PRIVATE SECTOR ENGAGEMENT NEWSLETTER
TODAY, TOMORROW, TOGETHER...
PREAMBLE

SAIF M M ISLAM, TECHNICAL COORDINATOR
PRIVATE SECTOR ENGAGEMENT

In a 2011 Wall Street Journal article titled, “Manifesto for Sustainable Capitalism”, I read former Vice President of the United States Al Gore and David Blood, Managing Partner of Generation Investment Management claims: “We are once again facing one of those rare turning points in history when dangerous challenges and limitless opportunities cry out for clear, long-term thinking, and companies and investors will ultimately mobilize most of the capital needed to overcome the unprecedented challenges we now face.”

Many companies today are beginning, or have already begun to realize the imminent need to address sustainability issues as part of their core business strategy. Indeed, findings from a recent survey indicates 93% of 766 CEOs (98% in Asia Pacific) around the world believe sustainability issues will be “critical” to the future success of their business. This comes at a time when the 2010 Edelman Trust Barometer survey shows that 70% of 4,875 informed public are saying business and financial companies will revert to old habits when the financial crisis is over, whereas trust in NGOs across the globe has increased over the last decade- indicating that companies on their own may not be aptly addressing complex emerging sustainability challenges. On the other hand, NGOs now realize that despite over one trillion dollars in aid over the last three decades, development predicaments are still at large- for instance, the World Bank estimates that around 44 million people have been driven into poverty in the second half of 2010 due to rising food prices alone. Likewise the pressure on energy and water is now at its highest, and there exists now, more than ever, a clear case for significantly different thinking- one that is characterized by innovative, integrated and value-enhancing alliances between the private sector, government and NGOs.

CARE Bangladesh has therefore, chosen to continue to build on over 5 years of experience to reinforce a leadership position in private sector engagement- with over 27 sustainable partnerships with frontline companies in the areas of: (a) inclusive business to connect the poor with local and international supply chains and markets; (b) social investments to design and take products and services of need to the poor; and (c) research and inclusive business promotion to help develop new and strategic alliances.

CARE has thus far been connecting 1000 plus women rug and basket makers with export markets in partnership with Kk Textilien, Germany; providing employment and business opportunities for 13,000 marginalized people in urban areas; improving life-skills, functional skills and productivity of approximately 2,600 women workers in garment factories with support from Gap, Gucci, Walmart; taking products-of-need to more than 100,000 BoP consumers in rural markets through a social enterprise called JITA, funded by Danone France; and changing the health, hygiene and nutrition seeking behavior of over 7000 primary school children and mothers from poor families with support from Danone Japan.

This latest edition of the PSE newsletter features CARE’s recent strides in workforce engagement, research at the bottom of the pyramid, health systems strengthening at community levels, inclusive business promotion, and an insightful interview with senior management regarding PSE. Nevertheless, numerous challenges remain: centered on integrated programming with companies for “women empowerment”– and on creating an evidence base, to foster more strategic investments from the private sector- particularly in the area of inclusive business. We hope we can give you positive updates on progress made in the next edition of the newsletter.

1 Sustainability encompassing the management of social, environmental, economic, corporate governance factors
2 Accenture Development Partners/ United Nations Global Compact CEO Survey 2010
3 Informed public meet the following criteria: college-educated; household income in the top quartile for their age in their country; read or watch business/news media at least several times a week; follow public policy issues in the news at least several times a week.
PRIVATE SECTOR ENGAGEMENT AT “CARE BANGLADESH”
AN INTERVIEW WITH JAMIE TERZI

Jamie Terzi is the Assistant Country Director for Program at CARE Bangladesh. She guides and supervises CARE’s units for Program Development and Quality; Advocacy and Communication; Women Empowerment, along with PSE. We recently met up with her to learn about CARE’s programming approach and her thoughts on PSE. “It’s important to change the attitude both inside NGOs and about NGOs. They need to see us as partners, rather than from the other side of the fence; while we need to see them as important stakeholders for affecting change in society”, she says.

