### "Bangladesh is associated with the idea of resilience and the idea of a quiet revolution" – Shahpar Selim



Following the 'Idea of Bangladesh' panel, forming part of the first <u>LSE-UC Berkeley Summit</u>, panellist **Shahpar Selim** spoke to **Rebecca Bowers** about the current greening initiatives taking place in garment factories across Bangladesh, and the potential to improve in the coming years.

### RB: Following on from today's panel, can you tell us more about the current project that you're working on at the moment?

SS: I'm a Visiting Researcher at the International Centre for Climate Change and Development (ICCCAD), which is hosted within the Independent University, Bangladesh (IUB). In partnership with the Adam Smith International, I am leading one of the studies in a research project (funded by DFID) called the Economic Dialogue on Green Growth. The paper I'm working on is to do with the greening of apparel manufacturing in Bangladesh.

# Because during your presentation you discussed the greening of the garment industry and the fact that eight out of eleven of the top green garment factory leaders globally are from Bangladesh. What would you say have been the key drivers of this success?

As in the key drivers of them taking up these initiatives?

#### Yes.

Okay. Interestingly, the top eight factories that were on that <u>USGBC</u> list, are also coincidentally some of the largest garment factories in Bangladesh. If you look at their greening journey you will see that they all started with fulfilling the government regulations which required them to take measures such as install effluent treatment plants and so on. After they had met those requirements, they started paying more attention to the environmental requirements in the buyer code of conducts, as a means of differentiating themselves from their competitors in the eyes of their buyers. These factories typically supply to some of the highest end buying houses and apparel retailers, who are also the most environmental criteria and requirements; the highest end brand buyers tend to be more demanding in terms of environmental quality. The larger factories typically tend to supply to the higher end of the market, so they have much more of an incentive to invest in these greening initiatives; they don't necessarily see a direct result such as an increase in profit, but their main incentive is to ensure their continued participation in the higher end of the supply chain. That is the main motivation.

# So how exactly might the employees figure in this? Because obviously you were saying that until the factories start pushing back more there's not going to be a higher wage for them whilst they focus on the greening initiative. Could these at least be more inclusive or produce a better outcome for everyone – not just the factories getting these global accolades?

My research is more to do with the environmental side of it rather than the working coition side of it, which includes wage rates. So, I wouldn't really comment on that. Only one thing to say is that included in many environmental compliance standards, they have provisions for working environment, that covers the working environment inside the factory for the workers, so they will have for example, air quality standards or temperature control standards for inside the factory. They will have quality standards for how much natural light is being used, they will have standards for how much greenery is inside the factory premises, so in a very indirect kind of way, the workers are benefitting from these.

## So workers from these factories who are in the top eleven will have better working conditions? They might not have better wages but...

Exactly.

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Women at work in a textile factory in Dhaka. Photo credit: NYU Stern, BHR, Flickr, CC BY-NC 2.0.

## You mentioned the importance of collaboration in rolling out this best practice across Bangladesh's garment industry. So how can we address this gap between discourse and practice?

Bangladeshi garment sector does shockingly poor PR for itself. The sector's public relations are just generally very poor in international markets. For example, when you land in Dhaka airport, you will see a very big hoarding saying, 'welcome to Bangladesh' and then they will have advertisements for the telecoms sector and electrical appliances that Bangladesh is now producing. Things like that. But you will never have any advertisements saying that 'you know, we are the second largest garment producing country in the world'. Not many people know that. And that is really surprising. So just generally, we have done a really bad job of talking about our own achievements and we're remarkably very low key about this. This is something, a phrase you will find associated with Bangladesh – that Bangladesh is associated with the idea of resilience and the idea of a quiet revolution. We do some things very quietly and really well, but we never talk about it and I think the greening of the garment sector is another good example of something we need to talk about. We just haven't talked about it.

#### Perhaps it is my ignorance in the area too...

No. We just don't publicise it enough and we need to publicise it internationally among the buyers of course, and also among the countries that are importing Bangladeshi garments., We need look at this problem at home and publicise it much more within ourselves. A lot of the other factories who are maybe for example economically able right now to take these initiatives, they just don't know the kinds of green tech options that are out there, and there are the kind of initiatives they can do over time, what are the rapid changes they can make, what are the low-hanging fruits, how they should graduate from the low-hanging fruits to slightly more difficult challenges – they don't know that these pathways exist.

Another thing they don't know is that green financing exists and I've talked to a couple of people in the finance industry and they say that they are ready to give loans or lease equipment that is more eco-friendly, but we have worked with one factory before but it was not a sustained relationship and we seem to find it difficult to find customers, so a lot of the... they say that garment entrepreneurs don't seem to want to come to us, they don't know this kind of product exists, so this is why it's important to have the case studies be showcased much more so people understand that their peers have done it so there is a value in replicability and they can learn from their peers how they have managed financing, how they have managed to get the kind of import licenses needed for the greener technology and how to install it, how to run it, how to monitor it, how to meter it. A lot of the green initiatives fall apart when it comes to metering. The case studies show that metering can happen and how through metering, you get to calculate payback periods. So, for a new company that wants to demonstrate this, we just need to make that kind of link between the people who are interested and the people who have already done it so that the superstars become the norm.

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# Is there a tension between environmentalism versus economy or do you think that's obviously something that doesn't need to be there, because there's ecological modernisation and that can benefit both of those? Or it's a workable solution which can be seen in these best practice factories?

It can be a very workable solution, but it needs a certain framework to be in place for that to actually click into place and that framework, the basis of that is there, and we just need to build on those pillars.

#### So it needs to be rolled out in a regulatory way as well?

Yes. Yes. Exactly. And also, the kind of regulatory framework and the financial incentive framework that needs to be there, it can't be a homogenous thing. It needs to have different instruments for different bands of the suppliers, because not all garment factories are the same. So there are different segments of it, so we need a regulatory framework that can address these different segments of the suppliers.

# Yes. There's obviously been a lot of talk about the CSR mandate in India. Do you think this could be used effectively in Bangladesh for such means as well? We were just talking about the greening and how it could be better assisted by regulations for instance...

Usually from factories that take greening very seriously, they tend not to merge it with CSR, they tend to merge it with operations because it is something that they have to do continuously so they'll have a manager or somebody in place who will have a look at sustainability issues so it's much more than CSR.

#### So it might not actually be a good thing to put them together?

I think they have their own places, but environmental compliance is a much more complicated and it's a very technical field that gets into industrial engineering. A lot of times in these factories which are large scale, they'll have a department for industrial engineering and environmental compliance will be part of that because a lot of these are actually engineering solutions.

You can listen to the full panel podcast here.

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#### About the Author



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