabia being the leading country. Destination trend has however changed in the recent years: in 2014, Oman took the lead with highest number of migrant workers (24.84%) followed by Oatar (20.57%). Though Saudi Arabia was the major destination for guite some time, in recent years it has been the destination of only around 2.5% migrants, due primarily to the restriction it imposed on the Bangladeshi migrant workers. For the last couple of decades, East Asian countries have also emerged as an important destination-Singapore (13%) and Malaysia (1%) are the two key countries in this context. In relatively recent years, the number of female workers has grown significantly due, mainly to the ease of access and positive change in social settings and UAE (31%) and Jordan (27%) are the key destinations in this regard.

As for the sources of migrant workers of Bangladesh, districts like Comilla or Chittagong have been the key regions from which migrants tend to originate from. As shown in Figure 2.2A in Annex, as high as 13%

migrants' home district is Comilla while 8% migrants originated from Chittagong, 7% from Tangail and another 7% from Brahmonbaria district. Despite the dominance of these regions, there is however a great deal of diversity in terms of home districts of the migrants and the range of districts also reveals the dominance of Central as well as Western part of Bangladesh with the Northern part of the country, which is considered as relatively poorer region, has been guite conservative in terms of the decision of international migration. In terms of the composition of labor, our migrants can primarily be characterized as low-skilled with low level of formal education and training experience. Only 0.41% of migrant work force is migrating as a professional while the majority portion is less skilled (45%), followed by the skilled (35%) (Figure 2.3A in Annex).

With the growing number of migrants, the resulting remittances have also registered an impressive increase: from 23.71 million USD in 1976, remittances rose to 2071 million USD and with an impressive jump has reached to 15270.99 million USD in 2015 (Figure 2.4A, Annex). Despite this steady increase, the recent data of remittances has shown a decline in trend which has raised concern among the policy makers. Besides, despite of substantial inflow of remittance, the low level of skill composition of workers has been a crucial area of concern, not only from the point of view of higher wage and higher remittances but also in terms of sustainability of the growth of remittance earnings in future.

Based on the above discussion, it can be referred that low skill base and concentration of workers in a number of destination countries are two predominant characteristics of our migrant workers. Concentration on specific countries can turn out to be a matter of concern in terms of sustainability of remittance earning as the consequences of bilateral agreements or increased political tension between the countries can affect migration and subsequent remittance flow. In addition, any adverse economic shock of the economy can transmit to the earning of the migrants too. It is therefore an important policy issue to explore newer destinations for migrants for diversifying risks associated with a single economy. In the context of demand side, due to the growing competition in the foreign labor market, the importance of skill up-gradation of migrant workers has become a key policy issue to emphasize. Another critical issue in case of migrant workers is that of skill transferability and lack of accreditation of obtained skill in destination countries. The issue of skill transferability is not only confined to low skilled occupations but also to professional jobs as the

professional/skilled migrants often face difficulties to get proper accreditation of the degrees obtained at domestic markets.

Section 3: Understanding Demand for Skill

3.1 Current Skill Demand

With the help of Enterprise Survey 2013 data of the World Bank,⁶ this section has attempted to understand the demand for skill through a number of indicators. Box 3.1A (Annex) and Box 3.2 provide some stylized facts, summarizing the demand side profile of skill related variables. The first chart in Box 3.1Adepicts the gender distribution of top management in Bangladeshi corporate sector which provides evidence that the top management positions are still a male dominated affair in Bangladesh. One of the reasons for lower female representation in higher level of education in Bangladesh might be the gender imbalance in household educational expenditure.

The second chart shows that the current employee pool is highly dominated by business and arts graduates while the science graduates are trailing at a distant third position. There could be a demand side explanation here, apart from supply side rationalization-therefore, it is recommended that skill development and job creation in science and technology sector go side by side rather than in isolation. According to the third chart, more than 60% employers reported that a significant percentage of their workforce (25% +) received training and most of these training were job-specific training in nature (chart 4). Such an observation illustrates that, probably employees are hired with a skill shortage and as a consequence firms spend significant amount of resources to train their employees.

The first chart in Box 3.1 lists the factors according to employers that are unfavorable for Bangladeshi business environment and lack of skilled employees rank second in the list. The second chart of Box 3.1 identifies the most desired level of education from employer's perspective which reveals that in the next three years, Bachelors and Post Graduate/Masters, are the most desired levels of education. In terms of job fields, almost half of the employers think that most of the jobs will be in the field of business studies (chart 3), followed by jobs in science and engineering sector-all of which require tertiary level of education. The last graph in Box 3.1 shows the importance

⁶ Following a comparable global methodology, World Bank conducted a survey in Bangladesh which interviewed 1,442 firms from April 2013-September 2013.

of soft skills⁷ in Bangladeshi labor market. There is widespread evidence between earnings and cognitive, social as well as technical skills⁸ and Bangladesh is no exception. Since skill formation proceeds in stages⁹, soft skills are, generally, acquired at higher levels of education. Figure 5.8 in Annex, also, shows that graduates from secondary education will be the major focus of demand in next 3 years.

Box 3.1: Descriptive Statistics II







- 7 Soft skills or interpersonal skills are becoming important as employers, globally, are demanding new hires to possess these kinds of skills (Gropelloet al., 2010; World Bank 2012).
- 8 Glewweet al. (2011), Hanushek and Wößmann (2009) and Urzúa (2008).
- 9 Carneiroet al. (2003).



Figure 3.1 reports the lack of skilled applicants across occupations and it has been revealed that there is lack of skilled applicants in higher skilled occupations, such as, in Mangers, Technicians and Associate Professionals and Professionals categories than in the middle and low-skilled occupations. Figure 3.1A also highlights the demand for high skilled professionals.



3.2 Skill Mismatch

3.2.1 Regional Skill Mismatch

Labor market outcomes are often imperfect¹⁰ and are unable to produce perfect demand-supply equilibrium, which results in a noticeable imbalance between acquired skill levels and existing occupation categories. Solving skill imbalance is, also, important as Bangladesh set her goals to achieve middle-income and status by 2031. In this context we attempted to construct a skill mismatch index to examine the nature of and extent of skill mismatch across 64 districts of Bangladesh¹¹.

- 10 Typical labor market imperfections include inflexible wage structures, limitations in substitution between submarkets, high adjustment costs, imperfect labor market information etc.
- 11 Data and Methodology sections are outlined in Box 3.2 in

Based on the index, Figure 3.2Aand Figure 3.3A, Annexlisted the skill mismatch indices across the districts. Although there is a significant degree of skill mismatch around the country; the situations are worst in the districts of Tangail, Sylhet, Sirajganj, Rangpur, Rajshahi, Pirojpur, Patuakhali, Pabna, Nilphamari. Narsingdi, Noakhali. Naryangani, Narail, Munshiganj, Meherpur, Maulvibazar, Magura, Lakshmipur, Kishorgonj, Khulna, Jessore, Habiganj, Gazipur, Feni, Faridpur, Dhaka, Chittagong, Chandpur, Brahmanbaria, and Barisal. These findings reveal few things: First, there is a significant level of skill mismatch in all the major economic zones of the country, meaning it is more important to build skills in those regions than creating new jobs. Second, higher skill mismatch indexes in major economic zones, also, reveal the fact that the economic opportunities are not well-spread across the countries. There is an increasing need for decentralized labor market policies to create balanced economic opportunities across the country-this will, also, decrease the forced migration to an extent. Third, these findings, also, necessitate the need for district or at least region specific policies in order to capture the area specific characteristics rather than concentrating on tailor made national policies. Fourth, these results show that the degree of unemployment can be structural. rather than cyclical in nature-existing national level policies are mostly designed to cater cyclical unemploymentwhich necessitates structural unemployment related policies. In Figure 3.4Awe tried to check the relationship between skill mismatch index and unemployment and found a weak positive relationship between district-wise unemployment rate and skill mismatch index. However, a better fit could be found after getting rid of the outliers.

3.2.2 Sectoral Skill Mismatch

Bangladesh Development Studies (BIDS) has recently come up with a skill gap analysis¹² for some selected sectors¹³ of the economy (Table 3.2A, Annex).The analysis revealed that there is a shortage of semiskilled and skilled personnel in all the sectors, in general. The skill-gap is however highest in agro-food sector, followed by RMG and IT (Murshid, 2016). The skill gap in RMG was also reflected in a recent study done bythe World Bank (2016), where in-factory product rejection rate was found to be quite high in Bangladesh due to low skilled labor (Figure 3.2).



Source: Authors' compilation from World Bank (2016)

For healthcare sector, the BIDS study found a surplus supply of doctors, while the nurses are in short supply. The study, has also made a projection on the future labor demand for the stated sectors; which revealed a considerable sectoral variation. The forecast found that the highest (in percentage) increase in labor demand will come from Ship-building and Agro-Food industries and the demand for labor in RMG sector will be huge in both absolute and relative terms. As per the requirements of the sector, most of the IT sector jobs will need high skilled workers. In terms of the future training needs, the study revealed that training demand will be highest in RMG sector, i.e., 1.5m in 2021 and 2.1m in 2026. Based on the findings, ithas proposed recommendations for each of the sectors, which emphasized the need forsetting up training institutes; ensuring quality in curriculum; developing the backward linkage setups; improving the link among public institutions. TVET. private institutions, public sector and private sector, creating a pool of qualified teachers etc.

3.3 Cross-Country Comparison

This section, based on a number of secondary sources, has attempted to make a comparison across a number of countries on several indicators of skill formation. While comparing the skill level across different South Asian countries, it can be deduced that, India has the highest proportion of unskilled production workers in the region, followed by Bhutan and Bangladesh(Figure 3.3). This abundance of unskilled labor and the scarcity of capital to transform them into a productive and skilled workforce is one of the major development challenges as the combination results in an abundance of low-skilled oversupplied work force who are incompatible in performing medium to high skilled jobs. This fact is evident from the demand side data too, where a relatively large number of firms report that abundance of low educated labor force is a major constraint in

Annex. 12 Murshid (2016).

¹³ The sectors are as follows: Agro-Food, Construction, Health, Hospitality & Tourism, ICT, Leather Goods, Light Engineering, RMG and Shipbuilding.

firm's operation and profitability. This problem is reportedly worse in Pakistan in South Asian region, followed by Sri Lanka and Bangladesh. To bridge this gap, Technical Vocational Education and Training, henceforth, TVET, can play an important role.

Figure 3.3: Cross-Country Comparison of Unskilled Workers



Source: Authors' compilation from the World Bank (2013)

Although Bangladesh has made TVET as one of the major focuses in education policy, according to Figure 3.4, coverage is significantly low in Bangladesh compared to global landscape-the performance is even worse than Sub-Saharan countries. In terms of the percentage of female students in secondary level vocational education, Bangladesh lies close to the South Asian average (Table 3.3A, Annex).

Table 3.3B, Annex has delineated firm specific indicators on a number of indicators. For example, 14.3% firms in Bangladesh are found to have the International Quality Certification, which is higher than the South Asian average and in line with the average of East Asia & the Pacific region. In terms of digitalization, 23.6% Bangladeshi firms have their own website and 36% have reported to use e-mails in communicating with clients and suppliers, which is again in line with South Asian average. Percentage of female full time workers though higher than South Asian average, the room for improvement becomes visible when compared to the World as well as East Asia & Pacific.

Figure 3.4: Participation in TVET (% of Upper Secondary)



Source: Authors' compilation from World TVET Database & GOB (2015)

It is interesting to note that, Bangladesh has the highest percentage of workers who have been offered formal training in South Asia-the percentage is as high as the average of East Asia and the Pacific. However, when it comes to the percentages of firms providing formal training, Bangladesh has been found as the worst performer in comparison to those in South Asia (Figure 3.5). The most crucial piece of information on skill development can be related to its financing and it is somewhat surprising to see that Government Expenditure on Education as a percentage of GDP has gone down in Bangladesh over the years, very much similar to its' neighbor India. Moreover, the percentage is lower than the South Asian average (red line) and much lower than the World and East Asian Average (green line), indicating the importance of increasing government spending on education(Figure 3.6). In addition, the share of technical education stands at a meagre 2.6% of total education budget.

Figure 3.5 Cross Country Comparison of Training Statistics



Percentage of Firms providing for mal training Proporting of Workers offered formal training

Figure 3.6 Government Expenditure on Education



Source: Authors' compilation from World Bank (2013), WDI & BANBEIS

Section 4: Challenges and the Way Forward

4.1 Challenges

Given the complexity of skill formation process in terms of inter-play between a numbers of educational institutions, the process requires coherent policy interventions. It is not only the type of education and training, but also the demand of skill in the market (World Bank, 2013). The issue is therefore related to both supply as well as demand side of skill development and in the context of Bangladesh, due to large discrepancy between the demand and the supply side along with a number of inefficiencies in the managerial and administrative procedure of skill development processes, a number of challenges prevails (WB, 2013).

- ⊳ Lack of Incentive for Skill Upgradation: There is an inherent tendency, not only among the employers but also in the society as a whole related to the valuation of technical and vocational education. As a result, the potential TVET graduates (SSC and HSC level) often lack the necessary incentive to invest in TVE and skill training programs. In addition, out dated curriculum, mismatch with the demand of the employers along with lesser experience of hiring the TVET graduates often discourages the employers to recruit them. Besides, low skill requirement in agriculture sector and in some non-farm sector acts as disincentive for the potential employees to invest in skill acquisition.
- Weak Linkage Between School to Work Transition: The problem of skill mismatch begins from the initial stage of skill development process as we observe weak linkage between the skill level of the work force and the education offered in academic institutions and the skill demanded from the workers. Besides this, absence of formal job search mechanism often results in wastage of skill, time lag in finding employment and lack of specific skill of the employers. The problem is even more acute among the fresh graduates and those in the informal sector.
- Question of Quality at Different Stages of Education and Training Programs: The education provided at different stages of educational institutions is often criticized in the context of quality of education offered. Back dated and traditional curriculum, lack of connection with the job market, lack of creativity and analytical

founding of the courses are the commonly cited problems of skill development programs. Employers also expressed their disappointment in the numeracy skill of the workforce. It is not only academic and technical knowledge, but also those of non-cognitive skills e.g. responsibility, problem-solving ability, team work which the workers are argued to lack. As a whole, there is an overall disappointment about the quality of education and training programs offered in terms of key skills.

- ≻ Limited Scope of Skill Development for those in the Informal Sector: In Bangladesh, as high as 86% workers are engaged in informal sector in low productive, low skill jobs with low earning, skill development of this segment of labor force often turns out to be a challenging task. On one hand, a significant percentage of this work force works in jobs requiring only basic literacy, cognitive or behavioral skill, while those engaged in self-employed activities requires a broad range of skill even those of managerial and interpersonal skills (WB 2007; WB 2012d). Depending on the type of self-employment activities, the range can also differ significantly and are closely related to non-formal education. Meeting the skill demand of those involved in informal activities through formal training therefore remains a key challenge.
- Inequities in terms of gender and incomeclass: Despite of the government initiativesto make TVE accessible to all segments of the population, lack of access to the disadvantaged group is often cited as a key challenge for spreading TVE. The participation of women is also guite limited in TVE. In terms of general education, although the country has succeeded in reducing and in some cases even eliminating gender gap at primary and secondary level, the scenario is not that optimistic in case of higher education and the scenario is even more serious for the females. One of the important challenges is related to high drop out rate and it is not only economic but primarily those of social factors that act behind this drop out rate. Inequities are also prevalent in remote areas as well as in urban slums and in this connection, grass root level targeted initiatives are essential.
- High Drop Out Rate: Despite the progress made in terms of increased enrollment, the issue of

high drop out is a matter of concern for skill development. For example, at primary level despite of significant improvement, the dropout rate in 2014 was still around 21% (39.8% in 2010).

4.2 Assessing Future Skill Demand

Based on the previous analysis, it can be inferred that, in order to confront the challenges and to meet the objectives of skill development, a number of strategies must be pursued by the government. Based on the priority as well as the short, medium and long term targets, a number of areas have been outlined in the Matrix 4.1A in Annex.

In short term, concentration should be given on enrollment rate on TVET education, accessibility of TVET and curriculum upgradation; in mid-long run, focuses should be on gender disparity elimination, skill upgradation of migrant workers, further ICT sector development etc. while long term goals should target the productivity and enhancing and employment generating mechanism.

Section 5: Conclusion and Policy Recommendations

As discussed through out this paper, the concept 'skill' encompasses a wide range of traits, gained both through formal schooling as well as from day to day experiences can directly or indirectly contribute towards productivity and earning capacity of an individual. In this paper, for the sake of brevity, we however concentrated only on institutional avenues of skill formation. The key challenges of skill development in relation to the national plans and SDGs can primarily be are of five folds: (i) mismatch of skill offered in both domestic and overseas market through existing curriculum and training programs and required skill consistent with long term development plans as well as short term industrial need; (ii) insufficient coverage and gender based and region specific inequities particularly in the context of TVE and tertiary education; (iii) high repetition and drop outs along with low rates of transition across different stages of education; (iv) arguably 'poor' quality of educational input (including curriculum, teaching materials/machineries and equipment) and lack of effectiveness of examination system at different stages of education (both at primary, secondary, tertiary level and also at TVE), along with incompetent trainers and teachers; (v) discrepancies across educational institutes in terms of quality of education. Against this backdrop, the

GoB has prioritized the strategy of skill development as one of the panacea to reach the middle income status by 2030. The importance of skill formation of its labor force has repeatedly been pointed out in a number of policy documents, including those of the 7th Five Year Plan, National Skills Development Policy 2011, Education Policy 2010 etc. However, poor implementation and inefficiencies in implementing such policies are often argued as another key challenge for skill development of the country.Especially, the path towards ensuring 'decent' employment for the labor force can be quite challenging from the point of view of both supply as well as demand side, requiring efficient utilization of resources and effective monitoring of existing projects.

For an aspiring developing country like Bangladesh with a vision to reach the middle income status by 2030, the importance of skill development cannot be over emphasized. Despite the growing importance of education, training and skill development programs, the skill base of the country is not compatible with its development goals. With 17% of the labor force having no formal education, only around 10% possessing tertiary level of education, and around 10% having any training experience (LFS, 2013) a number of challenges remain in the supply side. On the other hand, low level of private investment, infrastructural bottlenecks, bureaucratic complexities etc. have constrained the momentum of structural transformation of the country, resulting in gaps in the job market in relation to the supply of labor force. Gap also remains in the types of skill demanded in comparison to the existing skill component of the work force-leading to wastage of skill and low level of production technique hindering the growth process of the country.

This key note paper, with the help of a number of secondary data base has attempted to understand the present status of skill supply as well as skill demand and also tried to understand the gaps between these. In addition, the paper has also highlighted the key challenges in skill development and also has proposed a number of short, medium and long term goals in relation to increase access and improve quality of different educational and skill development programs. Finally, based on the findings of the research this paper has attempted to suggest a number of policies and strategies for attaining the desired skill level of the country. Based on the analyses provided in this paper, a number of recommendations can be proposed:

Overall Recommendations:

- There is no denying the fact that, the budgetary spending in education for Bangladesh is one of the lowest. With a view to achieving 8% growth as proposed in the 7FYP, the most crucial policy step would be to increase allocation in human resource development by a much greater margin. Other cost minimizing approaches might include, introduction of two shifts in technical institutes and degree level colleges, partnerships with development partners or NGOs etc.
- In order to deal with the issues of skill mismatch, one of the most crucial issues is to align the curriculum with the 'actual' market demand. In this context, a number of policies like strengthening the collaboration between vocational institutes and industry (as in Thailand, China); involving industry sector representatives in designing curriculum (Indian example); linking secondary education along with the TVE programs to the existing demand through effective collaboration with the Ministry of Labor and the Ministry of Commerce (India) etc. can proved to be useful.¹⁴
- As suggested in our analysis, Bangladesh requires to raise its tertiary enrolment rate from a present 10% to as high as 24% to maximize its economic growth (based on a simplified macro scenario: 5.1A Annex), which requires extensive policy focus in terms of budgetary allocation, strategic focus etc. In this regard,policies tomodernize tertiary education and emphasis should be given to match the supply side with more graduates in science and engineering.
- Given the felt need of soft skill and cognitive as well as problem solving skill, the most crucial area is to emphasize on quality of education, particularly at primary and secondary level so that skill acquisition becomes easier at later stages in TVE or at tertiary level.
- In order to create job opportunities for the growing number of youths in Bangladesh, it is crucial to create innovative job opportunities with greater diversification. Greater emphasis should be given to create employment opportunities at innovative sectors like those of,

14 For detailed discussion, see 5.2A, Annex.

ICT and electronics, ship building, frozen foods, solar energy etc.

- As revealed in our analysis the returns for ≻ technical education is significant and high for a latest country representative data set in Bangladesh-this finding, also, demonstrates the fact that there is a huge shortage of technical or vocational skills in our labor market. However, the enrollment in TVE is guite low in Bangladesh and one reason could be the negative social values associated with it. The Indian experience of encouraging the rapid expansion of technical education, at both state and central level could be used as an example here to change the social views towards vocational and technical education. The Sri Lankan example of collaboration between TVET and standard school system in technology related fields or the system of offering short courses on TVE resources to the students in standard system can be considered too.
- A proper coordination and consistency across the modes of teaching, curricula, text books etc. across different streams of education e.g. Public School, Private School, NGO run schools, Madrassa is essential to bring about equity in terms of human resource development and to improve quality of education.
- Due to lack of prior training among the workforce, employers have to devote a significant amount of resources in job-specific training that might hamper their production process too. In this context, the government can consider providing monetary incentives to firms in the form of tax rebate etc. to encourage them training their workers.

Managerial & Administrative Recommendations:

One shortcomings of development program of most of the third world countries is wastage of resources due to lack of effective coordination among the government, NGOs, private entities and development partners. For skill development programs the number of stakeholders are quite large, therefore comprehensive studies should be carried out to know about the relatively neglected areas. In addition, measures likepublic-private partnership on a long-term basis at institutional level (Sri Lankan example) can be considered too.

- Regular monitoring and evaluation of the ongoing projects is extremely important to tackle inefficiencies or leakages. Strategies like linking each of the projects with a specified target (e.g. SDG goal) can help in reducing wastage of resources.
- Initiatives for skill development involves a number of ministries. Effective coordination across the relevant personnel is critical in this regard for timely and efficient implementation of government programs.
- The government can consider innovative ideas of administering TVE as adopted in economies like Philippines where, in addition to the regular school-based TVE program, the country has adopted three additional modes, e.g. centerbased, community-based and enterprise-based training.¹⁵
- Steps like formulating and implementing targeted policies should be considered with greater emphasis. For example, in the Institutes of Technology Act (1961) and the National Institute of Technology Act (2007), India has particularly classified a number of technical institutions with particular importance and required these to offer specialized research and programs in the fields of engineering, science and technology and to allocate additional funds the existing National Institute of Technologies.

Recommendations for Females/ Disadvantaged Group:

- Given the constraint of domestic responsibilities in the participation of women/young mother in the labor market, an important policy intervention could be that of providing support in establishing day care centers at the workplace and to extend the provision of maternity and post-maternity leave (can even be a without pay leave) and to introduce flexible and part time working hour.
- In order to promote equality in the job market, especially in the upper part of the occupation ladder, representation of females at tertiary level of education should be increased by a significant margin. In addition to quantitative measures, a holistic approach is needed which includes residential facilities for female

students, ensuring better communication to educational institutes along with much bigger agenda like preventing child marriage and early pregnancy for girls.

- One of the major challenges faced in ensuring equal access of female students in TVET institutes is to increase the participation in rural areas. Some of the solutions for this situation could be as follows: decentralized education planning, specialized programs concentrating on non-formal, low-tech vocational training, gender sensitive curriculum, gender sensitive support structure for working women.
- Based on our analysis, it is more important to buildskillsinmajoreconomiczonesthantocreate new jobs. Besides, due to disproportionately distributed economic opportunities across different regions of the country, there is a felt need for decentralized labor market policies(e.g. district or at least region specific policies) to create balanced economic opportunities across the country.

Recommendations for Overseas Workers:

- Upgrading the skill level of the migrants through aligning the existing education system (the TVE in particular) with the requirement of the migrants and providing training with required international accreditations should be considered as key policy agenda.
- Greater emphasis should be given to consider innovative areas for the potential migrants, e.g. those of health and social care, sales and marketing, electronics, driving etc. for meeting the growing need of diversified skill in the international market.
- Other strategies for overseas migrants should incorporate the issues of health and safety of the migrants, especially for those of female migrants and in this regard, effective pre-departure and post-arrival assistance system can play crucial role.
- Utilizing the skill, experience and knowledge base of return-migrants by linking them to relevant industries of their expertise, engaging them for training of potential migrants in a systematic manner can be beneficial. In many cases the returning labor force has a

¹⁵ Center- based programs are administered at the regional and provincial level by the Technical Education and Skills Development Authority. Community-based programs target to cater the needs for skills at the community level focusing particularly on self employment. Enterprise-based modes are those of apprenticeship and 'learnership' programs and dual training system.

substantially better skillset compared to the ones the domestic labors have to offer.

- In case of TVE institutes, demand assessment at local level and linking the local level institutions to specific skill demand in the overseas market is crucial. After completion of training, local level government bodies can take the responsibility of absorbing the local youths in relevant jobs. In the absence of formal Job Centers, such entities can help in job search and matching.
- As recognized in the 7th Plan, reducing the cost of migration and transfer of remittances through a number of policies including those of strengthening diplomatic ties with relevant Governments, expanding modes of remittance sending alternatives through better coordination among financial institutions and central banks, strengthening legal procedures for illegal migration and transfer of remittances etc. are crucial.
- To support the migrant/remittance based small enterprises the government can take a number of measures including those of training facilities, insurance schemes, low cost credit facilities etc.
- Given the crucial role of migration on development as well as poverty alleviation efforts of the country, in addition to the on going strategies of the adaptation of the Overseas Employment and Migrants' Act (2013), National Skill Database and the Migration Information System, firstly a comprehensive situation analysis to understand the skill component, origin and destination, occupational features, constraints faced at home and abroad etc. is essential.

