

## **Compliance Versus Accountability: Struggles for Dignity and Daily Bread in the Bangladesh Garment Industry**

*by*

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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. (Journalist, Development Research Centre (DRC) Inception Workshop on Inclusive Citizenship, Bangladesh, 2001)

I believe that the “culture of compliance” is far ahead in the garment manufacturing sector and changes in the RMG [ready-made garments] sector are dramatic compared to other sectors. (Director, Labor Department, Bangladesh, 2004)

### **I. INTRODUCTION**

The process of globalization has brought workers in the poorer countries of the global South into direct competition with workers in the wealthier countries of the global North, exposing the stark inequalities in the conditions under which they work to the full glare of international publicity. Trade unions, the media, human rights activists and others in prosperous Northern countries have made consumers aware as they never were before about the conditions under which some of their regularly purchased consumer items are made. The international garment industry is one that has consistently attracted the attention of these groups

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and given rise to various campaigns, including Students against Sweatshops, the Clean Clothes Campaign and OXFAM's Make Trade Fair (Luce 2006).

The working conditions of Bangladeshi export garment workers, predominantly women, have featured regularly in these campaigns: the absence of written contracts, long working hours, delayed payment of wages and routine violations of health and safety standards. Since working conditions in the garment industry are no worse, and generally are considered to be better, than those prevailing in the rest of the economy, the intense concern with garment workers' rights, referred to in the first quote above, reflects both the publicity generated by international campaigns and the unusual visibility of its largely female workforce in a society in which women have historically been regarded as a vulnerable group, in need of protection and hence confined to the shelter of the home. Currently the export garment industry employs 1.8 million workers, of whom 1.5 million are women. The mass entry of women workers into a sector hitherto dominated by men dramatically changed the character of the urban manufacturing labor force in the span of a few years<sup>1</sup> and explains some of the attention they receive domestically.

The second quote comes from the Director of the Labor Department, the government department responsible for ensuring that workers' rights are upheld. It testifies to one of the consequences of the intense public scrutiny on the working conditions prevailing within the export garment industry. This is the proliferation of codes of conduct imposed by the various international buyers operating in the export garment sector and anxious to avoid adverse attention from their consumers at home. The Director pointed out that the attempt at self-regulation on the part of garment manufacturers reflected the fact that non-compliance with basic labor standards in this sector carried real penalties in the form of lost orders from their international buyers.

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<sup>1</sup> The percentage of working women in manufacturing rose from around 4 percent in 1974 to 55 percent in 1984-85, while urban female labor force participation rates rose from around 12 percent in 1983-84 to 26 percent in 1999-2000 (Kabbeer and Mahmud 2004a).

It is worth noting that these observations were couched in the language of “compliance” and that the compliance in question was to a voluntary code of conduct drawn up by the affected section of the private sector. He was not referring to compliance with national labor laws drawn up by the state to set out the rights of all citizens of Bangladesh, including its garment workers. There is clearly a gap between compliance of the kind the Labor Director is referring to and the kind of accountability that is essential for making rights real.

There are two key elements to the concept of accountability: *answerability*, the right to make claims and demand responses; and *enforceability*, the mechanisms for ensuring that answers are backed by actions and for sanctioning non-responsiveness (Newell 2006). Accountability thus gives “teeth” to the concept of rights and hence is indispensable to the status and practice of citizenship. A “culture of compliance”, on the other hand, refers to the willingness to abide by a given set of regulations (whether laws or codes). It is not the same as a culture of accountability, but it needs not be incompatible with it, and may even contain the seeds from which such a culture can emerge. Whether it has done so or not in Bangladesh is a matter for empirical investigation, one that will be addressed in this paper. We will be basing our analysis on in-depth interviews with 20 garment workers, with relevant officials of the Department of Labor, employer representatives and factory managers, with trade union officials and NGO workers. The paper also draws on previous research carried out by the authors as well as media reports and the secondary literature. In the next section, we sketch out the context in which our analysis is located.

## **II. THE CONTEXT: POVERTY AND PATRIARCHY IN A LABOR-SURPLUS ECONOMY**

There are a number of features of the Bangladesh context which represent “the initial conditions” from which cultures of compliance and accountability have had to grow. Bangladesh was, and remains, a poor, largely agrarian economy, with 45 percent of its population below the poverty line; it is one of 49 “least developed countries” in the world, according to the United Nations (2002). Although industrialization dates back over a hundred years, it has

been very narrowly based, confined largely to the processing and manufacture of jute, until recently its main export. The spread of market relations and infrastructural development has led to increased rates of economic growth and a small but steady decline in poverty over the 1990s. However, growth in agriculture has not been sufficient to absorb this annual increment and there has been increasing diversification into off-farm activities in rural areas, partly assisted by the spread of microfinance activities, and migration into urban areas.

Bangladesh was, and remains, a society that continues to be largely governed by patron–client relations. The intersection of patron-clientelism and a modern state apparatus with monopolistic control over rules and resources created a particular type of patrimonial ruling élite in Bangladesh (Khan 2001), whose search for political power and personal profit is pursued through the granting of special privileges to politically influential actors – including industrialists and trade unions – in return for their support at national and local levels.

