

**Statement of  
Bangladesh Knitwear Manufacturers & Exporters Association  
(BKMEA)  
On the  
Child labor, Forced Labor and Forced or Indentured Child labor in the  
Production of Goods in Foreign countries and Efforts by Certain  
Countries to Eliminate the Worst Forms of Child Labor**

**Prepared for**

The Bureau of International Labor Affairs  
US Department of Labor (DOL), USA

**Submitted by**



**Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)**  
Planners' Tower (12th floor), 13/A Sonargaon Road, Banglamotor, Dhaka 1000, Bangladesh  
Phone: +88028620377, 8622703 Fax: 8802 9673337 E mail: info@bkmea.com

**April 7, 2010**

## **BKMEA:**

Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA) represents the knitwear<sup>1</sup> sector which is the largest export earning sector of Bangladesh. It is a national association for this sector recognized by the Government of the People's Republic of Bangladesh. Starting from 1996, BKMEA is now an association of about 1700 members. Knitwear contributes more than 41% share in the national export earnings with an amount worth of US\$ 6.4 billion in 2008-09. Besides primary activities, BKMEA continuously is working for the development of this sector in the form of Research & Development, market promotion, Social Compliance, Productivity Improvement and other functions.

BKMEA always keeps close contact with the government of Bangladesh, Associations and Chambers, Non Government Organizations and others in policy making initiatives, development works and other issues.

### **Statement of BKMEA on the Child labor, Forced Labor and Forced or Indentured Child labor in the Production of Goods in Foreign countries and Efforts by Certain Countries to Eliminate the Worst Forms of Child Labor**

The knitwear sector of Bangladesh is Child Labor Free. This sector is free of forced labor and forced or indentured child labor in the production or manufacturing process. The socio economic development, education, governance, awareness are the keys to keep the sector free from child labor and other forms of child labor. Moreover, worst forms of forced and indentured child labor are absent in the RMG sector of Bangladesh.

BKMEA took the following initiatives to recognize the association as child labor free-

1. A precondition of BKMEA Membership is that the applicant factory must be child labor free and must abide by the national labor law in this regard.
2. The applied unit must declare that they are free from child labor as well as declaration must come in other regulation of national labor law.
3. BKMEA is continuing Social Compliance Monitoring Program since 2007 to make the factories compliant according to Bangladesh labor law as well as buyers code of conduct. Ultimate goal of the project is to ensure social compliance in all of its member factories within a time frame. As a leading trade body, BKMEA is always aware of its responsibility to the industry and to the country. Keeping this motto in mind, the association started the Social Compliance Monitoring Program in association with German Technical Cooperation (GTZ).
4. BKMEA continuously monitors the member factories and keeps updates through Software developed with the support of GTZ.

---

<sup>1</sup> In Harmonized Tariff Schedule, Knitwear falls under Chaptered HS 61

5. BKMEA has the strict provision to stop the services (including UD, amendment etc) if any factory is found not complying with or not following the national labor law.

The Social Compliance Monitoring Program started with the following specific objectives:

1. To form an efficient compliance monitoring team in BKMEA.
2. To monitor the basic rights of workers and guide the factories to overcome their loopholes so that the overall social compliance status of the sector can be reached to an acceptable level.
3. To increase awareness on compliance issues among all member factories through direct interaction with workers and management.
4. To make the factories capable of maintaining social compliance standards by their own efforts by enhancing their skill through regular training/workshops
5. Initiate activities from corporate social responsibility (CSR) and encourage member factories which will improve the worker-owner relationship and enhanced image of the country.
6. Though the local focus of the project is to ensure better working condition and industrial relations; worldwide focus of the project is to bring out advantages of being socially compliant industry. In other words, to create a sense that “Bangladeshi knitwear industry is compliant” in both national and international arena.
7. Several programs have been taken under this project which can be broadly classified as: ongoing activities, permanent activities, and activities taken from social commitment.

However, we attached herewith a detailed write up on BKMEA initiatives for compliant knitwear sector. Department of Labor, Department of State or other US bodies may have an idea about the carefulness of the association about compliance and labor welfare issues.