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Annex

Table 2.1A: Key Features of the Labor Force

Key Features	As a percentage of the Labor force
Male	<mark>70</mark> .50
Female	<mark>2</mark> 9.50
Married	94.23
Rural Dweller	53.73
Average Age	36.45
Received any training	10.19
Ever Used Internet	14.57
Have internet in household	7.57
Ever Used Computer	10.97
Can Read and Write	71.06
Currently Studying	5.52
No Education	16.81
Primary (Class I-V)	26.68
Secondary (Class VI-X)	31.42
Higher Secondary (Class XI & XII)	15.08
Tertiary Education	9.63
Other Education	0.38
Ever Drop Out	50.28

Figure 2.2A: Source of Migrants (Districts)



Figure 2.3A: Composition of Migrant Labor



Source: LFS 2013

Figure 2.1A: Destination Countries for Bangladeshi Migrant Workers in 2014



Source: Extracted from RMMRU

Source: Extracted from RMMRU

Figure 2.4A: Overseas Remittances (in Million USD)

Figure 2.4A: Overseas Remittances (in Million USD)



Source: Extracted from RMMRU

Box 3.1A: Descriptive Statistics I

Gender of Top Management









Types of Training Receieved



Figure 3.1A: Most Recruited Graduates in Next 3 Years



Box 3.2A: Data & Methodology

With the help of Labor Force 2013 of Bangladesh, we have categorized the LFS 2013 occupations into two major skill category- Low Skilled Occupations and Medium-High Skilled Occupations. Given the data set and the nature of the overall labor market scenario in Bangladesh, it has been assumed that Low Skilled Occupations generally require 0-5 years of schooling, where Medium-High Skilled occupations normally require >5 years of schooling¹⁶.

Table 3.1A: Occupation Categories accordingto Labor Force Survey 2013

Low Skilled	Medium-High Skilled
Occupations	Occupations
Agriculture Household Activities Others Activities	Jobs in Non-Agriculture Sector Jobs in Non-Government Organizations Jobs in Local Government Jobs in Central Government

The Skill Mismatch Index, henceforth SMI, is the difference between 'demand' and 'supply' of skills in a given district. The district skill demand can be conceptualized as the average percentages of low and high-medium skilled populations who are currently employed in the district. The skill supply for

¹⁶ Only one form of acquired skills has been considered in this calculation, hence, this calculation does not consider innate abilities or other skills which are obtained outside the school curriculum.

	Share of Low Skilled Working Age Population (Class I-V)	Share of High Skilled Working Age Population (>Class 5)	Share of employed Low Skilled Working Age Population	Skilled Working	(S-D)	High Skilled Occupations (S-D)	$SMI_i = \sum_{i=1}^{2} j(S_{ij} - D_{ij})^2$
Sunamganj	0.90	0.10	0.37	0.21	+0.53 (Surplus Labor)	-0.11 (Labor Shortage)	0.29

a certain district, on the other hand, is the share of working-age population with low and medium-high skills. Mathematically, the skill mismatch index is calculated as follows¹⁷, $SM_i = \sum_{j=1}^{2} (S_j - D_g)^j$

Where,

 S_{ij} = the share of working age population with skill level j in district i;

 D_{ij} = the share of workers in occupations that require skill level j in district i.

For example, the calculation for one district is, as follows:

Figure 3.2A: Excess Supply and Demand

Figure 3.3A: Skill Mismatch Index Across



Source: Authors' estimates from LFS 2013

17 The equation follows a modified version of Estevao and Tsounta (2011).



Figure 3.4A: Unemploymet Rate and Skill Mismatch Index

Source: Authors' estimates from LFS 2013

Sectors	Existing Skill Gap	% Increase in Future Labor Demand (2025/26), base=15/16	Future Training Needs (2025/26), Base15/16
Agro-Food	Overall: 76%; Skilled: 77%; Semi- Skilled: 75%; Unskilled: 75%	261%	21,000
Construction	200,000	54%	1,600,000 Skilled: 53%; Semi-skilled: 47%
Healthcare	Nurses: 96,000; Medical Technicians: 82,000	55.05%	25,000
Hospitality & Tourism	Skilled: 37,000; Semi-Skilled: 62,000; Unskilled: 126,000	Skilled: 35%; Semi-skilled: 32.8%; Unskilled: 33.1%	164000 Skilled: 28000 Semi-Skilled: 46000 Unskilled: 94000
ICT	88,000 (Gap: 40%)	100%	1,059,000
Leather Goods	Unskilled: 6,935; Semi-Skilled: 6,664; Skilled: 62,246	107%	150,000
Light Engineering	Overall: 35.97%; Skilled: 43.3%; Highly Skilled: 25%; Semi- skilled:19.33%	Unskilled:13.54%; Semi-skilled: 15.02%; Skilled: 58.50%; Highly Skilled: 76.95%	423,000
RMG	Unskilled: 8,577; Semi-skilled: 48,130; Skilled: 119,479	Unskilled:3.17%; Semi-skilled: 48.75%; Skilled: 122.6%	2,117,000
Shipbuilding	N.A.	Unskilled: 677%; Semi-skilled: 677%; Skilled: 577%	53,000

Source: Murshid (2016)

Country	2013 (%)
Bangladesh	33
India	17
Pakistan	43
Nepal	-
Bhutan	40
Sri Lanka	45
South Asia	35
East Asia	44
World	44

Table 3.3A: Percentage of Female students in Secondary Level Vocational Education

Table 3.3B: Comparison of Firm Specific Indicators

	Small firms (1 - 19) employees	Medium Firms (20-99)	Large Firms (100+)	Bangladesh	South Asia	East Asia & Pacific	World
% of firms with International Quality Certification	4.9	9.2	34.6	14.3	9.2	12.2	17.3
% of firms with Annual Financial Statements reviewed by Auditor	20.6	25.8	75.7	37.2	49.4	48.1	49.5
% of firms using their own website	6	14.3	70.7	26.3	23.6	36.6	44.7
% of firms using emails to communicate with clients/ suppliers	12	25.2	86	36.6	41.2	60.5	72.3
Avg Number of Temporary Workers	1.1	2.3	8	3.3	6.6	5.2	4.7
Average Number of Permanent Workers	11.1	37	629.3	184	51	36.4	41.5
% of Full Time Female Workers	5.2	8	41.4	15.8	12.7	37.7	33.2

Source: World Bank (2013)

Matrix 4.1A

Goal	Related SDG Goal	Key Actions Required	Key Indicator	Current Scenario/ Existing Policy status	Proposed Target		
Primarily Shor	Primarily Short Term Goals (7th Plan Period)						
To Increase Efficiency in Skill Development programs	Goal 4	Timely implementation of the projects. Reduction of overlapping among projects.			Improved coordination among relevant line ministries involved in skill development		
To Match Skill of the Workers with Existing Demand (both domestic and overseas)	Goal 4	Upgrade Curriculum at all stages of education, especially that of TVE. Emphasize more on practical, job market oriented skill in training programs. Upgrade and modernize the equipment and machineries of TVE					
Increase Public Spending in Education			Public Education Expenditure as % of GDP	2.18% (2014)	2.5%		
Increase Net enrolment in primary, secondary and tertiary education	4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes	Implement National Education Policy 2010 Implement third Primary Education Development Programme (PEDP 3) Awareness raising Programmefor parents. Promote community- based childcare centres for clusters of families. Pre-primary education (for children 3-5 years) will be expanded. Awareness program on the benefits of female education on household welfare in order to increase female enrolment rate.	Enrolment rate	(i)97.7 (B:96.6; G: 97.7) (ii)62.25 (B:57.04; G:67.74) (iii)13.0 (B:15.32; G:10.58): 2010	P=100 (G=100; B=100); S=79.51 (G=84.90; B=73.92); T=20.60 (G=15.30; B=17.90)		

Goal	Related SDG Goal	Key Actions Required	Key Indicator	Current Scenario/ Existing Policy status	Proposed Target
To Make Technical and Vocational Education Facilities Accessible to all the Adults	 4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university. 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. 4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations. 	Ensure Vocational training facilities for the youth. Set up new institutions, especially in strategically rural setting to increase the accessibility.	Enrolment in TVET	Total 689663 (2014); G=27.43%; B=72.57%	933146; G=28.08%; B=71.92%
Primarily Mid To Eradicate Illiteracy	to Long Term (Beyor 4.6 By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy	nd 7th Plan)	Adult literacy	Total 58.6% (2013); FM=55.4%; M=62.9%	100%

Goal	Related SDG Goal	Key Actions Required	Key Indicator	Current Scenario/ Existing Policy status	Proposed Target
Increase public spending in education		Lower the student- teacher ratio, in order to increase the quality of education.	Public education expenditure as % of GDP	2.18% (2014)	2.5%
To Eliminate gender disparity and Ensure Equity at all Levels of Education and Training	4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations	Female to male ratio in tertiary education to be raised from current 70 percent to 100 percent The ratio of literate female to male for age group 20-24 to be raised to 100 percent from the current 86 percent Encourage female enrolment in technical and vocational education Reduce or maintain the current income inequality of 0.45 Spending on Social Protection as a share of	Ratio of girls to boys		1
To Upgrade Skill Level of Migrant Workers & to Protect their Rights	8.8 Protect labour rights and promote safe and secure working	GDP to be increased to 2.3% of GDP Protection of labour rights for decent wages and safe working conditions Protection of migrants' human and labour rights Periodic review of bilateral and multilateral employment agreement and generate greater oversight of working conditions and breaches of contract. Emphasize on demand driven skill training and appropriate accreditation of migrant workers.	% of overseas skilled, semi-skilled and female migrant	i)36.69 (ii)17.10 (iii)17.86: (2010)	38%, 22% and 30%

Goal	Related SDG Goal	Key Actions Required	Key Indicator	Current Scenario/ Existing Policy status	Proposed Target
To expand Development of ICT Sector for Skill Enhancement		Expand ICT training facilities for the youth. Improve tele density. Multimedia classrooms for all primary schools (at least 1) and all secondary schools (at least 3). 30% of primary schools and 100% of all secondary schools to have an ICT laboratory 1 million trained HR for the ICT industry Increase R&D spending/ GDP Enhance quality of education, facilitate youth empowerment, and make efficient and transparent public service delivery through the use of ICT.			1%
Primarily Long To increase productivity in the production process.	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high- value added and labour-intensive sectors.	, Towards Middle Income S Investment in capital efficient technology. Spending on research and development (R&D). Invest in skill level of the workers through training. Design and implement an independent policy statement for TVET education to make a better connection between TVET graduates and existingjob opportunities.	tatus) Annual growth rate of real GDP per employed person		
Goal	Related SDG Goal	Key Actions Required	Key Indicator	Current Scenario/ Existing Policy status	Proposed Target
--	--	--	------------------	--	--------------------
To Provide Employment, Education and Training Opportunities for the Youth	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value 8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training	Provide quality TVET to unemployed youth at minimum cost. Ensure equity. Strengthen education and training programmes to motivate the adolescent and youth to complete education and to enable the working youth and the older workforce to acquire required skills.		19,25,150 youths will be trained up and out of them 5,96,000 youths will be involved in self- employment activities (7FYP) 75,000 youths will be trained up for temporary employment under National Service Programme (7FYP) Establishment of seven divisional offices along with infrastructures for Youth Training Centres Sheikh Hasina National Youth Centre will be transformed as "Centre of Excellence" (7FYP)	

5.1A Projecting Future Skill Demand:

In this section, with the help of time series data from 1971 to 2014 (World Development Indicator, Health Nutrition and Population Statistics of the World Bank), we attempted to examine whether there exist a long run equilibrium relationship among a number of variables promoting growth, particularly in this context, enrolment in tertiary level of education. Here, we considered real GDP growth (RGDPG) as the dependent variable with Gross Enrolment in Tertiary Education (GERT); Growth of Gross Fixed capital formation (GGFCF); Growth of 15 to 64 years of Population (GP1564) as explanatory variables. After checking the order of integration, we performed Johansen Cointegration Test and estimated the long run relationship (for detailed method, see Bidisha and Abdullah, 2016). Our analysis reveals that, in case of Bangladesh, there exists a positive long run relationship between tertiary enrolment and GDP growth, which emphasizes the importance of increased policy focus on expanding tertiary education.

Based on the result of Table 5.2A, the long run growth equation can be seen as:

In order to find the growth maximizing level of GERT, we have modified the initial growth equation where tertiary enrolment enters as a quadratic term along with its level form. As per the standard rule of necessary condition for optimization the 1st order condition of growth maximization requires setting it equal to zero whereas the 2nd order condition which would be the sufficient one should be negative in sign.

First Order Condition:

$$\frac{\partial RGDPG}{\partial GERT} = 0.924 - 0.038(GERT) = 0$$

Second Order Condition:

$\frac{\partial^2 RGDPG}{\partial GERT^2} = -0.038 < 0$

Solving this two condition yields that, the growth maximizing level of tertiary level of education is that of 24.32%:

Growth Maximizing Level of GERT =
$$\frac{0.924}{0.038}$$
 = 24.315

Table 5.1A: Long run equation

RGDPG	GERT	GGFCF	GP1564
1.000	-0.3214*	-0.122*	-0.603*
	(0.042)	(0.032)	(0.121)

Note: * indicates one percent level of significance.

Table	5.2A:	Long	Run	Equation	(Growth
Maxin	hizing L	evel of	GERT)	

RGDPG	GERT	GERTSQ	GGFCF	GP1564
1.000	-0.924*	0.038*	-0.073*	-0.092
	(0.180)	(0.012)	(0.029)	(0.192)

Note: * indicates one percent level of significance.

5.2A Cross Country Experience of Skill Development Programs

Being a lower-middle income country, Bangladesh may follow the example of other middle income countries, which have experience better success with TVET education. Five countries have been chosen in this purpose given their economic profiles, which Bangladesh is most likely to follow in short to medium term. The countries are India, China, Sri Lanka, Thailand and Philippines. Although, each of these countries has a home grown policy, which is different in nature and extent, all of them concentrated on science and technology.

-In India, The Institutes of Technology Act (1961) classifed a number of technology institutes as the institutions of national importance and requires each of them to provide special programs and research in engineering, technology and science. The National Institute of Technology Act (2007) supports the 1961 act by allocating additional funding and government support to the existing National Institute of Technologies (NITs). In Indian vocational education curriculum, utmost importance is given on information technology related fields. TVET policies are supported by the Twelfth Five Year Plan (2012-2017) where the Plan sets a number of TVET related objectives: (i) to enhance collaboration of secondary, and specifically vocational and technical programs to Ministry of Labour and Industry; (ii) to improve equity gaps to TVET programs while targeting outof-school children; (iii) to encourage and facilitate students for participating in pre-vocational programs

at the secondary level; (iv) to ensure convergence of vocational programs offered by various ministries, private institutions, and vocational educational institutions; (v) to integrate vocational programs with the academic curriculum.

 In Sri Lankan TVET policy framework sets a number of goals regarding TVET education. One of the policies in the framework, namely, Policy 85, prescribes an innovative collaboration between TVET and standard school system in support of technology related fields. They propose to share Technological TVET resources with the traditional school system through short term programmes on technology so that students in standard system, also, are able to gain technical skills. The Sri Lankan government has also attached particular emphasis to funding needs. The National Policy Framework on Higher Education and Technical & Vocational Education (2009) has set a number of goals including those of, rationalizing courses, ensuring financial autonomy to state-run TVET institutions, establishing long term public-private partnership, establishing a management information system for generating financial management reports by different institutions; requirement of submitting annual financial and statistical reports by the private sector TVE providers etc.

-In China, The Hong Kong Institute of Vocational Education (IVE), outlines nine major courses, most of which are in science and technology related fields, such as, applied science, electrical and electronic engineering, printing etc. The School of Business and Information System (SBI) is responsible in implementing a project, namely, Project Yi Jin (PYJ) which targets school leavers (in particular from grade 5) and adult learners, and train them in languages and in the field of applied information technology. Moreover, the post-secondary TVET institutions in China are mainly higher vocational technology institutions and higher technology specialized schools. The national TVET policy has emphasized on a number of issues e.g. to promote TVET at the secondary level in rural areas and to expand the coverage and the quality, to strengthen the linkage between TVET and general education; to strengthen cooperation between employers, industries and TVET institutes etc.

-Philippines has an unique Dual Training System (DTS), which has a skill delivery technology based education and training, conducted at both training institutions and workplace. This is a perfect example of public private partnership and resource sharing. The country has three additional modes of TVE system, e.g. centre-based, community-based and enterprise-based.

-In Thailand, TVET programs are linked to national, regional and community needs. The programs are divided into nine major specializations- Information and Communication Technology is one of them. ICT, also, plays important roles in non-formal and adult training programs. In the 10th National Economic and Social Development Plan the importance of TVET has particularly been emphasized. Some of the objectives are those of (i) strengthening collaboration between vocational colleges and industrial groups/other stakeholders; (ii) improving policy framework for the national TVET system; (iii) developing competency standards for ensuring quality of human resource development.

EMPLOYER LED INITIATIVE FOR PROMOTING INCLUSIVE YOUTH EMPLOYMENT - EXPANSION OF APPRENTICESHIP

Anir Chowdhury Policy Advisor Access to Information (a2i) Programme Prime Minister's Office, Bangladesh 12 December 2016



Skills Context 2030!



Population	2016	2030	
Population	163M	210M	
Urban	34%	45%	
Status	LDC	High Middle-	
Status	LDC	income	
Economy size	47th largest	30th largest	
Strategy	Survival, equity	Growth, equity	
Child	Entering	Graduating	

Sustainable Development Goals 4, 8, 9, 10

Labour Context Now!

- Labour force: 82M, growth 2.2% (1.8M)
- Youth Unemployment: 10.9% (5.2M)
- Youth in NEET: 40.3% (19.3M) [Not in Employment, Education and Training]
- Underemployment:18.7% (15M)



- 19.4M People Need Decent Work!
- Only 2% Trained and Qualified

NTVQF	Description
Level 6	Supervisor/Middl Level Manager
Level 5	Highly Skilled Worker
Level 4	Skilled Worker
Level 3	Semi-Skilled Worker
Level 2	Medium Skilled Worker
Level 1	Basic Skilled Worker
Pre-Voc Level 2	Pre-Vocation Trainee
Pre-Voc Level 1	Pre-Vocation Trainee

International Context!

10.4M migrant workers abroad: \$12.49B remittance (November, 2016)

Good news: 8% of GDP and 7 times of FDI

Bad news: Yearly remittance per capita: \$1310

400K leaving every year with 300K no training





- Low per capita remittance
- Skills of foreign lavours not focused
 Need Sharper Focus!
 Statistics of TVET 2015-16

Courses	Total Student
SSC Vocational	2,92,774
Dakhil Vocational	7,132
HSCBusiness Management	2,54,012
HSC Vocational	23,060
Diploma in Engineering	2,74,880
Basic Trade (360 Hr)	1,66,162
Total	10,18,020



personal productivity & income

Apprenticeship to Minimize Skill Gap

- On-the-job training and classroom instruction
- Practical and theoretical aspects of a highly skilled occupation.







Legal reference for Apprenticeship Program in BD.



Labour Law 2006 & 2013 (formerly

Rules for Apprenticeship 2015(formerly Apprenticeship Rules 1967)



Final Draft of National Apprenticeship Strategy For Bangladesh 2016

For Bangladeth

NSDC SECRETARIAT INCOLLABORATION WITH B-SEP PROJECT, ILO - BANGLADESH

Apprenticeship Definition

Bangladesh Labour Law:

any system by which an employer undertakes by contract to employ a young person and to train him/her or have him or her trained systematically for a trade for a period specified in advance and during which the apprentices is bound to work in the employers service.

Key Features

- Acquisition of practical skills through industrybased learning process
- Industry, i.e. workplace, is the prior environment for skills acquisition
- Theory-based learning will provide understanding of the theoretical knowledge
- Skills training corresponding to NTVQF levels 1 -4 to become skilled/semi-skilled worker

Benefits for Apprentice and Industry



Benefits for the Industries

- Less costly to recruit apprentices than adult, experienced workers
- Aid recruitment, helping employers to overcome structural barriers in labour market
- Provide training to meet business needs making sure labour demand is met
- Contribute to the pool of skilled people in target areas by helping companies draw workers from the communities in which they are based
- Help improve retention, as people who have trained with a company are more likely to stay with that company
- Instil company values and best work practices in workers, thereby helping to improve companies' productivity

(Source: Effectiveness, Efficiency and Impact of Indonesia's Apprenticeship Programme, ILO 2010)

Apprenticeship in Developed Countries

- Austria: About 40% teenagers enter apprenticeship programme [stable since the 1950s]
- Australia: 286,500 apprentices in 60+ industries
- France: No. of apprentices doubled to 500,000 since 1980.
- Germany: 570,000 new vocational apprenticeships, compared 520,000 university enrolments

- Switzerland: Highest participation in apprenticeships in Europe, 43 apprentices for every 1000 employed persons
- Also popular in Canada, Japan, Sweden, Ireland, England

Country	%	Popular Trades
Australia	3.9	Tourism, Hospitality,
		Transport and Logistics, Construction,
Austria	3.3	Plumbing and Services, Manufacturing,
England	1.1	Vehicle Maintenance and Repair, Business Services,
France	1.7	Retail Services,
Germany	4	Hairdressing,
Ireland	1.1	Cook, Chef, Restaurant,
Switzerland	4.3	Electrical installation, Engineering Services

Apprenticeship in Developing Countries

- China: Above 20 Million people work as apprentices right now
- Malaysia: Apprenticeship scheme for dropouts -\$113 per month (by HRDF)
- Indonesia: The total number of domestic apprenticeship agreements recorded from 2007 until Nov.2013 is 97,520



Apprenticeship in Developing Countries

India: "CHINA HAS 2 CRORE PEOPLE WORKING AS APPRENTICES, IN JAPAN 1 CRORE. BUT IN INDIA ONLY 30 LAKHS. DISAPPOINTING." - PM MODI Breaking News- July 2015

SECTOR-WISE JOBS							
Sector	Employment in 2013	Projected by 2022	Projected skill gap				
Construction/ real estate	45.4	76.5	31.1				
Retail	38.6	55.7	17.1				
Transport & logistics	16.7	28.4	11.7				
Beauty & wellness	4.2	14.3	10.1				
Furniture & furnishings	4.1	11.3	7.2				
Agriculture	240.4	215.6	-24.8				
Total*	459.5	578.6	119.2				

All figures in Million;* for 23 sectors; Source: Skill Development Ministry

What about Bangladesh...?

- BMET is the legal authority to register, monitor and issue certificates for apprentices
- Apprenticeship in Formal Sector: 20,000+
- Apprenticeship in Informal Sector: 7,000+





- 64 TSC got approval for on-the-job training
- Bangladesh Employers' Federation (BEF), Centre of Excellence for Leather Skill Bangladesh Limited (COEL), BRAC, UNICEF, ILO, British American Tobacco (BAT), Unilever, Bangladesh Shipping Corporation etc.

Bangladesh Apprenticeship Status

- 60% of 2.2 million persons receive some training (inadequate)
- Negligible apprenticeship



a2i Strategy: Skills for Decent Work

a2i Strategy: Skills for Decent Work



a2i Initiatives: Baby Steps ...

RMG Skills & Employment Programme (BGMEA & SEIP-Finance Division Supported):

- Piloting in Sirajganj, Inaugurated by Hon'ble ICT Adviser
- Trades: Oven and Knit Machine Operations
- 500 Job Placement by June 2017

Skills Development and Self-Employment Programme for the Ultra-Poor (SWAPNO/LGD Supported):

- Piloting in 2 Districts
- 2,000 ultra-poor women will be skilled and selfemployed by Dec 2017.

a2i Initiatives on Apprenticeship

- Apprenticeship Programme in Informal Sectors for Unemployed Youths (ILO Supported):
 - 600 Informal Industries/workshops in 30 Upazillas
 - 1200 Unemployed youths
- Apprenticeship Programme with Higher Secondary Stipend
 - Piloting in 10 Districts with 200 Youths



a2i Initiatives: Research and Monitoring



Domestic Job Market Survey (Economic Zones):

- Date collection from zones and industries going on
- Report publication (Skills Watch 2016) in Dec by a2i and BEZA
- Consultation with Skills Providers in Dec 2016



International Job Market Survey (BMET):

- ToR and EOI developed by a2i.
- Vendor selection is in process by BMET.





Skills and Employment Dashboard (WB/STEP Supported):

- Consultation with relevant stakeholders done by a2i
- ToR developed by a2i
- Procurement going on by STEP Project

Bangladesh Apprenticeship Strategy: Targets by 2021

- Apprenticeship: 10% of labour force by 2020
- Vacancy for apprentince employment: > 5%
- Apprenticeship quota: 10% priority score
- Establish adequate data management system

Concerns in Apprenticeship Strategy

- Obligations of Employers
- Obligations of Apprentices and Activities
- Obligations of the Training Provider
- Enlist or Recruit Criteria
- Duration of Apprenticeship

- Working Hours
- Full-time trainee
- Part-time trainee
- Appropriate Model for Apprenticeship
- Allowances for Apprenticeship

What Do We Need to Think About?

- What are the challenges of Apprenticeship in Bangladesh and How to overcome?
- How realistic is the 10% target by 2021?
- Who should be the authority for NTVQF certification for apprenticeship (currently BMET)?

CREATING JOBS THROUGH ENTREPRENEURSHIP: START AND IMPROVE YOUR BUSINESS (SIYB)

Presented By

Eva Majurin

Enterprise Specialist, ILO Decent Work Team for South Asia

Why are we talking about entrepreneurship?

Why do we need to promote MSMEs?

- Governments across the world increasingly focusing on entrepreneurship as a job creation mechanism
- Importance reflected in the SDGs for example (Goal 8, Target 8.3 among others)
- Need to absorb labour market entrants: entrepreneurship as an addition to wage employment – 2/3 of all jobs are in SMEs, and SMEs create up to 85% of new jobs

Share of Net Job Creation by Enterprise Size Class



How did SIYB come about?

- Developed in the 1970's by the Swedish Employers' Federation as "Look after your firm"
- 1977 Adapted by ILO to the needs of small scale entrepreneurs in developing countries and renamed to "Improve your business"
- In the early 90's the "Start Your Business" training package was developed in Fiji to complement the IYB training package.
- 1998, "Generate Your Business Idea" was developed in Southern and Eastern Africa
- 1999 "SIYB training" becomes the "SIYB Programme"
- 2003, Expand Your Business is developed and introduced in Sri Lanka and Southern Africa

- 2007 Last "SIYB only" TC project in China
- 2014 New material, new M&E database, new distance learning material, growing project portfolio



SIYB in the world



Outreach & Impact Figures



Linking Business Management and Vocational Training Linking Skills and Entrepreneurship Training: Why?

