

The Fabric of Accountability in Bangladesh's Garment Industry

Yakub, a machine operator at a garment factory in Bangladesh, recalls the first time he became involved in the workers' rights movement:

The movement began for many reasons, but the failure to pay arrears was the main one. Some of the older workers had not been paid their salaries for several months. Basically, they were the front-runners in this movement. They discussed all these issues with us secretly, though as newcomers we didn't understand much of it. ... The word spread among the workers that no one would work tomorrow. ... The next day, although all were waiting outside the gate, none were allowed to take their posts. The clamour began when all the workers tried to enter together, to break through the factory gate. The owner informed the police, and the police started beating the workers; many were injured. All the workers came down to the street, even those who didn't know what was going on. Basically, at that time, all the workers became united.

The process of globalisation has brought workers in poorer countries such as Bangladesh into direct competition with workers in wealthier, industrialised countries, exposing the stark inequalities in working conditions that exist between the two. Trade unions, the media and human rights activists have since made consumers increasingly aware of the conditions under which some of their goods are made. The international garment industry has come under particular scrutiny, with the conditions at Bangladeshi export garment factories featuring regularly in the campaigns of international advocacy groups.

The attention has led to the introduction of codes of conduct in the export garment sector, obliging companies to provide minimum labour standards for their workers in order to export goods on the international market. Research explored whether this compliance to codes of conduct or willingness to abide by a certain set of regulations, actually led to greater accountability in the garment industry.

This case study of the Bangladesh garment export sector shows that a context where companies adhere to codes of conduct is not the same as a culture of accountability where citizens mobilise to hold their employers and other companies to account. However, in the informal garment industry, where there are no formal codes of conduct, accountability mechanisms are being strengthened by an increase in trade union activity and collective bargaining and localised protest by workers.

Consumer awareness

The garment industry in Bangladesh is a combination of the export and domestic sectors. The export sector employs 1.8 million workers, of whom 1.5 million are women. The expansion of the export sector coincided with a period of radical economic reform in the late 1970s. Various incentive schemes channelled domestic investment into the export sector so that around 95 per cent of garment factories in the country are owned by local private capital.

Consumer awareness campaigns have highlighted the long hours, absence of contracts, delays in payment and violations of health and safety standards that Bangladeshi export garment workers face. A journalist at the Citizenship DRC Inception Workshop on Inclusive Citizenship in Bangladesh 2001 said, "The women workers in the Bangladesh garment industry have had more public attention to their rights than any group of workers in the entire history of the country."

Faced with the threat of bad publicity and boycotts of their goods, international buyers such as Nike and Gap adopted codes of conduct on working conditions (these international standards are different from the national labour laws drawn up by the state, which set out the rights of all Bangladeshi citizens). Failure to comply with international basic labour standards now carries penalties for the garment manufacturers that supply these buyers, most notably the potential loss

Authors:

Simeen Mahmud
Lead Researcher
BRAC Development
Institute
c/o BRAC University
Aarong House –
19th Floor
66, Mohakhali
Dhaka-1212
Bangladesh
citizenship@
bracuniversity.ac.bd

References:

'Rags, Riches and Women Workers: Export-oriented Garment Manufacturing in Bangladesh' by Naila Kabeer and Simeen Mahmud, in Marilyn Carr (ed.), *Chains of Fortune: Linking Women Producers and Workers with Global Markets*, London: Commonwealth Secretariat, 2004.

'Compliance Versus Accountability: Struggles for Dignity and Daily Bread in the Bangladesh Garment Industry' by Simeen Mahmud and Naila Kabeer, in *Rights, Resources and the Politics of Accountability*, edited by Peter Newell and Joanna Wheeler, London: Zed Books, 2006.

Editor:

Nicholas Benequista

of business. But has the proliferation of codes of conduct contributed to a culture of accountability?

Codes of conduct

The research showed that when companies that dealt with foreign buyers adhered to codes of conduct, conditions improved for the workers in the factories. In some large factories, health and safety standards improved and other benefits were introduced such as timely payment of salaries, proper overtime rates and maternity leave. Such changes were few, however, as many employers still managed to evade all but the most visible aspects of the codes of conduct.

The research showed that in the absence of a popular movement, codes of conduct do not necessarily lead to genuine accountability.

- Employers have formalised their relationships with each other and with the government, but relationships with workers remain exploitative and rooted in the informal economy. Few see their workers as citizens with rights and obligations.
- Although there is evidence of greater compliance with codes, it is due to the companies' vulnerability in the international buyer-driven value chain, rather than a genuine value of accountability. International brand-name companies are more concerned about their reputation than the needs of workers.
- Fewer than five per cent of export garment workers reported a trade union presence in their workplace, and only around 20 per cent had heard of the country's labour laws.

Seeds of accountability in the domestic sector

While the export sector is huge, most garment workers, many of them poor women, work informally and outside the export sector, beyond the reach of international buyers and codes of conduct. In economic terms, these domestic sector workers have little strategic importance because they do not bring foreign exchange into the country. The international codes are irrelevant to them, yet civil society leaders and some government officials have stood up to support them. It is still too early to declare significant improvements in accountability have occurred, but it is here that the seeds of a genuine culture of democratic accountability can be found – in the presence of popular movements.

Although workers are still largely unaware of their rights, they are less willing to tolerate injustice in the workplace. There are more visible signs of resistance such as resignations, shop floor protests, walk-outs and street protests over the minimum wage. Women interviewed as part of the research process appeared to be learning the principles of collective bargaining. Many of the actions were focused on getting paid regularly and for overtime, rather than on workplace conditions.

A number of developments triggered by the rise of the export garment industry could have positive future implications for them. These include:

- the new national labour code set out in law but yet to be adopted and implemented;
- proposals to transform the trade unions and improve relationships between political parties and trade unions, allowing better representation and ensuring employers are held accountable; and
- the emergence of a 'new' form of trade unionism within and beyond the garment sector that is more responsive to the needs of its members and to women members in particular.