1. What does CARE Bangladesh’s shift to a program approach mean for projects, teams and impact groups?
It means we have to change the way we work. The individual building blocks of our work are no longer simply projects. We think about our four overlapping impact groups and transformational changes in their lives. Each piece of work will contribute to these groups. They are what we focus our work around. We have to be really clear that we’re no longer just designing one project, implementing it, closing it off and making the donor happy. The purpose is much bigger than that. It’s in fact our 15 year goal to actually change the lives of the people we are working with.

2. How does it relate to private sector engagement? Why do we prioritize PSE at CARE Bangladesh?
PSE is a key direction from our long range strategic plan. CARE realized that to really make changes in the lives of poor NGOs can’t do it alone. To bring about lasting change, one has to engage with the private sector. Back then, we described it as economic empowerment, but these days we talk about it a bit more broadly as private sector engagement. What this means for our work is that we become more experienced and strategic at engaging with the private sector. It might be by getting them to change their business practice, it might be to get them to invest responsibly in their workers and staff, and it might be simply to look at traditional corporate social responsibility- but actually we’ve moved beyond that now. We do far greater engagement and the purpose is to shift attention to the lives of the poor and create impact in the communities our impact groups come from.

3. What are the most pressing challenges and opportunities around PSE?
It’s a new concept for an NGO to be this active about engaging with the private sector. It will still take some time to get everybody to understand why and that it’s not necessarily going against what we’ve done before. Because the private sector is very much a source of income, employment, products, and services for the people, and you must work. It’s important to change the attitude both inside NGOs and about NGOs. They need to see us as partners, rather than from the other side of the fence, while we need to see them as important stakeholders for effecting change in society. Another challenge is to continue to build and deepen relationships with the right partners. And then also to advocate more clearly what both government and private sector can learn from the issues. For example, when we talk about work with garment workers, are we really tackling issues around their living conditions and not just their work conditions?

4. Can you cite a few major partnership examples?
We now have a partnership with Danone France which has enabled us to launch our social enterprise JITA, which I think is a great example. The whole development of JITA from the Rural Sales Program has got so many partners there from Bata, to Unilever, Lal Tee Seeds and everyone else in between have been really important in developing these relationships. More recently, we have strong relationships with Walmart and GAP in terms of engaging with factories around development programs for female workers. Another example is our relationship with GSK, which is focused much more on health system strengthening, in a way that’s quite different from traditional CSR models. It’s not just a donation; it’s an active engagement to look at the issue more deeply, because health is a concern of both GSK and CARE.

5. What is your personal vision for a roadmap on PSE for CARE Bangladesh for the next decade?
We really see PSE growing and deepening, and becoming a significant partnership phenomenon, so that it’s no longer seen as something new, as something we have to justify anymore. As Bangladesh progresses, there is likely to be less traditional donor input, and the country will need to develop on its own resources with local and international companies. And we would like to be engaged with them deeply so that what they are doing is more beneficial and mindful of the people that they employ, who often stem from extreme poor backgrounds and communities- so that’s a major concern of ours. CARE’s role is very much to assist the private sector to understand the role that they play. It’s not just a role around economic development; it’s also a role about social, environmental and other long term issues.
EMPOWERING WOMEN AT THE BOTTOM OF THE PYRAMID: A PARTNERSHIP BETWEEN OXFORD UNIVERSITY AND CARE BANGLADESH

BY CATHERINE DOLAN, SAID BUSINESS SCHOOL, OXFORD UNIVERSITY

...in contrast to most BoP distribution systems, which emphasize single product offerings delivered through a proprietary distribution channel, the RSP carries a diverse “basket of goods” including food, toiletries, apparel, agricultural inputs, shoes, and medicines...

In 2008, Oxford University embarked on a partnership with CARE Bangladesh to investigate the potential of CARE’s Rural Sales Program (RSP) to create economic opportunity and empowerment for Bangladesh’s poorest women. The study was funded by Oxford’s Said Development Fund and Green Templeton College. It is also a part of a broader portfolio of research Oxford is leading on market-based interventions that can help lift women out of poverty by providing a sustainable income stream through small-scale entrepreneurship.