Policy consensus on its importance:

- The ILO Human Resources Development Recommendation, 2004 (No. 195) stipulates that Member states should promote entrepreneurship as part of their career guidance and training support services; the Conclusions of the 2008 International Labour Conference call for a holistic approach to skills building – including an understanding of entrepreneurship
- The UNESCO 2001 Revised Recommendation on Technical and Vocation Education and Training and the 2012 UNESCO Shanghai Consensus on TVET highlight the need to promote entrepreneurship skills as a cross-cutting area of TVET

Why?

- Need to absorb labour market entrants: entrepreneurship as an addition to wage employment
- Enterprises need skilled managers and labour to remain competitive

Growing interest in combining skills and entrepreneurship training: Cases from Africa,

Asia and the Americas

Examples of combining SIYB with TVET:

- Vietnam: The General Department for Vocational Training (GDVT) has integrated SIYB within its curriculum with the aim of training 1 million persons per year
- Dominican Republic: The national vocational training institute (INFOTEP) mandated by government to train 40,000 (potential) entrepreneurs in SIYB in the next 4 years
- Senegal: As part of TVET reform and following a ministerial decision, SIYB training has been integrated in the curricula of TVET institutions with ILO support

Example of a combination model: the Vietnam Million Farmers Programme

- Aim to train 1 million rural workers per year in vocational and business skills
- Prime Minister decision to integrate SIYB in TVET curriculum
- Training of SIYB Master Trainers at central level, who train trainers in 800+ TVET centres, colleges, schools

ENTREPRENEURSHIP DEVELOPMENT IN BANGLADESH

Presented by

Francis De Silva Senior Specialist B-SEP Project, ILO Bangladesh

- TVET institutions provide :
 - 3-day GYB training to all beneficiaries
 - SYB training to those who opt for entrepreneurship
- Costs borne by state budget for Million Farmers programme and TVET institution own budget



What about the impact of combinations? Findings from the EAST project, Indonesia

The EAST project:

- Trained 6,505 youth in SYB, 1995 youth in TVET, and 1,387 youth in a combination of the two;
- Found that the impact of combination training was greatest: 72% of youth trained in both TVET and SIYB got a job or started a business, compared to 50% of those who received vocational training only, and 32% of those who received business training only



Some (provisional) lessons from TVET-SIYB combination cases

- Important to consider interest and capacity to set up an enterprise when selecting beneficiaries
- Training is best provided by subject matter experts – TVET trainers should provide technical training and SIYB trainers should provide management training
- The sequence of TVET first, SIYB second seems to work better
- Integrating SIYB in regular curricula of public training institutions helps with financing
- Even in public programmes, beneficiaries can (and should!) contribute financially

MSMEs in Bangladesh

0.97 million MSMEs

6.84 million Cottage Industry

- 25 % of total GDP contribution
- 90 % of all industrial units
- 80-85 % of industrial employments
- 60-65 % are located outside the metropolitan areas

Status of Self Employment in Bangladesh



Source: Labor Force Survey 2013, BBS (Published in Oct, 2015)

a2i: Digital Centre entrepreneurs

- Focusing on grass-root level entrepreneurship
 - 5,000+ Digital centers
 - 10,550 total entrepreneurs including female entrepreneurs
 - BDT 1.4 billion (US\$ 17.96M) annual earnings



SME Booster Sectors

Government identified 11 sectors as booster sectors for SME development

- 1. Electronics and electrical goods
- 2. Software development
- 3. Light engineering and metal-working
- 4. Agro-processing/agri-business
- 5. Leather and leather goods
- 6. Knitwear and ready-made garments
- 7. Plastics and other synthetics
- 8. Healthcare and diagnostics
- 9. Educational services
- 10. Pharmaceuticals / cosmetics/ toiletries
- 11. Fashion-rich personal effects, wear and consumption goods.

Women Entrepreneurs in Bangladesh

- Nearly 70 percent of the women entrepreneurs in Bangladesh are in micro and rural enterprises, so they often tend to be small, with limited access to markets and information.
- The overall demand for finance among womenowned SMEs is estimated to be approximately Tk 9,975 crore (\$1.29 billion), according to the findings of the survey.

Women Entrepreneurs in Bangladesh

- Lending to women-owned enterprises as a proportion of the total SME portfolio has hovered around 3 to 4 percent over the past five years (2010-14).
- Around 88 percent of women SME entrepreneurs expressed dissatisfaction with the loan application process.
- On average, women SME entrepreneurs made nearly 13 visits to the bank to get their loan approved.

Women Entrepreneurs in Bangladesh

- High turnaround time for loan sanctions proved to be an expensive challenge to women, with sanctioning time averaging 137 days, according to the report.
- The study sketches out a framework for developing specially designed products for women, outlining specific aspects that are necessary to reach women SMEs.
- Educating women entrepreneurs is also vital, according to the report.

60pc of women SME entrepreneurs struggle to get loans

CHALLENGES WOMEN ENTREPRENEURS FACE 60.0% of women entrepreneurs

sav their demand for finance remains unmet 88% of women entrepreneurs expressed dissatisfaction over loan application process 69% faced challenges in meeting collateral requrements 76% were not aware of any govt or bank instituted scheme for women-owned SMEs The average lone size for women-owned SMEs is 47% less than the amount financed for SMEs owned by men 36% of women reported 'gender-bias' among financial institutions

Multidimensional Impact of Entrepreneurship Development



Objectives of Policy Dialog held at PMO in 2015

- Develop an Entrepreneurship Strategy for Bangladesh
- Establish a National Entrepreneurship Council incorporating all stakeholders
- Develop a Strategic Plan for entrepreneurship development in Bangladesh with SIYB focus
- Develop Strong trainer base with SIYB trainers and Master Trainers in the 5 years

Entrepreneurship (SIYB) Implementation in Bangladesh 2015 to Date

- 40 national trainers trained on SIYB by international Master trainers
- Approx. 200 potential entrepreneurs trained in Generate Your Business (GYB) Module

- Approx. 120 potential Entrepreneurs trained on Starting Your Business (SYB)
- 5 local trainers trained in SIYB at ILO training center in Turin Italy
- SIYB Trainers Forum established

SIYB Implementation in Bangladesh 2016

- Strategic partnerships with;
- Bangladesh Employers Federation (BEF)
- National Coordinating Committee for Workers Education (NCCWE)
- A2i Program of Prime Ministers Office
- INSPIERD Project funded by EU
- SME Foundation

SIYB Implementation in Bangladesh 2015

- Strategic partnerships with;
- BRAC University Center for Entrepreneurship Development (CED)
- Daffodil International University (DIU)
- Women Entrepreneurship organizations
- Ahsania Mission/UCEP
- STEP/World Bank on Know About Business(KAB)
- Bangladesh Bank Training Academy (BBTA)
- Strategic partnerships with;
- BRAC University Center for Entrepreneurship Development (CED)
- Daffodil International University (DIU)
- Women Entrepreneurship organizations
- Ahsania Mission/UCEP

- STEP/World Bank on Know About Business(KAB)
- Bangladesh Bank Training Academy (BBTA)

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ENSURING DECENT WORK IN BANGLADESH'S SUPPLY CHAINS ROLE OF MARKET PLAYERS AND MARKET PRICE DYNAMICS IN ADDRESSING EMERGING NEEDS OF MANUFACTURERS

Presentation by Dr. Mustafizur Rahman Executive Director Centre for Policy Dialogue (CPD)

13 December 2016



Introduction

Importance of the Discourse on Decent Work in the Value Chain

- Current work force in Bangladesh 80 million people
- Demographic momentum: Projections of work force for 2030 - 140 million
- 1.8 million entrants to job market each year
- Lewisian Turning point for Bangladesh: increasing number of jobs to be absorbed in the Manufacturing (and Services) Sector in future
- Contribution of Manufacturing Sector in GDP to rise from the current 17% to 21% by end of 7th FYP
- Along with skills upgradation, creating conducive environment for employment, through Decent Work, is gaining increasing importance for Bangladesh
- Thenexus between skills upgradation and ensuring compliance with decent job parameters is strong and critical to Bangladesh's transformation from factor-driven to productivity-driven economy
- Many countries which have not been able to address this dual challenge adequately have fallen into the so-called Middle Income Trap
- Decent Work is an integral component of the SDGs which have been endorsed by Bangladesh at the highest level in September, 2015 at the UNGA. It is to ILO's distinct credit that it was able to ensure that Decent Work priorities were reflected in the SDGs through tough negotiations
- Decent work and the core elements of the Decent Work Agenda – good and decent jobs, social protection, workers' rights, work place safety and security and social dialogue – became integral elements of the SDGs Agenda
- The twin objectives of skills endowment and "decent work" embedded employment have now been recognized through SDGs Goal 8
- Goal 8 states: Promote Sustained, Inclusive and Sustainable Economic Growth, Full and Productive Employment and Decent Work for all, by 2030
 - Goal 8.5: By 2030, achieve full and productive employment, and decent work for all women and men, ... and equal pay for work of equal value
 - Goal 8.8: Protect labour rights and promote safe and secure working environments for all workers

- Goal 8 will be reviewed at the High Level Political Forum in 2019
- Bangladesh is one of the 40 countries which have volunteered to report on SDG progress in periodic reviews to be undertaken to monitor SDGs implementation
- A crucial challenge for Bangladesh will be to ensure Decent Work in both Formal and Informal segments of the Manufacturing Spectrum, both in case of large enterprises and SMEs, and both in Domestic Value Chains and Global Value Chains
- This presentation has looked at issues concerning Decent Work in the context of GVC, and particularly in the Apparels Value Chain, in Bangladesh. The discourse, however, needs also to examine the broader perspectives beyond the GVC
- The critically important issue to consider is to identify modalities to embed Decent Work in value chains, both domestic and global
- In the context of Bangladesh, particularly after the Rana Plaza tragedy, Decent Work issues including compliance assurance, have assumed heightened interest. A number of Decent Work elements are currently being implemented at the enterprise level in Bangladesh
- Three inter-related issues need to be considered in this connection
- Sustainability of the ongoing initiatives beyond 2018
- The emerging needs of the manufacturers in view of this
- Designing modalities to address these needs with participation of all actors along the Value Chain
 Entrepreneurs, Workers, Retailers, Consumers, Policymakers
- The leading hypothesis is that, left to manufacturers/entrepreneurs alone, the likelihood of addressing Decent Work and Compliance Assurance related tasks, on a sustainable basis, is rather low. A cooperative compact needs to be put in place towards this
- Competitive pressure that leads to the "race to the bottom", with low wage, low compliance, low priority to Decent Work elements, go against the both the SDGs aspirations and also declarative intentions of the key players involved in the GVCs (e.g. Global Compact)

 The key question is how will the incremental and additional costs arising out of the Decent Work Agenda be distributed and absorbed along the value chain

II. Price Trends and Absorption Capacity of Manufacturers

Dynamics of Apparels Price

Apparels remain one of the very few items where average prices have for many items either stagnated or shifted downward over time

Estimates for average unit value of some key items of Bangladesh's apparels export bears this out. Unit value of woven (HS 62) items shows relatively sharper movement in this context



Unit Values of Top 5 Woven Products (HS 62)



Source: CPD estimates based on UN COMTRADE Database

- In over a decade, Bangladesh's top 5 woven items lost unit prices (USD/kg.) to the tune of 30-80 per cent, whilst in case of knit this has been in the range of 10-25 per cent
- The growth in export earnings has mostly been a volume-driven one

The falling trend in apparels prices is not unique to Bangladesh

Table 1: Changes in Unit Values of Top Knit Products

	India	Bangladesh	China	Vietnam			
	% of change between 2012-2015						
610910	-3.12	-18.2	-26.23	-21.13			
611020	-22.54	-18.28	-38.65	-41.53			
611030	-22.44	-9.76	-39.46	-35.04			
610510	-25	-21	-26	-21			
610462	-28.29	-25	-21.4	-34.51			

Source: CPD estimates based on UN COMTRADE Database

Table 2: Changes in Unit Values of Top WovenProducts

	India	Bangladesh	China	Vietnam				
		% of change between 2012-2015						
620342	-12.7	-30.3	-13.81	-26.48				
620462	-22.24	-29.13	-46.24	-47.57				
620520	-10.69	-29.08	-10.66	-28.84				
620630	-17.08	-87.13	-37.27	-37.13				
620343	7	-49	-8	-19				

Source: CPD estimates based on UN COMTRADE Database

- Mark Anner, Jennifer Bair and Jeremy Blasi (2015) showed that price of imported apparels in the US market from top 20 supplying countries during the period of 1989 to 2014 had experienced a significant downward trend. (Defined as price paid per square metre of apparel). This reduced import price of apparels benefitted both the MNCs and the consumers, and the proportionate rate of savings has been about 40 per cent and 7.5 per cent respectively
- One of Bangladesh's key export products to the US market (M/B cotton trousers), lost 40.9 per cent of its real value between 2000 and 2014 (Anner et al., 2015)

Movement of Prices of Raw Materials

- Analysis suggests that movement of apparel prices tend to follow movements of price of key raw materials and there is a reasonable degree of correlation between the two
- Apparels price movements tend to follow movements in prices of cotton, yarn and fabrics

Raw Cott	on	Cotton Yarn		Cotton Fabric	
Unit Value (USD/ unit)	Changes	Unit Value (USD/ unit)	Changes	Unit Value (USD/unit)	Changes
(USD/kg)		(USD/kg)		(USD/kg)	
1.93	7.14	3.96	-17.09	10.25	12.28
1.92	-0.59	3.98	0.64	8.9	-13.14
1.89	-1.73	3.76	- <mark>5.63</mark>	13.8	54.95
1.52	-19.59	3.42	-9. <mark>08</mark>	8.55	-37.99
	Unit Value (USD/ unit) (USD/kg) 1.93 1.92 1.89	unit) Image: Constraint of the second s	Unit Value (USD/ unit) Changes Unit Value (USD/ unit) (USD/kg) (USD/kg) 1.93 7.14 3.96 1.92 -0.59 3.98 1.89 -1.73 3.76	Unit Value (USD/ unit) Changes Unit Value (USD/ unit) Changes (USD/kg) (USD/kg) -17.09 1.93 7.14 3.96 -17.09 1.92 -0.59 3.98 0.64 1.89 -1.73 3.76 -5.63	Unit Value (USD/ unit)ChangesUnit Value (USD/ unit)ChangesUnit Value (USD/unit)(USD/kg)(USD/kg)(USD/kg)1.937.143.96-17.0910.251.92-0.593.980.648.91.89-1.733.76-5.6313.8

Table 3: Changes in Unit Value of Cotton, Yarn and Fabric (HS 52)

There does exist a correlation between rawmaterial prices and finished apparels prices, to varying magnitudes. However, this correlation was not found to be very strong. Evidence suggests that fall in prices of final items was often sharper than the fall in key raw materials, squeezing profit margins at the suppliers' end

Table 4: Correlation of Unit Values between Knit Products (61) and Cotton-Based Raw Materials (52)

61 cotton product	52 cotton raw material	52 cotton yarn raw material	52 cotton fabric
610910	0.68	0.68	-0.03
611020	0.36	0.41	0.29
610510	0.74	0.74	0.13
610462	0.42	0.52	0.21
611120	0.36	0.41	0.29

Source: CPD estimates based on UN COMTRADE Database

Table 5: Correlation of Unit Values between Knit Products (61) and Man-made Fibre based Materials (55)

61 manmade product	Correlation	62 manmade fiber product	Correlation
610520	0.37	620193	0.18
610822	0.33	620293	0.21
610990	0.39	620530	0.48
611030	0.43	620640	0.52
611430	-0.23		

Source: CPD estimates based on UN COMTRADE Database

Productivity and Wages

 The effect on profit margin could have been lower, had there been a significant rise in productivity over the past decade. However, as Moazzem and Source: CPD estimates based on UN COMTRADE Database

Sherin (2015) indicates, productivity in RMG sector has experienced a rise of about 10-12 per cent between 2005 and 2013 which is not significant

- The other two key elements in cost structure are the wages and the costs related to compliance assurance
- Compliance assurance costs have also risen significantly particularly after the Rana Plaza tragedy
- Minimum wages have been revised upward twice over the period between 2006 and 2013
 - 2010 from Tk. 1662/month (2006) to Tk. 3000/month
 - 2013 from Tk. 3000/month (2010) to Tk. 5300/month
- Average minimum wages have risen by 219 per cent between 2006 and 2013 whilst overall average unit value of knit and woven exports of Bangladesh has risen by about 107 per cent and



Source: CPD estimates based on UN COMTRADE Database III. Decent Work and Issues of Distribution of Margins Along the Value Chain

 Evidence suggests that, in the overall functioning of the GVC, the distribution of margin along the GVC is not in faovour of suppliers/manufacturers in countries such as Bangladesh, exporting particularly low-end items

Distribution of Margin in Selected RMG Products

Distribution of Margin (Retail Price, \$3.45)



Source: Rahman (2013) based on discussion with entrepreneurs

Table 6: Manufacturing cost of Various Apparel
Products

	Percentage of total manufacturing cost				
Products	Raw Industrial		Others	Profit	
	materials	costs	costs	margin	
T-shirt	60-70%	15-20%	10-20%	3-10%	
Polo shirt	60-65%	15-18%	15-20%	3-6%	
Bottom	60-65%	15-18%	15-20%	3-5%	
Pyjama set	75%	12%	10%	3-4%	
Shirt	60-70%	15-20%	10%	2-10%	

Source: Based on interviews with apparel suppliers (CPD, 2015)

- As Rourke (2011) observed, whilst profit margins in Bangladesh and her competitors were comparable, compliance assurance costs were lower for the country. As is well-known, the situation has changed significantly after Rana Plaza tragedy
- Some of the key challenges, when compared to Bangladesh's competitors are presented in Table-7 (as articulated during the KIIs)

Table 7: Advantages Enjoyed by Suppliers of Other Competing Countries: Perception of Bangladeshi Suppliers

Low interest rates	Lower operating cost
Developed infrastructure	Higher productivity
Skilled labour force	Low wastage
Semi-automated production process	Duty free access
Financial incentives	Short lead time
Higher labour efficiency	Short freight time
Low cost of raw materials	

Source: Based on interviews with apparel suppliers (CPD, 2015)

200 Dhaka Summit on Skills, Employability, and Decent Work 2016

- In this backdrop, absorbing the additional costs of post-Rana Plaza compliance assurance costs (fixed as well as variable) by suppliers alone appears to be highly unlikely. This may seriously undermine the cause of sustainability of many of the commendable ongoing Decent Work-related initiatives
- Failure to address the issue of incremental cost absorption, through a rethinking about distribution of margins along GVC, could exacerbate the race to the bottom, squeeze workers' wages, undermine compliance assurance efforts, and lead to discontinuation of many of the commendable ongoing efforts
- Table 8 brings out the distribution of costs along the value chain. The strong bargaining position of buyers/retailers in the buyer-driven value chain is quite evident from this

Table 8: Distribution of Margin in the Apparel Value Chain (At Suppliers' & Buyers' End)

Items	Fair Wear Foundation Currency: €, 2013	Clean Clothes Foundation Currency: USD, 2014
	% of Ret	ail Price
Labour	0.60%	0.70%
Materials	12%	12%
Overhead	0.90%	1%
Factory Gross Margin	4%	4%
FOB Cost	17%	18%
Customs, Transport, Warehouse, etc.	8%	8%
Agent Fee	4%	-
SGA	-	4%
Clothing Brand Gross Margin	12%	12%
Wholesale Cost	41%	42%
SGA	-	34%
Retail Profit	-	24%
Retail Cost	59% (inclusive of profit)	-
Retail Price	100%	100%

Source: Based on various studies

IV. A Global Compact Towards Sustainable Value Chain for Decent Work

- Apportioning responsibilities along the GVC in view of the SDGs has become critically important in view of the emergent situation
- The UN Guiding Principles on Business and

Human Rights: Protect, Respect and Remedy Framework

- SA 8000: Social Accountability International

 Develop and maintain socially acceptable
 practices at the workplace
- UN Global Compact (UNGC)
- Buyers/Retailers' guidelines for ethical sourcing
- There is a need for coherence and complementarities in addressing Decent Work Agendas

The Challenges

The tension and disjoint between ethical buying and ethical sourcing

Audit for compliance assurance and the weaknesses: secretive, tuned to buyers' convenience, weak enforcement

Fragmented Value Chain with Limited Focus on Compliance Costs



Five Failures: Market Failure

- : Coordination Failure
- : Information Failure
- : Institutional Failure
- : Enforcement Failure
- Many of these are now being addressed through post-Rana Plaza Initiatives bringing in greater transparency and accountability in compliance, and in the enforcement of compliance assurance. The key challenge is to ensure their sustainability through cooperative initiatives with participation of all concerned stakeholders

Addressing the Challenges

- Addressing the market failure Need for discussion on a floor "Decent Wage"
- More transparency in negotiating practices between manufacturers and buyers/retailers

- Enforcement of Decent Work Practices: Institutions, Workers' Participation through exercise of Workers' Rights
- Strengthened and Independent Social Audit as regards workers' rights and compliance assurance
- Consumers' Role in the GVC and the role of responsible buying (ethical buying; carbon footprint; compliance branding)
- Left to market forces, compliance assurance on a sustainable basis may not be possible
- A New Global Compact on Decent Work in line with UN Principles and ILO conventions: The Need for Coherence and Cooperative Approach

ENSURING DECENT WORK IN BANGLADESH'S SUPPLY CHAINS ROLE OF MARKET PLAYERS AND MARKET PRICE DYNAMICS IN ADDRESSING EMERGING NEEDS OF MANUFACTURERS

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> Dhaka December, 2016



1. Introduction

Ensuring decent work has emerged as a major concern in managing global supply chains. Indeed, this issue has been put as part of mainstream development agenda through the Agenda 2030 on Sustainable Development Goals. Decent work has been particularly highlighted in Goal 8 which articulates the global ambition for sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Attainment of these aspirations will be monitored through a number of indicators over the next 14 years. In this context one has to recognize the key role of ILO in mainstreaming and embedding decent works in global development discourse through sustained efforts of past several decades, and also getting the idea into the SDGs. In this backdrop, the need to discuss and articulate the various elements of decent work has assumed growing urgency and importance in view of managing domestic and global production networks. In other words, market players involved in production processes including manufacturers and suppliers, workers, buyers and retailers, governments in involved countries and development partners, have a commitment to ensure decent work in various segments of the GVCs and to share respective responsibilities in this context.

As a country which has high stake in export-oriented manufacturing activities, particularly in exportoriented apparels manufacturing, Bangladesh has a genuine interest in issues related to decent work in all its dimensions. Indeed, as a consequence of tragedies such as Tazreen Fashion Fire and Rana Plaza disaster, there is an urgency in Bangladesh to deal with relevant concerns. According to the ILO, decent work comprises four components: employability, work place safety and security, workers' rights and social dialogue. All these are of special importance to Bangladesh as she strives to enter the ongoing process globalization from a position of competitive strength.

The issue of decent work in the GVC has traditionally been looked upon as a primary concern of particularly the suppliers. Monitoring and enforcement in this regard was mainly focused on performance in the supplying countries. However, the role of the other market players, particularly those operating at the suppliers' end, was not given adequate attention in this context. However, the relative role and responsibility in view of decent work is being widely discussed in the post-Rana Plaza period, particularly the role of buyers and consumers in ensuring decent work. The issues of market competition and social compliance are being discussed conjointly and market-based mechanisms are being explored and debated to address decent work related concerns and issues of interest (ILO, 2016). Such a mechanism will have to take the price dynamics of exportables, as a reference point and track and trace the distribution of margins along the value chain with a view to examining the possibilities of costs incurred on account of embedding decent work variables in order to mainstream decent work in the value chain.

The objective of this paper is to explore the relative roles that can be assigned to different market agents operating in the value chains with participation of suppliers, buyers/retailers and consumers through a market based approach in the context of Bangladesh. This will be done by analyzing prices and margins, and spending on decent work at the work place at the enterprise level. The paper is prepared on the basis of review of relevant literature, analysis of data and information and, interviews with key stakeholders.

The paper has six sections. Following the introduction, Section Two trends in unit values of major export products of Bangladesh and examines the dynamics of price movements in relationship to the changes in unit values of raw materials and intermediate products used in the production process. This exercise would provide an understanding on how the movement of price levels could impact on ensuring decent working environment at the supplying countries. Section Three discusses the distribution of margins in the value chain for major export products of Bangladesh with having being RMG implications on ensuring decent work in the supply chain. Section Four highlights consumers' preferences considered as the test case for examining the possible as regards different branding initiatives concerning decent labour and buyers' code of conduct and social audit system to assess how effective these initiatives are towards ensuring better working environment. Section Five focuses on major challenges towards ensuring decent work in Bangladesh particularly in the context of a market based approach. Finally, Section Six offers some remarks on ensuring decent work at the producers end particularly through better integration of producers and retailers' markets.

2. Analysis of Unit Values of Selected Products

2.1 Overview of Bangladesh's Export

Bangladesh has demonstrated growing strength in taking advantage of the global market opportunities. However, major exports are limited only to a few select items, with export concentration rising (Rahman, 2015; Adnan, et. al., 2015). About 85 per cent of Bangladesh's export earnings in 2015 originated from export of RMG products (US\$30 billion) (Figure 1). Bangladesh's share in the US\$450 billion global apparel market has been on the rise, with 5.9 per cent of global share in 2015.

On the other hand, overall, diversity of Bangladesh's export basket has been increasing, with inclusion of new products – at present about 2135 different types of products are being exported (out of 6049 products at HS 6 digit level); the number was 1565 in 2005. More importantly, a large segment of these products are non-RMG related items, with their number increasing over time (from 1355 in 2011 to 1906 in 2015). Main non-RMG export products include footwear, vegetable textile, fish, raw hides and skins, head gear, articles of leather and tobacco.



Source: CPD calculation based on UN COMTRADE statistics.

2.2 Trends in Unit Value of RMG Products

Following section presents the unit value of various export products and their association with costs of raw materials in order to understand how changes in the unit values of products and raw materials was likely to impact on manufacturers' margin and what could be the possible implications of such changes on the expenditures to be incurred on maintaining compliance at the enterprise level. Unit value has been calculated on the basis of total export value and volume of export of particular items. Top 5 knit (HS 61 at 6 digit level) and top 5 woven (HS 62 at 6 digit level) products were taken for the purpose of analysis in this context (Figure 2a and 2b). Knitwear products include T shirts (61910), jerseys, pullovers (611020 and 611030), men's or boy's trousers, men's and boy's shirts (610462), women's or girl's trousers (610462), while woven wear product include men's or boy's trousers (620342), women's or girl's trousers (620462), men's or boy's shirts (620520), women's or girl's blouses (620630) etc. Unit value of most of the products showed an upward movement during 2007-2012 period, but declined for most of the items during 2013-2015. It is revealed that unit value for woven products (HS 62) has fallen more sharply compared to that of knit products (HS 61).

