

**School of Social Sciences**

**The Export Garments Industry of Bangladesh with Particular  
Reference to Women**

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## Preface

This thesis arose out of my interest on the impact of developments associated with economic 'globalisation', specifically, on the debates around the supposed weakness and political marginalisation of industrial workers in South Asia. The export garments sector in contemporary Bangladesh was chosen as an interesting case study at two levels. First, its rise and subsequent success was responsible for a new social reality in Islamic Bangladesh: a first generation of female factory workers based in the major urban centres of Dhaka and Chittagong. Secondly, the rapid growth of this export sector reveals how transnational production arrangements can actually generate the local organising capacities of labour, both at the trade union level and at the more informal level through the involvement of workers in the activities of non-governmental organisations.

A short exploratory visit to Bangladesh in 1994 was followed up by two research trips in 1995 and 1996 with research funding provided by the School of Social Sciences, Curtin University of Technology. These trips were to Dhaka where the majority of garment factories are situated and comprised visits to garment factories and union offices, formal and informal interviews and the gathering of primary sources and statistical data. The collection of reliable statistics was difficult because of general discrepancies and the almost non-existence of data on union activity in the garments industry.

During visits to the garment factories to interview owners and management, I was permitted to observe the manufacturing process involved in producing quality garments for the export market. However, to facilitate freedom of expression, interviews with workers took place outside the factory in union premises or NGO offices.

Interviews conducted with long-term labour leaders, such as Mukhlesur Rahman, the President of the Bangladesh United Workers' Federation and Abul Bashir, the President of the National Workers' Federation, imparted to me a strong tradition of labour activism and militancy dating back to when Bangladesh was East Bengal and East Pakistan. From other interviews with union organisers, it became clear that this tradition was not abating. Additionally, interviews with NGO officials indicated the role that these non-industrial bodies are now taking in labour organising pursuits.

I am grateful to all those interviewed and extend my thanks, in particular to Farida Akhter of UBINIG (Women for Alternative Development Strategies), Lydia Sigelakis of the Asia-America Free Labor Institute and Amirul Amin Haque of the National Garment Workers' Federation. Special thanks also to Shahed Ali Rintoo, who acted as an interpreter and translator when required and whose hospitality was much appreciated, and to Julie Ward for her technical support.

I am especially indebted to the young female workers of Bangladesh. I found them inspiring in spite of their harsh working and living conditions. They imparted to me just what struggle can mean in the face of such adversity, and provided further impetus for the completion of this dissertation.

This thesis was completed with the quite exceptional supervision of Professor John McGuire, and the unqualified support of co-supervisors, Associate Professor Bob Pokrant and Emeritus Professor Peter Reeves. Valuable assistance and feedback was gained from students and academics attending the workshops provided by the National Centre for South Asian Studies, as well as from those associated with the seminar series run by the South Asia Research Unit, Curtin University of Technology. My close friends, Dr Jan Sinclair Jones and Sarah Southern, have been a source of inspiration through their support and unfailing friendship, and Candice, Jay and Bree have been my anchor throughout.

I thank them all.

## **Abstract**

After gaining independence from Pakistan in 1971, the Bangladesh state moved from a mainly state-managed sector to a privatised one based on export-oriented industrialisation. Under this policy, the production of garments for export emerged in the mid-1970s to later become the most lucrative export earner for Bangladesh, underlining the fact that it has become an important world exporter of garments. In developing into the only multi-billion-dollar manufacturing export in the country, this industry has created employment for more than a million workers most of whom are young females from the impoverished rural areas of Bangladesh. This is socially significant because, for the first time, it marked the entry of Bangladeshi women into formal manufacturing employment.

This thesis attempts to examine the origins and development of this export garments industry, with specific reference to the role of women workers in this process. In so doing, it endeavours to contextualise these issues by arguing that the changes that have occurred can be best explained according to a Marxist class analysis and by reference to a colonial history characterised by ongoing exploitation in an emerging manufacturing sector and by ongoing resistance to such exploitation by an emerging industrial workforce. Additionally, in examining the development of this industry, the thesis also sets out to show how the industry is the product of a conjuncture of forces, including an emerging capitalist class, a weak state, foreign capital and international state formations such as GATT and the ILO.

Finally, by testing some of the prevailing hypotheses in the literature that deals with third world women workers, the thesis examines the impact of this industrial development on the place of women in Bangladeshi society. More specifically, it attempts to demonstrate that, contrary to the dominant view, such workers are not necessarily passive; nor are they reluctant to engage in trade union activity. Instead, it endeavours to show that, in the case of the export garments industry in Bangladesh, the young women workers have over time learned to exercise their rights and to participate in industrial activity, largely, and ironically because the centralisation necessary for labour and quality standards has also created the conditions for the proletarianisation of the women workers.



