Our Workers in Bangladesh

written by Vasja Badalič | July 5, 2013

In Bangladesh, the transnational corporations' production system regressed into one of its most brutal manifestations. Most safeguards that could prevent or at least mitigate the exploitation of workers have been eliminated. While capital enjoys complete freedom, the working class, shackled by oppressive labor laws and a ruthless repressive apparatus, is struggling for bare survival.

"I've started working at the Azmat factory five years ago. Now, I work as a seamstress. I sew trousers. I work for export," says 23-year-old Sumi. Which transnational corporations does she work for? "I don't know which brands we're working for. The labels are stitched on in the last phase of production, so we don't see the brands' names. Only the management and the workers stitching the labels know for whom we're working," replies Sumi. Currently, her basic monthly salary is 4500 takas, $55. Last month she received 7000 takas, $86, but in order to get that little sum she had to work two hours of overtime each working day. In Bangladesh, the regular work week for assembly workers is set at 48 hours, eight hours per day, six days per week, so Sumi had to work 260 hours in total to get the $86 — on average she was paid $0.33 per hour. "It's impossible to survive only with the basic salary, so I have no choice but to work overtime. That's why I don't complain if I have to work overtime. Nobody complains," says Sumi. The current basic wage rates in the export-oriented industry were set in 2010, and after that they have not been adjusted to inflation. Since in the past two years the annual inflation rate was around 10 percent, workers are now unable to cover even the most essential living expenses with their basic incomes. So they have to work overtime just to pay for staples and rent. How much is rent? Sumi cannot afford to live on her own in a decent apartment, so she shares with one of her coworkers a small room for which they pay a rent of $25 per month.

Despite her meager earnings, Sumi admits that for lack of better employment opportunities

elsewhere she wants to stay in Dhaka, the capital city of Bangladesh, and continue working at the Azmat factory. She has no plans to return to her village in Barisal district, about 200 miles south of the capital city, because she knows that it would be much harder to find a job there. Many female workers employed in export garment factories share a similar fate. One of them, a young girl named Asma, left her village in Jamalpur district, less then 100 miles north of the capital, about two years ago. As she settled in Dhaka, she found a job at the company KM Fashion where for the first six months she worked as an assistant in production, receiving a monthly wage of only $30. When she moved up the ranks and became a seamstress, she started getting about $50 per month. Like Sumi, Asma can not afford her own accommodation, so she has to share a small room with five coworkers. In total, the monthly rent is $37.

A "Competitive" Labor Force

A slum settlement called Pur Nagar, Beautiful Town, lies on the northern outskirts of Dhaka. As I walk into one of the narrow passages meandering through the settlement, I have to be careful not to step into a sewage ditch dug out right in the middle of the passage. On the edges of the passage, just by the walls of dilapidated one-story houses, there are piles of garbage, and there is even more garbage scattered on the banks of the river running just by the settlement. The electricity poles, standing on the corners of the streets, indicate that power is available, but, as people from the settlement claim, just sporadically. The slum's houses, built with bricks and roofed with corrugated metal sheets, are home to what the corporation executives define as a globally "competitive" labor force. The houses consist of small 40-square-feet rooms which usually accommodate two workers. Since a double bed covers about half the room's surface, there is barely any place left for other workers' possessions. The workers' clothes usually hang on the walls, while kitchenware and other items are stored under the beds. Some workers living in the slum do not have enough money to pay for their children's education at the local school where a fee of about $6 per month is being charged, so activists of a local labor rights organization opened their own "school," in reality just a 100-square-feet room with four desks squeezed inside. The costs for running the school, including wages for the three teachers, are being paid by the labor rights organization.