Figure 2a: Unit Values of Top 5 Knit Products (HS 61)



Figure 2b: Unit Values of Top 5 Woven Products (HS 62)



Source: CPD calculation based on UN COMTRADE statistics.

Analysis of changes in the unit value were carried out for major knit and woven items for the period of 2012 and 2015 taking into account the possible consequences of the incidence of Rana Plaza tragedy on the price dynamics in the apparel market. Changes in unit value of Bangladeshi products have been compared with those of other competing countries such as China, India and Vietnam. Analysis reveals that unit value of top five knit products has declined during 2012 and 2015 both for Bangladesh and her competing countries. Interestingly, though, the decline was in case of Bangladesh for most of the knit products compared to the other countries (Table 1). For example, unit value of jerseys/pullovers (611030) in case of Bangladesh has declined by 9.8 per cent while it has declined by 22.4 per cent, 39.5 per cent and 35.0 per cent in case of India, China and Vietnam respectively. Thus, decline of market price of knit products is not a single market-specific issue (e.g. Bangladesh), rather this has been a general trend.

The changes in unit value of woven products portray a different scenario when compared to its competing countries (Table 2). Analysis shows that, woven products experienced higher reduction in unit value compared to that of knit products. Top 5 woven products lost their unit values to the tune of between 29 per cent to 87 percent, whereas top 5 knit products have experienced reduction in their respective unit values between 10 per cent to 25 per cent. More importantly, Bangladeshi woven products faced steep fall in unit values compared to that of her competitor countries during the period of 2012 and 2015. In other words, price fall has disproportionately affected Bangladesh's woven product manufacturers compared to those of knit product manufacturers. However, there is a caveat which relate to prices of major raw materials for respective items which is a key contributing factor informing price dynamics.¹

Table 1: Changes in Unit Values of Top Knit Products

	India	Bangladesh	China	Vietnam		
	% of	% of change between 2012-2015				
610910	-3.12	-18.20	-26.23	-21.13		
611020	-22.54	-18.28	-38.65	-41.53		
611030	-22.44	-9.76	-39.46	-35.04		
610510	-25.00	-21.00	-26.00	-21.00		
610462	-28.29	-25.00	-21.40	-34.51		

Source: CPD calculation based on UN COMTRADE statistics.

1 Analysis of price volatility reveals that Bangladeshi products have experienced less volatility in prices both in knit and woven products compared to that of comparator countries such as Vietnam, China and India.

Table 2: Changes in Unit Values of Top WovenProducts

	India	Bangladesh	China	Vietnam			
	% of	% of change between 2012-2015					
620342	-12.70	-30.30	-13.81	-26.48			
620462	-22.24	-29.13	-46.24	-47.57			
620520	-1 <mark>0.69</mark>	-29.08	-10.66	-28.84			
620630	-17. <mark>08</mark>	-87.13	-37.27	-37.13			
620343	7.00	-49.00	-8.00	-19.00			

Source: CPD calculation based on UN COMTRADE statistics.

Mark Anner, Jennifer Bair and Jeremy Blasi (2015) shows that price² of imported apparel in the US market from top 20 supplying countries during the period of 1989 to 2014 had experienced downward trend. This reduced import price of apparel benefitted both the MNCs and consumers, and the proportionate rate of savings has been about 40 per cent and 7.5 per cent respectively. With the exception of Vietnam, import prices for products in most countries have fallen during this period. For example, one of Bangladesh's main export products to the USA (M/B cotton trousers), lost 40.89 percent of its real value between 2000 and 2014 (Anner et al., 2015).

Reduction in price had a diverse range of impacts and implications for margins and profit of suppliers in the value chain. However, a fall in price may or may not necessarily reduce margin and profit of any or all players in the chain, provided productivity in the value chain increased at a faster rate than the reduction in price, and the dynamics, as was noted above, also hinges on price of raw materials. According to Moazzem and Sehrin (2015) firm level productivity increased about 10-12 per cent per year from 2005 to 2013 due to increased application of modern technologies and machineries.

2.3 Relationship between Unit Value of RMG Products and Price of Raw Materials

Changes in the price of RMG products could be partly explained by the fluctuations in the price of key intermediate items such as raw cotton, cotton yarn and cotton fabric. Following table shows that unit value of raw cotton, cotton yarn and cotton fabrics have experienced deceleration in most of the years (Table 3). However, the fluctuation of the unit value of cotton fabric have been relatively higher compared to those of raw cotton and cotton yarn. Overall, the change in the price of imported raw materials could

² Defined by price paid per square metre of apparel.

	Raw Co	Raw Cotton		Cotton Yarn		Cotton Fabric	
Year	unit value (USD/ unit)(USD/kg)		Changes	unit value (USD/ unit)(USD/kg)	Changes	unit value (USD/unit) (USD/kg)	Changes
2012	1.93		7.14	3.96	-17.09	10.25	12.28
2013	1.92		-0.59	3.98	0.64	8.90	-13.14
2014	1.89		-1.73	3.76	-5.63	13.80	54.95
2015	1.52		-19.59	3.42	-9.08	8.55	-37.99

Table 3: Changes in Unit Value of Cotton, Yarn and Fabric (HS 52)

Source: CPD calculation based on UN COMTRADE statistics.

partly explain the changes in the price of finished RMG products.

In order to understand the extent of relationship between the prices of finished products and those of raw materials, a correlation analysis involving unit prices of export item and unit value of corresponding cotton-based imported raw materials was carried out. For example, correlation between unit value of knit products (HS: 61) with imported raw cotton, cotton yarn and cotton fabric raw material (under HS 52) was estimated in this context. Analysis indicates that, majority of knit cotton product have 'moderate positive' correlation with those of raw cotton for the period between 2012-2015 (Table 4). Similar 'moderate' correlation was found between knit cotton apparels and raw cotton yarn. The relationship was rather 'weak' between knit fabric and knit apparels. A strong and moderate relationship (as observed in case of raw cotton and cotton yarn with knit apparels) indicate that decline of price of finished products during the period of 2012-2015 is partly because of decline of price of raw materials. Margin of suppliers importing raw cotton and cotton yarn appears to have experienced less volatility compared to those importing fabrics for manufacturing knit apparels.

Table 4: Correlation of Unit Values betweenKnit Products (61) and

Cotton-Based Raw Materials (52)

61 cotton product	52 cotton raw material	52 cotton yarn raw material	52 cotton fabric
610910	0.68	0.68	-0.03
611020	0.36	0.41	0.29
610510	0.74	0.74	0.13
610462	0.42	0.52	0.21
611120	0.36	0.41	0.29

Source: CPD calculation based on UN COMTRADE statistics.

Table 5: Correlation of Unit Values betweenKnit Products (61) and

Man-made Fibre based Materials (55)

61 manmade product	Correlation	62 manmade fiber product	Correlation
610520	0.37	620193	0.18
610822	0.33	620293	0.21
610990	0.39	620530	0.48
611030	0.43	620640	0.52
611430	-0.23		

Source: CPD calculation based on UN COMTRADE statistics.

Similar correlation exercise was carried out in case of woven-cotton products with cotton based raw materials. While 'strong' correlation was found between prices of raw cotton and cotton products, the correlation was moderate in case of cotton yarn and strong in case of cotton fabric and woven cotton products (Table 6). The nature of the relationship portrays strong global influence over producers' margins for the woven sector which is overwhelmingly dependent on imported raw materials and fabric as against the knit sector. Woven product suppliers, dependent on imported fabric, were likely to have been guite adversely affected with the decline in the price of woven products. Suppliers having composite unit who import yarn and raw cotton were likely to be less affected through a decline in the unit value of products. In other words, small and medium manufacturers who were largely dependent on imported fabrics would have seen their profit margins going down.

Table 6: Correlation of Unit Values betweenWoven Products (61) and

62 cotton product	52 cotton raw material	52 cotton yarn raw material	52 cotton fabric
620342	0.70	0.55	0.20
620462	0.67	0.55	0.22
620630	0.62	0.62	0.32
620920	0.45	0.45	0.32

Cotton-Based Raw Materials (52)

Source: CPD calculation based on UN COMTRADE statistics.

2.4 Trends in Unit Value of Non-RMG Products

Unit value of non-RMG products was estimated for jute goods (53), fish (03) and articles of leather (42) products. These products portray different types of movements in unit value (Figure 3). Jute products indicate lower volatility for the majority of items since 2010 although the unit prices one particular item has picked up significantly. In case of fish, the unit values in most cases show an upward trend particularly for the period of 2012-15. The movement of unit values of different leather products was rather mixed- some products have experienced gradual rise in unit value while other products have experienced a decline.

A miixed trend was found in case of non-RMG products in terms of changes in unit value of different products such as jute yarn, live fish and leather products (Tables 7, 8 and 9).

Figure 3: Per unit Value of Selected Non-RMG Products



Non RMG-41 (Raw hides and skins leather)









Source: CPD calculation based on UN COMTRADE statistics.

	India	Bangladesh	China	Vietnam				
	% of change between 2012-2015							
530710	3.74	3.51	-41.76					
		Standard Deviation						
530710	0.11	0.05	0.25					
	Volatility							
530710	5.43	2.38	<mark>1</mark> 2.06					

Table 7: Changes in Unit Value of Jute Yarn

Source: CPD calculation based on UN COMTRADE statistics.

Table 8: Changes in Unit Value of Fish and crustaceans, molluscs invertebrates and other aquatic

	India	Bangladesh	China	Vietnam				
	% of change between 2012-2015							
0301	19.47	56.70	-34.67	-170.68				
0302	30.74	-0.11	-57.24	-170.68				
0303	10.47	3.91	-10.13	-3.08				
0305	34.15	-87.12	-3.33	26.06				
0306	9.60	17.01	-5.04	2.84				

Table 9: Changes in Unit Value of Articles ofleather; saddlery and harness; travel goods,handbags and similar containers

	India	Bangladesh	China	Vietnam					
	% of cha	% of change between 2012-2015							
420221	8.48	17.63	25.85	-135.72					
420222	-43.30	-17.77	-0.47	51.68					
420291	6.30	33.16	17.25	16.24					
420292	4.61	16.76	-65.61	-7.50					
420329	-5.86	28.73	16.96	-15.11					

Source: CPD calculation based on UN COMTRADE statistics.

Correlation coefficients for corresponding imported raw materials and finished non-RMG products was estimated (Table 10). Due to low import content of jute goods and fish, the exercise was limited to leather products. While few item have strong correlation between unit price of raw materials and finished goods, in case raw leather and leather products (640329; 650100), in case of others only a 'moderate' relationship was found (640399 and 420222).

Source: CPD calculation based on UN COMTRADE statistics.

Table 10: Correlation between imported unit value of 41: leather raw with export unit value of 64, 65 and 42 leather product

Between 41 and 64		Between 41 and	65 I	Between 41 and 42		
Product	Correlation	Product	Correlation	Product	Correlation	
640299	0.67	650100	0.51	420221	0.11	
640340	0.41	650400	0.39	420222	0.46	
640391	0.34	650699	0.27	420291	0.23	
640399	0.49	650700	0.24	420292	0.53	
640419	0.17			420329	-0.72	

Source: CPD calculation based on UN COMTRADE statistics.

2.5 Correspondence between Unit Value of RMG Products and Costs related to Wages

An analysis of unit value received by the suppliers in relation to the wage cost could provide another dimension to understanding the implications on producers; end as regards profit margin. As is known, minimum wage of grade 7 workers risen from Tk.1662 in 2006 to Tk.5300 in 2013.³ As will be appreciated this is a significant rise in about eight years although in view of the demands of 'living wage' in absolute terms there is still a long way to go. The wage-rise is likely to have had important impact on the margins of producers if the price dynamics noted above is kept in mind. An index value analysis of changes in prices of products with changes in workers' wages between 2006 and 2013 reveals that minimum wages of grade 7 workers have increased by 319 percent while unit

Historically, workers minimum wages have been revised only five times since early 1980s; it was revised three times during 2006 and 2013 period.

value of knit and woven products have risen by 107 per cent and 146 per cent respectively (Figure 4). This is likely to have adverse impact on the profit margins at the enterprise level.



Source: CPD calculation based on UN COMTRADE statistics.

The rise in the operational costs, in view of the remediation expenditure related to electric, fire and structural safety, have put additional pressure on the suppliers'. It is pertinent in this context to recall the observation to cope with increasing firm level compliance cost, industry needs to get regular orders from the international buyers and with rising unit value made by Fair Wear Foundation (2014) to cope

One adjustment mechanism of increasing production cost is to raise firm-level productivity and efficiency. Moazzem and Sehrin (2015) shows that RMG enterprises have increased their productivity over time by using upgraded technology, better production process, lower wastages and with more skilled human resources.⁴ Workers productivity in the RMG sector has increased by about 10-12 per cent per year between 2005 and 2012 (Moazzem and Sehrin, 2015).⁵ The increasing labour productivity (and the impressive export growth performance) offers a strong rationale for workers in favour of wage-rise (Nazneen and Dev, 2014). However, on the other hand, the dynamics of price movements, impacting on profit margins, need also be taken into account. Further momentum of the sector will critically hinge on higher labour productivity and price movements in the global market (CPD, 2016).

3. Distribution of Margin in the Supply Chain and Its Implication on Ensuring Decent Labour⁶

3.1 Distribution of Margin

Theoretically, margin allocated for suppliers/ manufacturers are supposed to cover relevant costs associated with the process of production as well as cover suppliers' profit. A major departure in this discussion is whether distribution of margin in the value chain reflect 'fair' allocation of resources to individual players in the value chain. Most of the available data provides distribution of margin at the suppliers' end only with limited data about distribution of margin at the buyers' end. According to the Fair Wear Foundation (FWF), the distribution of value of a \$29 T-shirt among the main parties in the value chain are as follows: about 17 percent to manufacturers, 24 percent to wholesalers and 59 percent to the retailers. Similar result is also found by Safra Sarasin (2014). Sobhan (2014) observes that the margin distributed at the suppliers' end was about 28 percent and the remaining 72 percent was at the buyers' end. The margin received by suppliers includes cost for fabric/yarn (about 15 percent of retail value of products), administrative and overhead costs (8 percent), and operating profit (5 percent). Rahman (2014) draws attention to the significant difference in the margins along the value chain (Figure 5).

According to Rahman (2015), about 40 per cent of the total margin is distributed at the buyers' end, of which retailers' margin constitute 26 per cent and wholesalers' margin constituted about 9 per cent of the total end-value of the product (Figure 5). A large part of the margin distributed at the buyers' end is the net profit accrued after meeting the corresponding operational costs. Given the volume of operation, big buying houses and retailers appear to enjoy a disproportionately large proportion of the profit. On the other hand, focused group discussing indicated that the margin apportioned at the suppliers' end would leaved a profit margin to the tune of about 5-7 percent. The distribution of margin and share of profit is likely to change in recent years with the decline in

⁴ Inspite of this, Bangladesh is still behind her competitors in this respect. According to Woodruff (2014) and World Bank (2015) the overall Bangladesh igarment sector is less efficient than its main competitors.

⁵ According to the Woodruff (2014) each garment sector worker in Bangladesh accounts for around \$5,300 in exports while the comparable figure for Vietnam is \$7,000 which is about 30% higher than that of Bangladesh. It could have been the result of either higher price realization or higher productivity per worker with a stagnant or even lower price realization. However, the increase in export earnings per worker means there has been a reduction in costs, which could have been brought about by economizing on logistics and related non-manufacturing costs (functional upgrading) or a reduction in the manufacturing costs (process upgrading).

⁶ This section is heavily drawn from Moazzem and Bashak (2015) "Margin and Its Relation with Firm Level Compliance Illustration of the Bangladesh Apparel Value Chain"

the price of apparels as well as rise in operational cost of suppliers due to additional expenses for remediation purposes. The rise in wage cost after the revision of minimum wages in 2013 is also likely to have adverse implications in this context.



Figure 5: Distribution of Margin in Selected RMG Products



Source: Rahman (2013) based on informal discussion with entrepreneurs.

3.2 Margin Distributed at Suppliers' End and Additional Expenses for Decent Work

It is important to investigate whether the margin distributed at the suppliers' end is adequate enough to meet the required need for maintaining compliance. Moazzem and Kishore (2015) in the paper titled "Margin and Its Relation with Firm Level Compliance Illustration of the Bangladesh Apparel Value Chain" explored the possible links between margin allocation at the global apparel value chain and its linkage with maintaining compliance at the suppliers' end.

According to Moazzem and Bashak (2015) raw materials accounted for a significant share of total cutting and making (CM) charges at the suppliers' end in Bangladesh – about two-thirds to three-fourths of total costs are accounted for by raw material cost, followed by industrial and other costs i.e. transport, banking, alternate source of energy, depreciation costs. It is found that, profit margin is generally quite low for very basic products such as t-shirts and shirts, while margins are better for quality polo-shirt, better quality shirts and sports apparel. According to sample firm owners, net profit ranged between 3-10 per cent and in case of other non-basic products, the net margin could be up to the tune of 10-12 per cent of the total compliance cost (Table 11).

The "other costs" as shown in Table 11 usually include non-industrial costs such as interest charged by banks, transportation and logistics, commission and compliance related costs. The share of the cost varies widely between large and small firms.

Social and physical compliance related costs are either fixed or variable costs for firms. In technical term, cost of compliance is included either as selling, general and administrative costs (SGA) and overhead manufacturing cost. SGA is a non-manufacturing overhead cost that includes compensation accrued to non-manufacturing personnel; occupancy expenses for non-manufacturing facilities (i.e. rent, light, heat, property taxes, maintenance, etc.); depreciation of non-manufacturing equipment; expenses for automobiles and trucks used to sell and deliver products; and interest expenses. On the other hand, manufacturing overheads include such items as the electricity used to operate the factory equipment, depreciation of the factory equipment and building. factory supplies and factory personnel (other than direct labour).

O'Rourke (2011) presented a cross-country comparison of margins distributed at the suppliers'

Products	Percentage of total manufacturing cost							
FIOUUCIS	Raw materials	Industrial costs	Others costs	Profit margin				
T-shirt	60-70%	15 <mark>-20%</mark>	10-20%	3-10%				
Polo shirt	60-65%	15-1 <mark>8%</mark>	15-20%	3-6%				
Bottom	60-65%	15-18 <mark>%</mark>	15-20%	3-5%				
Pyjama set	75%	12%	10%	3-4%				
Shirt	60-70%	15-20%	10%	2-10%				

Table 11: Manufacturing Cost of Various Apparel Products

Source: Based on interviews with apparel suppliers (CPD, 2015)

end in terms of FOB cost of top apparel products. Countries which are used for comparison include Bangladesh, China, Vietnam, Mexico, Honduras, Mexico, Haiti and Nicaragua. For example, the cost structure for Men's Basic 100% Cotton 5 Pocket Denim Jeans for different components is more or less the same across major competing countries. In all competing countries, including Bangladesh, fabric accounts for the highest costs for FOB value but its share is different for different countries – from 53.2 per cent (in Honduras) to 59.4 per cent (in Bangladesh). The second most important cost is related to trimming and washing but with a moderate variation in costs between countries where Bangladesh spent the highest share of about 15.1 per cent.

 Table 12: Comparison of Different Component of Costs of Men's Basic 100% Cotton 5 Pocket Denim Jeans

 between Bangladesh and Other Competing Countries

Items	China	Vietnam	Bangladesh	Mexico	Honduras	Haiti	Nicaragua (from Mexico)	Nicaragua (from China)
FOB Cost US\$	7.69	7.62	7.57	8.63	8.89	8.67	8.4	8.29
Percentage of Mer	n's Basic	100% Cott	ton 5 Pocket D	enim Jear	ı			
Fabric Cost \$ / Garment	55.5	58.4	59.4	53.5	53.5	57.2	56.8	56.5
Trim/Packaging Cost \$ / Garment	14.4	14.8	15.1	14.0	13.8	14.3	14.8	15.0
Labor \$ / Garment	7.0	3.7	2.7	9.3	9.6	5.2	6.2	6.3
Mfg. OH \$	2.9	2.8	2.1	3.2	2.9	2.9	2.5	2.5
SGA \$	0.7	0.4	0.3	1.2	1.1	0.6	0.7	0.7
Mfg OH and SGA	3.6	3.2	2.4	4.4	4.0	3.5	3.2	3.2
External Wash/ Embroidery \$	5.2	5.2	5.3	5.3	5.1	5.4	5.2	5.3
Additional Seconds \$	2.6	3.0	3.4	2.5	3.0	3.5	2.6	2.5
Mfg. Profit 10%	8.8	8.8	8.9	8.9	8.9	8.9	8.9	8.9
Freight, Insurance	2.9	2.9	3.0	1.9	2.0	2.2	2.3	2.3
FOB Cost \$	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: CPD calculation based on O'Rourke, 2011

From Table 13, differences in fabric-related costs indicate that Vietnam and China spent about 1 to 5 per cent less compared to that in Bangladesh, while other countries such as Mexico, Honduras and Nicaragua spent about 9 to 14 per cent more than Bangladesh. Similarly, spending on trimming and packaging in Vietnam and China is about 1 - 3 per cent less than in Bangladesh (Table 13). This would imply that, in order to be cost competitive in the above mentioned items, Bangladesh enterprises will need to improve their use – efficiency concerning these items. A sizeable difference in costs between Bangladesh and other major supplying countries is observed for a number of items including labour costs, manufacturing overhead costs, selling and general and administration (SGA). Highest difference is detected in case of SGA (between 50-400 percent) followed by labour costs (between 35-300 percent) and manufacturing overhead costs (between 30-75 percent) (Table 12). Hence Bangladesh's competitor countries have enjoyed relative advantage not only by spending less to workers but also by spending less on industrial costs associated with fabric and washing costs.

	China	Vietnam	Mexico	Honduras	Haiti	Nicaragua (from Mexico)	Nicaragua (from China)
FOB Cost US\$	7.69	7.62	8.63	8.89	8.67	8.4	8.29
Difference in costs bet	ween Ba	ngladesh a	nd other	countries (%	6)		
FOB Cost \$	1.6	0.7	14.0	17.4	14.5	11.0	9.5
Fabric Cost \$ / Garment	-5.1	-1.1	2.7	5.8	10.2	6.0	4.0
Trim/Packaging Cost \$/Garment	-2.6	-0.9	6.1	7.9	8.8	8.8	8.8
Labor \$ / Garment	160.1	35.1	287.0	309.1	114.9	150.0	150.0
Mfg. OH \$	37.5	31.3	75.0	62.5	56.3	31.3	31.3
SGA \$	150.0	50.0	400.0	400.0	150.0	200.0	200.0
External Wash/ Embroidery \$	0.0	0.0	15.0	12.5	17.5	10.0	10.0
Additional Seconds \$	-23.1	-11.5	-15.4	3.8	15.4	-15.4	-19.2
Mfg. Profit 10%	1.5	0.0	14.9	17.9	14.9	11.9	10.4
Freight, Insurance	-4.3	-4.3	-30.4	-21.7	-17.4	-17.4	-17.4

 Table 13: Differences in Costs between Bangladesh and Selected Countries (Men's Basic 100%

 Cotton 5 Pocket Denim Jeans)

Source: CPD calculation based on O'Rourke, 2011

Bangladesh had traditionally spent the lowest in terms of costs related, in part, for compliance assurance (O'Rourke, 2011). Bangladesh's spending for non-production related works ranged from as little as US\$0.08 per garment to as high as US\$0.28. In contrast, for similar works China spent between US\$0.13-US\$0.37; Vietnam spent US\$0.1 to US\$0.34 (see Table 12). A part of high spending in other competing countries is associated with higher investments for maintaining necessary compliance. As a share in total cost, costs incurred for nonproduction works in the competing countries was high implying higher spending on related works. It is to be conceded that low spending on compliance cannot be justified by the low returns received by suppliers in countries such as Bangladesh. Due to weak institutional structures and poor governance, suppliers have been able to get away without giving due attention to compliance assurance. In Bangladesh's case, no more after the Rana Plaza tragedy (CPD, 2015). Higher spending on compliance leads to better compliance. Firms of competing countries are found to receive similar or higher profit margins per unit of product even when they were spending more for compliance (see Table 12). Otherwise, in the current context, suppliers in countries such as Bangladesh may end up being trapped in the vicious circle of "low-compliance – low expenditure – low prices – low profit margin".

In view of the above, Bangladeshi firms will need to investment more for compliance. However, rise of compliance related expenses, when existing margins are low, may reduce the competitiveness of Bangladeshi products vis-à-vis those of her competitors. For example, average costs of Mfg OH and SGA for men's basic 100% cotton 5 pocket denim jeans of the selected eight countries is US\$2.5 and US\$0.7 respectively. If Bangladesh needs to increase compliance related costs at par with those average costs, it needs to increase both the costs by US\$0.4. This will raise total FOB costs by about 19 per cent and 57 per cent respectively. This magnitude of rise in costs on account of better compliance would increase overall FOB cost of the product from the existing level of US\$7.57 to US\$7.63. This, in turn, will make Bangladeshi products costlier compared to those of other countries such as Vietnam. The route of absorbing and accommodating the additional costs by reducing suppliers' profit margin is difficult when profit margins are low. This is the dilemma which suppliers of particularly the low-end products in Bangladesh will have to face in the near-term future.

A possible route is to improve the level of cost efficiency in major cost components such as fabric procurement and trimming and packaging costs. As discussed earlier, Bangladesh is relatively cost inefficient in those two items particularly against those of China and Vietnam. Bangladesh's average fabric costs for selected items was US\$3.90 in 2011 which was US\$0.18 higher than that of China and US\$0.05 higher than that of Vietnam. However, in view of the specific type of fabrics used (which is hidden by averages) and the competitive nature of the market for fabrics, it is unlikely that Bangladesh has much leeway in accessing these at lower prices. The cost difference in case trimming particularly with China and Vietnam is also not very significant. It is unlikely that these costs can be further reduced without undertaking medium to long term investments in improving efficiency and productivity.