The government of Bangladesh, BKMEA and other associations and chambers

## **BKMEA Initiatives for Compliant Knitwear Sector**

Bangladesh is one of the largest knitwear exporters in the world. Presently, the country is third largest knitwear exporter in the world after China and Turkey. Although, in quantity wise, the country has already grabbed the second position but little more time is needed to cross the export target in volume wise also. As per the trend, the country is going to spot the number two position toping Turkey by one year. On 1<sup>st</sup> October 2009, the government of Bangladesh has announced the revised export target of US\$ 17.60 billion for the FY 2009-10 where the target for knit alone is a staggering 41.46 percent. Presently knitwear is the single largest export earning sector of Bangladesh with an export volume of more than US\$6.4 billion per year. The sector has attained high importance in terms of employment, foreign exchange earnings and GDP in the national economy. Ensuring employment to more than one million workers through 1700 member factories, BKMEA is the sole representative of this sector. Social compliance is a burning issue in the challenging world market. Prominent buyers from developed countries are increasingly emphasizing on compliance standard as their consumers are much more concern about this issue. As a custodian of the sector, BKMEA is aware of its responsibility and putting incessant efforts to make the members competitive and uphold the image of Bangladesh RMG sector.

### **Institute of Apparel Research & Technology (iART):**

- a. Research & Development:** BKMEA established this institute in order to cater the research and development need of this sector. iART mainly conduct research on national & international textile, clothing & policy related issues, policy support to the government, information gathering & dissemination through seminars, research & market related publications, promote the potentiality of the sector, provide support for market promotion & development and others.
- b. Productivity Improvement Cell:** In the tough competitive world, reducing cost and increase productivity is the key for further development and gain improved market access. The productivity level of Bangladesh knitwear is quite less than that of China, Turkey and few other competitive countries. Now a day it becomes one of the key needs of this sector to gain economies of scale, increased labor productivity, accelerated efficiency, shorter lead time and others. Targeting all those, BKMEA is the organization first introduces lean manufacturing techniques in the garments industry of Bangladesh. BKMEA develops separate department consists of 13 members for productivity improvement of knitwear factories using this technique. The aim of the program is to accomplish overall productivity improvement within the existing manufacturing system without major capital investments. The approach is to implement lean production systems to eliminate waste (non value added work) and facilitate value added work. We have increased the productivity up to 40% using this method. It can be increased from 40% to 60% without further investment which will have profound positive impact on the industry. However, a wide range of initiatives are needed to cover and improve the efficiency level of the entire sector.

### **Social Compliance Monitoring Program**

BKMEA started Social Compliance monitoring program from 2007. Ultimate goal of the project is to ensure social compliance in all of its member factories within 2009. Before this project, there was no arrangement to monitor the compliance status of factories. There was only check point during the issuance of new membership where an

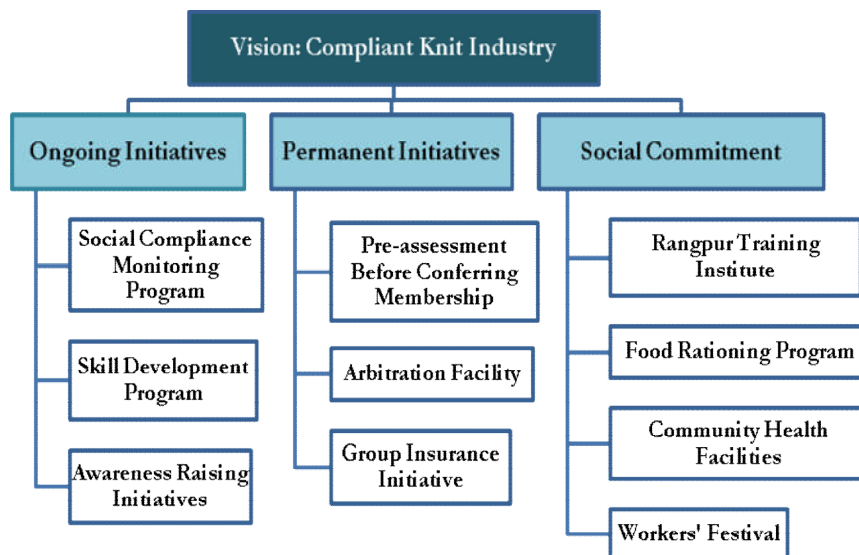
inspection was done to check the basic requirements. Due to the lack of regular monitoring, in many factories, there was a gap between the expected compliance status and remaining situation. So development of a regular monitoring system and a comprehensive project to guide the factories for ensuring workers' basic rights and workplace safety became an urgent agenda for BKMEA. As a leading trade body, BKMEA is always aware of its responsibility to the industry and to the country. So the association started the Social Compliance Monitoring Program in association with German Technical Cooperation (GTZ).