Mito, a 24-year-old girl from Patuakhali district in southwestern Bangladesh, moved to Beautiful Town in 2007. In that year she started working at A Plus, a company manufacturing garments for Disney and German retailers such as Lidl and Kik. Currently, her monthly salary is about $50. As all Bangladeshi workers, Mito is regarded as "competitive" not only because of her paltry salary but also because she is not entitled to some benefits which are usually the norm in Western countries. In Bangladesh, industrial workers do not receive any retirement benefits. They also do not receive health insurance. The national labor law stipulates only that workers are entitled to 14 days of paid sick leave per year, and that, additionally, in case of injury or death workers or their families are entitled to compensation. But corporations' bosses do not have to worry about working accidents causing major harm to their businesses because workers' lives are valued as extremely cheap. If a worker dies at the working place, her or his family receives only $1250 of condolence payment. If a worker is seriously injured — i.e. injured in such a way that it is impossible for her or him to return to work — she or he receives $1570 of compensation.

What kind of benefits and bonuses are the workers entitled to? First, according to the labor law, companies have to pay various holiday bonuses. For example, for *Eid ul-Fitr,* the Muslim holiday celebrated at the end of the holy month of Ramadan, workers usually receive the equivalent of half of their monthly salary. Second, perhaps the most humiliating bonus is the attendance bonus. If workers are prepared to give up their four or five off-work days per month, and so completely transform themselves into production machines for Western consumers, they get, in addition to the salary, the attendance bonus. Even though this kind of bonus is not determined by the labor law, most of the factories choose to pay it — for example, some factories are currently paying $4 of attendance bonus per month.

What about severance pay? “In case a worker voluntarily resigns anytime during his first five years at the factory, he gets nothing. If a worker resigns after being five to ten years at the factory, he gets, for each year of work, a compensation equivalent to half of his monthly salary. If he resigns after more than ten years at the factory, he gets, for each year of work, the equivalent of his monthly salary,” says Syed Sultan ud-Din Ahmed, the executive director assistant at the Bangladesh Institute for Labor Studies (BILS). “But if a worker is laid off by the company, he has to receive, for each year of work, the equivalent of his monthly salary, no matter how many years he worked at the factory.”

Women as Machines

Adopting the male chauvinistic belief that women are traditionally better suited for carrying out monotonous, repetitive manual work, corporations chose to integrate mostly female workers into their Bangladeshi production units. There are no exact figures, but according to some estimates made by labor groups representatives, about 80 percent of the labor force in export factories is female.

The factory owners see women as more docile and obedient than men, and consequently easier to exploit. In order to establish an effective system of exploitation, the owners of export companies set up a hierarchical structure in which women are given the lowest positions, the most poorly paid jobs, while the upper echelons — management, line supervisors, security personnel — are being dominated by men. Sometimes, in the most extreme cases, male supervisors at the factories resort to humiliating practices and violence. “Sometimes women are victims of verbal abuse. Sometimes they are sexually harassed. There were even some cases of rape,” says Nazma Akter, general secretary of Awaj Foundation, a labor rights organization representing workers in the export garment sector. In cases of sexual harassment, women usually decide not to file charges against the perpetrators. “In

this religious society, women are afraid to go to the police and report a crime. If a woman goes to the police, people accuse her of being a bad woman, and of wanting to harm somebody. People think that a woman has to be silent all the time, and only has to listen and not speak," says Akter.

In terms of benefits for women workers, corporations also managed to keep their costs low. In Bangladesh, paid maternity leave is only four months, two months before and after delivery. According to the 2006 labor law, during maternity leave each woman has to receive a sum which is calculated on the basis of the average daily pay she received in the three months before taking maternity leave. The average daily pay is then multiplied by the number of days on maternity leave. Based on such calculation, pregnant workers should get from $150 to $250 on maternity leave, but for some company owners even these small amounts are too high. Instead of giving pregnant workers what is theirs, they summarily dismiss them. "In some cases, we noticed that pregnant women were fired. Sometimes they fire women in the first three or four months of pregnancy, when supervisors at the factory realize that they are pregnant. Sometimes they fire them just before taking maternity leave," says Akter, adding that to a certain extent it is possible to oppose these practices. "When they dismiss pregnant girls, we report about it to the corporation that placed its order to that factory. Besides, we also file charges against the factory owners. In these cases, we always win. The girls get the money that belongs to them. If they want, they can also go back to work in the same factory after maternity leave." However, says Akter, since only a minority of workers is represented by labor rights organizations, most of the summarily dismissed pregnant women never find justice in court.