Despite high spending on compliance, firms of major competing countries are able to maintain competitiveness thanks to advantages in other areas. Several economic and non-economic factors play important role towards better competitiveness of suppliers in other countries (Table 14). Major economic factors include low interest rate, low operating costs, higher productivity, low wastage, higher efficiency of labour, skilled labour force and low cost of raw materials. Without adequate improvements in the related areas, which in many cases are external to the enterprises, as the analysis indicate, it is not easy for Bangladeshi manufacturers to increase spending on compliance under the existing level of margin.

Table 14: Advantages Enjoyed by Suppliers of							
Other Competing	Countries:	Perception of					
Bangladeshi Suppliers							

Low interest rates	Lower operating cost
Developed infrastructure	Higher productivity
Skilled labour force	Low wastage
Semi-automated production process	Duty free access
Financial incentives	Short lead time
Higher labour efficiency	Short freight time
Low cost of raw materials	

Source: Based on interviews with apparel suppliers (CPD, 2015)

3.3 Buyer's Margin

Determining the margin at the retailers/buyers' end is not easy as it varies across products (D'Arcy et al. (2011). There are a range of factors that influence this decision. Nature of market competitiveness is important; goods that are sold exclusively through a limited set of retailers are likely to have a larger gross margin. D'Arcy also explained that retailers' gross margins accounted for around one-third of the final price of retail goods, with wholesalers' gross margins around half of this. The bulk of these gross margins reflect a charge to cover distributors' cost of doing business (a total of 40 per cent of the final sale price), with the remainder reflecting net profit margins at the wholesale and retail levels.

It is rather difficult to get a detailed breakdown of margins distributed among all the market agents in the apparel value chain. A major challenge is that avail data tend to highlight more on margins at the suppliers' end as opposed to the retailers'/ buyer's end. This puts significant limit on the remit of research in this context. However, fact remains and this is widely recognized, apparels business continues to remain a highly 'buyer-driven value chain. Fair Wear Foundation and several publications by labour rights organizations including the Clean Clothes Campaign have made attempts to determine the margins of concerned players in the value chain. The Fair Wear Foundation (FWF) (2013) made an analysis on breakdown of margin of a ≤ 29 T-shirt sold in the European market. Major parties in the value chain included the manufacturers, the wholesalers and the retailers, each receiving about 17 per cent, 24 per cent and 59 per cent of retail price respectively (Table 14). A similar study was carried out by Sarasin (2014) for products sold in the US market came up with similar results. Table 14 below summarizes information from two sources. According to Sobhan (2014), margin distributed at suppliers' end was about 28 per cent while the rest 72 per cent was distributed at the buyers' end. The margin received by suppliers included cost for fabric/yarn (about 15 per cent of retail value of products), administrative and overhead costs (8 per cent), and operating profit (5 per cent).

Items	Fair Wear Foundation Currency: €, 2013	Clean Clothes Foundation Currency: USD, 2014	
	% of Retail	Price	
Labour	0.6%	0.7%	
Materials	12%	12%	
Overhead	0.9%	1%	
Factory Gross Margin	4%	4%	
FOB Cost	17%	18%	
Customs, Transport, Warehouse, etc.	8%	8%	
Agent Fee	4%	-	
SGA	-	4%	
Clothing Brand Gross Margin	12%	12%	
Wholesale Cost	41%	42%	
SGA	-	34%	
Retail Profit	-	24%	
Retail Cost	59% (inclusive of profit)	-	
Retail Price	100%	100%	

Source: Based on various studies

Profit received by the retailers/buyers include investment in capital, market intelligence, market risks, productivity and other factors. A wide range of costs involved in getting goods from manufacturers to retailers are borne by the different players involved that include wholesalers, brands and retailers. The wholesaler bears all the costs post-FOB including customs, transport, warehousing and agent fees. The bulk of the costs can be attributed to customs, transport and warehousing accounting for 8 per cent while agent fees are 4 per cent of total costs. The clothing brand gross margin includes a cost and a profit element: some additional costs at the brand level include staff and rent, whereas the profit element is the brand profit the wholesaler enjoys. It is unknown how much of the 12 per cent is attributable to brand profit. The aforementioned FWF reference

indicates on average a shirt costs a store 41 per cent of the total retail price. This value includes the FOB cost and all the intermediate costs borne by the wholesaler. At this stage, the retailer is left with 59 per cent to allocate towards store level expenses (utility, staff and rent) and store profit. According to J. Sarasin (2014), retail profit is approximately 24 per cent which is the highest profit margin commanded by any player in the value chain.

It is to be conceded that, higher margin at retail end is justified by a number of risk factors. According to Booz & Company (2010), a major internal challenge companies face is inventory control. Often retailers find it difficult to identify the optimal level of inventory and also foresee consumer preferences, leading to high holding costs and wasted floor space (Sivara, Miller and Meany 2005). By developing
capabilities to better understand shopper needs at the geographic and demographic level, retailers are now in a better position to mitigate the attendant risks and as a result enjoy higher levels of profit (Booz & Company 2010).Several publications have cited the importance of supply chain optimization. This emphasizes collaboration between retailers and suppliers to improve revenue and reduce uncertainty in an industry where speed-to-market is highly important. By working independently, retailers forego synergies such as inventory management, unit rationalization and proper forecasting.

Investing in superior information technology systems will eliminate many problems. Retailers can automate parts of the business and integrate business functions to improve operations efficiency and effectiveness (Booz & Company 2010). The industry's fragmented nature and low switching costs could mean "savvy technology usage can become real competitive differentiators, while also significantly lowering the retailer's cost-to-serve (Booz & Company 2010). Investing in technology has more benefits such as helping to reduce - the amount of retailer margin eroded by theft, waste and virtually training employees (Sivara, Miller and Meany 2005). Many retailers, however, continue to rely on legacy systems that are difficult to maintain and impede integration of the supply chain. Upgrading IT systems is rather expensive but retailers are making the needed investment to stay competitive. Indeed, retailers are making improvements in these areas on an ongoing basis, without any tangible impact on distribution along the value chain.

4. Consumers' Preference for Branded Products for Compliance and Buyers' Code of Conduct

Consumers are an important market agent in the global apparels value chain, however, often they are not recognized as such. There is an increasing debate regarding consumers' role with respect to introducing, maintaining, enforcing and ensuring decent work practices all along the value chain. The welcome development is that consumers are becoming more aware of the need to know how the apparel value chain functions, compliance assurance in the value chain and the margins distributed along the value chain. Consumers are also evincing more concern as regards environmental issues and green growth issues. In recent years, consumers' preferences, are also being motivated by their responses regarding negative externalities related to workers' health, environmental implications, workers' rights and regulatory framework and its enforcement all along the value chain. A basic proposition is that consumers are giving more value to environmental friendly and fair trade products and fair production practices, not just because the products perceive to be healthier, but also because the products to be more environment friendly, and more supportive of small scale production processes and under privileged groups (Williams and Hammit, 2000, 2001; Underhill and Figueroa, 1996). Eventually organic agriculture and fair trade type of product branding are getting increasing attention and consumer preference in recent years (Akacihi et. al., 2012).

Consumers are increasingly making civic and environmental statements through the products they purchase, especially food (Onozaka et al., 2010; Grebitus et al., 2013). According to Ottman (1998), two out of three consumers (about 64 percent around the world) recognize the environmental protection as a crucial problem which lies ahead for promoting economic rise. In Europe, the retail industry has been an active player in the Fair Trade market (EFTA, 2007; FLO, 2007). Many retailers now offer a wide range of Fair Trade products, and most major retail chains have developed a range of private-label Fair Trade lines by dealing with Alternative Trading Organizations (ATOs) or directly with producers (Castaldo, and Perrini, 2004).

4.1 Consumer Preference to Branded Initiatives for Decent Work

Various types of branding initiatives are observed that target different types of manufactured products.

Fair Trade Products: European Free Trade Association in 2002 identified Fair Trade as a trading partnership which creates greater equity in international trade. While the importer buying the products from the original grower or products, and the products follow a number of standards are considered as a "Fair Trade Products (Hira and Ferrie, 2006): such as a) minimum price for producers and a "Fair Trade premium" to be set annually; b) social premiums to fund development projects; c) partial advance payments to finance small producers; d) long-term contracts with predefined minimum prices; e) producers participating in democratic cooperatives; and f) sustainable environmental practices by producers. Based on several study Smith (2003) indicated that consumers are interested in the social behavior of firms which influence their purchasing decision. The key observation of Corporate Social Responsibility literature is that customers are influenced, particularly, by the CSR reputation of a firm while some studies found a positive correlation between a firm's reputation and customers purchasing behavior.

Castaldo. Perrini et. al., (2008) suggest that while consumers may appreciate corporate efforts to protect the environment, or respect international labour standards, or subscribe to important social causes, their purchasing intentions will largely reflect the relationship between the CSR reputation of that company and the specific products that they want to buy.

There are a number of studies in which consumers' claim their readiness to pay higher prices for products coming from socially responsible companies, or to take the social responsibility profile of the producer into consideration when comparing different brands (Creyer and Ross, 1997; Ellen et al., 2000; Mohr et al., 2001).

Consumers are also becoming increasingly concerned that importers and final marketers keep for themselves most of the price differential, instead of giving it to producers (Potts, 2004; Harford, 2005; Sellers, 2005; Weber, 2007). This situation leads to an information asymmetry between the customers and the retailers selling Fair Trade products. To pay the high price attached to Fair Trade coffee or bananas, customers need to believe that the retailer will respect the ethical promise implicit in these product labels and will effectively help Third World producers. As a rule, customers do not want to know the details, but they need to be sure that retailers will do what is expected. In a word, they need to trust the retailer. Generally speaking, consumers cannot verify that Fair Trade products are obtained according to the "fair" terms alleged by the label (price paid to producers, workers' rights, and so on). In general, when information pertinent to valuing the relevant good or service is unevenly distributed between the parties, trust becomes an important variable. Castaldo. Perrini, et. al., (2008) conducted a survey on Italian customers and key findings includes: Fair Trade certification and labeling organizations can act as trust mediators. But the study agreed that retailers also have a role to play and also showed that consumer trust of Fair Trade products translates into brand loyalty and there is a willingness to pay a premium price when retailers and consumers act together.

However, as Boulstridge and Carrigan (2000) point out, the topic of social responsibility typically gives rise to an "attitude-behavior gap": consumers like to express willingness to make ethical purchases, but social responsibility may not be an effective criterion when they actually go shopping and actually pay.

Green Growth and Carbon Footprint: A carbon footprint is defined as the total amount of greenhouse gases emitted directly and indirectly by human activities (as a person's activities or a product's manufacture and transport) during a given period, usually expressed in equivalent tons of carbon dioxide (CO2) (Wikipedia). Through carbon footprint labels information about the global warming impacts of products can be known, and eventually the concerned firms and consumers voluntarily can reduce their carbon footprint (Shewmake, Okrent et. al., 2015). Several research indicate that when consumers are fully aware about the impact of conventional product purchase and the environmental friendly products are easy, they voluntary take pro-environment actions (Polonsky et al., 2012). Another research showed that, consumers are willingly to pay for carbon level products if high carbon goods have low carbon substitute with the same or lower price (Vlaeminck et al., 2014; Lanz et al., 2014).

4.2 Buyers/Retailers Guidelines for Compliance

Buyers, retailers and brands follow respective codes of conduct in order to ensure compliance at factory level. Code of conduct is audited either by auditors working under the first party (buyers/retailers) or third parties (independent). The point is whether the existing auditing system is able to adequately ensure compliance at the enterprise level. If it is assumed that the existing system is not functioning properly, what are the challenges to putting in place a mechanism towards a fully functioning system?

Whilst several standards including the OECD Guidelines for MNEs and the ILO Tripartite Declaration do focus on direct contractors, these lack proper guidelines for establishing responsibility of buyers towards subcontractors (Mares, 2010). This renders the Guidelines ineffective as it leaves out a core part of the CSR agenda, namely the buyer's responsibility towards the supply chains. In the 2011 OECD Guidelines for MNEs, some amendments have been made in terms of how farreaching the responsibilities of a buyer would be. For instance in Section IX Science and Technology, the report mentions that MNEs can improve the capacity of international subcontractors, which

demonstrates that subcontractors are a part and an activity of an MNEs and the buyer can exercise some influence over them. (OECD 2011) The 2011 OECD Guidelines do not define the multinational enterprises because they operate in various sectors of the economy and are usually made up of entities based in more than one country (OECD 2011). Thus, while subcontractors are mentioned under the new Guidelines, the definition of MNEs remains unclear. While the Tripartite Declaration makes an attempt to address buyer responsibilities, this is not comprehensive enough, primarily because it defines MNEs very broadly (similar to the OECD Guidelines), and therefore it is unclear as to which players in the supply chain will fall under the definition. The absence of further clarification has led to the standards being poorly implemented by the MNEs (Mares, 2010).

The UN Global Compact (UNGC) made an attempt to outline and clarify corporate responsibilities by advancing the concept of the "sphere of influence" which includes individuals the company has a direct effect on through economic, political or geographic means. (Mares, 2010). Additionally, the UNGC also put forward "complicity", a term that states a company is complicit in human rights abuses if it knowingly conceals, authorizes and tolerates such incidences by an entity in its sphere of influence, which includes suppliers (Mares, 2010). There are some weaknesses in the Compact, primarily in that it is vague as regards limitations of buyer's responsibility. Mares (2010) writes that the "sphere of influence" ended with "mapping" impacts rather than actually "limiting" responsibilities".

The UN "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework"1 recognizes "the role of business enterprises as specialized organs of society performing specialized functions, required to comply with all applicable laws and to respect human rights "2. According to these principles, business enterprises and their functions are essentially related to human rights and therefore business enterprises are required to respect human rights. According to the framework, "business relationships" include relationships with business partners, entities in its value chain, and any other non-State or State entity directly linked to its business operations, products or services. This guideline in effect includes the suppliers and buyers as enterprises, and they are to follow necessary provisions. The enterprises should seek to prevent or mitigate adverse human rights impacts even if they have not contributed to these impacts, assessing potential risks for human rights, taking remedial actions if they identify their contribution

to adverse human right impact, and incorporating grievance mechanisms according to national and international frameworks and agreements.

The SA8000, launched in 1998 by Social Accountability International (SAI) is perhaps one of the most established certification schemes to develop and maintain socially acceptable practices in the workplace. It is used by MNEs extensively and has become a symbol of abiding by ethical workplace practices. Building on the UNGC's sphere of influence, the Standard aims to protect all those parties affected by the company including employees of its "suppliers, subcontractors, subsuppliers and home workers." (Enterprise Solution Team) The SAI undertakes revision of its guidelines on an ongoing basis; a clause was subsequently added to the effect that a company's sphere of control and influence should be determined on a case-by-case basis (Mares, 2010) as against the 'one size fits all' application of guidelines. The SA8000 has an entire section dedicated to buyer's influence over its suppliers, outlining the due diligence steps that a SA8000-certified company should take to ensure compliance of its standards (Mares, 2010). As per Mares (2010), there is still some uncertainty regarding the boundaries of a buyer's responsibility as they are not defined beyond "vague gualifications such as "reasonable efforts" and "where appropriate".

By specifying exactly what a company should do regarding suppliers and subcontractors, the SA8000 eliminates some of the prevailing confusion and outlines the responsibilities of each party in the supply chain.

Buyers and retailers who operate their businesses in Bangladesh are diverse in nature and are not necessarily MNEs. Hence, a large part of these buyers are not guided by the principles guiding the MNEs and UNGC. It remains unclear how the small-scale buyers will comply with international guidelines and domestic rules and regulations in the buying countries.

4.3 Social Audit for Compliance

In recent discussions on proper social audit methods have gained momentum in the backdrop of tragedies afflicting in the garment industry. This is forcing companies to become more responsible corporate citizens. The role of the social auditor is to ensure that the company is abiding by proper codes of conduct by maintaining objectivity and independence. There are two categories of social audit: independent and internal auditors. Internal auditor is employed by the company to audit its suppliers, whereas independent auditors refer to third party auditors from a for-profit firm which are called upon by the buying company to audit its suppliers (Bjorkman & Wong, 2013).

Traditional social audit process has three main parts: a physical inspection of the factory, documentation inspection and interviews with workers (Bjorkman & Wong, 2013). The purpose of the physical walkthrough is to examine such areas as presence of as fire exits, sanitary conditions, dining facilities, machinery safety and others. Documentation inspection analyses company's records concerning pay-roll, employee records and others. The final step is the audit process that involves interviewing of managers and employees (Bjorkman & Wong, 2013). Typically, this is the lengthiest part in the entire audit process as it includes direct feedback and in-depth analysis of the state of compliance at the factory level. A criticism of this method is that it is too secretive, which has lead concerned stakeholders to criticize the effectiveness of social auditors (Bjorkman & Wong, 2013).

The FWF 2012 Audit manual indicates that an audit typically takes between 1 to 2 days, which is a major criticism as these tend to be "too short, superficial and sloppy to actually identify certain types of code violations, such as discrimination." Predominantly, interviews are held with the managers and senior staff whose work is related to labour standards (Fair Wear Foundation, 2012). It is evident that much of the focus is on senior staff members who may not share the actual information given to social auditors, leading to a distorted report. The Clean Clothes Campaign (2005) recommends that worker interviews be held offsite so that they are more open to speaking about their workplace while maintaining anonymity. FWF has adopted this method and claims that they select workers independent of supervisory involvement (Bjorkman & Wong, 2013).

Social audits are further criticized because of prior announcement about factory visits. This allows managers to provide a false impression of working conditions (Clean Clothes Campaign, 2005). For instance, Clean Clothes Campaign (2005) reported the use of a 'double book-keeping' system which entails keeping two sets of wage records, an actual one and another which is based on falsified records. Additionally, some suppliers maintain a model factory while sub-contracting the bulk of their work to other factories where working conditions may be significantly poor. This allow the factory to receive a good audit report and secure more international orders (Clean Clothes Campaign, 2005).

Although it was stated earlier that external auditors are generally perceived to be more reliable than their

internal counterparts, there are instances where such auditors compromise the cause of ethical reporting in order to satisfy their client by giving them a good rating (Bjorkman & Wong, 2013). This undermines the fundamental purpose of a social audit which is to objectively report the company's compliance with codes of conduct. Sometimes the internal auditor chooses to prioritize the company's interest of cost optimization over labour standards in an attempt to strengthen auditor-business relationship, often at the cost of due diligence and proper reporting. Pruett (2005) observed that the vast majority of social audits is conducted by global firms whose staff is generally not skilled enough to perform the task, ultimately affecting the credibility of audit reports.

Bjorkman & Wong (2013) mentioned that the supplier-auditor relationship is also not as professional as it should be. This is because one of the reasons auditors do not like to arrive unannounced (even though this would have allowed them to write a report that reflects actual conditions) is that they do not want to jeopardize their relationship with the suppliers who view this as impolite and an "inappropriate interfering of their business". All of this forces one to question the credibility and authenticity of an audit report and more importantly, the role of an auditor.

5. Challenges towards Improving Decent Work Practices

The above discussion addresses the issue of decent work from a market-based approach involving suppliers, buyers and consumers. However, there are limitations with regard to the outcome of such initiatives. In view of this, a more proactive role of regulators in the supplying countries is most desirable. The reference point for the level of compliance to be maintained at the suppliers' end is established by national rules and regulations. However, since developing countries tend to suffer from institutional weaknesses, the level of compliance maintained at the firm level is often below the standards set by national regulatory entities. Institutional mechanisms in place is found to be faulty and weak due to problems associated with weak governance. The study identifies three types of failures which impede ensuring of decent work in the value chain - market failure, coordination failure and information failure.

Market Failure: The value chain currently in operation is not able to ensure proper coordination among the different parts. As it appears, there are two segmented markets operating in the value chain

- one at the suppliers' end and another one at the buyers' end. Both the markets operate for maximizing profit but market determinants are not necessarily the same. As a result, concerns related to compliance at the suppliers' end of the market is quite disjointed from the buyers' end of market. As a consequence, whilst workers are the main factors of production in the whole value chain, worker related costs are not fully integrated into the value chain. Only a part of worker related costs is embedded in the structure of cost. Compliance related costs continue to remain opaque and non-transparent in the cost structure both at the suppliers' and the buyers' end.

Figure 6: Fragmented Value Chain with Limited Focus on Compliance Costs through Different Means



Source: Prepared by authors

Coordination Failure: Buyers who work with suppliers who do not maintain minimum level of compliance are also party to violation of code of conduct. Such unholy (intended or unintended) alliance serve the purpose of both the parties who have vested interests, particularly in terms of sharing the additional rend arising from lax compliance assurance.

Information Failure: Although a number of international guidelines on responsible business practice of the MNEs/buyers are available, which particularly focus on workers' rights, workplace safety and security, implementation of these guidelines is rather weak. A major challenge is failure to get adequate information on buyers' business practices in the supplying countries with regard to compliance related issues. There is no formal mechanism for getting information about business practices of international companies in the supplying countries. Applicability of international guidelines is relatively more confined to large buyers, retailers and MNEs. However, lax compliance is a common

feature as far as small and medium enterprises are concerned although these have a significant market share in the export of apparels. The information of business practices of these small buyers and retailers are not fully available at the buying countries under which these companies operate their businesses.

6. Concluding Remarks: Addressing the Challenges towards Improving Decent Work Practices

Addressing Market Failure: The value chain in the export-oriented industries ought to be seen as an integrated value chain where market players share the responsibility of ensuring decent work jointly. In this context, a well- functioning mechanism needs to be put in place that makes all key players in the value chain responsible for compliance assurance and compliance enforcement as also to share the costs associated with compliance assurance. There is an obvious market failure here, and a cooperative value chain management will need to be developed to address the emergent concerns (Figure 7).

Figure 7: Integrated Value Chain addressing the Compliance Costs



Source: Prepared by authors

A central component of this corporate compact will be to ensure fair wages for sustainable livelihood of workers. In this context, both suppliers and buyers should share the responsibility to provide decent wage for the workers. CPD (2013) shows that even after the latest significant revision of minimum wage in 2013, workers' wage (at grade 7 level) was 65 per cent of the required need for 'living wage'. In this context, the initiative of Asian Floor Wage is worth mentioning where a floor living wage is proposed. However, such an initiative will not be possible unless buyers agreed to offer CM charges and prices that these cognizance of compliance assurance costs.

Addressing Transparency Failure: The social audit system of the buyers needs to be better coordinated with that of requirements of national audit. As of now buyers' auditing mechanism is not transparent. The buyers/brands/retailers, while providing orders to suppliers, are supposed to take into account both national and buyers' requirements as regards compliance assurance. Given the low level of margin received by suppliers, it is highly unlikely that suppliers will follow decent labour standards on a sustained basis, left on their own. Already there are signs that producers may result to informalisation of the labour market to avoid some of the attendant costs. It is thus becoming increasingly apparent that there is a need for shared responsibility in this respect. Accounting practices pursued by major buyers/retailers should be transparent, so that whether decent job related elements have been factored into prices is adequately revealed.

Addressing Compliance Compromise Failure: It is important to note that local suppliers tend to give priority to cost competitiveness elements in production design and phasing decision made by suppliers as regards renting of premises, construction of buildings etc. is usually guided by cost. In a way, breach of compliance often starts from the very beginning of production planning and production cycle. If there is a clear understanding that prices offered will be sensitive to costs incurred by producers on account of decent job practices, such 'original sins' may be avoided. It this be the case, entrepreneurs will be motivated to design production and management processes that are tuned to the needs of decent job - decent wages, safe working environment, fire and structural safety etc. which many tend to compromise with.

Addressing Information Failure: An appropriate mechanism must be established with participation of all key players along the value chain, both in the supplying countries as also buying countries for exchange of all relevant information concerning business practices of buyers, brands and retailers to ensure better accountability in the supply chain.

As was noted at the very outset, all 193 member countries of the UN have signed on to the SDGs, committing themselves to pursue decent work practices. If this commitment is to be translated into business practice on the ground, "Business as usual" will not work. A serious rethinking on how global value chains should work is thus urgently needed.

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(Endnotes)

(c) The need for rights and obligations to be matched to appropriate and effective remedies when breached.