Finally, Bangladesh was and remains an extremely patriarchal society, with strict cultural constraints on women’s participation in the public sphere and their confinement to reproductive work and the domestic domain. Socialized into this role from an early age, denied independent access to economic resources and defined as life-long dependents of male breadwinners and guardians, women occupy a subordinate position within the family as well as the wider society. Women have consequently constituted a significant proportion of the country’s pool of “surplus” labor, particularly in more close-knit communities in rural areas, where gender-specific constraints on their ability to take up paid work are more severe.

The expansion of export-oriented garment manufacturing in Bangladesh coincided with a period of radical economic reform. Under the aegis of the World Bank/IMF, the Bangladesh government had undertaken a series of measures since the late 1970s to move away from a strategy of protection for import-substituting domestic industry towards a more liberalized, open and export-oriented economy. Various incentive schemes channelled domestic investment into the export sector so that around 95 percent of garment factories in the country are owned by local

private capital (Kabeer and Mahmud 2004a). However, foreign direct investment was also encouraged through the establishment of export processing zones (EPZs) outside Dhaka and Chittagong, where the country's few joint ventures are located.

The dramatic expansion of the export-oriented RMG sector has also seen a substantial expansion of its workforce from a few thousand workers in the early 1980s to around 1.8 million workers in recent years, of whom 80 per cent are women (Kabeer and Mahmud 2004a). There has been a gradual growth in the share of knitwear to woven garment manufacturing and here there is a somewhat higher percentage of men. Although the export garment sector is, strictly speaking, in the formal economy and hence subject to national labor legislation, it is characterized by informal economy characteristics: easy entry and exit, an absence of written contracts, irregularity of payments, violations of health and safety regulations, long hours of overtime, low levels of unionization and high rates of turnover in the workforce. The main exceptions to this are to be found in the country's EPZs, where more formal conditions exist, but these account for a very small proportion of total garment employment.

These working conditions, which are not unique to Bangladesh but prevail to a lesser or greater degree in export garment factories across the world, have led to various campaigns by coalitions of trade unions, students, NGOs and consumers including the living wage campaign described in Luce (2006). Faced by the threat of boycotts of their goods, the major buyers in the global market for clothing have adopted codes of conduct to regulate the conditions under which those goods are produced.

The question we are addressing in this paper is the extent to which the proliferation of these codes in the Bangladesh garment industry has brought about a "culture of accountability." Their adoption is only the beginning of a process of translation, and a variety of different actors have a role to play in ensuring that the translation does indeed occur. Along with the buyers who draw up the codes and the employers who are responsible for their implementation, there is the state, which has overall responsibility for upholding the rights of workers; the trade unions, who are considered to be the organized voice of workers; and, of course, the

workers themselves, who have most to gain from the growth of a culture of accountability. We will consider the views and roles of each group in turn.

### **III. MONOPOLY POWER AND CONSUMER CLOUT IN BUYER-DRIVEN GLOBAL VALUE CHAINS**

Competition in the clothing market revolves around prices and brand names. The major clothing retailers are constantly driven by the need to respond to fashion-led fluctuations in the demand for clothing at increasingly competitive prices. The fact that it is a highly labor-intensive industry means that this price competition has revolved to a significant extent around the cost of labor. The production process lends itself to subdivision into an increasing number of routine tasks, each of which can be carried out by increasingly unskilled, and hence increasingly low cost, labor.

The increasing divisibility of the production process allows different stages of garment manufacturing – from design to delivery – to be located across the globe on the basis of comparative advantage, giving rise to an internationally networked production system in which the same item of clothing may be designed in one location, cut in another, assembled in another and delivered for final sale in yet another. The producers of garments, particularly those involved in its labor-intensive assembly stages, are mainly based in the low-wage countries of the South, so that these countries enter the production chain as providers of low cost labor, competing with each other for orders from buyers of clothing in the international market for garments.

The restructuring and concentration of the clothing retailers over time mean that today buyers are operating in a buyer-driven commodity chain in which large numbers of producers compete for orders from a relatively small number of transnational volume retailers. They are consequently in a position to use their monopolistic power to threaten to withdraw orders from a factory or a country and to dictate conditions to producers. At the same time, their drive to reduce costs continuously has led them in search of ever-cheaper labor working in ever-more exploitative conditions.

However, this footloose strategy and its consequences have attracted the attention of trade unions, consumers and labor

activists across the world. As a result of the threat of adverse publicity and consumer boycotts exercised by their campaigns, most of the major garment retailers now espouse the principle of “corporate social responsibility.” They have drawn up their own codes of conduct regarding the conditions on which they are prepared to place orders, and have set up departments and full-time staff to promote the socially responsible face of their business.

#### **IV. THE STATE AND PUBLIC POLICY IN AN ERA OF DEREGULATION**

While the interest of the buyers is focused on profits and working conditions in the export sector of Bangladesh, the state is, in principle, responsible for promoting the economic growth of the country and the welfare of its citizens. The pursuit of growth and foreign exchange explains why the state played an extremely active and innovative role in the promotion of the export garment industry from its inception. The fact that many of those in government own garment factories may have also contributed to their active engagement.