At the Awaj office in central Dhaka, I meet Rahima, a 30-year-old woman, working as a seamstress at one of the factories belonging to the UTA Group. Rahima contacted people at Awaj to ask them if they could help the husband of Helena, Rahima's friend and coworker, who at the age of 30 tragically passed away during giving birth to her fourth child. "When Helena took maternity leave, the company didn't pay her the first half of her maternity benefit. Besides, after she died, her family should receive 100,000 takas [$1250] of condolence payment, but the company did not pay yet. She died a month and a half ago," says Rahima, hoping that Awaj can put some pressure on the factory owners so that Helena's husband will finally receive the money he is entitled to.

The Capitalist Underground

In the past years, a lot of workers had to work informally. The employers did not provide them any contracts. But slowly the situation has improved. The number of formally employed workers is increasing," says Kamrul Ahsan, international secretary at the Jatiya Sramik Federation Bangladesh (JSFB), a labor rights organization. As an unknown number of export factory workers still have to work informally, it remains unclear what is their exact number. According to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), there are about 4 million formally employed workers in the approximately 5400 registered export factories. Some analysts, among them ud-Din Ahmed, claim that the actual number of workers, including the informal workers, could be around 5 million. Is it not possible to monitor the employers in such a way that we could at least know how many workers do they employ? "In the entire Bangladesh industry, which also includes export-oriented garments factories, there are about 12 million employees. The entire industry is being supervised by only 120 labor inspectors or so. It is impossible to expect that such a small number of inspectors can effectively supervise the entire industry," says ud-Din Ahmed.

It took about three decades for transnational corporations to transform Bangladesh into a global garments production hub. Primarily lured by the vast pool of cheap labor, many major corporations (for example Nike, Adidas, Walmart, Target, Kmart, Gap and J.C. Penney) decided to move part of their garments production to this South Asian country. Data compiled by BGMEA show that garment exports, in 2012 at around $19 billion, account for a little less that 80 percent of all exports from

Bangladesh. How is the export-oriented production organized? Production is being carried out in two types of factories — in factories located in export-processing zones (EPZ), and in factories outside zones. First established in the 1980s, EPZs are defined as tax-free and duty-free territories where only export factories are allowed to operate. Currently, there are eight EPZs in Bangladesh, employing approximately 350,000 workers in total. Besides garments, EPZ workers also sew or assemble other items such as toys, electronic devices, and musical instruments.

Yet most of the export-oriented production is done in factories which are not part of EPZs. These factories, which operate without any exemptions from taxes and customs duties, either get production orders directly from transnational corporations, or they are subcontracted by major Bangladeshi export companies which receive production orders from the corporations. In Mirpur, one of Dhaka's districts, I visit one of these factories, Glorious Sun Fashion Garments, with about 200 workers sewing shirts and T-shirts for about $50 a month. As I talk to the company manager, Rubaet Ahamed, he asserts that all his workers are adults, but as I later step into one of the factory units I feel as if I just came into a high-school classroom — with young boys and girls who instead of notebooks and pencils have sewing machines and irons in front of them. The manager confirms that they work only for export: for instance, they sew children's apparel for a French brand Tony Boy. Thus, teenagers employed in the capitalist underground produce clothes for teenagers living on the other side of the globe. In past years, says Ahamed, his young labor force also worked for H&M and Walmart. When they sew garments for Walmart, they work as subcontractors of another local company which got the production order from Walmart. The fabrics were provided by the buyers. "For sewing one T-shirt, we got around 10 to 15 cents," remembers Ahamed.