2 Human rights includes International Bill of Human Rights (consisting of the Universal Declaration of Human Rights and the main instruments through which it has been codified: the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights), coupled with the principles concerning fundamental rights in the eight ILO core conventions as set out in the Declaration on Fundamental

¹ The Guiding Principles in the document are grounded in recognition of:

⁽a) States' existing obligations to respect, protect and fulfill human rights and fundamental freedoms;

⁽b) The role of business enterprises as specialized organs of society performing specialized functions, required to comply with all applicable laws and to respect human rights;

TRIPARTITE INITIATIVE FOR "DHAKA SUMMIT ON SKILLS,

EMPLOYABILITY AND DECENT WORK 2016"

Strengthening Social Dialogue, Industrial Relations and Workplace Safety in Bangladesh – A Means of Closer Partnership

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> > And

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1. Introduction

- Ensuring workplace safety is a major challenge in many developing countries.
- ILO framework and Agenda 2030 put emphasis on social dialogue as a mean to achieve the goal of decent work
- In recent years, workplace safety got prominence in Bangladesh after a number of major accidents took place in the manufacturing sector
- ILO: over 11,000 workers suffered fatal accidents and further 24,500 died from work related diseases

Structure of Industrial Relations (IR)

2. Analytical Framework

- Those accidents paved the way to undertake various measures on OSH related issues particularly since 2013.
- Issue of sustainability of those initiatives remains a major concern
- Need to examine those initiatives from sustainability point of view
- How far social dialogue and industrial relations could ensure workplace safety

Structure of Industrial Relations (IR)

Goal/Outcome Safeguard the interest of both parties Methods/Instruments/Expressions Industrial democracy, harmoniums production negotiation, consultation, exchange of situation, Better wages, safety at workplace, job information security, and training at workplace etc. Parties Social Dialogue Employee Forms and Extent -Management Bipartite Industrial Trade Tripartite Union-Employer Relations Employer - Employer National, Industry and Employee-Employee Enterprise level Form and Extents Parties (Between and Bipartite among) Tripartite Governments, National. Industry and **Employers**, Workers Enterprise level and social partners Indicators/Instruments/Expressions Recognition of FoA (Existence of trade union) CB at the National. Industry and Enterprise Level Relation between IR, SD and Working Conditions Tripartite bodies for national policy formulation (Minimum Wage Board) Existence of laws and policy (Labour Act, Rules, Policies) Employment Relationship (ID card, Appointment letter) Working Bipartite mechanism: Opportunity to discuss, exchange views and measures Industrial Social Condition Dispute Settlement Mechanism (Negotiations, Conciliation, Arbitration and Relations Dialogue (Safe Labour Court) Workplace)

3. Review of Recent Initiatives on Workplace Safety

- Since 2013, various initiatives have been undertaken with regard to legal, institutional, factory related areas
- Sustainability Compact, USTR PoA and National Tripartite Action Plan (NTPA)
- Those are distinct in their targets, but have some commonalities
- Most of the targets have direct and indirect linkages with workplace safety
- Inspections of RMG factories: Private initiatives of the Accord, the Alliance and the National Initiatives (NI) (with the support of the ILO)
- Factories are now taking corrective measures
- Progress is rather widely varied between private initiatives and public initiatives (NI)
- Distribution of factories in terms of level of implementation is still skewed (see next slide)

Status of Progress of Accord Factories



Source: CPD RMG Study, 2016

Status of Progress of Accord Factories (Share of Factories)







Source: CPD RMG Study, 2016

Workplace Safety in the Non-RMG Sector

- Implications of recent policies: freedom of associations, trade union registrations etc.
- Measures: USTR Action plan has given a special focus on shrimp sector
- Demand for workplace safety has been strengthened in the non-RMG sector after recent incidences
- DIFE has taken decision to inspect non-RMG factories on OSH issues
- Listed 26000 new plants for inspections

Policies and Measures related to Non-RMG Sector

	Implications for non-RMG sector
Labor act	Labor rules has been adopted for both RMG and Non-RMG sectors where Labor act must be abided by the entrepreneurs

Labor Associations	USTR Action plan has given a special focus on Shrimp Sector to protect freedom of associations, action against anti-union discrimination and unfair labor practices.
Key Areas	DIFE is prioritizing Fire, electrical and structural issues in industrial units beyond Non-RMG sector
Factory inspections	In September 18, 2016 DIFE has directed inspectors to include boiler, chemical, plastic, rubber and the factories that use explosive and flammable materials for inspection

Source: Authors' Compilation Based on Different Sources

Institutional Development of MoLE

- Institutional capacity of DIFE has been increased in order to ensure workplace safety.
- Department of Labour (DoL) has introduced online registration system for new trade unions
- A total of 236 new Participation Committees (PCs) and 133 Safety Committees (SCs) have been formed till date

Year	Jan-13	Sep-14	Oct-16
Trade Union (Cumulative)	131	367	522
Participation Committee			236
Safety Committee			133

DIFE Achievements in 2015-16

Serial	Indicators	Targets	Achievements
1	Successful solution through Inspections	60%	83%
2	No of Compliances ensured Factories	2000	3565
3	No of Inspected Factories & Institutions	24000	32456
4	Motivational Activities accomplished	572	409
5	No of Cases	1700	1304
6	License Issue	3400	5427
7	License Renew	10000	11729
8	Internal Training Hour	160	152
9	Internal No of Trainee	203	276

4. Industrial Relations and Social Dialogue in Bangladesh: Regulatory Issues and Practices

Industrial Relations

- Bangladesh has long history of regulatory practices on industrial relations
 - A total of 34 articles in BLA (amended) 2013 specified trade union, registration process, operation, limit of activities, enforceability of agreement, collective bargaining
 - Bangladesh has already ratified 7 out of 8 core ILO conventions along with a total of 35 technical conventions
- Labour organizations in the EPZ are claimed to be consistent with the CBA and TU
- Though there are doubts about that claim.
- Laws/regulations are not fully implemented: Lack of resources, capabilities, inadequate institutional enforcement and especially the mindset of 'ad-hocism' (short- termism)
- There should have synergy between national laws and policy framework with those of ratified international core and technical labour standards

Social Dialogue

- Amended Labour Act (2013) has strengthened the foundation for Social Dialogue
 - In absence of TU, the factory mandatorily has to form active Workers Participation Committee (PC), Safety Committee and Workers Welfare Association in EPZs
- ILO: Social Dialogue can protect the interest of both sides by making the workforce productive and profitable for employers' as well as enhanced wages and better working conditions by helping workers realise their fundamental rights
- The functions of PC are to: (i) promote mutual trust and co-operation; (ii) ensure application of labour laws; (iii) foster a sense of discipline and to improve and maintain safe and healthy working conditions; (iv) adopt measures to improve welfare services for the workers and their families; and (vi) meet production targets, improve productivity.
 - The role of WWAs in the EPZs is same as PC.
 - The process of institutionalizing social dialogue has been ongoing.

5. Stakeholders' Perspectives regarding Social Dialogue and Industrial Relations as Means for Workplace Safety

- Employers are in favour of social dialogue instruments
 - Tripartite committees, participation committees, safety committees and workers' welfare committees
 - Representatives workers and trade unions and NGOs in most cases have doubt about effective functioning of these instruments

- Employers considered SD as 'substitute' for IR
 - Workers considered SD as best as 'complementary'
 - Both employers and NGOs expect that SD should be 'progressive' to ensure IR
- 'Trust deficit': Need to have a mechanism to converge the contrasting views of employers and workers

Response on Different Tools with Regard to Workplace Safety

Issues	Tripartite Committees	Trade Union	Participation Committee	Safety Committee	Workers Welfare Association	
Employers	\checkmark	×	\checkmark	√	\checkmark	
Workers	×	\checkmark	×	√	×	
Trade Union	\checkmark	√	×	×	×	
NGOs	\checkmark	\checkmark	×	×	×	

Source: Interview with Stakeholders

- Employers perceived that lack of proper education, political influence on workers, global competition and regional influence on workers are the major reasons behind the 'trust deficit'
- Workers, trade union and NGO representatives perceived that employers' non-cooperative mindset, government less favorable policies and partly workers' lack of education are responsible for 'trust deficit'
- TU representatives perceived that SD mechanism may contribute in achieving safety targets but in the long run these would make the process of establishing IR difficult.
- SD could be functional more at the national level but be less functional at the factory level

Challenges of Effective Negotiations related to Workplace Safety

Issues	Workers' Education	Employers' Mindset	Political Influence on workers	Government Policy	Global Competition	Regional Influence
Employers	\checkmark		√		\checkmark	\checkmark
Workers		\checkmark		\checkmark		
Trade Union		\checkmark		\checkmark		
NGOs	\checkmark	\checkmark		\checkmark		\checkmark

Source: Interview with Stakeholders

Frequently Discussed Issues in the Meetings

- At present, tripartite committees discussed issues such as minimum wages, training, workers' safety and welfare fund issues at the meetings.
- Participating committees discussed issues such as leave, safety and accident compensation issues
- TU meetings discussed mainly on minimum wages, increment, leave benefits, strike and accident compensation issues.
- Workplace safety issues are the focus of discussion in the meetings of tripartite and participation committees.
- Unless the agenda of trade unions are broaden to accommodate safety issues, social dialogue mechanisms by making them effective, are in advantageous position to be used for safety concerns

Issues	Tripartite Committees	Trade Union	Participation Committee (RMG)
Minimum Wage	√	\checkmark	
Increment		√	
Leave		√	\checkmark
Training	\checkmark		
Safety	√		\checkmark
Welfare Fund	√		
Strike		√	
Accident Compensation		√	\checkmark

Issues Frequently Discussed in the Meetings

Difficulty in Forming Trade Unions

- Formation of trade union at the factories is not so easy because of different types of problems.
- Employers perceived that setting up trade unions has been affected due to political influence among potential trade unions and lack of proper education of workers
- Workers and their representatives perceived that there are a number of legal, social and operational barriers to form trade unions at the enterprise levels including minimum threshold requirement (30% of workers to be member), mindset of employers, workers' insecurity to loss their jobs and lack of proper education of workers.
- Overall, a number of areas need to be taken into account for necessary reform and improvement in order to make the process of forming new trade unions faster

6. Challenges with regard to Industrial Relations and Social Dialogue

Challenges concerning Industrial Relations

- Formation of trade union at the factory level including small factories needs to be smoothened
- Requirements of minimum numbers of workers to form trade union need to be lessened
- Regulation must be strengthened in case of creating obstruction to form TU
- Maintaining distinctions of activities of IR from those of SD related entities will be difficult
- Alignment of activities of safety committees with those of participation committees and welfare committees and trade unions is a challenging task
- Lack of penetration of TU at the factory level

Source: Interview with Stakeholders

creates problem of representations which caused problem in generating resources to operate organizational activities.

 Trade unions lack internal and external communication

Challenges concerning Effective Dialogue Mechanism

- Social dialogues in their current forms have various limitations in terms of ensuring effective functioning
 - Workers and union issues are the weakest part in the tripartite system
 - Lack of proper acknowledgment of these two in the dialogue mechanism could not ensure adequate effectiveness
 - Tripartite Committee meetings are organized quite rarely and unions are involved in the decision making sporadically
 - Moreover decisions at the industry and national levels often been taken without the consent of the trade union federations.
- Nobody deny the importance of IR as a sustainable tool to maintain workplace safety although employers are skeptic about it
- Employers different perceptions come on the issue that whether the industry is ready to adopt strong IR or not.

7. Concluding Remarks

- Social dialogue process need to make effective as well as to make a mean for reaching the goal of industrial relations in order to address the workplace safety issues in the long run
- A number of issues need to be taken due attention
- a) Institutional development for effective functioning of social dialogue

b) Regulatory issues with regard to forming trade union

c) Awareness/capacity building among workers and other stakeholders

- Institutions: DIFE and DoL need to be strengthened by enhancing their capacity in terms of manpower, infrastructural capacity and secretariats for the national level TCs.
 - Safety committees to be formed quickly in most of the factories particularly in the RMG sector which will work with public institutions for ensuring safer work place
- Institutions: An effective and functional public sector monitoring agency could undertake safety measures at par the standard set by the Accord and Alliance.
 - Government should work with associations, workers and development partners with

regard to the transition plan - what would happen after the private sector led initiatives will be over in 2018.

- Regulatory Issues and concerns need to be resolved
 - Provision for minimum membership requirement to form TU and WWAs in EPZs
 - Violation mitigation mechanism has to be clear to all parties
 - Legal frameworks must be upgraded in favour of industrial relations
- Factory Level Awareness: Workers, employers and stakeholders should be aware about safety issues
 - Awareness must be increased through training on safety related concerns

Strengthening Social Dialogue, Industrial Relations and Workplace Safety in Bangladesh - a Means of Closer Partnership

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1. Introduction

Ensuring workplace safety is a major challenge in many developing countries because of slow progress in improving decent work related practices at enterprises, sectoral and national levels. According to the ILO, work place safety is one of the four components of decent work which has been promoted across the world. The ILO framework put emphasis on social dialogue as a mean to achieve the goal of decent work where social protection, standard, principles and rights expressively work as catalysts to decent work (ILO, 2009). The agenda 2030 has identified a specific goal (Goal 8) targeting the issue of decent work with a view to ensure economic growth with sustainable working environment and workers' rights through implementing social dialogue. Being the signatory of SDGs, all stakeholders involved in the production process have committed to ensure work place safety and security by establishing and strengthening the social dialogue process.

In recent years, workplace safety got prominence in Bangladesh particularly after a number of major accidents took place in the manufacturing sector which caused deaths and injuries to a large number of workers. According to ILO, over 11,000 workers suffer fatal accidents and a further 24,500 die from work related diseases across all sectors every year in Bangladesh. On the other hand, those accidents have paved the way to undertake various measures in order to improve the occupational and health and safety situation in the industrial sector of Bangladesh. After the accidents at Tazreen Fashions in 2012 and Rana Plaza in 2013, various initiatives have been undertaken targeting the work place safety and security in the RMG sector. However, the issue of sustainability of those initiatives remains a major concern not only for the RMG sector but also for other sectors. In this backdrop it is important to examine those initiatives from sustainability point of view- how far social dialogue and industrial relations could ensure workplace safety in the industries. The objective of the paper is to review the worker related safety concerns of the ongoing initiatives as well as other initiatives under the framework of social dialogue and industrial relations and examine their

roles in order to ensure sustainable work place safety in the industrial sector. The paper is prepared on the basis of available secondary data and information as well as KIIs undertaken with representatives of business associations, workers and brands.

2. Analytical Framework

The nature of relationship between social dialogue, industrial relations and workplace safety needs to be clarified before discussing about the ongoing initiatives as well as possible future directions of approach of ensuring workplace safety.

2.1 Conceptualization of Industrial Relations, Social Dialogue and Workplace Safety

Industrial Relations: Industrial relation is technically defined as a mean to accommodate labour market interests to regulate employment relationship between employer and worker arises at and out of the workplace. Arumugam et al. (2010) explain the industrial relations as the relationships between labour and capital that grow out of employment, specifically the relationship of labour and management to safeguard the interest of both parties (Figure 1). The issue highlights on various employment-related indicators such as wage, workplace safety, job security and training at workplace and so on (Nikoloski et al, 2014). More specifically it concentrated on right to organize, protection of trade union, freedom of associations and role of participation committee and dispute settlement mechanism (Faruque, 2009). Achieving the success in industrial relation like safeguarding the interest of employers and workers, establishing industrial democracy and decent work condition are dependent on the coexistence of other functional institutions in the labour market. For example, recognition of freedom of association and its proper exercise by both the employers and workers depend on existence of tripartism at the national level, legal guidelines of regulating industrial relations, practice of collective bargaining (CB) at the national, industry or enterprise levels and practice of dispute settlement system by the labour courts (Silva, 1998).

² For more please see http://www.ilo.org/public/english/bureau/program/download/pdf/spf1015/brochure.pdf

³ For details please see http://www.ilo.org/dhaka/Areasofwork/safety-and-health-at-work/lang--en/index.htm

Figure 1: Structure of Industrial Relations



Source: Prepared by the authors

Social Dialogue: According to ILO "all types of negotiation, consultation, or simple exchange of information between, or among, representatives of governments, employers, and workers, on issues of common-interest relating to economic and social policy are considered as instruments for social dialogue". It can exist as a tripartite process, with the government as an official party to the dialogue or it may consist of bipartite relations only between labour and management (or trade unions and employers' associations), with or without indirect government involvement (Figure 2). Social dialogue processes can be informal or institutionalised, and often it is a combination of the two. It can take place at the national, regional or at enterprise levels. It can be inter-professional, sectoral or a combination of these (ITC, 2012)." The European Commission (EC) refers

the social dialogue as the platform for discussions, consultations, negotiations, and joint actions. It indicates involvement of two parties representing two sides of industry (employers and workers) and also explain its tripartite characteristics involving the participation of the public authorities (EC, n.d).

Industrial relation is much broader term than the social dialogue. Kaufman (2004) stated that it is not meaningful to compare these two terms and argued that "...comparison may not be meaningful since the definition of industrial relations centers on its science building face while the concept of social dialogue embodies the problem solving face". Thus, the social dialogue can be termed as a method of achieving the goal of industrial relations.

Figure 2: Structure of Social Dialogue



Source: Prepared by the authors

Workplace Safety: "Workplace Safety" is a broad term which covers numerous issues related to the occupational safety and health (OSH) including elimination of risk factors like unsafe or unhealthy working conditions and dangerous acts account for occupational accidents and diseases through different means such as engineering control, design of safe work systems to minimize risks, substituting hazardous materials for safer substances, administrative or organizational methods, and use of personal protective equipment (Ali, 2008). ILO Convention concerning OSH and the Convention on Working Environment (C 155) explains that "the term workplace covers all places where workers need to be or to go by reason of their work and which are under the direct or indirect control of the employer (Article, 3(c)). The explanation clearly mentioned that the workplace is not necessarily be limited to the place of direct work but could be any place where the workers moves for the reason of their work. Therefore workplace safety has been broadened by including responsibility of ensuring safety of the workers at all places where they move for the purposes of work.

The convention also provides guidelines for formulation of national policy taking into account

a number of factors which are linked to the Occupational Safety and Health (OSH) and working environment of the workers. The workplace safety includes adequate measures to ensure safety and protection from risks and hazards arises from the workplaces, working environment, tools, machinery and equipment, chemical, physical and biological substances and agents and work processes (Article 5 (a)). This convention also indicates some means of achieving the adequate level of safety and health through training, motivations, communication, and co-operation at the levels of the working group (Article 5 (c) (d)).

2.2 Linking Social Dialogue and Industrial Relations to achieve Workplace Safety

Social dialogue can contribute to strengthen industrial relations. Silva (1996) mentioned collective bargaining as a mechanism or tool of industrial relations and an aspect of negotiations. It is also recognizes as a meaningful form of social dialogue (ITC, 2012). Likewise, ITC manual on social dialogue (2012) stated that the social dialogue at the national level covers the topics which are also the issues of industrial relations and working condition. Consultation and exchange of information are considered as vital form of social dialogue which have also been addressed as important aspect of modern industrial relations (Silva, 1996 cited from Morishima 1991).

The relationship can also be explained as mutually interdependent. The sound industrial relationship is one of the preconditions of effective social dialogue (ILO, n.d); on the other hand, functioning social dialogue can promote development of sound industrial relations. Kaufman (2004) argued that though there are some overlapping issues but the two concepts have different construct. The effective social dialogue at the national level can contribute for the development of sound industrial relations environment and likewise the existence of sound industrial relations can promote the environment of exercising social dialogue for the purpose of common interests. Therefore, it can be concluded that the social dialogue and industrial relations are persistently associated with one another in terms of forms, goals, and effectiveness.

Association of Social Dialogue, Industrial relations and Workplace Safety: It is important to explore the nature of relationship of social dialogue and industrial relations with workplace safety. Nikoloski, K., et al. (2014) argued that "....the sound industrial relations and effective social dialogue are a means to promote better wages and working conditions as well as peace and social justice.... helping to create an enabling environment for the realization of the objective of Decent Work at the national level." The workplace safety is the precondition of both the better working condition and decent work agenda. Framework on the Measurement of Decent Work implemented by the ILO covers the safe work environment as one of ten substantive elements of decent work (ILO, 2013). Voss (2009) in his study pointed out the impact of social dialogue and existence of work council on the negotiations and institutional solutions regarding the working condition. From the perspectives of Kaufman (2004) where the social dialogue is an applied method of problem solving and industrial relations is a broader concept than social dialogue. Thus social dialogue can be considered as a mean for developing functional industrial relations in the workplace in order to ensure better working condition in the long run (Figure 3).



Figure 3: Relation between Industrial Relations, Social Dialogue and Working Conditions

3. Review of Recent Initiatives on Workplace Safety

3.1 Initiatives for Workplace Safety in the Industrial Sector since 2013

Since 2013, various initiatives have been undertaken with regard to legal, institutional, factory related areas with a view to improve the decent work condition in the RMG sector of Bangladesh. The government has amended the Labour Law in 2013 and passed Labour Rules in 2015 endorsing the recommendations of local and global stakeholders. Bangladesh EPZ Labour Law 2016 has been passed which brought the EPZ factories under the umbrella of a distinct regulatory framework. Government has upgraded labour inspection authority as DIFE and enhanced its capacities of DIFE through hiring new inspectors, allocating more budgets and setting up new offices. It is expected that the initiatives will be extended further in the areas of shipyards, chemical, boilers and other risky production plants.

Workplace Safety in the RMG Sector: A considerable number of actions and initiatives have been taken hitherto to reform and restructure the RMG sector. These initiatives have been carried out by both international and national organizations e.g. the United States Trade Representative (USTR) Plan of Action, the European Union Sustainability Compact and the National Tripartite Action Plan (NTPA). While these initiatives are distinct in their targets and objectives, they also share some common courses of action. The EU Sustainability Compact is a broadbased agreement between the European Union (EU), the International Labor Organization (ILO) and the Government of Bangladesh. Its objective is to improve working conditions in the Bangladesh RMG sector which has been endorsed by the USTR Action Plan, particularly for trade union related activities. The USTR plan of action is a 16-point action plan which was initially given to comply within one year in order to reinstate Bangladesh's GSP status in the US market. The National Tripartite Action Plan (NTPA) combined major targets of EU Compact and USTR PoA and listed 25 commitments including 4 legislative, 6 administrative and 10 practical actions.

Most of targets in those initiatives undertaken have direct and indirect linkages regarding workplace safety and security (Table 1). For example, amendment of Labour Law, developing unified standards for inspection of factories, electrical and building structural safeties at the enterprise levels, upgrading the monitoring and inspection institutions, establishing committees and availing training for safety and health, setting up of safety committees, freedom of associations and rights for collective bargaining, smoothening the process of trade union registration, enabling participation committees, influencing the stakeholders for social dialogue and establishing fire safety hotline for workers are all important aspects which contribute to develop workplace and security in the RMG sector.

Initiatives	Progress
Sustainability Compact	The Bangladesh Labor Act (BLA) of 2006 was amended in 2013 and has brought improvements in relation to freedom of association, collective bargaining to influence workplace safety.
	375 new garment industry trade unions have been registered since 2012 bringing the total to 507 unions by the end of October 2016.
	The capacity of Department of Inspections for Factories and Establishments (DIFE) has been strengthened along with number of inspectors and labor inspection strategies. Private and public initiatives have inspected all export oriented RMG factories.
	Private initiatives such as the Accord and the Alliance have made sizeable positive transformation for Bangladeshi RMG workers.
	Technical cooperation from development partners has notably helped to strengthen regulatory bodies through institutional reforms, while also raising the capacity and awareness of industry associations, trade unions, factory management and workers on workplace safety and workers' rights.
USTR Plan of	Amendments to Bangladesh Labor Act.
Action	No of Inspectors increased substantially.
	Workers Helpline has been adopted and operating successfully to receive relevant complains.
	Substantial number of fire, electrical, and structural safety inspections already conducted.
	Factories are already listed and inspections report are posted in the DIFE website with updates.
National initiatives	Significant no of fire, electrical, and structural safety inspections conducted involving local and global stakeholders.
	Related government companies and organizations like RAZUK, CDC, and FSCD have been strengthened to follow up progress.
	Institutional capacity has been increased due to increasing budget allocation, recruitment of new staffs and upgrading the offices.
	Factories have been listed in the website and inspection reports uploaded

Source: Authors Compilation from Different Sources

Although the target and outcomes of these initiatives are close to each other, the approaches are somehow distinct. Similar approaches are identified in the short term actions like fire, structural safety and inspections but in medium and long term issues of Industrial relations they are distinct from each other.

Under the private initiatives of the Accord, the Alliance and the National Initiatives (NI) (with the support of the ILO), inspections of Bangladesh RMG factories have been completed and those factories are now taking corrective measures as per respective factories' corrective action plans. As of April 2016, 3632 factories have been assessed for fire, electrical and structural safety where 1,390 factories are working with Accord members, 857 factories working with Alliance members and over 1,549 factories are assessed by the NI (Table 2). Analysis of Accord data reveals that largest share of progress happened in case of electrical problems (64 per cent) followed by fire (45 per cent) and structural problems (21 per cent). The distribution of factories in terms of level of implementation is still skewed (skewed left in case of structural problems and skewed right in case of electrical problems) (Figure 4). However, progress is rather widely varied between those under private initiatives (Accord and Alliance) and those under the public sector (NI).

Table 2: W	ork Progress of Accord and Alliance	

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Issues			Upto July '14	Upto Sept '15	Upto October '16
	Inspections		587	662	685
	Factory Suspended		10	22	104
A 11:	In Remediation		50	528	571
Alliance	Approved CAPs		NA	591	671
	Workers Trained		1,100,000	1,115,170	1,219,971
	OHS Committee			10	54
Issues		Upto Sept '14	Upto April '15	Upto October '16	
Accord		Inspections	1100	1250	1330
Factory C	losed	16	32	129	
Transferred to NAP			26	41	
Approved CAPs				1471	
Total Com	Total Completed Remediation by Accord & Alliance		5		65
				Source: DIFE	





Source: CPD RMG Study, 2016

Figure 4: Status of Progress of Accord Factories (Share of Factories)







Figure 4: Status of Progress of Accord Factories (Share of Factories)

Workplace Safety in the Non-RMG Sector: Although most of the initiatives have been taken focusing on the RMG sector, Non-RMG sector is expected to get importance in the process of reform and remediation (Table 3). According to the DIFE data, there are 23,218 registered factories under 42 industrial sectors around the country, more than 5,000 of which are RMG factories⁴. The programs in terms of fire, electronic and structural safety are mainly concentrated in the RMG sector. Nevertheless there

Source: CPD RMG Study, 2016

are scopes for developing the same standard for the Non-RMG sector a well. The key implications of recent policies and development in the Non-RMG sectors are related to freedom of associations and trade union registrations etc. The demand for strengthening the safety related issues has been strengthened in the non-RMG sector after the recent incidences in a number of factories. The DIFE has started identifying other vulnerable enterprises for inspection and remediation⁵.

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	Implications for non-RMG sector
Labor act	Labor rules has been adopted for both RMG and Non-RMG sectors where Labor act must be abided by the entrepreneurs
Labor Associations	USTR Action plan has given a special focus on Shrimp Sector to protect freedom of associations, action against anti-union discrimination and unfair labor practices.
Key Areas	DIFE is prioritizing Fire, electrical and structural issues in industrial units beyond Non-RMG sector
Factory inspections	In September 18, 2016 DIFE has directed inspectors to include boiler, chemical, plastic, rubber and the factories that use explosive and flammable materials for inspection

Table 3: Strategies for Non-RMG Sector

Source: Authors' Compilation Based on Different Sources

The activities in the non-RMG sector concentrates on identification and selection of enterprises which would be vulnerable for workers. DIFE has taken decision to inspect factories having boiler and use toxic chemicals and produce plastic and rubber products and also factories that use explosive and flammable materials for inspection (Table 4).

⁴ Major accidents like fire get noticed in the media but minor accidents which led death of one or two workers are not always underlined in media. Shipyard, Boiler, Glass factory, Chemical factory etc. are some accident prone sectors where only workplace deaths get noticed, not the cause of deaths. Death in construction site is another major source of workplace death and injury which are not noticed.