Over the past two years, the Oxford team – Professor Linda Scott, Dr Catherine Dolan and Ms. Mary Johnstone-Louis – have worked with CARE Bangladesh’s Private Sector Engagement unit to investigate whether the RSP entrepreneurs – disadvantaged women selling affordable consumer goods in villages through door-step delivery – have experienced improvements in their economic and social conditions. The study took place in four regions of northwest Bangladesh.

The team found that bottom of the pyramid (BoP) distribution systems like the RSP have raised these women’s income from approximately 560 BDT (US$ 6.6) per month at baseline to an estimated 1,500 BDT (US$ 18) per month in 2011. This enabled many women, often for the first time, in meeting their households’ food and healthcare needs, along with contributing to their children’s education. Their participation in household decision making and resource management increased, while earning more respect from their family and community members.

The research suggests that CARE has identified a strategy for reducing poverty that has eluded stand-alone corporate-managed distribution systems such as Unilever’s Project Shakti and Grameen’s “phone ladies”. While several ingredients set the RSP apart from these models, two specific features stand out.

First, in contrast to most BoP distribution systems, which emphasize single product offerings delivered through a proprietary distribution channel, the RSP carries an assorted “basket of goods” including food, toiletries, apparel, agricultural inputs, shoes, and medicines, allowing women to balance products and brands of varying prices, weights, margins and uses. Second, CARE’s extensive experience and credibility across Bangladesh has enabled it to overcome several of the bottlenecks plaguing other BoP systems. In particular, the organization’s deep familiarity with Bangladesh’s most marginalized communities, coupled with its sensitivity to the cultural, religious and economic constraints faced by women and girls, make it particularly attuned to the challenges rural women face. CARE ensures women’s safety and acceptance in the communities and provides ongoing training, trouble-shooting and mentoring.

RSP is a powerful example of how a private sector/ NGO collaboration “should” work, one that opens up opportunities for poor women to improve their incomes through access to markets, enables rural consumers to benefit from a wider choice of affordable goods, and affords corporations access to hard-to-reach rural consumers. The findings on RSP’s contributions to women empowerment will appear in a special issue on Business and Enterprise of Gender and Development in March 2012. The Oxford research team is planning its second stage of research, which will likely assess the RSP distribution system’s impact on communities, as well as economic and environmental effects.
ENGAGE TO CHANGE
CARE’S WORKFORCE ENGAGEMENT PROGRAM AND
ITS IMPORTANCE IN THE GARMENTS SECTOR

Mehereen Aziz & Saif M M Islam

...the market has the potential to double by 2015 and nearly triple by 2020, according to a 2011 study by McKinsey Consulting Ltd. To reach this growth potential, garment manufacturers and the industry as a whole must overcome many challenges to make performance improvements and ensure a skilled labor supply...

18-year-old Sharifa Akhter moved to Dhaka 3 years ago with her family from a small village in Pabna. Like most people who move to the capital city, Sharifa’s family dreamed of a better life. She started working at a garments factory as a helper 2 years ago. “When I first joined the factory I had a lot of trouble understanding and matching the numbers. I could not read and understand factory signs and notices. My supervisor used to scold me a lot and one day he slapped me for a mistake I made in matching the numbers.”

The Ready Made Garment (RMG) industry of Bangladesh makes up 79% of total export earnings and employs 3.1 million people. Women like Sharifa make up 80% of this workforce. With 12% average annual growth rates, clothing exports are the key driving force behind GDP growth. The sector’s attractiveness is embedded in its long-term experience, pricing, capacity, product portfolio, capability and trade regulations. Coupled with the strong demand of international buyers from Europe, USA and emerging markets, the market has the potential to double by 2015 and nearly triple by 2020, according to a 2011 study by McKinsey Consulting Ltd. In fact the study revealed that most Chief Purchasing Officers (CPOs) around the world think that Bangladesh will be the Number 1 sourcing Hot Spot over the next five years.

Garment manufacturers and the industry as a whole must overcome many challenges to make performance improvements and ensure a skilled labor supply to reach this growth potential. Together, the three main stakeholders – government, suppliers, and buyers – can accomplish the development potential and solve Bangladesh’s RMG growth formula. Most importantly, there is a profound need to concentrate development efforts on the workers.