The project started with the following specific objectives:

1. To form an efficient compliance monitoring team in BKMEA..
2. To monitor the basic rights of workers and guide the factories to overcome their loopholes so that the overall social compliance status of the sector can be reached to an acceptable level.
3. To increase awareness on compliance issues among all member factories through direct interaction with workers and management.
4. To make the factories capable of maintaining social compliance standards by their own efforts by enhancing their skill through regular training/workshops
5. Initiate activities from corporate social responsibility (CSR) and encourage member factories which will improve the worker-owner relationship and enhanced image of the country.

Though the local focus of the project is to ensure better working condition and industrial relations; worldwide focus of the project is to bring out advantages of being socially compliant industry. In other words, to create a sense that "Bangladeshi knitwear industry is compliant" in both national and international arena.

Several programs have been taken under this project which can be broadly classified as: ongoing activities, permanent activities, and activities taken from social commitment.



BKMEA has formed 20 members competent team to monitor the factories regularly. Besides having practical experience in the factory level, the team got intensive training from local and international experts. A four graded checklist has been prepared based on 'National Labor Law 2006' and basic requirements of buyers. The monitors conduct sudden visits in factories and grade the factories in four categories starting from 'D' to 'A'. **With the support**

from GTZ, BKMEA developed comprehensive software to monitor the entire process. This software is being used to strengthen the monitoring system and prepare useful reports.

**Updated status of factory monitoring and grading:** When the project was started at February 2007, BKMEA had 1141 members which have reached to about 1700 by February, 2010. Compliance monitoring team is conducting preliminary visit (baseline survey) in the old members and the new members comes thereafter as well. By February 2010, altogether 1564 factories have been covered. Under this visit. After each visit, the monitoring team provides Corrective Action Plan (CAP) to the concerned authority of the factory fixing a deadline to accomplish the tasks.



*BKMEA Monitors having Training from Experts*



*BKMEA monitors checking compliance issues of factories through direct interaction*



*BKMEA President along with Directors conducting sudden visit in a factory*

**Follow up Visit:** To monitor the progress of factories, the compliance team is continuing follow up visits simultaneously from 1 September, 2007. By February 2009, follow up visit has been completed in 1281 factories. Significant progress has been found in follow up visits. Both preliminary and follow up visits are unannounced. The visits are being conducted by a team headed by a compliance officer with two monitors

**Sudden visit by BKMEA top management:** Implementation of compliance issues is the utmost concern from BKMEA top management also. BKMEA board members are conducting sudden visit in the factories for checking labor rights and other compliance issues. This initiative is a supporting approach to achieve the goal of 'Compliant Knitwear Sector'.

### **Skill Development Programs**

**Workers' Training Program:** Under workers' training program, 20-30 workers are selected for training from each factory. These trained workers disseminate their learning within other workers. Starting from 2007, altogether 6650 workers have received this training on key compliance issues: appointment letter, ID card, wages and overtime calculation, leave application, maternity benefit etc and the process is going on. This interactive training session got unanimous acceptance already within workers and factory management. During the training session, each worker gets an informative training manual on core labor issues and refreshment facilities. Best three workers get 'Special Prize' which creates as an incentive. This is the first in the history of Bangladesh apparel sector, where owners' representatives are arranging training sessions for workers for their rights and responsibilities.



*Workers' training program at factory premise*



*Midlevel management training program*

**Social Compliance Training for Mid Level Management:** Competent mid management plays a very strong role to motivate workers, maintain labor standard, ensure better productivity and also maintain a good liaison between the workers and owners. The project arranges regular trainings for the top and mid level management on environmental compliance, productivity improvement included with work place safety. Within 2007-09, BKMEA has arranged 40 separate training sessions to train 895 mid level officers of member factories. BKMEA has already completed Training-1, 2 and 3 under this project.

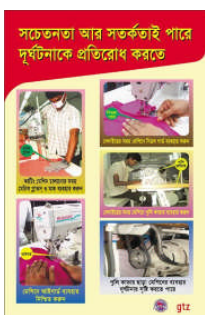
### Awareness Raising Initiatives

**Compliance Related Publications & TV Advertisements:** To provide basic knowledge on different compliance issues and its implementation procedure, BKMEA has published different handbooks in local language on compliance issues, i.e. "Compliance & Relevant Laws: Guide Lines for Implementation", Workers' Training Manual, Mid Level Training Manual 1, 2 and 3 etc. Besides, a number of posters and stickers have been published to emphasize some core issues of compliance. All these materials have been distributed at free of cost to the member factories. Again, three TV advertisements on labor rights and personal safety have been development and aired in the prominent TV channels for raising mass awareness.