⁵ For more please see: http://www.thefinancialexpress-bd.com/2016/09/23/46887/Non-RMG-factories-to-come-under-fire-safety-inspection

Table 4: Progress Made in Non-RMG Sector

Issues	Practices in the Non-RMG Sector
Inspections	In September 2016, DIFE has listed 26000 new plants including Non-RMG Sector for inspections.
	From the 48 Categories of Industry, DIFE has prioritized Boiler, Chemical and Fire prone Industry for the first phase of inspection
Tas da Ulaisa	Newly approved "Bangladesh EPZ Labor Law 2016" has allowed Trade Union for the factories of EPZs.
Trade Union	Since 2015 to October 29, 2016 some 223 new Trade Unions have been registered as Basic trade union though most of the Trade Union are not Functional.
	Department of Labor asserted to activate Trade Union in the non-RMG factories in September 2016 after the Tampaco Fire incident
Safety in Shipyard	German Development Agency GiZ with collaboration of Ministry of Health and Family Affairs initiated a 3 years project and reduced 99% injuries from Western Marine Shipyard, the largest shipbuilding company of the country.
Safety & Participation Committee	The formation of different labor committees are still in planning level. No such strategy is adopted till now.

Source: DoL, DIFE

3.2 Institutional Development at the DIFE

Government has strengthened the institutional capacity of DIFE to ensure the rights of workers regarding workplace safety. During 2014, it has upgraded as theDepartment of Inspection for Factories and Establishments (DIFE) from the Labour Inspection Directorate. The Department has coordinated with workers and employers federations and different government organizations to improve the OSH of the workers. Since 2013, DIFE has made progress in following areas (Table 5): a)392 new inspector positions have been created; b) budget allocation boosted from US\$ 0.9 million in 2013-14 to US\$4.1 million in 2015-16; c) more than

200 new inspectors have been recruited including female inspectors; d) initiated number of training programs for its inspectors as part of capacity building; g) introduced a 40-day long foundational training course for 160 labour inspectors on working conditions and workers' safety. As of October, a total of 2,961 summary reports of factory inspection have been uploaded in the DIFE website of which 1707 reports are those inspected under the National Initiative, 712 reports are those which inspected by Accord and 542 are those which inspected by Alliance. DIFE published its annual report for 2015-16 where it has listed 9 key accomplishments (Table 6)⁶.

Indicators	2013-14	2014-15	2015-16
Organogram	Directorate	Department (Greater Operational & Management Authority)	
New Office in Different District	7 District Office	231)istrict ()the	
Budget Allocation	US \$ 0.97 Mln	US \$ 2.91 Mln	US \$ 4.1 MIn
No of Inspectors	92	200	284
Approved Office Staffs	314	993	
Ethics Committee			23
OSH Training		112 Master Trainers formed from BGMEA, BKMEA and BEF	More than 750,000 workers received training through 8,038 supervisors

Table 5: Work Progress of DIFE over time

⁶ The report summarizes the achievements as follows: a) Substantial number of solutions made after inspections; b) Number of compliance ensured factories increased to reach the targets; c) Number of factories and institutions has increased even beyond the target level; d) Good numbers of motivational activities accomplished; e) More than 1300 cases have been pursued against the factories; f) Both issue of new license and renew of license increased by crossing targets; g) Internal training hour has been achieved near the targets where internal number of trainee increased crossing the target.

Indicators 2013-14		2014-15		2015-	16
				Within Country	Abroad
Training Accomplishments				32 Program	15 Program
				422 Participants	58 Participants
	2014		2015	l	lpto Oct, 2016
No of Inspections	24197		31836		7162

Table 6: DIFE Achievements till 2015-16

Serial	Indicators	Targets	Achievements
1	Successful solution through Inspections	60%	83%
2	No of Compliances ensured Factories	20 <mark>00</mark>	3565
3	No of Inspected Factories & Institutions	240 <mark>00</mark>	32456
4	Motivational Activities accomplished	572	409
5	No of Cases	1700	1304
6	License Issue	3400	5427
7	License Renew	10000	11729
8	Internal Training Hour	160	152
9	Internal No of Trainee	203	276

Source: DIFE

The Department of Labour (DoL) has introduced on-line registration system for new trade unions and trade union federations, where workers could also lodge complain with regard to unfair labour practices. Besides, a total of 236 new Participation Committees (PCs) and 133 Safety Committees (SCs) have been formed till date (Table 7). Although the number of the unions and committees has been increased, their operations towards improving the workplace safety is not yet reported much.

Table 7: Labor Union, Participation and Safety Committee

Year	January 2013	September 2014	October 2016
Trade Union (Cumulative)	131	367	522
Participation Committee			236
Safety Committee			133

Source: DoL

4. Industrial Relations and Social Dialogue in Bangladesh: Regulatory Framework and Their Practices

Bangladesh has a long history of regulatory practices of industrial relations⁷. After a long period of practicing separate rules, the Labour Act 2006 was the first updated, consolidated and unified version of labour laws covering major issues related to the workers including freedom of association and collective bargaining (Faruque et. al, 2009). It is a major and comprehensive rule regarding industrial relations system -partly as a response to demand of stakeholders for improving regulatory framework on trade union and partly by demand for codification of existing labour laws in order to avoid overlapping and inconsistencies. It brought some significant changes in industrial relation system. The shortcomings

⁷ Industrial relation system of Bangladesh which started as Trade Union Act, 1926 in British era had the purpose to provide the registration of TUs and. In 1947 the Industrial Disputes Act placed the conciliation and adjudication machinery for the settlement of industrial disputes which was followed by a major development in the legal framework in 1965 through East Pakistan Trade Unions Act, 1965. Subsequently, the Labor Disputes Act, 1965 and Trade Unions Act, 1965 and Trade Unions Act, 1965 subsequently, the Labor Disputes Act, 1965 and Trade Unions Act, 1967 and Trade Unions Act, 1968 were integrated into one law, namely Industrial Relations Ordinance, 1969, which made provisions for recognition of CB agents for establishment or group of establishments. After the Independence in 1971, a number of amendments and changes took place regarding the laws related to freedom of association and CB and implementation of laws was interrupted number of times. Bangladesh government declared the Labor Policy in 1972 putting necessary provision as regards right to strike and CB at the nationalized industries. However, those provisions of the policy were prohibited number of times – 1972, 1974 and 1975. With the initiation of the Industrial Relations (Amendment) Ordinance 1977 the restrictions on freedom of association and CB was withdrawn and was liberated. A new Labor Policy was introduced in 1980 with the provision of freedom of association (CM) association for over nine years during 1980s. With the restoration of democratic system in 1991, activities related to freedom of association started and continued afterwards.

regarding industrial relations system was further amended in 2013 after two major accidents in the RMG sector. At present there are 21 labour and industrial laws in operation which establish the framework for industrial relations ⁸.

Bangladesh has already ratified 7 out of 8 core ILO conventions along with a total of 35 technical conventions? Although Bangladesh has ratified the conventions related to industrial relations, it has not fully implemented those because of lack of resources, capabilities, inadequate institutional enforcement and especially the mindset of 'ad-hocism' (shorttermism).¹⁰ However concurrent fatal accidents in the industrial sectors have brought the question that mere ratification of the conventions are not enough to ensure workplace safety. Hence, there should have synergy between national laws and policy framework with those of ratified international core labour standards – so that national regulatory framework would be effective to influence workplace safety.

4.2 Scopes of Industrial Relations under BLA (amended) 2013 & Bangladesh EPZ Law 2016

BLA (amended) 2013 specified necessary provisions related to freedom of association and collective bargaining - a total of 34 articles (article no.175-208) described about various issues including eligibility of forming trade union, registration process, operation of trade union, limit of activities of trade union, enforceability of agreement, collective bargaining, formation of participatory committees and activities of participatory committees etc.¹¹

⁸ For details of the history please see http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1082&context=intl

⁷ Industrial relation system of Bangladesh which started as Trade Union Act, 1926 in British era had the purpose to provide the registration of TUs and. In 1947 the Industrial Disputes Act placed the conciliation and adjudication machinery for the settlement of industrial disputes which was followed by a major development in the legal framework in 1965 through East Pakistan Trade Unions Act, 1965. Subsequently, the Labor Disputes Act, 1965 and Trade Unions Act, 1965 were integrated into one law, namely Industrial Relations Ordinance, 1969, which made provisions for recognition of CB agents for establishment or group of establishments. After the Independence in 1971, a number of amendments and changes took place regarding the laws related to freedom of association and CB and implementation of laws was interrupted number of times. Bangladesh government declared the Labor Policy in 1972 putting necessary provision as regards right to strike and CB at the nationalized industries. However, those provisions of the policy were prohibited number of times -1972, 1974 and 1975. With the initiation of the Industrial Relations (Amendment) Ordinance 1977 the restrictions on freedom of association and CB was withdrawn and was liberated. A new Labor Policy was introduced in 1980 with the provision of freedom of association; however, that provision was banned in operation for over nine years during 1980s. With the restoration of democratic system in 1991, activities related to freedom of association started and continued afterwards.

⁸ For details of the history please see http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1082&context=intl

⁹ The only core convention Bangladesh has not ratified yet is related to the minimum age of child labour.

¹⁰ Please see more at http://www.freit.org/WorkingPapers/Papers/Development/FREIT963.pdf

¹¹ According to article 176 - "(a) Workers, without distinction whatsoever, shall have the right to form trade union primarily for the purpose of regulating the relations between workers and employers or workers and workers, subject to the constitution of the union concerned, to join trade union of their own choosing;

⁽b) Employers, without distinction whatsoever, shall have the right form trade union primarily for the purpose of regulating the relations between employers and workers or employers and employers and, subject to the constitution of the union concerned, to join trade union of their own choosing; and (c) Trade unions of workers and employers shall have the right to form and join federations and any such union and federation shall have the right to affiliate with any international organization and confederation of worker's or employers' organization; and (d) Trade unions and employers' associations shall have the right to draw up their constitutions and rules, to elect their representatives in full freedom, to organize their administration and activities and to formulate their programmers".

The Article 201 delineates the provisions related to CB - "The CB agent in relation to an establishment shall be entitled to-(a) Undertake CB with the employer on matters connected with the employment, non-employment, the term of employment or the conditions of work; (b) Represent all or any of the workers in any proceedings;(c) Give notice of, and declare, a strike in accordance with the provisions of this chapter; and(d) Nominate representatives of workers on the board of trustees of any welfare institutions or provident funds, and of the workers participation fund established under chapter XV, and (c) To conduct cases on behalf of any individual worker or group of workers." In the backdrop of limited level of presence of trade unions in different industries, activities of collective bargaining are rather limited."

There is another platform available for the workers at the enterprise level in order to discuss their issues and concerns. As per law, every factory needs to have workers' PC. However, the scope of work of the PC is rather limited. The activities of the WPC are confined mainly – "(a) To endeavor to promote mutual trust, understanding and co-operation between the employer and the workers;(b) To ensure application of labor laws;(c) To foster a sense of discipline and to improve and maintain safety, OSH and working condition;(d) To encourage vocational training, workers education and family welfare training;(e) To adopt measures for improvement of welfare services for the workers and their families;(f) To fulfill production target, improve productivity, reduce production cost and wastes and rais equality of products".

There are separate Instructions, Act and Laws for the Export Processing Zones (EPZ)¹². According to the Law, labor organizations (not union) can be formed in the EPZs. The Labour organizations in the EPZ would be named as 'Shramik Kalyan Samity' or Workers Welfare Associations (WWAs) which is claimed to be consistent with the CBA and TU though there are doubts about that claim. However, the law ensures the right for joint wage bargaining, mechanism to solve industrial disputes and the right to go for strikes.¹³

Industrial relations in different sectors have been changing over time. Out of 136 manufacturing industries, only 67 industries practice organized form of trade union (Table 8). Among the 42 industries having minimum wage system, 24 industries practice trade union related activities. After the structural reform in 1980s private sector expanded rapidly but the trade union in the private sector has not grown accordingly.¹⁴ The industries which have long track record in manufacturing activities have been partly practicing trade union activities at the enterprise level for a long period of time. These industries include jute, pharmaceuticals and leather. Most of the industries developed in 1980s onward practiced trade union at a very limited scale.

Total no of Trade Unions		RMG			Non RMG
		507	507		5242
	Trade Unions by S	ectors (Above Triple Di	gits are listed	J)	
SL	Sectors		No of Trade	e Unions	Total Members
1	Transport		103	4	529728
2	Shop and Establishment		101	4	204161
3	Cool		832	2	27545
	Rickshaw/Van and Pushing Ca	art	556		2950
4	Garments		507		77543
5	Cotton		291		55471
6	Steel & Engineering workshop	p/re rolling mill	267	7	21933
7	Building Construction		212	2	8410
8	Jute Press and Belling		201	L	175054
9	Dress		145	5	21171
10	Hotel and Restaurant		132	2	45804
11	Chemical/ Oxygen		131	L	23039
12	Printing Press		117	7	10873
13	Food		113	3	957

Table 8: Current State of Trade Union in Different Sectors

Source: CPD

4.3 Social Dialogue

4.3.1 Scope of Social Dialogue under the existing legal and institutional frameworks

The 2013 amendment of Bangladesh Labour Law has strengthen the foundation for Social Dialogue which

ensures workers' welfare, rights and safety; industrial safety and expansion of the industry; transparency in TU registration and wage payment system; as well as promoting trade unionism and collective bargaining.¹⁵ The amendment has given the law more conformity with the international labour standards. It is expected

¹² The first Act was passed in 1980, the second for Private EPZs in 1996, the forth was Instructions one and two in 1989, again Act in 2004 and in 2010 finally followed by Bangladesh EPZ Law in 2016. The Law has 16 chapters and 202 sections.

¹³ For Details Please see https://www.albd.org/index.php/en/updates/news/3470-cabinet-approves-the-draft-of-the-bangladesh-epz-labour-law, 2016

¹⁴ http://www.unnayan.org/documents/bookschapter/labour_and_rights.pdf

¹⁵ According to the rules, the committees and associations are supposed to work as CBA in absence of TUs. According to the final EPZ Law 2016, the workers are not allowed to form any union but they can form WWAs with direct and fair election. However, WWAs are not alike TU in many sense. TU is a proper legally authorized body must be registered with the Directorate of Labor under Ministry of Labor in order to be legally recognized as CBA whereas the WWAs can be registered with the BEPZA only. Moreover the associations do not have CB rights but only could negotiate with the employer on working conditions, remuneration or payment for productivity enhancements and worker education programs.

that this amended law will improve the working conditions at enterprise level through social dialogue and better understanding among the workers and employers.¹⁶ Under these rules, the workers are given the right to form TUs in factories and in absence of TU the factory mandatorily has to form active Workers Participation Committee (PC) which will work as a Collective Bargaining Agency (CBA). Besides that the factories have to have different committees like Safety Committee and Workers Welfare Association in EPZs. Those committees and different worker forums have created the basis for social dialogue at the factory level. The aims of such committees are predominantly to improve the condition of workplace through mass involvement of workers in various decision making process in the factories as well as in the national level.17

ILO has been suggesting government to initiate special program to promote social dialogue from factory levels to the industrial and national level. In a recent statement ILO remarked, "There are considerable benefits to be gained by both businesses and workers from enhanced social dialogue which also leads to better industrial relations. For employers, an engaged workforce is more likely to be a productive and profitable workforce; a workforce which helps drive growth and attracts investment. For the workforce meanwhile, social dialogue can deliver enhanced wages and better working conditions by helping workers realise their fundamental rights such as freedom of association and collective bargaining. It is in the verv real interests of both workers and businesses to have robust social dialogue at both enterprise and sectoral level."

The institutional framework of social dialogue focuses on non-wage and non-pecuniary negotiation

in the workplace. For example, the functions of PC are to: (i) promote mutual trust, understanding and co-operation; (ii) ensure application of labour laws; (iii) foster a sense of discipline and to improve and maintain safe and healthy working conditions; (iv) encourage vocational training, workers' education and family welfare training; (v) adopt measures to improve welfare services for the workers and their families; and (vi) meet production targets, improve productivity. The role of WWAs in the EPZs is same as PC.¹⁸

The process of institutionalizing social dialogue has been ongoing. Table 9 and 10 provide detailed accounts of social dialogues in general and in the RMG sector.19 Recently the government has launched a new Programme²⁰ to promote social dialogue with the objectives of a) ensuring sustainable improvement in social dialogue and workplace cooperation; b) establishing effective systems for conciliation and arbitration of labor disputes; and c) enhancing capacities of workers' organizations and employers' organizations to be engaged on effective mechanisms for prevention and resolve of disputes. The programme is supported by the Governments of Sweden and Norway with the technical support of the ILO.

Under this project Government aims to train around 28,000 workers' representatives and mid-level managers on various issues with the aim to equip them to be engaged in effective social dialogue and industrial relations. These training programmes will highlight on international labour standards, labour rights and obligations, grievance handling procedure, effective human resources practices, collective bargaining and negotiation skills.

¹⁶ http://www.askbd.org/ask/wp-content/uploads/2013/07/Analysis.-Labour-Law-Amendment-2006.pdf

¹⁷ http://www.hawker.com.bd/news_details.php?news_id=413717&news_category_id=10&val_lan=

¹⁸ For more please see http://www.textiletoday.com.bd/solving-labour-disputes-though-participation-committees/

¹⁹ Bangladesh government is working with the International Maritime Organization to reach the standard of Hong Kong International Convention on the Safe and Environmentally Sound Recycling of Ships. In this connection, a national level social dialogue program was introduced in 2016 by IndustriAll and BILS. DIFE Inspector General, shipbreaking workers, representatives of trade unions, the employers' association, NGOs and the Dutch union federation FNV were involved in this initiative.

²⁰ Please see: http://banglanews24.com/national/article/56695/ILO-for-5-yr-project-to-promote-social-dialogue-in-RMG-sector

Initiatives	Key Institutional Progress related to Social Dialogue
Tripartite Committee	The National Tripartite Plan of Action has been working those areas (a) Verification of building and fire safety of the factories; (b) Strengthening inspection activities; (c) Training on Occupational Safety and Health; (d) Rehabilitation of the disabled and injured persons; (e) Implementation of Better Work Program. However, NTPA is not going for initiating a sustainable institutional process to capacity building of workers which can help a platform of Social Dialogue.
Participation Committee	The workers representatives in the participation committee are elected by the by the workers. In the absence of trade union in an establishment, workers representatives in the participation committee of an establishment shall act as CBA, till a trade union is formed in that establishment. As of October, 2016 Some 236 Welfare PC has been formed in the RMG Sector whereas there is no such information regarding non RMG sector; But the factories having PC are in paper, mostly inactive.
Welfare Board and Welfare Fund	WWF is applicable to all manufacturing sectors except RMG sector. RMG employers are not required to distribute 5% of the profits to the workers of their establishments. In place of profit sharing, a new provision for creating of a welfare fund for the workers has been incorporated in the amendment. In that fund less than one percent of the profit has to be contributed by each factory.
Safety Committee	Safety Committee has to be formed in the factories having more than 50 workers. The security staff employed in the establishment must be provided training on fire safety. As of October, 2016 Some 133 Safety Committees have been formed in the RMG Sector. Safety committee in Shipyard now in formation process where GiZ, GoB and owners are working extensively to maintain workplace Safety.
Workers' Welfare Association	In the EPZs, Trade Unionism is allowed in the form of worker's welfare Association which are functioning as Collective Bargaining Agents (CBAs) though there are doubts regarding their role. The WWAs are still inception but hopefully be increased with the implementation new EPZ Law 2016.

Source: Author's Compilation Based on Different Sources

Table 10: Social Dialogue in the RMG Sector of Bangladesh

Institutional Practices of Social Dialogue from National to Factory Level

Name	Year Started	Member and Functions
National Social Compliance Forum	2005	Members include: Commerce Minister (Chairman), State Minister for Labor, Executive Chairman- Board of Investment, Secretaries of Commerce/Home/ Labor/Textile/Industries/ Workers and Women & Child Affairs, BEPZA, EPB, Director General 3- PM's Office, FSCD, DoL, BGMEA. BKMEA, Bangladesh Terri Towel Lynen Manufacturers and Exporters Association (BTTLMEA), Bangladesh Independent Garments Workers Union Federation (BIGUF), 3 workers representatives, Representative from Business Social Compliance Initiative, Nari Uddog Kendra and Karmajibi Nari, Representative from UNDP/GIZ/ILO/LCG, Joint Secretary of Export- Ministry of Commerce
Task force on Labor Welfare in RMG Sector	2005	10 members include: Joint Secretary- MoLE (Chairman), Joint Secretary- MoC, Deputy Secretary- MWCA, Director- Textile EPB, Chief Inspector- DIFE, Director BGMEA, Consultant- BGMEA, Director BKMEA, President-BIGUF, Workers Union Rep, Director- DoL

Name	Year Started	Member and Functions
National Tripartite Committee on Building & Fire Safety in RMG Sector	2013	16 members include: Chairman, Secretary- MOLE, Representatives from RAJUK, BPDB, BFSCD, BUET, DIFE, BEF, BGMEA, BKMEA, MCCWE, IBC
Workers Welfare Fund	2006	Registration legally prescribed for all factories eligible for profit sharing to establish a committee of management and workers to oversee the profit sharing activities as per law
Workers Participation Committee	2006	Unrest and labor disputes in the factory can be avoided with an effective channel of communication to solve grievances. Participation Committee serve this purpose in the absence of collective bargaining (trade union). The amendments has make WPC obligatory for all factories with 50+ workers.
Workers Welfare Association (WWAs)	2004	WWAs are similar to WPCs but this is special version for EPZs which is approved in Bangladesh EPZ Law 2016. This practice was there since 2004 as Workers' Association but it is finally legalized in EPZ Law in 2016.
Safety Committee	2013	It is a group of workers and managers from a factory who meet regularly to help ensure factory to maintain safety in the workplace.

Source: CPD

5. Stakeholders' Perspectives regarding Social Dialogue and Industrial Relations as Means for Workplace Safety

Different stakeholders related to the manufacturing sector have been interviewed with a view to appreciate their perspectives on social dialogue and industrial relations as means for addressing workers' safety concerns. These interviews covered issues related not only to the RMG sector but also to the non-RMG sectors in order to get a comprehensive perspective on related issues.

5.1 Responses with Regard to Workplace Safety

Table - presents the perception of stakeholders

(positive/negative) regarding different instruments and initiatives related to workplace safety. The issues discussed with the stakeholders include the effectiveness of different labour institutions such as tripartite committees, trade unions, participation committees, safety committees and workers' welfare committees (Table 11). The perspectives about effective functioning of these institutions are not same. For example, effectiveness of tripartite committee has been endorsed by employers, trade union and NGOs²¹ but not by workers.²² On the other hand, effectiveness of trade union has been endorsed by workers, trade union representatives²³ and NGOs but not by the employers.²⁴ Other than employers, none of the other stakeholder endorsed the effective functioning of participation committees.²⁵ The

²¹ According to the NGO representatives, the challenges of tripartite committees are that these committees don't have mandate, authority and secretariat and these are still recommending bodies.

²² According to the employers, there are national level and industry level tripartite committees where workers representatives, employers' representatives and government discuss minimum wage, welfare fund, safety or any related issues. There are 61 members in the national level TC where each group is represented by 20 members including one additional member who is the chief of the TC. Bangladesh Employers Forum (BEF) represents the employers' side where each sector of industry send their representatives in BEF. According to the interview, BEF has a strong role in the TCs. In their view, government officials are really committed to solve the labor related issues.

²³ They have fundamental position regarding establishing trade unions at the factory level.

 24 Employers perceived that trade union is a necessity in the factory level in the long run but, they don't think it must be enforced in the current condition of the industrial development of Bangladesh. They pointed out several constraints regarding formation and practice of TU, mostly related to the education and conscious level of the workers.

²⁵ According to the employers, participation committees are mainly concerned with leave, vacation, bonus and other labor welfare related issues. Their prime concern is to maximize their interest in those wage and benefit related fields. Sometimes safety issues come to focus of the discussion of the PCs but it's not that common.

newly introduced safety committees has been endorsed but employers and workers but not by the representatives of trade unions and NGOs. Similarly, workers' welfare committees have been endorsed by employers only. In summing up, employers in general are in favour of social dialogue instruments such as tripartite committees, participation committees, safety committees and workers' welfare committees etc as means for addressing workers issues and concerns including workplace safety. In contrast, workers and trade unions and NGOs in most cases have doubt about effective functioning of the social dialogue based institutions; instead a large part of them have argued for effective operation of trade unions as a mean of functioning of worker related activities. Thus, there need to have a mechanism to converge the contrasting views of employers and workers and their other associates towards having a mechanism for workplace safety through different instruments.

Issues	Tripartite Committees	Irade Union	Participation Committee		
Employers	\checkmark	×	√	√	\checkmark
Workers	×	√	×	√	×
Trade Union	√	√	×	×	×
NGOs	\checkmark	\checkmark	×	×	×

Table 11: Response on Different	Tools with Regard to	Workplace Safety

Source: Interview with Stakeholders

The response of the stakeholders regarding the nature of relationship is quite diverge. Employers considered the social dialogue mechanism as 'substitute' for industrial relations in order to deal with workplace safety issues (Table 12). On the other hand, social dialogue should as best be 'complementary' and not 'substitute' of industrial relations. Bothe employers and NGOs expect that social dialogue mechanism should be 'progressive' so that it ultimately ensure industrial relations. On the other hand, trade union representatives thought that social dialogue would be regressive in nature.

Table 12: How is the Relationship of	'Social Dialogue' with 'Industrial Relations'

Issues	Employers	Trade Union	NGOs
Complementary	-	Yes	Yes
Substitute	In most cases	-	-
Progressive	Yes	-	Yes
Regressive	-	Yes	-

Source: Interview with Stakeholders

5.2 Challenges with regard to Creating Convergence between 'Social Dialogue' and 'Industrial Relations'

Different Types of Factors: A lot of diverge nature of factors influencing the perceptions of the representatives of key stakeholders interviewed. Employers perceived that lack of proper education, political influence on workers, global competition and regional influence on workers are the major reasons behind the 'trust deficit' on mechanism on ensuring workplace safety (Table 13).²⁷ On the other hand, workers, trade union and NGO representatives perceived that employers' non-cooperative mindset, government less favorable policies and partly workers' lack of education are the responsible factors regarding the deficit problem. Trade union representatives perceived that social dialogue mechanism may contribute in achieving safety targets but in the long run these would make the process of establishing industrial relations difficult and complex. Social dialogue could be functional more at the national level with regard to workplace safety but be less functional in case of factory level.

²⁶ According to the Trade union representatives, existing setup of social dialogue such as participation committee and workers welfare committees has provide discussion rights but not provide negotiation rights. Hence enforcement of any discussed issues in the social dialogue process is not guaranteed.