In Dhaka's northern district Baunea Bhad, there is another export company, Nipu Wool Sweater, specializing in the production of wool sweaters. The slum settlement where the factory is located looks even more miserable than other similar peripheral settlements in Dhaka. Across the run-down area there are countless improvised dwellings made of corrugated metal sheets and wooden planks. The narrow streets winding between the shacks are paved, while under the shacks in many cases there is just soil. Some members of the community enlarged their shacks by roofing over the sewage ditches running just in front of the shacks. They covered the ditches with wooden planks, and drilled holes into them, so that they can use that part of the shack as a latrine. In one of the settlement's narrow streets, immersed in the foul smell wafting through the air, stands the two-story Nipu Wool Sweater factory. "We have about 30 employees. We make around 300 sweaters a day. We work for our own brand Sublevel. But we also work as subcontractors for other brands," says the manager Jinadi Hasan Nishat. Their sweaters end up in German, Spanish, and Italian shopping malls. Last

year, for example, they worked for the Spanish apparel retailer Zara. In the first half of 2012, they made about 16,000 sweaters for them. In that case, they worked as subcontractors of another local company, Kazal, which got the deal with Zara. “For each sweater we were paid around $2.50. When people from Kazal sold the sweaters to Zara, they received about $3.80 for each sweater,” explains Nishat. A sweater made by Nishat’s workers for about $2.50 was sold to European consumers for about $25. What about the workers? How much do they get paid per month? Since considerable physical strength is needed to manage the mechanical looms, almost exclusively men work in Nishat’s factory, and their monthly salary is about $120. How many hours per day do they work? “They work from eight in the morning till seven in the evening. Lunch time is from one to two o’clock in the afternoon,” says Nishat.

Burnt Alive

In November 2012, a fire broke out on the ground floor of the Tazreen garment factory in Ashulia, an industrial area on the northern edges of Dhaka. Since there were no emergency exits in the eight-story factory, many workers got trapped in flames, while others, in a desperate attempt to escape the blaze, jumped from the upper floors of the factory, thus injuring or killing themselves. In what has been the deadliest factory fire in Bangladesh, at least 117 workers lost their lives, most of them either burnt alive or suffocated by the heavy smoke, while about 200 workers got injured. After the fire, it has been revealed that Tazreen workers sew garments for Walmart, Sears, and C & A, a clothing retailer based in the Netherlands.

Due to lax enforcement of safety regulations, industrial accidents are common in Bangladesh. In cases of fire, overcrowded plants with locked fire doors and windows covered with metal bars turn into death traps for workers. According to the International Labor Rights Forum, about 700 garment industry workers have died since 2005 because of unsafe factories. After the Tazreen tragedy, Bangladesh’s government, fearing outbreaks of labor unrest and bad publicity which could cause a decrease in production orders, promised to improve safety conditions in export factories. State authorities started conducting ad hoc safety evaluations in garment factories and are expected to rescind permits from those factories that fail the inspections. Moreover, the government promised to set up new fire hydrants in garment industry areas.

However, it remains to be seen if these steps will help make significant improvements in safety standards. In previous years, attempts to strictly enforce safety requirements already failed. For example, labor groups tried to introduce initiatives for the improvement of the safety situation by talking directly to the corporations, but the results were mixed. Many corporations avoided the initiative, saying that taking care of safety at the factories of their contractors was not their responsibility, while some corporations, pressed by labor activists, decided to provide some financing for the improvement of fire safety. Moreover, some corporations, for instance H&M, a Sweden-based garment retailer, decided to start conducting their own safety inspections in Bangladesh, thus avoiding local inspectors who usually proved to be unreliable.

In the past years, many corporations also imposed strict safety rules on their Bangladeshi contractors, and made them responsible to ensure that garments are manufactured only in factories that comply with these rules. But the effectiveness of this approach proved to be limited because many times contractors, breaching the agreements with the corporations, subcontracted the work further down the supply chain to unsafe factories without the authorization of the corporations. So even if corporations have strict safety rules for factories receiving the production orders, these rules are not enforced in subcontracted factories. According to Walmart, this is what happened at the Tazreen factory. Walmart’s representatives claimed that, without their authorization, their contractor, a Bangladeshi firm called Simco, subcontracted the work to the Tazreen factory which did not comply with Walmart’s safety rules.