The New Industrial Policy of 1982 introduced various incentives to encourage local entrepreneurs, including tax concessions and special duty-free import facilities. However, as far as the interests of its workers are concerned, the state has displayed an attitude of apathy bordering on indifference. The Bangladesh constitution, adopted in 1971 after independence from Pakistan, spelt out the fundamental rights of its citizens and asserted the state’s responsibility for emancipating “the toiling masses” from their exploitation. In reality, however, less than 3 percent of the workforce is protected by the existing legislative framework (Mondol 2002: 121). Instead, labor legislation in Bangladesh both reflects and reproduces a dualistic economic structure in which a small formal sector coexists alongside a large and growing informal economy.

A great deal of existing labor legislation is inherited from the period of colonial rule in the subcontinent, when it was formulated for the benefit of workers in the urban industrial sector who had the potential to make trouble for their rulers. In the Bangladesh context, this was largely confined to a small number of textile and

jute-related manufacturing units. At present there are 51 labor laws in existence: while only 13 of these were actually passed in the colonial period, most of the others draw on rules and regulations which originated in that period (Mahmud and Ahmed 2005). Today they mainly benefit the urban, male workforce employed by the public sector and a tiny formal private sector found in financial services and larger-scale manufacturing. The vast majority of the workforce – which is employed in agriculture, services and cottage industry, the informal or so called ‘unorganized’ sectors<sup>2</sup> – has little or no legal protection.

Labor legislation in Bangladesh not only excludes the majority of workers in Bangladesh, but also fails to protect those it formally includes. There is an elaborate and hierarchical infrastructure for ensuring compliance with national regulations within the labor ministry, also inherited from the British period, which exists only on paper.

Because the number of inspectors is far lower than is required, there is an implicit institutional bias in the inspections carried out in favor of more dramatic accidents and “dangerous occurrences” at the expense of the routine violations of labor rights that the more vulnerable sections of the workforce are likely to face. And a blind eye is often turned to those violations that do come to the attention of inspectors if factory owners obtain necessary clearances through the payment of bribes to poorly paid and generally overworked inspectors. Finally, officials interviewed for the research suggested that penalties for non-compliance with the existing laws were not severe enough to act as a deterrent. The flaws in the procedures for enforcing labor legislation are evident from the fact that over 10,000 court cases are pending and collection of fines in the last 10 years has been miniscule (personal communication with Director of Labor Department, Bangladesh, 2004).

The government took a decision in the early 1990s to reform its labor laws in order to bring them up to date to deal with the challenges of the contemporary economy. A high-powered commission was set up in 1992 with a view to dropping or

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<sup>2</sup> In 2000 three-quarters of the workforce was employed in the informal sector (calculated from the 1999-2000 Labor Force Survey, 2002).



modernizing old laws, introducing new ones and developing a unified labor legislation that would cover workers in both formal and informal sectors. A draft code was drawn up in 1994, but with changes in governments, has yet to be finalized and adopted. There has been a long process of consultation around these changes and unprecedented participation by different sections of civil society, including the trade unions. The next challenge, of course, is to get the law finalized and, even more challengingly, implemented. The country's track record on implementation does not inspire optimism: in the words of a senior official from the Department of Labor, "We will need a law to implement the new law." However, one of the new trade union federation leaders was hopeful:

If the new Labor Code were passed, it will improve the situation a great deal. The New Labor Code has had much more airing than any other. There was a tripartite consultative committee, and workers had more input. If this code is passed, we can make more reasonable demands – demands that we can stand by.

#### **V. EMPLOYERS' STRATEGIES AND THE INFORMALIZATION OF THE LABOR CONTRACT**

The initial emergence of the export garment industry in Bangladesh was almost accidental, a product of the search by East Asian firms using "quota-hopping" strategies to bypass the Multi-Fibre Arrangement (MFA) regulations in the late 1970s. The subsequent adoption of a more liberal trade regime brought into existence a number of domestic entrepreneurs, many with no previous experience of running industry but who were able to take advantage of the opportunities available in a largely informal economy with a large pool of low cost and already "flexible" female labor. Despite its *ad hoc* beginnings, however, it became clear early on to the garment employers that they needed to organize themselves to deal with the challenges of operating in the global economy.

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) was established in 1987. While it began by lobbying with government for the interests of the industry, inevitably it has been drawn into international controversies about labor standards and played an increasingly proactive role in this issue, undertaking various social programs in collaboration with the International

Labor Organisation (ILO), the United Nations Children's Fund (UNICEF) and various national and international NGOs. In 1998, it set up procedures for arbitration between workers and management in collaboration with the leading trade union federations in the garment sector in order to avoid time-consuming processes of resolving these through the labor courts. As many as 10 federations of garment workers, representing several thousand union and even more "non-union" members, are institutional partners in these procedures. Disputes frequently go in favour of workers, primarily because employers have been accustomed to violating workers' rights with impunity and, therefore, do not take precautions to disguise their actions. Evidence that they now search for pretexts to sack "troublesome workers", or seek to make their lives so difficult that they leave of their own accord, suggests that the threat of immediate arbitration is having some effect.