²⁷ Employers perceived that participation of educated people in the Trade Unionism are comparatively less than the earlier decades of the country which is a major concern regarding empowering workers. Because with low level of education, there exists a low level of understanding about the actual situation of the factory and the economy which deter them to come to a pragmatic solution. At the same time the tools of negotiations and rights must be practiced with a certain level of understanding.

Issues	Workers' Education	Employers' Mindset	Political Influence on workers	Government Policy	Global Competition	Regional Influence
Employers	\checkmark		\checkmark		\checkmark	\checkmark
Workers		√		\checkmark		
Trade Union		~		√		
NGOs	\checkmark	\checkmark		\checkmark		\checkmark

Table 13: Challenges of Effective Negotiations related to Workplace Safety

Source: Interview with Stakeholders

Frequently Discussed Issues in the Meetings: Agendas for discussion in different organizational set up are not necessarily same. At present, tripartite committees discussed issues such as minimum wages, training, workers safety and welfare fund issues at the meetings (Table 14). On the other hand, participation committees have discussed issues such as leave, safety and accident compensation issues. In contrast, trade union meetings discussed mainly on minimum wages, increment, leave benefits, strike and accident compensation issues. In other words, workplace safety issues have been the focus of discussion in the tripartite committees and participation committees. Unless the agenda of trade unions are broaden to accommodate safety issues, other organizational arrangements are in advantageous position to be used for safety concerns y making them effective.

Issues	Tripartite Committees	Trade Union	Participation Committee (RMG)
Minimum Wage	√	√	
Increment		√	
Leave		√	√
Training	√		
Safety	√		√
Welfare Fund	√		
Strike		√	
Accident Compensation		√	√

Table 14: Issues Frequently Discussed in the Meetings

Source: Interview with Stakeholders

Difficulty in Forming Trade Unions: Even formation of trade union at the factories is not so easy because of different types of problems (Table 15). Employers perceived that setting up trade unions has been affected due to political influence among potential trade unions and lack of proper education of workers. In contrast, workers and their representatives perceived that there are a number of legal, social and operational barriers to form trade unions at the enterprise levels which include minimum threshold requirement (30 per cent of workers to be agreed), mindset of employers, workers' insecurity to loss their jobs and lack of proper education of workers. Overall, a number of areas need to be taken into account for necessary reform and improvement in order to make the process of forming new trade unions faster at the factory level.

Table 15: Challenges of Forming TU in RMG Sector

Issues	Legal Barriers (30% Req.)	Mindset of Employers	Job Insecurity	Political Influence	Workers Education Level
Employers				\checkmark	\checkmark
Trade Union	\checkmark	\checkmark	\checkmark		
NGOs (BILS)	\checkmark				\checkmark

Source: Interview with Stakeholders

6. Challenges with regard to Industrial Relations and Social Dialogue

6.1 Challenges concerning Industrial Relations

Despite various progressive provisions in the Amended Labour Act 2013 including those of industrial relations, there are areas of improvement in the act with a view to make it more operationally effective. For example, the formation of trade union at the factory level needs to be smoothened and requirements of minimum numbers of workers to form trade union need to be reduced (Table 16). Besides, trade union should be allowed in small factories as well. The requirement of making a federation should be remained "two or more" because in many factories and factory areas there is dearth of trade unions. The regulation must be strengthened to inspect and punish for unfair means from both sides which will create trust between the employer and workers and may create a friendly environment for operating trade union at the factory.

A major challenge for trade unions will be maintaining distinctions of its activities from those of other legally binding factory level entities such as safety committees, workers participation committees and therefore operate effectively. Most importantly, the workplace safety issues which are the discussion points of this paper needs to be clarified – which organizations will deal these. Since safety committees are legally responsible for these works, how their works to be aligned with the works of participation committees and welfare committees and trade unions – that need to be ensured.

Trade union federations are leader-based organization – offer no internal structure at the factory. In fact union member tend to follow their leaders and in absence of them, very often unions get to an end because of a lack of leadership.

Lack of penetration of trade unions at the factory level creates problem of representations which caused problem in generating resources to operate organizational activities. Often member workers do not deposit their fees on a regular basis which make organizations difficult to operate (BILS, 2010).

Trade unions lack in internal and external communication; internal because the flow between factory-based unions and TUF is weak and communication do not always reach the top. External communication instead is focused on the relation with workers; in fact TUF lack in communication skills, use of modern communication media; the direct consequences of it is that workers are not aware of unions and/or of their programs.

Stakeholder	Challenges of IR	Challenges of SD	Recommendations for Effective IR & SD
Employers		-	Educating the workers, Eradicate Political Influences, Changing Mindset, Train the Senior Leaders, Setting the Political Programs in the Holidays.
Trade Union	power of the owners, Job	Fair Selection Process for the committees,	Make TU the main platform of the workers, Factory Level Foundation of TU, Educate the employers to change mindset towards workers and safety.
NGOs	-		

Source: Interview with Stakeholders

6.2 Challenges concerning Effective Dialogue Mechanism

Social dialogues in their current forms have various limitations in terms of ensuring effective functioning as a mean for improving workplace safety. A major concern that has been raised by workers related stakeholders is that workers and unions issues are the weakest part in the tripartite system and lack of proper acknowledgment of these two in the dialogue mechanism could not ensure adequate effectiveness and functioning of social dialogue mechanism.

In the social dialogue system, meeting with the members happen quite rarely and unions are involved in the decision making sporadically. Moreover decisions at the industry and national levels often been taken even without the consent of the trade union federations.

It is found that nobody deny the importance of industrial relations as a crucially needed and sustainable tool to maintain workplace safety although employers are skeptic about it. Their differences come on the issue that whether the industry is ready to adopt strong IR or not. In this context the employers and NGOs believe that social dialogue can work in the short run to ensure workplace safety and it will proceed towards ensuring industrial relations in the long run.

7. Concluding Remarks

In order to make the social dialogue process effective as well as to make it a mean for reaching the goal of industrial relations for addressing the workplace safety issues a number of issues need to be taken due attention- a) regulatory issues with regard to forming trade union; b) institutional development for effective functioning of social dialogue and awareness building among workers.

Strengthening Institutions: Both DIFE and DoL need to be strengthened by enhancing their capacity in terms of manpower, infrastructural capacity and secretariats for the national level TCs. Social dialogue mechanisms to be made functional and effective. In this context, safety committees to be formed quickly in most of the factories particularly the RMG sector. These committees will work with public institutions for ensuring safer work place. In this context, it is important to consider an effective and functional public sector monitoring agency which could undertake safety measures at par the standard set by the Accord and Alliance. In this context, government should work with development partners with regard to the transition plan- what would happen after the private sector led initiatives will be over in 2018.

Regulatory Issues: The provision regarding minimum percentage of membership required to form TU may need further discussion in order to make the process of forming trade unions easy. For the factories in EPZs, it is allowed to form WWAs which has to be registered in the BEPZA office. The formation process of WWAs is so complicated that it will be difficult to form WWAs. If BEPZA reject any application of WWAs, there is no clear guideline what the workers can do. Besides that, safety related unfair means or violations mitigation mechanism is not clear in the existing laws. The legal frameworks must be upgraded in favour of industrial relations.

Factory Level Awareness: The main focus of safety related activities should be factory-centric. Workers should provide training on structural, electric, fire and operational safety related concerns in such as way that they could identify the problems by themselves. In case of accidents and risk of accidents, how the workers should deal with employers and relevant authorities need to be clear to both parties.

Awareness Building Activities: Finally awareness has much more to do in achieving the goals of workplace safety. It is seen that in most of the cases workers, employers and stakeholders are not aware about the safety issues. This awareness building mechanism has relation with dealing of different parties involved in the workplace.

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Appendix

Table 1: Overview of Work Strategies in RMG Sector

Organization	Indicators	Work strategies
	Respect for labor rights, Structural integrity of buildings and occupational safety and health, Responsible business conduct	Amend the Bangladesh Labour Law.
		occupational safety and health Implement and enforce the Labour Law, to be monitored by regular Government of Bangladesh
		reports submitted to the ILO Committee of Experts and social partners' observations submitted to
		the same Committee, in compliance with the conclusions of the ILO Committee on Application of Standards
		Issue and implement all rules required by law - free election of workers' representatives and the functioning of participation committees
EU Sustainability Compact		The ILO is to provide technical assistance to Bangladesh towards implementation and follow- up concerning freedom of association and the right to collective bargaining, including for the effective application of the law regarding union registrations, union discrimination cases, and unfair labour practice claims.
		Develop and adopt additional domestic legislative proposals to address ILO Convention No. 87 (Freedom of Association and Protection of the Right to Organise) and ILO Convention No. 98 (Right to Organise and Collective Bargaining).
EU Su		The ILO is to assist Bangladesh in reviewing the adequacy of reforms in meeting ILO requirements
ш		Ensure freedom of association, collective bargaining and the application of the Bangladesh Labour Law, including the prohibition of blacklisting and the establishment of the right to strike by workers' welfare associations, from 1 January 2014 in the EPZs
		Deliver education and training programmes on fundamental principles, rights at work and occupational safety and health.
		Achieve eligibility for the 'Better Work Bangladesh' (BWB) programme
		Register independent trade unions and ensure protection of unions and their members from anti- union discrimination and reprisals
		Upgrade the Department of the Chief Inspector of Factories and Establishments to a Directorate. Recruit 200 additional inspectors by the end of 2013

Cont.

Organization	Indicators	Work strategies
		Conduct regular visits to assess industrial establishments.
		Create a publicly accessible database.
		Implement the ILO's skills and training programme for injured workers. Rehabilitate and reemploy affected workers.
		Conduct a diagnostic study of the Labour Inspection System, followed by the development and implementation of an action plan with appropriate measures
		Rehabilitate those who are permanently disabled as a result of the Rana Plaza Tragedy
		Explore the possibility of reallocating funds under the current EU-funded 'Technical and Vocational Education and Training' (TVET) project
		implemented by the ILO. Implement the existing EU-funded 'Better Work and Standard' (BEST) cooperation programme
		Ensure a focus on skills development in future EU assistance to Bangladesh
		Align actions with the ILO Programme Outline 2013-2016, 'Improving Working Conditions in the RMG Sector in Bangladesh', and 'Better Work'; to be supported technically or financially by the EU under the next programming cycle (2014-2020).
		Explore further funding possibilities within the upcoming programming period (2014-2020), including through the 'Thematic Programme Global Public Goods and Challenges' programme, which includes a component specific to supporting the implementation of EU commitments on decent work
		Implement the National Action Plan on Fire Safety and Structural Integrity in the RMG industry in Bangladesh, with the support of the ILO, in accordance with established milestones and timelines as stipulated in the Programme of Action
		Assess the structural and fire safety of all active export-oriented RMG and knitwear factories and initiate remedial actions, including the relocation of unsafe factories
		Extend the social compliance component in the ongoing EU BEST programme with Bangladesh, e.g. by providing more training on social compliance
		and occupational safety and health
		Extend technical assistance, including Aid for Trade, to address labour standards, including health
		and safety at work and adequate levels of social dialogue and collective bargaining in Bangladesh, as well as in other countries in the region facing
		similar issues.

Organization	Indicators	Work strategies
		Encourage other companies, including small and medium-sized enterprises (SMEs), to expeditiously join the Accord within their respective capacities. Recognise the need for appropriate involvement of all stakeholders to ensure effective implementation of the Accord
		Underline the importance of engaging with stakeholders to ensure effective implementation of and consistency among various initiatives
		Encourage retailers and brands to adopt and follow a unified factory audit code of conduct in Bangladesh
		Take note of the steps taken by European social partners in the RMG sector (as initiated on 26 April 2013) to update their 1997 and 2008 Codes of Conduct on Fundamental Rights, within the framework of the European Sectoral Social Dialogue Committee for Textiles and Clothing.
USTR Plan of Actions	Inspections for Labor, Fire and Building Safety, Protecting Labor Rights, Organize and Collective Bargaining	Enact and implement, in consultation with the ILO, labour law reforms to address key concerns related to freedom of association and collective bargaining.
		Continue to expeditiously register unions that present applications that meet administrative requirements, and ensure protection of unions and their members from anti-union discrimination and reprisal.
		Publicly report information on the status and final outcomes of individual union registration applications, including the time taken to process the applications and the basis for denial if relevant, and information on collective bargaining agreements concluded
		Register non-governmental labour organisations that meet administrative requirements, including the Bangladesh Center for Worker Solidarity (BCWS) and Social Activities for the Environment (SAFE). Drop or expeditiously resolve pending criminal charges against labour activists to ensure that workers and their supporters do not face harassment or intimidation. Advance a transparent investigation into the murder of Aminul Islam and
		report on the findings of this investigation. Publicly report on the database/matrix identified above (Action 4) or any complaints received of anti- union discrimination or other unfair labour practice as well as labour inspections completed (including information on factory names and locations, the status of investigations, the violations identified and fines and sanctions levied).

Cont.

Organization	Indicators	Work strategies
		Develop and implement mechanisms, in coordination with the ILO, to prevent harassment, intimidation and violence against labour activists and unions. This should include a training programme for industrial police officers who oversee the RMG sector on workers' freedom of association and assembly.
		Expeditiously bring the EPZ law into conformity with international standards so that workers within EPZ factories enjoy the same freedom of association and collective bargaining rights as other workers in the country. Create a government working group to begin the repeal or overhaul of the EPZ law, in coordination with the ILO
		Issue regulations that, until the EPZ law has been repealed or overhauled, ensure the protection of EPZ workers' freedom of association, including prohibiting "blacklisting" and other forms of exclusion from the zones for labour activities.
		Issue regulations that, until the EPZ law is repealed or overhauled, ensure transparency in the enforcement of the existing EPZ law, and that require the same inspections standards and procedures as in the rest of the RMG sector.
National Initiatives	Legislation & Policy, Administration, Practices	Submit the Bangladesh Labour Law Reform Package to Parliament
		Adopt a National Occupational Health and Safety Policy
		Review relevant laws, rules and regulations regarding fire, building and chemical safety Establish a Task Force on Building and Fire Safety under the Cabinet Committee for the RMG sector
		Recruit staff to fill currently vacant posts (including factory inspectors and support staff), as well as 200 additional labour inspectors in the Department of Inspection for Factories and Establishments (DIFE).
		Upgrade the Department of the Inspection for Factories and Establishments (DIFE) to a Directorate.
		Implement a Ministry of Labour and Employment (MoLE) project to strengthen the capacity of the Department of Inspection for Factories and Establishments (DIFE).
		Review and, where necessary, adjust factory licensing and certification procedures concerning fire, electrical, chemical and environmental safety
		Consider establishing a single resource for information on fire safety licensing and certification.
		Develop and introduce a unified fire safety checklist to be used by all relevant government agencies. Conduct a factory level fire safety needs
		assessment.

Organization	Indicators	Work strategies
		Develop and implement a factory fire safety improvement programme
		Assess the structural integrity of all active RMG factories
		Develop a transparent and accountable industry sub-contracting system
		Deliver a fire safety "crash course" for mid-level factory managers and supervisors
		Develop and deliver fire safety training to union leaders
		Develop and deliver mass worker education tools.
		Establish a fire safety hotline for workers
		Develop and deliver fire safety training to factory inspectors
		Strengthen the capacity of the Bangladesh Fire Service and Civil Defence (FSCD)
		Develop guidelines for the establishment of labour management committees on occupational safety and health and/or fire safety.
		Develop and disseminate fire safety self- assessment and remediation tools
		Develop a tripartite + protocol for compensation of the families of deceased workers and workers injured as a result of occupational accidents and disease.
		Establish a publicly accessible database on safety issues in RMG factories.
		Redeploy RMG workers that were rendered unemployed by the incident, as well as rehabilitated disabled workers.

Source: Authors' Compilation

SKILLS FOR DECENT EMPLOYMENT

Empowering the youth and marginalized groups at home and abroad with 21st century skills.



To achieve Vision 2021 and propel Bangladesh farther towards emerging as a strong middle income country. empowering citizens at home and abroadwith 21st century skills will be crucial. Inward remittances made by millions of hard working Bangladeshis abroad amounts to USD 12.49 billion - which is 7 times greater than Foreign Direct Investment (FDI). However, since as many as 80% of those migrating abroad are untrained, unfortunately they are only able to secure menial, low paying jobs. This is reflected by the fact that inward remittance per capita is a meagre USD 1,310 - to put this in context, for Philippines, it's USD 4,000; even Nepal boasts a much higher average of USD 3,000 per capita.

Re-inventing the image and branding of Technical and Vocational Education & Training (TVET) to make it more appealing to the youth and catalyzing affirmative action in favor of marginalized and disadvantaged groups thus constitute critical steps that need to be taken forward and completed under the new sustainable development framework.

PROLOGUE

a2i's Holistic Strategy

a2i is the key driver from the Prime Minister's Office of the government's public service innovation agenda. Aligned with the importance of skills development in the context of Bangladesh and the high priority accorded to this issue by Honorable Prime Minister Sheikh Hasina herself, a2i isworking with a whole-of-government approach applying behavior change methodologies and leveraging the rapid expansion of technologies to create an enabling environment for the development of 21st century skills in Bangladesh.

a2i Programme of the Prime Minister's Office is spearheading efforts to 1) Increase remittance per capita, 2) Ensure decent work for everyone, particularly the youth, migrant workers and disadvantaged groups such as:

- Women and girls
- People with disability
- ity Empowering
 - Ethnic minority communities
- Out-of-school adolescents
 Empowering the vast number
- Empowering the vast number of youths in 'qawmi madrasas' to craft a better future for themselves





Market Analysis, Forecasting and Prioritization

According to ILO, Bangladesh's labor force is growing at a rate of 2.2% which means every year 1.7 million new labor forces are coming into the labor market. However, every year only 1.2 million youths are being trained by government operated skills development training agencies leaving an unmet need for skilled human resources by both local industries and international markets. This can be attributed largely to a lack in communication and coordination between employers and skills development agencies. As a result, the rates of youth unemployment (10.9%) and underemployment (18.7%) arecreeping up (ILO, 2016).

a2i conducting a study jointly with Bangladesh Economic Zones Authority (BEZA) for the local market; and with Ministry of Expatriates' Welfare and Overseas Employment for the international markets to:

- Analyze demand and prioritize skills development
- Particularly, with a strategic focus on meeting the demand for skilled workers in mega projects like the construction of the Padma Bridge, Metro Rail, Chittagong Expressway and the expansion of the Export Processing Zones (EPZs), Economic Zones (EZs) and so on.

Market Driven Skills Development

Skills Development Through Apprenticeship in Informal Sectors

a2i, in partnership with ILO, has started skills development through apprenticeship in informal sectors in 30 Upazillas with 600 informal industries.

- After graduating, the participants will receive internationally recognized National Technical and Vocational Qualifications Framework (NTVQF)'s Pre-Vocational Level 1 and NTVQF Pre-Vocational Level 2 certificates.
- A total number of 1200 rural employed youths are now taking on-the-job training as apprentices in 35 trades
- Also working to certify the "ustaads" or master trainers

Job Placement Following Skills Development for Ethnic Minority Communities

a2i is partnering with BGMEA and the Skills for Employment Investment Program (SEIP) of the Finance Division to ensure 'equitable' access to customized skills development facilities and job placement for 'Plain Land Ethnic Minority Communities'.

- More than one hundred training institutes have been established for them by the Prime Minister's Office.
- The instructors for the institute are also being recruited from these communities.
- a2i have also created innovative incentive mechanisms since unlike orthodox trainees, people from minority groups don't proactively join the institute or enroll to its programs

So, a2i is actually creating an entire enabling environment for empowering these minority communities to improve their lives and livelihoods.

This program will create extensive employment opportunities for the unemployed youths in rural communities. Piloting in currently ongoing in Sirajganj District in two trades - Woven and Knit Machine Operation. Youths who are aged between 18 and 35 and want decent jobs in Garment Industry can join the 2-month long training program. After successful completion of the training, the participants will get decent jobs in the Garment Industry.

Empowering Millions of Orphaned Youths with Skills to Transform Their Own Lives

a2i is exploring the designof an intervention to potentially revolutionize the mindset of youths in the 'qawmi madrasa system' in Bangladesh. The situation at present is one where millions of orphaned and under-privileged under the madrasa system are exposed to a curriculum that does little to impart useful education and knowledge. The result is all they end up learning is some Arabic; that's all.

a2i aims to empower these thousands and millions of youths to turn around their lives. a2i is designing an intervention that will create the scope for them to learn at least one skill that is in great demand in local and foreign markets alongside their traditional curriculum. Thus, coupled with their Arabic communication skills, this intervention could, for example, give these youths a competitive edge in various skilled and semi-skilled markets in the Middle East. By doing so, not only will it save numerous young, innocent lives form the clutches of fundamentalism and extremism, but also bolster the country's image and foreign remittances.

Developing Women ICT Freelancers

With an emphasis on the remotest and most under-privileged areas, a2i, SME Foundation, Bangladesh Women in Technology (BWIT) with support from the Ministry of Women and Children Affairs jointly targeted 3,000+ women from all over the country to develop them as ICT entrepreneurs/freelancers.

Ultra-Poor Women's Skills Development for Self-Employment

Collaboration with SWAPNO project of UNDP to initiate skills development and self-employment amongst ultra-poor women.

Integrating Skills Development with Stipend Programs

Collaboration with Higher Secondary Stipend Project of Ministry of Education for integrating skills development with stipend programs.

Developing Skilled Women IT Technicians in Rural Areas

Partnership with Microsoft Bangladesh to create woman Hardware Technicians and IT Support Technicians in rural areas. As of November 2016, skills development of 3,500 rural women completed.

Mukto-Paath: Bangladesh's e-Learning Platform for Learning 21st Century Skills

a2i is developing digital solutions such as 'Mukto-Paath' – an e-Learning platform that has the potential to become Bangladesh's 'Coursera' - that can be leveraged for efforts to build skills and create jobs especially for Bangladeshi citizens working abroad and youths who wish to diversify their portfolio of skills that are highly in demand in the market while continuing their studies.

Skills for Employment in Bangladesh: The Big Picture

- Bangladesh's total population is 159 million (BBS, 2015)
- Labor force is 79 million (World Bank, 2014)
- Labor force is growing at a rate of 2.2% which means 1.8 million new entrants into the labor market each year (ILO, 2016)
- Current unemployment rate is 4.3%
- Youth Unemployment rate (10.9%) and Underemployment rate (18.7%) are steadily moving in an upward direction (World Bank, 2015)

13,163 Skills development agencies including both public and private ones

- o Train 1.4 million annually
- Only 1.2 million youths are being trained by government's skills development agencies
- Potential for creation of 1 crore jobs in 100 economic zones
 400,000 go abroad each year seeking employment overseas and 80% of them are untrained
 - o Currently send back USD 12.49 billion in remittances
 - o 8% of GDP and 9 times of FDI
 - o But per capita, it's just USD 1,310
 - o For Philippines, it's USD 4,000
 - o Even Nepal boasts a much higher USD 3,000
 - Bangladesh's foreign remittance inflow can reach USD 30 billion, IF migrant workers receive proper skills.

Strategic Coordination & Standardization

There are 28 departments under 23 ministriesdirectly involved in skills development or TVET. The National Skills Development Council (NSDC), led by the Honorable Prime Minister, has been founded to coordinate and accelerate the skills development initiatives to make a bridge between different organizations engaged in skills development and employment generation. a2i is supporting NSDC to:

- Bring together all players from across the ecosystem
- Drive the dialogue by discussing key issues, challenges and opportunities
- Moreover, a2i and NSDC are jointly developing a 'Skills & Employment' dashboard to coordinate and monitor all the skills development initiatives of the country.

National Communication & Branding

Re-inventing the Image and Branding of TVET in Bangladesh by Leveraging a2i Human Development Media (HD Media)

TVET has a stigma associated with it in Bangladesh that this is for students who are unable to "make it" or, achieve success through mainstream education. a2iis developing a 360 degreeHuman Development Media platform leveragingboth new and traditional media to not just "uplift" the image of TVET but actively engage the youth and guiding them to see it in a whole new light – as an appealing avenue that can lead to exciting opportunities, success, prosperity and most importantly, dignity and recognition.

Dhaka Summit on Skills, Employability and Decent Work 2016

a2i is Co-Organizing "Dhaka Summit on Skills, Employability and Decent Work 2016" going to be held from 11-13th December 2016 along with Ministry of Labor and Employment (MoLE), Bangladesh Employers' Federation (BEF) and National Coordination Committee for Workers Education (NCCWE). Considering the importance of the skills development in the context of Bangladesh and the high priority accorded to skills by the government, the private sector and the development partners, the summit will have an overarching skills agenda towards promotion of decent work. The event is supported by the National Skills Development Council (NSDC), International Labor Organization (ILO), World Bank, Swiss Agency for Development and Cooperation (SDC), Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA) and Centre for Policy Dialogue (CPD).

Way Forward

In the last 8 years, the boldness of vision embodied by the dynamic leadership of Honorable Prime Minister Sheikh Hasina, established a new development paradigm in Bangladesh. The country is progressing towards becoming a strong middle income country but, more importantly, by human development indicators, it has already achieved a level of development commonly predicted for twice its per capita income.

However, today's globalized economy is undergoing major changes. To harvest the demographic dividend that the country is poised for and consolidate the gains of Bangladesh's development miracle, a2i will continue its strategic interventionsto deepen understanding of this transformation and its implications for empowering our citizens - particularly the youth and those working abroad - with 21st century skills, formulate supportive policies and initiate strategicefforts to achieve SDG 8 decent work for all. APPRENTICESHIP IN 35 TRADES WITH 600 INDUSTRIES

> 1,200 UN EMPLOYED YOUTHS ARE RECEIVING SKILLS THROUGH APPRENTICESHIP IN 30 UPAZILLAS.

600+RURAL UNEMPLOYED YOUTHS REGISTERED FOR OVEN AND KNIT MACHINE OPERATION TRADES

ARI'S SHILLS FOR DECENT Employment initiative: AT A GLANCE

3,500 RURAL WOMAN WORKING AS HARDWARE TECHNICIAN/IT SUPPORT TECHNICLAN AFTER RECEIVING SKILLS.

1,300+WOMEN ARE WORKING AS ICT FREELANCER/ICT ENTREPRENEURS AFTER RECEIVING SKILLS ON GRAPHIC DESIGN/GATA ENTRY/ ACCOUNTING. 200 HIGHER SECONDARY STUDENTS ARE RECEIVING SKILLS IN DIFFERENT TRADES IN 10 UPAZILLAS.