**The Number One Enemy —
Trade Unions**

Factory owners are firmly convinced that trade unions will destroy their businesses. They are convinced they will lose all their profits if they allow workers to organize. And that's why they do all they can to prevent the establishment of trade unions," says ud-Din Ahmed. When the employers lobby for anti-trade union regulation, they can count on the support of the legislative branch which is contaminated with the interests of the export company owners. Amirul Haque Amin, president of the National Garments Workers Federation (NGWF), a labor rights organization, claims that 29 out of 350 members of the national assembly are also owners of export factories. Moreover, says Haque Amin, about 60 members of the national assembly are also linked to factories whether through family ties or through shares they acquired in the companies. So it is not surprising that the labor law, passed by legislators closely linked to the industry, provides mechanisms for company owners to suppress any workers' attempt to organize. For example, the 2006 labor law, or "black law" as it is called by labor activists, stipulates that the ministry of labor has to send the list of workers who want to form a trade union to the workers' employer who is supposed to verify the names on the list. It is in that period of time, just before the official formation of the trade union, that employers start putting pressure on their workers. "When the employers get the names, they start threatening workers who want to organize. Sometimes they dismiss them. Sometimes they hire thugs who threaten workers' leaders. These thugs go to workers' homes and harass them. That's why it's not possible to form a trade union," says Kamrul Ahsan.

In EPZs the situation is even worse. When the legislative body established the first zones, they decided that the national labor law would not apply to them. Instead of implementing the labor law in the zones, legislators invented new rules which prohibited the establishment of trade unions within the zones' boundaries. Years later, legislators slightly changed their stance by enacting a new law which allows the formation of some sort of workers' associations, the so-called workers' welfare associations. "These associations are mainly for show. Why? These associations don't have collective bargaining rights. They are not allowed to collect their own dues, so they have no funds to finance themselves. And they are also not allowed to link up with workers' associations formed in other factories. Each association has to remain within the walls of its factory; it is not allowed to cooperate with other similar associations," says Alonso Glenn Suson, country program director at the Solidarity Center in Dhaka, a labor rights group affiliated with the American Center for International Labor Solidarity (ACILS). Since these workers' associations are not allowed to operate as real trade unions, it is reasonable to conclude that their introduction was just a smokescreen to conceal the state authorities' actual anti-trade union posture.

As it is practically impossible to formally establish a trade union inside or outside the zones, workers secretly join informal labor rights organizations. "They don't allow us to form a trade union, but we nevertheless try to represent the workers when they need us. If a worker has a problem, she can come to us. We try to get in contact with her employer and solve the matter," says Ahsan. But because of threats made by employers, the number of informally organized workers is extremely low. In the entire export-oriented garment industry there are only about 20 labor organizations. How many members do they have? "All these organizations perhaps represent around 100,000 workers in total," says ud-Din Ahmed.

**Knock, Knock! Open the Door!
It's the Industrial Police!**

Because of the unbearable conditions under which Bangladeshi workers are forced to work and live, massive labor unrest erupted across the country in 2006 and 2010. In both cases the protests were violently crushed by the repressive apparatus, by the police and the army, who represented solely

the interests of the factory owners. In 2010, for example, the workers demanded an increase of their monthly minimum wage from $24 to $72, but the corporate “elite” came to the conclusion that such a raise would have been too much for their businesses. The corporations’ bosses decided to fix the new minimum wage at only $43, a sum barely enough for survival, and as the workers, not accepting the humiliating raise, continued with strikes and demonstrations, the police and the army, acting as the corporations’ de facto repressive arm, suppressed them. Although many times corporations love to pretend to be some sort of humanitarian organizations providing employment to the most marginalized inhabitants of this planet, it is evident, based on the repressive mechanisms used to crush even the most modest workers demands, that the corporation’s top priority is to keep the cost of labor as cheap as possible. In this context it is police batons and rubber bullets that determine the costs of labor, and not the free market’s “invisible hand.” The more workers’ get beaten or killed on the streets, the more they will be scared to make any new demands, and consequently labor costs will stay low.