With the proliferation of codes of conduct among the international buyers, the BGMEA has also taken on the task of developing a uniform code of conduct as the basis of future contracts in the industry. The BGMEA has thus become a key actor in developing institutional mechanisms for establishing responsibility for labor standards. This role did not emerge out of sudden conversion to the principles of corporate social responsibility, but out of the recognition that, in a ruthlessly competitive market, demonstration of compliance was becoming a source of competitive advantage. Employers have thus gone through a process of education about the nature of global competition in their sector. As the Managing Director of V Apparels commented: "In the beginning it was beyond the imagination of factory owners to provide such facilities for the workers. But now owners believe that without compliance it is not possible to stay in this highly competitive business. So there is no alternative."

However, while employers have formalized their relationships with each other and with the government, their relationships with their workers, and their attitudes towards them, remain rooted in the mindset of the informal economy. Interviews with 13 employers carried out in the late 1980s concluded that they could be positioned on a continuum extending between those who viewed their workers as commodities to be exploited as ruthlessly as

possible and those who viewed them in clientelist terms, to be treated with benevolent paternalism (Kabbeer 2000). None saw their workers as citizens with rights and obligations.

Little has changed today. There is a new breed of employers who have been shamed by the negative image that the industry has acquired in the international arena or influenced by the rising tide of women's activism in the country, and made considerable efforts on their own initiative to improve working conditions in their factories. However, they remain a minority. Of the rest, there is at best paternalism and, at worst, ruthless commodification. Some employers present themselves as responsible for the welfare of the young girls from the countryside who have left their parents and their homes to work in the city: "they are like my daughters". Others regard their workers as little more than bonded labor, hired to provide maximum labor at minimum cost. Some expect gratitude and loyalty in return for the privilege of a job, others use threats and coercion to impose discipline.

Such attitudes serve to reproduce and justify the informalized labor practices of employers. Some employers thought workers behaved like workers in the informal economy, coming and going as they pleased, and neither expected nor deserved to be treated like workers in the formal sector. This construction of garment workers as lacking "professionalism" and hence undeserving of formal treatment is evident in the description provided by one managing director interviewed: "Actually they don't like to work under any rules. They work for some days, if they need to go home they leave without any notice and come back to join another factory."

From the perspective of most employers, the imposition of codes of conduct by buyers is seen as simply another set of conditions (along with meeting their deadlines and observing quality control) that have to be met in order to stay in business. Consequently, working conditions have improved over time in their factories, most visibly in the EPZs, but also in factories which deal directly with buyers rather than on the basis of subcontracted orders. Improvements relate mainly to paid leave, maternity leave, overtime pay and medical care. However, there were two telling indicators of the limits of what company codes achieve: less than 5 percent of the garment workers reported a presence of a trade union in their

workplace (none of the workers outside the export industry did so) and only around 20 percent had heard of the country's labor laws (Kabbeer and Mahmud 2004b). Codes thus appear to have more impact on workers' welfare than their rights.

It could be argued that since Bangladesh generally lacks a culture of rights, these employers are simply reproducing the attitudes of their society. However, these employers as a group have also benefited from state largesse a great deal more than their employees or, for that matter, employers in other sectors. An equally persuasive counter-argument might be that they owed a great deal more by way of social responsibility to their workers than the simple generation of jobs. Company codes of conduct could thus be seen as the attempt by international buyers to enforce this social responsibility, given the failure of employers to do so voluntarily and the state to compel them. On the face of it, therefore, codes of conduct may indeed be planting the seeds of a culture of accountability within the corporate sector in Bangladesh.

Unfortunately, there is a great deal of well-founded scepticism on the part of Bangladeshi employers towards these codes, which somewhat undermines this interpretation. Many see them as a public relations exercise on the part of international brand name companies, concerned about their public image, to maintain a facade of social responsibility with their consumers while covertly passing the cost of compliance to their producers. A number of employers complained with bitterness about the double standards of these companies, who combined their demands for increasingly onerous and expensive quality and labor standards with a steady reduction in the prices they offered to their producers. One employer who has been in the industry for many years commented:

We follow factory laws which say that after three months, you have to make your workers permanent, that if we sack a worker, we have to 'show cause', have an enquiry. But our factory laws are not enough for US buyers. They each have their own codes – how many square feet per workers, how much light, how high the fire extinguisher should be. [...] Still I am prepared to comply with all their codes if they increase the price they give me. Smaller factories are closing down because prices are falling.

Another employer pointed to the implications of flexible business practices:

There is no such thing as a permanent contract in this business. None of the buyers will give you a permanent contract and say okay, we have booked orders with your factory for at least the next two years.... They will work from contract to contract and demand shorter and shorter delivery times.