**CSR Workshops for Factory Owners:** Corporate Social Responsibility (CSR), the most important focus of concurrent time, is also addressed by BKMEA with due care to promote inclusive and good quality employment practices within enterprises and to ensure respect for human rights in the international context. Development of a compliant factory is largely dependent on the intention and capability of an owner. To raise awareness about CSR, BKMEA has arranged different seminars since 2007 for the factory owners concentrating on flexibility and diversity management, innovations in employee management, environmental safety issues, etc. Nationally and Internationally renowned persons are being invited as guest speakers and open discussion sessions are being organized to encourage local factory owners for making their factories socially compliant. On an average 200 factory owners participated in each seminar. Six similar sessions is organized within 2009.

**CSR Award to Top Compliant Factories:** To encourage the factory owners for complying with labor laws and taking initiatives for workers' welfare, BKMEA awarded 'Best 10 Labor Friendly Knitwear Industries' on 02 May, 2008. Moreover, the association has declared 'CSR Award' for those best four factories which will fulfill not only labor laws but also take CSR activities for workers.

### Permanent Initiatives



Publication: Poster on  
Personal Safety

**Pre-assessment before Conferring Membership:** Before giving the membership to any applied factory, prior investigation is done from BKMEA to check the minimum compliance standard, i.e. child labor; availability of alternative stairs, basic fire equipments, approved layout plan from the concerned authority, minimum wage, maternity benefits, workplace safety, group insurance etc.

#### Membership requirement related to compliance:

1. Building layout plan approved by concern authority (BUET/DUET/CUET/RUET/KUET)
2. Copy of Fire License & Fire Equipment's List.
3. 2 Stairs & Child Labour free declarations. (On Company Letter Head Pad)
4. Factory layout plan.
5. Workers Group Insurance (Check with BKMEA) and 3 Copes of Employment List.
6. Undertaking on implementation of Minimum Wages. (on Company Letter Head Pad)

**Mandatory Group Insurance:** BKMEA has made Group Insurance Support mandatory for all of its member units. New membership and renewal of old membership are not issued until the applicant factory complies with the rule.

Member factories are getting the insurance claim for its workers/employees for their fatal accident in the work place or outside. BKMEA provided insurance claim of TK 16.7 million. Additional 15 workers' insurance claims are under process.

**Grievance Handling:** BKMEA has developed conciliation cum arbitration bi-lateral committee to deal with individual grievances between the owner and the workers of the factory. A 'Labor Cell' comprised of skilled hand on grievance handling with the help of BKMEA higher management are sitting with owners and workers to solve these problems. Even though BKMEA is an association of factory owners, BKMEA Compliance Cell has been successful in establishing such goodwill that workers feel convenient for coming BKMEA and share their sufferings. Again, BKMEA in collaboration with Ministry of Labor of Bangladesh Government operates a 'Crisis Management Cell' before Eid Festivals of each year to monitor the due payment and bonus issues of workers.



*BKMEA compliance officers settling dispute in a factory with owner and paying workers wages before Eid ul Fitr, 2008*



*A deprived female worker is putting her grievance to the senior compliance officer of BKMEA*



*BKMEA President is delivering Group Insurance Cheque to a demised worker's family members*

#### **Activities Taken from Social Commitment**

**Workers' Training Institute at Rangpur:** To expand hand towards the poor, BKMEA is running a training institute in the Begum Rokeya Smriti Kendra, Pairabondh, Rangpur where destitute male and female are getting free of cost training facilities with food, accommodation and 100% post-training employment opportunities in BKMEA member factories. On an average, about 100 skilled workers are being delivered to the industry from this institute per month. Along with this, establishment of five new training institutes at the northern side and around the capital of Bangladesh (i.e., Narayanganj, Rajshahi, Mirpur, Gazipur and Savar) are under the consideration of BKMEA.

**Fire Safety Cell, BKMEA:** BKMEA Fire Safety Cell has started their activities on August 2009 to provide support on fire safety issues among the members units. The cell consists of well experienced personnel under a Chief Instructor. We believe that proper training is the main key point to protect lives and goods from fire accident. The main work of fire safety cell is to monitor the factories to check the status, training arrangement for workers' and mid level management, arrange workshop for owner on regular basis. Factory based training has got popularities among the members units and 35 factories already been received the training. 3 days long factory based training has designed with theoretical class, practical demonstration and conduct fire drill along with all employees. Certificate also provided who passed the exam successfully.

**Community Health Care Centre for the Workers:** BKMEA is running a hospital for workers at BSCIC, Narayanganj where about 200 factories are clustered in a single periphery. The hospital is being run from the own resource of BKMEA where workers can get free outdoor treatment and medicine under intensive care of female doctors. BKMEA is looking for suitable development partners for expanding workers' health care services along with 'Centralized Day Care Centres' in some other factory clusters.

