

Bulletin

Policy Support and Advocacy



ROUNDTABLE ON “PROMOTING GOOD GOVERNANCE: KEY REFORM CHALLENGES FACING BANGLADESH”

The launching ceremony of a series of roundtable discussions on “Promoting Good Governance: Key Reform Challenges Facing Bangladesh” was held at the Bangladesh Enterprise Institute (BEI) Conference Room on 12 August 2007. BEI in collaboration with UNDP will organize the series of roundtable discussions on key challenges, which Bangladesh needs to address and overcome by promoting good governance.

Dr Iftekhar Ahmed Chowdhury, Adviser, Ministry of Foreign Affairs, Government of People’s Republic of Bangladesh, was the Chief Guest of the ceremony and delivered the inaugural speech. Manoj Basnyat, County Director (UNDP, Bangladesh) and Shaila Khan (Programme Coordinator, UNDP Bangladesh) were present in the discussion along with other distinguished representatives from the government, private sector, academia and development agencies. The issues that would be discussed extensively by experts at the following six roundtables over the next few months are:

- Corruption: Anti Corruption drive and the way forward
- Energy and power crisis: demand vs supply
- Building public and private institutions to promote good governance
- Private sector governance
- Public private partnership
- Human rights: access to justice and law

Mr Sobhan said that there is need for government to stress on coordination of all relevant agencies and form a National Security Council. Civil Society and the government should work together to improve the business and investment climate of the country.



POLICY DIALOGUE ON “PROSPECTS OF RMG SECTOR IN BANGLADESH”



Md. Fazlul Hoque, President, BKMEA was the speaker at the 20th Policy Dialogue Series on “Prospects of RMG Sector in Bangladesh” held on 21 August 2007. He highlighted the potential problems of the RMG Sector in Bangladesh:

- **EU and China:** EU will withdraw its quota system for China which means that China will grow to become a bigger competitor in the trade system.
- **Investment:** In light of the socio-economic and political aspects, the investment scenario in Bangladesh is uncertain.
- **Social Compliance:** There are some factors which hinders the growth of the RMG sector. For example, the power supply, labor conditions, pollution, bureaucracy and standards of the factories are obstacles for the growth of the RMG sector.

The world market is open for Bangladesh and it depends on us on how much we can grab. Other than tougher competition from China, Bangladesh’s main challenges will come from internal sources. For the boom of the RMG sector, UNDP and other alliances have a vital role to play.

CASE STUDY-IMPLICATIONS OF EQUAL PAY ACT

The Case Study section is aimed to capture different issues of both international and local regions. This section can provide a platform for further discussion and research and promote knowledge sharing. This month we focus on the economic segment of a developed nation and the implications of the enactment of a crucial law on workforce. There have been discussions about the wage structure of Bangladesh and this section highlights the lessons we can learn from others.



There have been many laws in different countries over the years which have affected the overall compensation management systems. The laws have been reformed in order to match the growing changes in the customs of the world especially the workplace. As modernization continues, there is increasing number of women in the

workplace. Their skills, efforts and responsibilities are no longer seen as less than that of a man.

It would be interesting to see how laws in other nations have influenced the society and economy as a whole and how we can learn from it. One key concern of the workers in Bangladesh is the absence of an effective law implementing minimum or equal wage structures. The Wikipedia states that ***"The Equal Pay Act of 1963, Pub. L. No. 88-38, 77 Stat. 56, (June 10, 1963) codified at 29 U.S.C. § 206(d), is a United States federal law amending the Fair Labor Standards Act, aimed at abolishing wage differentials based on sex."***

The Equal Pay Act of 1963, which is an amendment to the Fair Labor Standards Act of 1938, is a law that requires employers to pay all employees (men and women) equally for equivalent work. The law, enforced by the Equal Employment Opportunity Commission (EEOC), also prohibits employers from reducing the wages of either gender in order to conform to the market forces. Jobs are considered equal under the act when they require the similar skills, efforts and responsibilities and need to be performed under the same working conditions.

The EPA was enacted to benefit the American societies in several ways. As family trends are changing, women are often the only source of income. Historically, women were paid lower than men and this law wanted to ensure that pay differences could only be made on the basis of aspects like seniority and merit. People began to realize the contribution of women in

the workplace as they began to increase their skill and knowledge. In USA, by the 1980's the wage gap was beginning to narrow and women's pay was around 65% of the men's. Over 1990 and 1999, women were gaining around 7 cents over every dollar in their workplaces.

Although EPA aimed to ensure equal pay for both men and women, there still exists a wage gap. Even in 1998, women between 25 and 35 earned only 84% of weekly earnings of men of their age (Castro, 1998). A study by the American Association of University Women Educational Foundation found that women are paid about 80 % of what men are paid one year after of college. But within 10 years, the gap grows to 69 % even if one took into account factors such as the number of hours worked, occupations or even parenthood. Another research conducted found that full time working women earned only 80% of the males. Eventually, the wage gap was widened ten years after graduation when women were seen to earn only 69% of the males.

Perhaps the EPA also creates some ambiguity since it did not perhaps solve the problems of pay differences to a great extent. This may be because like other laws, a lot of its area is left to the interpretation of individuals.

Like most laws, the EPA will also be modified in the future to make it more suitable to the changing trends of the world. It cannot be called a failure; indeed it was big accomplishment in the world of compensation management. This law was a turning stone in the compensation structure and its inferences on pay structure have been high. There are still huge areas left to be implications by the Equal Pay Act as wage differences still exist. In order to have no wage differences, organizations everywhere must understand the importance of such acts and design their compensation in compliance with the law.

Shahreen Munir
Young Professional
Policy Support and Advocacy

AIMING TOWARDS CORPORATE SOCIAL RESPONSIBILITY

The concept of Corporate Social Responsibility (CSR) is said to have started in the early 20th century. CSR is a set of business practices based on ethical norms and transparency that contributes to the sustainable development of internal and external stakeholders in the best interest of business, society and environment.

CSR aims to develop innovative and proactive solutions to environmental and societal challenges faced by the corporate world. The concept focuses on human development which is aimed in improving the overall welfare of the society. It refers to a concept where business take decisions beyond reasons of technical or business interests.

In Bangladesh, CSR is relatively new concept and it can contribute to greater value of brand enhancement. CSR promotes a vision and accountability to all shareholders, investors and stakeholders as a whole. For businesses to thrive, the society has to have proper resource endowment and be corruption free. CSR encourages good citizenship and ethical behavioral practices in all corporate and social arenas. CSR activities can take in the following areas:

- Commercial
- Social Investment
- Philanthropy

CSR can help Bangladesh to increase transparency and reduce corruption in the economy. Firms following CSR concept aim to ensure that they maintain transparency and accountability to their stakeholders. Such practices will help to increase investment and promote private sector growth in Bangladesh.

SNAPS OF THE MONTH



Treasure from Heaven

Villagers in Bihar, India run after air-dropped relief packages.

Source: www.time.com



Finding her way

A woman wades through floodwaters in Sirajgonj district, Bangladesh

Source: www.time.com

Cluster Members:

Shaila Khan, Programme Specialist
 Rakesh Jani, Programme Officer (UNV)
 Abidur Rahman (UNV)
 Sakil Faizullah, Communications Officer
 Moshfequul Haque, Web Manager
 Bahadur Hossain, Admin/Finance Assistant
 Shahreen Munir, Young Professional