

Upcoming law needs to address ship breaking workers' concerns

Stakeholders say at a discussion in the port city

STAFF CORRESPONDENT, Chattogram

A law currently being formulated on Bangladesh's ship breaking industry needs to be worker-friendly to protect their lives and the environment, various stakeholders suggested yesterday.

They were giving their opinion on a draft of the act framed by the Ministry of Industries in a quarterly review meeting organised by the Bangladesh Institute of Labour Studies, at a restaurant in Chattogram.

The draft 'Bangladesh Ship Recycling Act' lacks clarity and needs to be more worker-friendly, said Tapan Dutta, convener of the Ship-breaking Workers Trade Union Forum.

Dozens of workers are dying at the ship breaking yards every year while an existing law does not focus on their concerns and was never implemented towards that end, giving rise to apprehensions of a repetition this time around, he said.

The law itself cannot protect the workers unless those tasked with implementing it bear in heart the attitude to bring about a positive change, he added.

It looks like the draft has been hastily penned as it lacks many basic things, said Mohammad Shahin Chowdhury, a professor of the law faculty at the University of Chattogram.

It does not contain anything with

regard to the recruitment of labour, age specifications and training, he said.

"That means there is scope for the yard owner to recruit child labour, which they always prefer for the associated low wages. The draft must include a provision about child labour to rid the yard of child labour," Chowdhury said.

When it comes to compliance, yard owners always claim to not have the financial capability to abide by the guidelines, said Mohammad Ali Shahin, coordinator of Young Power in Social Action, a non-profit social development organisation.

"Interestingly, they do not shift to other businesses. The arrival of scrap ships does not see any drop in numbers, indicating huge profits in the sector. The draft must have provisions about the waste that ships release in the Bay of Bengal as well," he said.

Obtaining an occupational health certificate must also be made mandatory for yard owners to better protect the workers engaged in the industry, Shahin added.

Dr Fosiul Alam, former vice-chancellor of Feni University; Safar Ali, vice-president of the National Worker League; AS Nazim Uddin, president of the Nationalist Sramik Dal and Rizwanur Rahman Khan, Pahari Bhattachajo, Nurul Absar KM Sahidullah, Mohammad Ali and Fazlul Kabir Mintu of the BILS were present during discussions.



UK retailer Debenhams' terminated workers demand arrears

REFAYET ULLAH MIRDHA

The recently terminated employees of Debenhams' Bangladesh office yesterday demanded full payment of the wages and other monetary benefits owed to them by the London-based multinational retailer as per Bangladesh's labour laws.

"By our calculations, Debenhams owes \$1 million in salaries, allowance and other service benefits," said Bahauddin Mohammed Ataulah, president of the Debenhams Bangladesh Employees Association.

He spoke during a press conference at the Dhaka Reporters Unity in the capital's Segun Bagicha.

Citing financial constraints, Debenhams appointed an administrator for its Bangladesh office and eventually terminated 69 staff members in April earlier this year.

Soon after the ongoing coronavirus crisis was elevated to pandemic status, retailers and brands worldwide closed down their operations amid significantly decreased demand for non-essential items.

As such, Ataulah, who was among the terminated workers, said he and his colleagues stopped receiving shipments of goods from many local manufacturers in the name of compliance with the company's directives.

However, Debenhams itself did not comply with the country's regulations when it terminated those Bangladeshi workers.

"Even if you pay me three times my previous salary to return to Debenhams, I won't do it as the company is non-compliant with our rules and seems to think that Bangladesh is still a British colony," he said after the press conference.

Ataulah also urged consumers of the company's products to raise their voice against such misconduct so that it is compelled to correct itself.

Debenhams does not respect the law of the land and continues to operate while flouting Bangladesh's rules, he added.

The government imposes strict measures and subsequently receives millions in compensation if any local company is found to be non-compliant.

Debenhams makes a tremendous profit from the sales of Bangladeshi garment items, however, the suppliers are paid very little in comparison, Ataulah said.

Besides, many of the company's previous employees are finding it difficult to maintain their livelihoods amid the ongoing pandemic due to a lack of income and other benefits, he said.

"But still, Debenhams paid no heed to the suffering."

Since Bangladesh is an independent nation, Debenhams must follow the laws as outlined by the Bangladesh Investment Development Authority (BIDA), which was known as the Board of Investment back in 2013, when Debenhams



COLLECTED

Terminated employees of Debenhams Bangladesh office demand their service benefits from the company at a press conference at Dhaka Reporters Unity in the capital yesterday.

first registered its operations in the country.

The London-based multinational retailer has been irregular in making payments to its suppliers. In April earlier this year, the company demanded a 90 per cent decrease in prices due to the Covid-19 fallout, meaning that Debenhams offered \$1 to buy T-shirts that originally cost \$10.