The study estimates that there is a 25% shortage of skilled workforce that is required to increase productivity and produce a more diverse mix of products- as is the growing demand trend. Furthermore, the McKinsey study predicts that Bangladesh will require up to 6 million workers by 2020. However, the socioeconomic condition of the industry’s workers in the now is quite alarming, and may contribute significantly to holding back the industry’s progress.

Most workers find themselves on the job immediately after migrating from rural areas, and are therefore quite inept in terms of technical skills and productivity. Furthermore, the industry’s predominantly female workforce faces low wages and irregular payment, forced overtime, poor working environments, physical and sexual harassment. Long work hours, unhygienic living and working conditions and inadequate water and sanitation facilities also contribute to increasing health problems among workers. These issues, and the sector’s potential itself, have motivated CARE Bangladesh to support the implementation of long-term program interventions to help the industry develop a dynamic, vibrant, and empowered workforce.

CARE Bangladesh bases its approach not only on the widely evident societal needs of the broader workforce, but also CARE’s organizational expertise in improving the social and economic empowerment of marginalized women. Additionally, CARE builds its factory-based programming through in-depth consultation with factory owners/managers and through self-identified needs of participants. This ensures maximum effectiveness in terms of both economic output and women’s empowerment, while minimizing risk for both the employer and the employees.

Three multi-year programs funded by private donors in Chittagong and Dhaka since early 2006 – Competitive Literacy Initiative (CoLI), CEPZ Corporate Pilot Project (CCPPP), and Women’s Health and Education through Effective Learning (WHEEL) – funded respectively, by Gap Inc., Timberland, Walmart, and Gucci have enabled CARE to improve the lives of women workers by providing them with functional literacy and life-skills development, as well as support services to improve awareness on workplace rights and privileges, urban health care, sanitation, and access to savings.
ENGAGE TO CHANGE
CARE’S WORKFORCE ENGAGEMENT PROGRAM AND
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The overarching challenge is to integrate programs and stakeholders at multiple levels, which will serve to "empower" women workers in addition to developing their skills. Another major challenge is to create sound evidence that will likely facilitate greater factory involvement and perhaps even investments in the future...

CARE’s relationship with Walmart has been a very significant collaboration. In November 2009, CARE and the Walmart Foundation designed and instigated a project titled, “Women’s Health and Education through Effective Learning (WHEEL)” with the objective of improving the economic and social security of 5,000 female workers, providing them with the skills and confidence necessary to thrive at the workplace. This included personal development through education and skills development; social development through health and hygiene awareness and access; community engagement and improved communication skills; and legal development by educating the workers on their legal and human rights.

A recent internal evaluation conducted on 2,500 program participants of WHEEL indicates: 70% workers can relate their education and mathematical understanding to productivity and production hours. 206 beneficiaries reported being promoted from helper to operator in the first year, experiencing an income increase of 50%. Furthermore, 80% of the workers claim that they can better communicate and negotiate with their supervisors and peers, and at least 70% women have reported that they can now address gender discrimination and violence in the workplace and homes as a result of improved awareness on this issue. Moreover, 75% women reported that unjust social attitudes against them have reduced due to community involvement in project activities. In addition to the above and interestingly 95% women learners have reported passing on newly acquired learning to their children, which is great from an achievement point of view, because it means that the project is making contributions to enhancing the education of children of working mothers in Bangladesh. Finally, participating factory management too have reported greater acceptance of project activities, and expressed commitments to advance the program in future.

WHEEL’s intervention and project activities encouraged Walmart to jointly design and develop a new initiative, launched in January 2011, named Women’s 360 Initiative. Walmart and CARE have planned 15-hours foundation training for 30,000 women workers- curriculum consisting of communication, workers’ rights, and negotiation and safety issues. 1,500 high-potential women will then be selected to undergo a 100-hour advanced training during working hours on functional skills, life-skills, literacy, negotiation, communication, health and leadership. CARE will also train HR of 15 of the most influential factories in the industry so that they can continue training and staffs development.