Thus, if garment producers profit from keeping their relationships with their workers as informal as possible, using the threat of dismissal to discipline their workers, international buyers in turn use their monopoly power in the global market for clothing to keep their relationship with their producers as informal as possible, using the constant threat of relocation to create a permanent condition of insecurity among their suppliers across the world.

#### **VI. TRADE UNIONS AND THE POLITICS OF COLLECTIVE ACTION**

Although not all buyers include the right to organize in their codes, international campaigns to promote improved working conditions in the export garment industry have placed particular emphasis on this. Trade unions are seen as the concrete expression of this right. Both law and constitution in Bangladesh recognize the right of workers to freedom of association, to join unions and, with government approval, to form unions.<sup>3</sup> Unions in Bangladesh are enterprise-based and registered with the Ministry of Labor if 30 percent of workers in the enterprise become members. These unions form the basis of larger federations which tend to be organized by sector.

However, trade unions are virtually absent, not only from the garment industry, but from the economy at large. Our recent survey found that only 5 percent of EPZ garment workers, 1 per cent of export garment workers outside the EPZs and none of the non-garment informal-economy women workers reported the presence of a trade union at their place of work (Kabeer and Mahmud 2004b).

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<sup>3</sup> The exceptions are government civil servants and security-related employees who are forbidden to join unions. Until recently, unions were banned in the EPZs. Under pressure from the US government, limited trade unionism will be allowed in the EPZs from 2006.

One important factor has been the hostility of employers. Unions were generally regarded as troublemakers. Some used paternalistic relationships to ensure worker loyalty, the rest resorted to a variety of coercive tactics, having workers beaten up or arrested, lodging criminal cases against them, and so on. There is therefore a high cost associated with exercising the right to organize in Bangladesh.

However, the problem also lies with the trade unions themselves. They tend to be associated in the public mind with confrontational struggles in pursuit of their own interests by a privileged and protected minority of workers. Trade unions have a history of aggressive politics towards employers because prior to Bangladesh's independence in 1971 most employers were non-Bengalis, reinforcing the nationalist case that Bengalis faced discrimination in their own country (Mondol 2002). Nationalization of major banks and industries after Bangladesh's independence meant that most trade unions have been confined to public sector administration, banks and industries where units are larger and easier to organize, but which are also among the better-paid sections of the workforce. Trade union membership thus accounts for less than 3 percent of the total workforce and only one-third of the formal workforce (Mondol 2002:121).

In addition, all the major unions are affiliated to political parties. Consequently, they tend to represent the competing political agendas of their parties rather than the interests of their members. During periods of political unrest, quite frequent in Bangladesh, union federations organize on partisan lines, calling for nation-wide stoppages and strikes –which, of course, lead not only to the well-publicized losses of the country's industrialists, but also to the less well-publicized loss of income of the working poor, including their own members, across the country.

There are currently about 14 federations of garments workers unions working in the country, but some exist in name only and are not registered with the Directorate of Labor (Khan 2001). They do not have a great deal of incentive to be accountable to their membership because their bargaining power with employers comes from their party-political affiliation and is largely independent of their membership base. Some factory owners describe union leaders as “brokers” who “milk” both sides. They allege that, in

times of industrial conflict, federations take money from owners in order to “buy off” prospective troublemakers. At the same time, federation leaders take money from their largely female membership by promising protection from the police or the employers’ musclemen (Khan 2001).

The lack of accountability to their membership on the part of the federation leaders also reflects the social distance between the two. The leadership is almost overwhelmingly male and drawn from activists in political parties or former student leaders who have had very little previous involvement with the garment sector or its workers. They tend to blame the workers themselves for their lack of unionization. Many have a university degree and view the passivity of female garment workers as the product of their rural backgrounds, their illiteracy and their general backwardness: “Since the women are illiterate they do not understand what a labor union is and that we are trying to improve their working conditions. We visit them but they hardly listen to us because they cannot grasp the idea of solidarity and unity” (Dannecker 2002: 222).

Workers in turn do not appear to have much faith in unions. They spoke of past betrayals, of collusions between union leaders and management either because of shared political affiliation, in which case management is given an easy ride, or because they have been bought off. They complained that federation leaders were only visible when some factory conflict or agitation captured the newspaper headlines, but had little to do with the everyday demands and struggles of workers. As one male factory leader observed: “During our agitation, I saw lots of federations. I don’t know why they all came here, however, they don’t come here now. I cannot say why they don’t come”

However, not all attempts to organize workers can be dismissed as politically motivated machinations on the part of union leaders. As the importance of the industry has become established, as the slow but steady rise in female labor force participation across the economy has become evident, and as human rights activism has grown across the country, some of the more progressive parties have begun to devote more attention to the challenge of organizing women workers and addressing their grievances.

The Textile and Garment Workers' Federation, for instance, has been active in the industry since 1990 and has around 6,000 unionized members who pay dues and 40,000 "non-unionized members" in those workplaces where employers do not recognize unions. The latter pay a fee when they join but do not pay dues. Most of their members are in the larger factories, as they find it too difficult to organize the workforce in the small subcontracting factories. The federation is moving towards a more formalized mode of representational politics in place of the adversarial politics which has been the hallmark of employer–union relations so far. As one of its leading representatives put it:

Unions are a right under the ILO, but they are also the law of the land. I recognize why employers won't want a union, but the government sides with the employers. I am much more angry with the government about this than with employers.... We have agreed on procedures for negotiation. When we agree on a demand, we sign, but the employers gradually violate the agreement. The government should enforce this ... I favor social monitoring systems – civil society, unions, workers – to pressure the government to enforce laws.