"They terminated us illegally. Three months' prior notice is needed before closing an office, which was not given in this case. All dues of suppliers and employees need to be cleared," Akhteruddin Ahmed Asad, the preceding country manager for Debenhams, told The Daily Star over phone.

It should be mentioned that Asad was not present at the press conference but opted to speak with the media after his attention was

drawn to learn about how Debenhams operates in Bangladesh.

"We will go to the court. Debenhams does not have the reputation and should maintain compliance," he said, adding that the termination of workers during the two-month nationwide general holiday aimed at curbing the spread of Covid-19 was illegal.

Local suppliers call Asad each day to enquire about their due payments even though he is no longer a part of the company.

Currently, Debenhams runs its operations in Bangladesh through a third-party agent.

Since the company continues to take shipments, albeit on a more limited scale, it proves that they continue to operate and have sufficient capital in the bank.

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Think out of the box to breathe new life into dead jute mills



KHONDAKER GOLAM MOAZZEM

The government closed down 25 jute mills operated under the Bangladesh Jute Mills Corporation (BJMC) on July 1. It was one of the difficult political decisions taken by the ruling party since it formed the government in 2009. Such a decision hints at the major political shift of the ruling party - from promoting state-owned enterprise development towards private sector led enterprise development.

A high-powered 'Policy-making Committee' led by jute and textiles minister has been formed, which will suggest about the future of the establishments of BJMC jute mills. Till date, a number of decisions have been made which have created confusion about the future of enterprise development under the private sector in those lands.

More importantly, those decisions may futile the whole process of transforming those into private sector led enterprises.

In this backdrop, it is highly important to take forward-looking decisions which will facilitate private sector-led enterprise development. Most importantly, the government's decision should not create a precedence of another faulty privatisation initiative which had been done in 1980s and 1990s. The jute ministry and the Prime Minister's Office should give due attention to the following issues and take appropriate decisions.

Clearing all liabilities and dues of BJMC
At first, the jute ministry should clear all liabilities and dues of different parties of the BJMC. This is highly important since any future initiative under the private sector would be futile if the existing liabilities BJMC are passed on to their shoulders. To complete the process, a proper financial audit and valuation of assets

of BJMC entities are required. This should be done by any of the big four international audit firms—Deloitte, Ernst & Young, KPMG and PricewaterhouseCoopers—who are currently in operation in the country.

Such an audit will help the ministry to understand its current state of assets and liabilities, based on which future initiatives could be taken properly. There is a vested quarter within the BJMC at the mill and even outside the mill who are not interested to have a proper financial audit and valuation of assets.

An early audit and valuation is most important particularly to clear the dues of the 25,000 workers as well as to initiate the next course of action on industrialisation in those establishments.

The government should allocate necessary fund to clear the dues.

Scaling down the BJMC into a small unit under the ministry

There is no need for operating the BJMC under such a large organogram with staffs at the head offices and the mill offices. In this context, the government's decision to scale down two-thirds of its 2,955 staff members is a positive move. However, the decision is linked with the future operation of the mills.

