Talk show summary: Multinational Enterprises and Youth Employment
(July 2013, Bangkok)

July 2013, Talk Show #21

To become a member of the Asia-Pacific Youth Employment Network, visit this link and click on ‘register’ www.apyouthnet.ilo.org

Guests:
Ms Anna Gedda, H&M Manager for Social Sustainability

Host:
Mr Matthieu Cognac, ILO Youth Employment Specialist

Camera, sound, editing:
Mr Julian Hadden

You can watch the video of the show at: http://www.apyouthnet.ilo.org/podcast

Question 1. In April 2013, the Rana Plaza complex of factories in Dhaka, Bangladesh, partially collapsed. This industrial disaster killed over 1,000 people, many of whom were young women. What were your thoughts when you first learnt of this tragedy?

Ms Gedda said that she and her team were devastated. They have been to Bangladesh many times and it is a country which they are familiar with. The event was a complete shock to them.

Question 2. The ready-made garment (RMG) industry in Bangladesh is worth USD 19 billion and it employees approximately 4 million people. It is expected to triple in size by 2020. What is H&M’s approach to sourcing products from a country like Bangladesh?

Firstly, H&M aims to have a strong local presence; for example the company has 400 employees who work in Bangladesh. Secondly, it looks to form strong collaborative relationships to make sure that compliance can be improved together. Thirdly, it has a strong sustainability programme which helps ensure human rights are respected and sustainability is not impacted. For example, one project they are currently developing in Bangladesh is called the Social Dialogue Project. They are currently piloting this with 5 suppliers to ensure that workers’ representatives are democratically elected. At the industrial and government level, H&M is one of Bangladesh’s largest buyers and so it aims to ensure it uses its influence to promote the correct and best developments. Last year, for example, H&M’s CEO met the Prime Minister of Bangladesh to push for regular wage revisions, which does not currently happen in the country.

Question 3. H&M has been praised for taking the lead in its approach to corporate sustainability, for example in signing the Accord on Fire and Safety in Bangladesh. What inspires H&M to operate in this way?

H&M is a value driven company according to Ms Gedda, and this applies to its sustainability programmes. In addition to that, H&M recognises that sustainability adds value, it is good for business. Looking at Bangladesh, there is a positive influence which sustainability can have and so there is a strong business case for such approaches.
4. Are H&M, INDITEX, GAP and other retailers looking at the decency of work of the factories which they purchase from?

H&M already has a lot of collaboration with other brands and producers. H&M is a member of Better Work, which is a partnership between the ILO and the IFC (International Finance Corporation) and aims to improve compliance and engagement. There is also a global water strategy with WWF and others. For H&M and other retailers, such broad collaborations are already in place and that can continue.

5. Turning to other stakeholders, what can factories, the government and even young workers contribute to these issues?

H&M looks to take full responsibility where it can, but other actors are needed and it is important that they don’t negatively impact the responsibility of other actors. For example, this applies to the government in terms of licences, and factories must ensure that they help workers to know about their rights.

6. Are there any key messages?

Following the tragic incident at Rana Plaza and elsewhere, Ms Gedda states that there has been much discussion on whether it is best to operate in countries such as Bangladesh or not. H&M takes the view that it can have a positive impact on environmental, social and governance issues, and so it is important that it remains in these markets and fulfills its responsibility.