WHEEL has made a considerable change in the lives of its beneficiaries. When Sharifa, got to know about a free night school for female garment workers in the WHEEL project, she recognized an opportunity and joined the school. She effusively said: “Within a couple of months of joining I could understand the numbers and Bengali alphabets. I could travel alone because I understood the bus numbers. My supervisor respects me now because I can read. I can also calculate my own overtime. No one can give me a penny less for my hard work. I also got promoted from helper to operator few months ago! My monthly income has increased from 2,000BDT to 3,600BDT. I want to become a supervisor and line chief in the future, but for that I have to be more educated and experienced.”

Over the last decade, CARE, in partnership with buyers, garment factories and communities, has gained significant experience working with marginalized female workers like Sharifa to improve skills, productivity and living standards. If factories continue to invest in the development of their workers, it will lead to a more productive workforce that will benefit employers and employees, and assist the industry reach its growth potential. However, in the future, sound evidence is required to facilitate greater factory involvement and investments. The overarching challenge is to integrate programs and stakeholders at multiple levels, which will serve to “empower” women in addition to developing their skills.
PRIVATE SECTOR ENGAGEMENT HIGHLIGHTS

22nd BATEXPO 2011: December 10, 2011
Bangladesh Garments Manufacturers and Exporters Association (BGMMEA) organized a seminar on "Skills Development and Employment in Bangladesh Ready Made Garments (RMG) Sector" as part of the 22nd Bangladesh Apparel and Textile Exposition (BATEXPO). CARE’s active involvement in the garments sector through workforce engagement programs, led to an invitation to present a keynote speech at the seminar. BATEXPO is the largest exhibition of RMG products in the country and a unique opportunity for stakeholders to assemble. The significance of the expo is paramount—last year’s event marked participation from 3032 local and foreign buyers and attracted spot orders of approx. US$65 million.

Amongst esteemed guests in the event, Ms. H.E. AnneL Lindahl Kenny, Ambassador, Embassy of Sweden; Mr. Nick Southern, Country Director, CARE Bangladesh; Mr. Md. Shafiqul Islam Mohiuddin, President, BGMMEA; Mr. Pascal Brun, Production Office Manager, Hennes & Mauritz (H&M) were invited as special guests. Ms. Jamie Terzi, Assistant Country Director, CARE Bangladesh was the key note speaker of the event.

Ms. Terzi highlighted the importance of RMG sector in Bangladesh’s economy and the need to develop skilled, productive workforce by training and improving technical skills, education and leadership skills. She mentioned CARE Bangladesh’s experience in working with the garment workers since 2005, stressing the need to engage at multiple levels through wider stakeholder integration. She also highlighted the introduction of programming that will eventually seek to empower workers in the sector-as opposed to simply improving their skills base. Mr. Nick Southern, Country Director, CARE Bangladesh said that development is also a concern of the private sector, civil society organizations and the government, and that CARE is willing to work together with these organizations to develop the RMG sector of Bangladesh. Honorable Commerce Minister, Mr. GM Quader concluded by urging RMG factories to focus on developing skilled manpower and apparel makers to set up their own training centers for development of the industry.

CARE and GSK’s new partnership in improving health infrastructure
GlaxoSmithKline (GSK), through its Action for Access program, aims to re-invest 20% of profits made in Bangladesh back into health infrastructure-development projects through partnerships. At a launching ceremony on July 28, 2011, GSK and CARE have committed to improving health outcomes of women and children in underserved, poor communities. The partnership will increase capacity of Community Health Workers (CHWs) to provide maternal, neonatal, nutrition, hygiene and child health services at the community level in 50 Unions under 10 Upazillas of Kishoreganj district, covering a population of 2,166,660, of them 433,333 are women of reproductive age. CARE will mobilize local health systems and facilitate strong linkages among Union and Upazila level local government bodies and health workers, and at the national level with Ministry of Health and Family Welfare, donors and development partners. The GSK-CARE partnership also aims to provide information facilities through five health education centers and information boats located in Kishoreganj.

Closing of Responsible Business Promotion in Bangladesh (RBPB) Project
In May 2011, CARE Bangladesh, in collaboration with DFID and CARE UK, hosted a CEO Summit with top Bangladeshi and foreign business leaders in the country. The event’s objective was to promote new NGO-Business relationship development models and inclusive business. The seminar was marked by enthusiastic participation and interactive dialog. It was clear that the country’s business leaders have a strong need to partner with NGOs to create markets and shared value, while NGOs can leverage the resources and expertise of companies to help them serve underserved markets and needs of the poor.