The Bangladesh Independent Garment Workers Union Federation (BIGUF) was founded with United States Agency for International Development (USAID) funds and supported by the Solidarity Foundation in the US, an affiliate of the American Federation of Labor– Congress of Industrial Organizations (AFL–CIO). It has also been extremely active. It calls itself "independent" because it is not affiliated to any political party, although of course in the view of some of the labor activists, it is seen as dependent on the goodwill of USAID and the AFL–CIO. However, its leadership is made up of active, rather than token, women members who were themselves once garment workers, in contrast to the middle-class origins of most other union leaders. It pursues a variety of strategies to organize garment workers, visiting them in their homes, organizing cultural programs to motivate them, encouraging them to engage in collective bargaining with management and providing legal education as well as legal support in disputes with management.

Karmojibi Nari (Working Women) is the other federation led by a woman. Founded in 1991, it is affiliated to the leftist Workers' Party, and partly financed by more progressive international NGOs



like War on Want. It has also opted for neighborhood-based organization of women workers and the provision of legal education and support but, unlike the BIGUF, it focuses its efforts on all women workers, not just those involved in the export garment sector:

First, we have to organize the women, then we promote the union. We work by forming cells... In Dhaka, we work in 12 areas: *bidi*, shrimp, construction, home-based work, industrial, digging for construction, handicrafts, printing and dyeing. Half our membership is from the informal sector ... Trade unions are very important – *true* trade unions. Those that are working to implement laws, enforce workers' rights. Those that are truly in support of the workers. You can't solve any problem if workers have no union of their own. Even the health and safety laws – you can have the law, but only the workers can enforce it... Ours is a culture of favors... We say, don't go asking for favors: demand your rights!

There are, along with trade unions, a range of other civil society organizations which focus primarily or exclusively on issues related to rights. Prominent among these is Ain O Salish Kendra (ASK), which has been working on legal issues since 1994. Initially it worked with two trade unions to provide training to garment workers on labor law and trade union rights. However, it found that workers tended to turn to them for advice on family-related rather than work-related problems. Workers were not interested in forming trade unions or in taking legal action against their employers. They preferred to change jobs if they had a grievance against an employer. The initiative closed down but the organization continued, in collaboration with a number of NGOs, to provide legal support and education to workers through its six legal clinics in Dhaka. Discussing the culture of accountability within the industry, one ASK representative felt the problem lay partly with the nature of the workforce, who "haven't developed any kind of professionalism yet. Most of them do not think of this job as a career." He believed that women workers took on these jobs temporarily, that many would not continue to work after marriage and that, in any case, the levels of exploitation in the workplace ruled out working for more than a few years. However, he also believed that training succeeded in bringing about some change in the attitudes of workers, giving them greater self-confidence and the

willingness to challenge exploitative practices at work, something that had been almost unheard of in the early stages of the industry.

#### **VII. WOMEN WORKERS AND THE STRUGGLE FOR DIGNITY AND DAILY BREAD**

As we have seen, women workers have been variously constructed by employers as unprofessional and lacking in workplace discipline; by trade union leaders as illiterate, backward and rural, and unable to grasp concepts of unions and solidarity; and by other civil society actors as “temporary” workers, likely to leave once they get married. These negative stereotypes are not devoid of an element of truth. Certainly the vast majority of garment workers are young women, socialized into docility and subservience to authority, mostly illiterate or with very low levels of education. They have migrated from the countryside, where notions of workplace discipline, trade union organization and worker solidarity have little purchase.

What is also relevant, however, is the fact that these women come from poor households, with few options in the labor market and only their family as a safety net to fall back on should they lose their jobs. Such factors would tend to constrain militancy on the part of any worker. But additionally, in an economy in which women historically have been confined to a limited number of economic activities and where there is an apparently unlimited supply of female labor in search of jobs in the garment sector, women with jobs are particularly likely to be cautious about making demands or taking stands that might jeopardize their employment. Thus, while their illiteracy, gender and origins may play an initial role in explaining women’s reluctance to protest their conditions, it is the larger structural constraints on their capacity to act on their own behalf, and the costs they may incur if they were to try to do so, that prevent the majority of women workers from standing up for their rights.

However, like other actors in the economy, women workers have not remained untouched by the forces of change in the larger society. Intense media coverage of their working conditions, increased attempts to mobilize them and the involvement of a wider range of actors than traditional trade unions have all served to raise

their knowledge and awareness of their rights. How has this affected their capacity to take action?