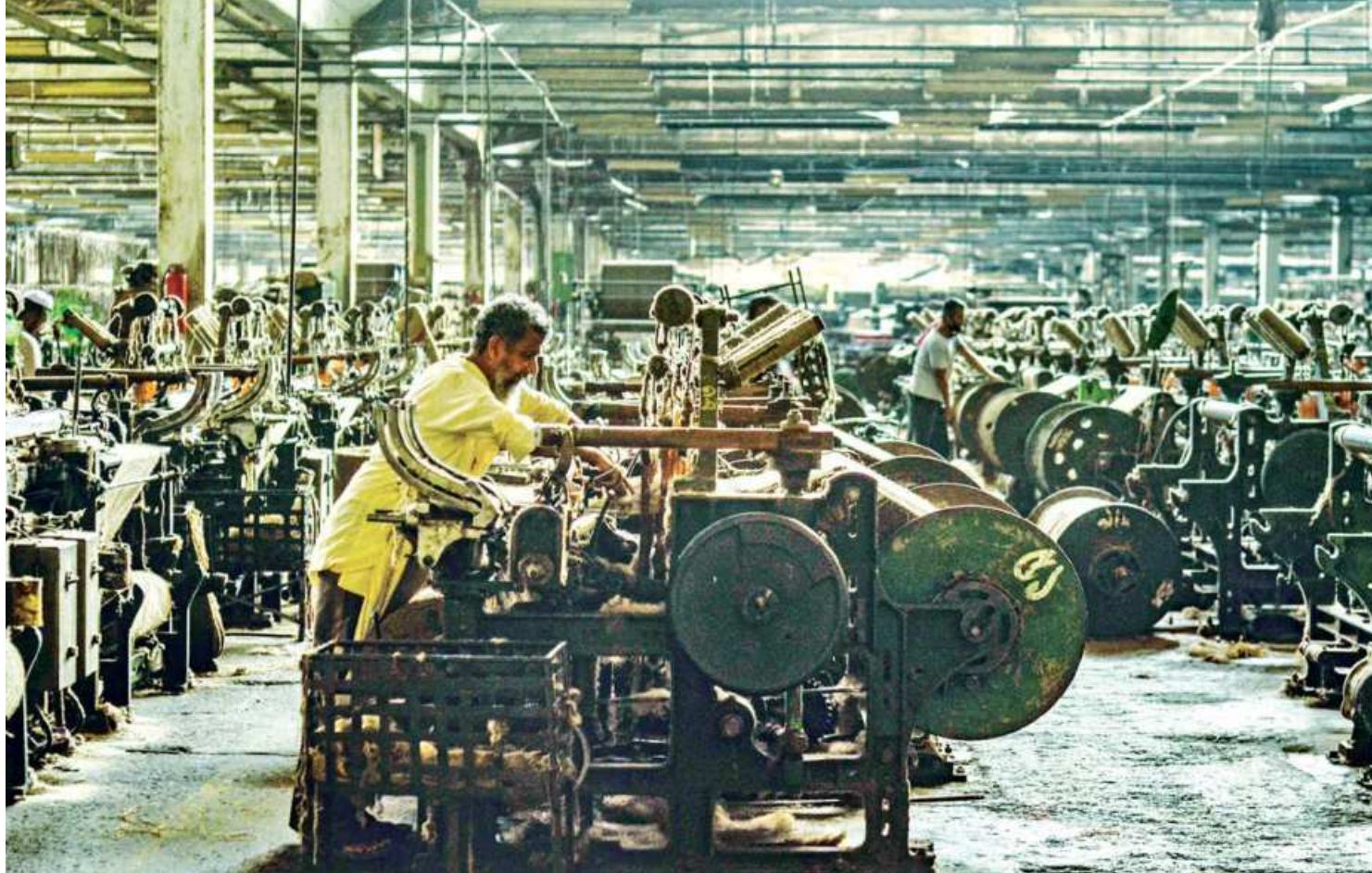
Even one-third of the staff would not be required to materialise the goal of the PMO to go for private sector led operation in those mills. Very few of the staff members will be required if these lands are handed over to the Bangladesh Export Processing Zones Authority or Bangladesh Economic Zones Authority, which are more experienced in operating economic zones.

Overall, the operation of BJMC could be ably done by a small unit under the ministry - no big office and staff is needed for that. Hence, the government should allocate necessary funds to pay the unnecessary staff who are posted in the head office and mill offices of BJMC.

Refraining from allowing long-term leases to single parties

There is no need to lease these precious lands to a small number of big private sector entities who may create pressure through different channels both within and outside the government. These lands should be made available mainly to local small and medium enterprises and foreign investors who often struggle to purchase and take land on lease.

All mills are well-positioned with ready-



DIPANKAR ROY

A man works on a machine inside Platinum Jute Mill in Khulna just a few days before its closure. The photo was taken on June 27 this year.

to-use infrastructure such as ready land, electricity and gas supply and available workforce, which could attract both local and foreign investors to set up both medium and large scale enterprises.

Out of these 25 mills, nine are located in Chattogram, seven in Khulna, two each in Dhaka, Jessore and Narshingdi and one each in Narayanganj, Sirajganj and Rajshahi.

In terms of location and infrastructure, mills located in Chattogram, Dhaka, Narshingdi and Narayanganj are well-positioned to attract local and foreign investors.

Mills, which are located in major jute and agro-based zones such as Jessore, Khulna and Sirajganj, would promote jute and other agro-based industries. In this context, the planning

committee's decision of using these lands only for jute sector is a faulty proposition. Rather these lands should be made open for private investment in different industrial enterprises.

Promoting small and medium scale jute mills
Jute goods need a captive market at the local level. A proper enforcement of the mandatory packaging act would significantly increase use of jute goods in domestic market.

According to the Centre for Policy Dialogue (CPD) 2010, proper enforcement of mandatory packaging act would create a local demand for 80 per cent worth of export jute products.

Similarly, the government may amend the public procurement guideline for construction and rehabilitation of upazila and zila roads by

making it mandatory to use hessian cloths as a cover over bitumen based carpeting. Such changes in public procurement would create huge demand for hessian cloths in the construction of roads.

Overall, future jute sector of Bangladesh should be led by small and medium scale private sector jute mills. In that case, interested private sector investors could purchase machineries from the closed public jute mills to set up small and medium scale jute mills across the country.

Similar example was found when Adamjee was closed and later a good number of small scale enterprises were established. Most of those are in operation at present.

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