Prior to the seminar, in January 2011, CARE conducted interviews with 22 Bangladeshi and international business leaders in six key industries in order to understand how businesses view and undertake CSR practices. Most interviewees had an interest in the field of CSR, but maximum companies did not think of it as part of
PRIVATE SECTOR ENGAGEMENT HIGHLIGHTS

their core business strategy, which underscored the fact that there is significant misconception regarding the concept. Research findings were utilized to develop training material for both corporate and NGO managers.

Finally, in April 2011, CARE, with technical assistance from International Business Leaders’ Forum (IBLF) and Business Innovation Facility (BIF) conducted three training sessions. The training stimulated intriguing dialogs between participants. CARE for example, is now in talks with ROBI, a leading telecom service provider that is looking to expand markets and provide sustainable development solutions through mobile phone technology.

JITA: A CARE Social Enterprise

In 2004, CARE Bangladesh started the Rural Sales Program (RSP) as a pilot to generate income and employment opportunities for the rural poor. Today, it trains over 2000 marginalized women as rural sales agents, who sell private sector products door-to-door and earn income from sales commissions. These women are called “Aparajitas”, which in Bangla means “women who cannot be defeated.” The RSP model creates a monthly market of 2500-3000 BDT, since the Aparajitas sell the goods in areas where women do not go to general stores due to social barriers. The Aparajitas provide these women access to products such as soap, sanitary napkins, contraceptives, agr inputs etc.

Due to the project’s viable business model, from December 2011, RSP has been transformed into a new social business entity, JITA. JITA is a CARE Social Enterprise aiming to create employment and income for 12,000 marginalized women. It is serving as an alternative marketing and distribution channel for the private sector partner companies while reaching the majority poor at the rural markets. Groupe Danone supported this transformation through an investment of approximately $1 million. CARE Inc. now based in Atlanta is the parent company for JITA, and has a long term plan of replicating this innovative business model across the rest of the CARE World to serve the needs of BoP clients.

Women’s 360 Initiative Launching

After the success of the Women’s Health and Education through Effective Learning (WHEEL) program that commenced in 2009, Walmart and CARE have now committed to a 2-year, multifaceted factory-based women’s empowerment program in 13 of the largest factories in Bangladesh. This is part of Walmart’s decision to work on women empowerment across 150 factories in India, Bangladesh, Central America and China, which are involved with Walmart and have high percentages of women. In Bangladesh the plan is to have fundamental life skills training for 30,000 women and further advanced training for selected 1,500 women. The idea is to develop local Human Resources to allow factories to conceptualize and continue such initiatives in the future.

CARE has been entrusted with the responsibility of developing learning curriculums on the training for all participating countries. These will be made available for download on the Walmart website. The program in Bangladesh was launched in January 2011, and will likely enable CARE to scale up current projects, as well as incorporate new approaches to improve the social and human conditions of female factory workers, through effective engagement with factories.
PRIVATE SECTOR ENGAGEMENT HIGHLIGHTS

Rushanara Ali MP’s visit
Rushanara Ali is a British Bangladeshi Labor Member of Parliament. In October 2010 Ms Ali MP was appointed to the Labor front bench as Shadow Minister for International Development. Her responsibilities include being the Labor spokesperson on international development matters for Asia, the Middle East and North Africa, International Finance and Trade Wealth Creation and the Private Sector, Conflict and Stabilization. In August 2011, Ms Ali MP visited Bangladesh during her travels with CARE International UK and was interested in what work CARE Bangladesh is doing for workforce engagement. She went to the slums of Dhaka city where the Walmart funded WHEEL project has established learning centers where women who work in the garments industry can attend free evening classes. Following the visit Ms Ali expressed deep satisfaction with CARE Bangladesh’s on-going efforts to improve the lives of marginalized women workers in the RMG sector and the accounts of her visit and a short video can be accessed in the following link: http://www.businessfightpoverty.org/profiles/blogs/do-you-know-where-your-clothes-come-from.

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