Statistics on trade union membership and knowledge of labor laws may underestimate the actual degree to which workers know about their rights and are willing to take action to claim them. Time, both personal and historical, emerges as a key factor in the evolution of workers' consciousness. Each young woman who arrives fresh from the countryside needs time to adapt to the very different rhythm of work in the urban factories compared to the rural economy, and she also needs time before she understands what her entitlements are. Recent cohorts of workers may be coming into the factory with a different level of consciousness than earlier cohorts, however. People in the countryside are now better connected with what is going on elsewhere in the country than they were in the early years of the industry because of improvements in transport, communications and media, while rising levels of female education mean that recent garment workers are at least more aware of what is going on around them. According to Shefali, a female garment leader,<sup>4</sup> NGOs have also played an important role in disseminating information about workers' rights:

Earlier it used to be much more difficult to make the workers understand different issues. But now they understand the importance of organizations, when a worker loses their job but eventually gets it by filing a case through the labor court they stand to gain much.... Now they understand about the ILO convention and the law, and they ask for information.

Workers may also have become less willing to put up with instances of injustice in the workplace. Many take action as individuals. Resigning from the factory is still the most frequent individual response to injustice, a silent form of protest, and one that women resort to more frequently than men, but there were also instances of workers taking a more collective approach to dealing with problems, such as staging walk-outs or threatening the manager. From our interviews, it was clear that many women are learning the principles of collective bargaining. There were a number of cases when workers got together, sometimes

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<sup>4</sup> We use the term "garment leaders" to refer to those who are active within their own units but may or may not have connections with any of the larger federations.

spontaneously, sometimes in a planned and coordinated way, to undertake factory-wide protests which often spilled out onto the streets. Most of these protests revolved around issues of wages and overtime rather than workplace conditions, because, as workers themselves said, “getting paid their wages on time is the biggest problem of garment workers.” These incidents are often reported in newspapers. In one case, workers agitating over three months’ wage arrears were arrested on charges of assault: 72 of them, all women, were given bail but 13 were taken into custody (*Daily Star*, 12 November 2004). In another case (*Daily Star*, 5 September 2004), women workers took to the street in support of a male worker who had been struck by his manager for demanding workers’ overtime dues. The management later fixed dates for settling the workers’ dues in phases.

Accounts of such spontaneous street-level protests make two points clear. First of all, women workers are active participants in many of these protests. The second point is that, perhaps predictably, the protests are generally led by male workers. One female worker explained male leadership partly in terms of their greater physical strength – which meant they were better able to look after themselves in a confrontation – as well as their greater knowledge of their rights. Another pointed to the importance of women’s earnings for their families and their fear that they would not easily find another job. Clearly, greater activism among women suggests they have been able to overcome some of the fears and inhibitions associated with being women – but not all of them.

Finally, there were examples of more organized forms of collective action by garment workers that provide insights into some of the potentials and limitations of workers’ struggles in the garment sector in Bangladesh. One example of organized collective action came from Alam, who had had long-standing connections with a union federation. He had participated in the campaign when a number of federations got together and put five basic demands to the BGMEA: recognition of the right to organize; maternity leave; an appointment letter; a weekly holiday; and a minimum wage. His view with regard to a strike he had led in 2001 against an employer who did not observe the five demands was that although they did

not win their demands, the day-to-day abusive behavior towards workers decreased:

Certainly our agitation had an impact in reducing the verbal abuse of workers. Due to the agitation, they saw that the workers had become united, if they continued their agitation, it might get spread throughout the country and in that case the buyers would also create a fuss.

There is thus no linear story of progress that emerges out of these accounts, of victories gained leading on to further victories. Some workers felt that conditions had improved after a protest, some felt they had worsened. Employers made promises in order to quell a disturbance, but used every pretext subsequently to victimize or get rid of the leaders. However, changes in consciousness were often permanent and the leadership that developed did not simply fade away when a struggle was lost but went on to other factories to start the job of organization once again.

#### **VIII. COMPLIANCE AND ACCOUNTABILITY IN BANGLADESH**

The question that we set out to answer in this paper is the extent to which the emergence of what a government labor official described as a “culture of compliance” within the export garment sector in Bangladesh has contributed to the growth of a culture of accountability. We have described some of the elements in the process by which this perceived “culture of compliance” came into existence. We noted that efforts of trade unionists, students, consumers and human rights activists to exert pressure on buyers to take greater responsibility for working conditions have resulted in the proliferation of codes that garment manufacturers now have to accept before they can win an order from these buyers. Indeed, the BGMEA, at least (though not necessarily all its members), has realized that compliance with codes holds the key to future survival in the post-MFA competitive environment. As a result, there has been a marked improvement in health and safety standards in the major factories as well as a range of other benefits, such as payment on time, proper overtime rates, maternity leave, and so on.

The setting up of arbitration procedures by the BGMEA has reduced the employers’ prerogative of sacking workers and also

given rise to some degree of cooperation between the BGMEA and unions, in place of the relentless confrontations of earlier encounters. Representatives of both workers and management have come to recognize that submitting to a joint process of conflict resolution is likely to yield longer-term gains for both parties outweighing any short-term defeats. From the point of view of the federations, having a place at the negotiating table has opened up a novel way of recruiting members, by responding to their most pressing everyday concerns (being paid on time, getting proper overtime, increasing their wages) rather than relying on the promise of political patronage. For women workers in particular, the former is a far more appealing incentive to join unions than the latter.