**Food Rationing for Workers:** The price of rice is a key issue in impoverished Bangladesh, where households are estimated to spend nearly 70 percent of their income on food (AFP, 2008). In Bangladesh, two-thirds of food item of general people contains rice, so inflation in rice price creates acute problem especially for the working class.



Conceiving this idea, BKMEA has started to distribute rice at a subsidized price from 2007 which is first from the history of trade body in Bangladesh. In first quarter of 2008, when rice price had gone up to sixty cents a kilogram in retail markets and other food prices became more than doubled, BKMEA distributed rice and other daily essentials at a very subsidized rate to the workers to face this 'hidden hunger' phase. Again, during the holy Ramadan of 2007, 2008 and 2009, BKMEA supported the workers by subsidized food items. Presently BKMEA is continuing this rice distribution program almost in yearly arrangement through the member factories with Govt. support.

**20% Dearness Allowance Facility for Workers:** BKMEA is the first association in Bangladesh which announced to pay 20% special dearness allowance for eight hundred thousand workers worked in BKMEA's member factories as a support of recent price hike of daily essentials.



*A worker is seen in the "dress as u like competition" in the festival. A part of fully occupied stadium is seen in his front*



*Some female workers is seen to enjoy their ride on elephant*

**Workers' Festival:** In consequences of previous year, BKMEA organized the largest garments workers festival on 18 December 2009 at Osmani Stadium, Narayanganj, Bangladesh. About one hundred thousand garments workers thronged the daylong event to seek relief from the rigid daily routine. Cultural events including dazzling fashion show, dancing program, awareness raising stalls, song, folk fair, puppet show, magic Show, jokes, merry-go-round, monkey dance, horse ride, elephant ride, training session on labor rights and fireworks were the key attractions of the fair. All the cultural events were staged by garments workers which was very amazing. Training sessions on basic rights of workers and using of Personal Protective Equipments were additional attractions of the festival. First ever workers festival was arranged on 24 October 2008 at Narayanganj. It was a show solely dedicated for three million readymade garments workers of Bangladesh. BKMEA, the country's biggest foreign currency-earning industry, organized this event as a part of their regular initiatives for ensuring harmonious relationship between owner and worker.

**SROMOBARTA-Special Newsletter for Workers:** The 'Shromobartra', is another pioneering endeavor of BKMEA to bring out the cultural intelligence of working class. For the first time in Bangladesh, BKMEA has published this quarterly magazine solely for the RMG workers of the country. The newsletter contains writings from the workers of BKMEA member factories. 3 issues of The Sramabarta have been published. This quarterly newsletter is a symbol of strong voice of our disciplined and dedicated work force.

**BKMEA support during Natural Disasters:** During the devastating flood of 2007 and 2008, BKMEA arranged extensive relief works for the effected workers and in flood vulnerable districts. Again, after the destructing cyclone (SIDR) of 2007, BKMEA rushed towards the affected areas with emergency supports and food materials. Besides, in each catastrophe, BKMEA donates bulk amount in Govt. fund for supporting the restoration works.

**Workers' Scholarship:** BKMEA has taken an initiative to reward the good academic performance of workers or close relative of workers in S.S.C and H.S.C level examination. An official circular has been issued for collecting application from member factories with A+ or A result. Scholarships reward has been handed over on 2<sup>nd</sup> Worker's Festival and 18 & 27 January 2010 at BKMEA Dhaka and Narayanganj Office accordingly.

**BKMEA actions against non compliant factories:** BKMEA has taken following initiatives which are somehow behind question of Compliance-

1. Regular unannounced factory visit by skilled compliance monitors/officers to guide the factory in implementing labor law -2006.
2. Corrective Action Plan (CAP) with specific time frame from the date of completion are provided to factory for follow up visit.
3. Organized Training program in these factories which are yet to maintain compliance issues properly.
4. Warning letter sent to the factories which are failed to respond to CAP on time.
5. Finally BKMEA held UD service of those factories in question on compliance issues

### OUR VISION

- ✚ Become the Number one Knitwear Exporter in the World
- ✚ Establish a strong position in the global apparel market by diversified products, own designs with Bangladesh brand
- ✚ Continue to be the biggest wave in Bangladeshi economy by using the huge potential in this sector & promote industrialization
- ✚ Upgrade skills & employability of workers
- ✚ Develop a fully compliant garments sector