After the 2010 protests the government introduced a new police unit, the industrial police, with the mandate to protect the assets of factory owners. Members of the industrial police have the jurisdiction to monitor the entire Bangladeshi industry, but if we take a look at the locations where they are actually deployed it emerges that they primarily operate in the export sector. “They are deployed in areas with large industrial production in order to gather intelligence about the workers. They want to find out who are the workers’ leaders. They want to know why there are problems. They also try to resolve labor issues and make sure there is no protest,” says Glenn Suson. From data collected by researchers at BILS it also transpires that the industrial police have two roles. “The company owners demanded the introduction of the industrial police. They want to protect their factories. In some cases, we noticed that the industrial police were helping workers by advising them how to present their problems to the employers. In some other cases, we noticed that they were doing exactly the opposite, they were harassing workers who supposedly presented a threat to the industry,” says ud-Din Ahmed. According to him, it is unacceptable that policemen are involved in solving labor disputes because this is not part of their mandate. Since in the past years members of the repressive apparatus have been mostly busy with violently suppressing workers’ demands, it is impossible now to accept them as neutral mediators engaged in solving labor disputes. It is unacceptable that, on the one hand, state authorities do all they can to prevent the organizing of trade unions, while, on the other hand, they support a special police unit whose members are now operating as some sort of mediators in labor disputes.

Back To the Roots

In factories located on the outskirts of all Bangladeshi bigger cities the capitalist mode of production returned to its roots — to the 19th Century. Most safeguards which could prevent the capitalist elite from brutally exploiting the labor force have been eliminated. The State, or what is left of it, has been reduced to a compliant servant whose only mission is to provide the factory owners with the means needed for exploiting the working class. The legislators’ main task is to provide labor legislation that protects the owners of capital and prevents the organization of the working class; the key task of toothless supervisory institutions is to ensure that when workers’ rights are violated, employers are not required to respond to it; and finally, if workers’ anger morphs into street protests, the repressive apparatus crushes them.

In order to conceal, at least to some degree, their true role in the contemporary production system and present themselves as champions of social responsibility, corporations introduced some measures — for instance, codes of conduct compounded with independent, third-party monitoring of the factories — to eliminate the most severe forms of exploitation (e.g., child labor, forced labor). By introducing codes of conduct, which in some aspects are stricter than Bangladeshi labor legislation, the corporations wanted to show that their goal is to improve working conditions at the factories.

But, as it has become evident in past years, there is one big problem — these codes are not properly enforced. When corporations hire external auditing firms to evaluate working conditions at the factories, these audits are not conducted regularly. For example, unannounced audits of factories manufacturing for Carrefour, a French retailer, take place every two years, hardly enough to be sure that everything is fine in the factories. This is why many labor groups' leaders I spoke to in Dhaka see codes of conduct as some sort of public-relations stunt whose purpose is not to solve workers' problems but to project the corporations' image of socially responsible entities. Even if, labor leaders say, corporations pretend to care about the workers, they never truly address the workers' key demands — better salaries and freedom of association. These demands are regularly suppressed.

It is in countries like Bangladesh that the transnational capitalist "elite" reveals its true colors. After they eliminate, with the assistance of their local collaborators, all "obstacles" which could hinder the exploitation of workers, they establish, in accordance with their most intimate plans, a highly oppressive production system. It is interesting to see that in the past decades the power relations established in the garment factories by the capitalist elite endured through different regimes and political systems. "No matter which political party was in power, no matter in what kind of system did we live, in an authoritarian system, a military dictatorship or democracy, the situation in the garment industry remained the same through the years. They always suppressed all attempts to organize workers," says Amirul Haque Amin. Enduring through different political situations, the capitalist mode of production proved to be extremely resilient.

Footnotes