While these various developments are certainly steps in the right direction, do they constitute evidence of a “culture of compliance” within the garment sector? There is certainly evidence of greater compliance in the garment sector than in other industries, as asserted by the Director of the Labor department, but this is primarily because other sectors are not under the same external pressures to comply. It is thus the vulnerability of the export garment producers within a buyer-driven global value chain which has led to “compliance” on their part.

The concept of a *culture* of compliance, by contrast, suggests the internalization of the norms embedded in the codes of conduct, so that they become a routine and accepted part of the way that business is done. We did not find widespread evidence that this is the case in the garment industry. Despite the fact that higher labor standards did prevail within the industry, and that some garment employers have clearly embraced the principles of corporate social responsibility, we found persistent attempts by many, perhaps most, employers to evade their responsibilities. Many sought to comply only with the more visible aspects of the codes while they reneged on the less visible, some of which were of greater importance for their workers. Moreover, the codes are not applied to the smaller factories, which are not members of BGMEA and deal only indirectly with the buyers.

While many workers expressed the belief that buyers were their allies against the owners, since they had introduced the codes of conduct, it was clear from the employers’ accounts that they had a

less benevolent view of buyers for very good reasons. If most Bangladeshi employers have not internalized the concept of corporate social responsibility, neither have most of their buyers. Consequently, employers sought to comply with buyers' codes of conduct in response to the threat of withdrawal of orders, while buyers sought to impose the codes in response to the threat of negative publicity and the accompanying loss of sales. Although they made sure that their suppliers were monitored for code compliance, they generally used the threat of withholding orders rather than any positive incentives to promote compliance. In fact, their demands for compliance have been accompanied by the demands for shorter delivery times and lower unit prices. Not surprisingly, employers in Bangladesh do not generally view codes of conduct as a manifestation of social responsibility on the part of international buyers, but as a cynical marketing strategy which allows the latter to keep their brand image with their consumers "clean" while passing on the costs of maintaining this image to the former.

From this perspective, it is difficult to describe changing practices on the part of employers in the garment industry as evidence of a culture of compliance, although there is certainly evidence of the enforcement of compliance. To what extent, then, has the enforcement of compliance led to a growth in the culture of accountability? A similarly qualified response is required. There is certainly a greater willingness on the part of many workers to make claims and demand responses from employers, while the adoption of the arbitration procedures by the BGMEA has also certainly contributed to the enforceability of some of these claims. However, changes in the visible segments of the garment industry should not be conflated with changes in the entire industry.

The reality is that many of the workers in the export garment sector are to be found in small units in the informal economy, beyond the reach of buyers (and their complicated codes of conduct), the BGMEA and the major trade union federations. Furthermore, the vast majority of workers in the country are not in the export sector at all. For them, the new accountability structures of the garment industry have very little relevance. Of greater relevance to them are the activities of the government and of

organizations prepared to represent their interests. For this larger and generally poorer workforce, there are a number of developments, directly or indirectly triggered by the rise of the export garment industry, that could have positive future implications. First of all, the new labor code is a step in the right direction – but getting the law right is, of course, only a first step in changing the reality.

Second, there are proposals to reform the trade unions themselves. The widespread politicization of trade unions in Bangladesh is a product of the structure of political parties in the country rather than of the nature of trade unionism itself. Not only have the political parties failed to curb the rent-seeking activities of trade union leaders, but they have actively benefited from their partisan activities. It is, therefore, the responsibility of the political leadership in Bangladesh to transform their relations with the trade union movement in such a way that they can perform their function of representing the interests of their membership and ensuring that employers are held accountable. Such reform is difficult but essential if an environment is to be created that will allow a genuine workers' movement to flourish.

Finally, and most hopefully, in spite of the unpromising political situation in Bangladesh, we may be seeing the emergence of a “new” form of trade unionism that is more responsive to the needs and interests of its membership, and to its women members in particular. These new forms of labor organizations are seeking to reach out to women workers who have been bypassed by both development NGOs and by trade unions. Like women workers all over the world, women workers in Bangladesh need organizations that address their needs and interests as women as well as workers. These new organizations provide hope that a genuine labor movement may yet emerge in Bangladesh, one that is more closely aligned to the interests of the workers that make up its membership. They appear to be far more cognisant of this than the older, male-dominated unions, indeed, some are led by articulate and experienced women activists. Furthermore, a number of these organizations have moved beyond the focus on codes and conditions in the export garment sector, which has been the sole preoccupation of global campaigns for labor standards, to



organizing all women workers, both within the export sector and outside it, both within the formal economy and outside it. It is in this willingness to take on the challenge of organizing those who are most vulnerable within the economy, who have little strategic importance internationally because they do not earn the country's foreign exchange or compete with workers in the North, but who nevertheless make up the majority of the working poor in the country that we may find the seeds of a genuine culture of democratic accountability being sown.

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