## ABBREVIATIONS

<b>AAFLI</b>	Asia-America Free Labor Institute
<b>APCOL</b>	All-Pakistan Confederation of Labour
<b>ARPLA</b>	Asian and Pacific Regional Centre for Labour Administration
<b>BATEXPO</b>	Bangladesh Apparel and Textile Expo
<b>BEPZA</b>	Bangladesh Export Processing Zones Authority
<b>BGMEA</b>	Bangladesh Garment Manufacturers Employers Association
<b>BGWEF</b>	Bangladesh Garment Workers and Employees Federation
<b>BIGU</b>	Bangladesh Independent Garmentworkers Union
<b>BNP</b>	Bangladesh Nationalist Party
<b>BTMA</b>	Bangladesh Textile Mills Association
<b>EIC</b>	East India Company
<b>EOI</b>	Export-Oriented Industrialisation
<b>EPB</b>	Export Promotion Bureau
<b>EPZs</b>	Export Processing Zones
<b>EU</b>	European Union
<b>FYP</b>	Five Year Plan
<b>GATT</b>	General Agreement on Trade and Tariffs
<b>GSP</b>	Generalised System of Preferences
<b>ICFTU</b>	International Confederation of Free Trade Unions
<b>ILO</b>	International Labour Organisation
<b>IMF</b>	International Monetary Funds
<b>ISI</b>	Import Substitution Industrialisation
<b>LLRC</b>	Labour Law Reforms Commission
<b>MFA</b>	Multi-Fibre Arrangement
<b>NGOs</b>	Non Government Organisations
<b>NGWF</b>	National Garment Workers Federation
<b>NICs</b>	Newly Industrialising Countries
<b>NIDL</b>	New International Division of Labour
<b>NILS</b>	New International Labour Studies
<b>NIP</b>	New Industrial Policy
<b>NWPC</b>	National Wage and Productivity Commission
<b>RIP</b>	Revised Industrial Policy
<b>SAARC</b>	South Asia Association for Regional Cooperation
<b>SKOP</b>	<i>Sramik Karmachari Oikya Parishad</i> (United Front of Workers and Employees)
<b>Tk</b>	Taka (monetary unit of Bangladesh currency US\$1 = Tk
<b>TNCs</b>	Trans National Corporations
<b>UBINIG</b>	Women for Alternative Development Strategies (English translation)
<b>UNDP</b>	United Nations Development Programme
<b>UNICEF</b>	United Nations International Children's Education Fund
<b>VERs</b>	Voluntary Export Restraints
<b>WTO</b>	World Trade Organisation

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## Introduction

The production of garments for overseas markets has spearheaded the initial industrialisation process in many developing countries. Bangladesh is no exception. Developed in the context of a favourable national and international policy milieu, the export-oriented garments industry rapidly grew to become the major foreign exchange earner for Bangladesh. At the national level, the garments export sector emerged after a shift in economic policy from import substitution to export-oriented production in the mid-1970s, a shift that accelerated throughout the 1980s and that also included the disinvestment of national industries such as jute and textiles to the private sector (Rhee 1990; Quddus 1993). Under this policy approach, an extensive programme of incentives to expedite investment in the export-garments sector was offered. At an international level, with many garment companies in the region facing constraints from the imposition of quotas on their exports by major buyers in the United States and Europe under the Multi-Fibre Arrangement, Bangladesh as a quota-free country became an attractive site to relocate or subcontract production. Hence, from modest beginnings in the late 1970s, the export-oriented garments industry had overtaken jute as the major export sector by the mid-1980s and, by the early 1990s, had become the only billion dollar manufacturing export industry in Bangladesh providing employment for over a million people.

Together with the advantage of being quota-free territory, Islamic Bangladesh also offered an abundant supply of cheap, female labour, workers regarded as most suitable for the unremitting nature of assembly-line garment production. Traditionally subject to very rigid forms of patriarchal control through the socially sanctioned norms of *purdah* or female seclusion, the suitability of female Bangladeshi workers was further enhanced by their assumed docility. Indeed, the establishment of export-oriented garment manufacture in Bangladesh had, for the first time, prompted the injection of young, unmarried females mainly from villages into the industrial labour force (McCarthy and Feldman 1983, Kabeer 1991). Increasing impoverishment in the rural areas of Bangladesh resulted in young females being forced to migrate to the cities in search of waged work in the export factories. In this way, apart from the rise of the garments

export sector having economic significance for Bangladesh, it also has social significance with young Bangladeshi women now visible participants in the labour market. To facilitate this new social reality, from the mid-1970s the state introduced a number of measures in its Five-Year Plans to politically legitimise the participation of women in development activities.

Although waged work has offered the female garment workers a newly acquired sense of independence - a form of empowerment - it has, at the same time, exposed them to new experiences as factory-based garment workers. Typically, their working day comprises a labour process that involves the relentless operation of a power sewing machine to stitch a garment component. With set production targets to meet, they are subject to an intense regime of control and supervision that includes severe reprimands, even punishments, should the pace of work not be met. Moreover, their working day is very long, they are rarely given a weekly day off and the rates of pay are poor. In this respect, the labour process involved in the manufacture of garments for export can be identified with terms synonymous with the New International Division of Labour (NIDL) such as the 'super exploitation' and 'quick exhaustion' of expendable workers (Frobel, Heinrichs and Kreye 1980, 350-60). Notably, this thesis has come to influence subsequent perspectives on workers in 'global factories' who are invariably portrayed as young women and who are uniformly naïve and unable to organise (Nash and Fernandez Kelly 1983; Deyo 1989).

Predictably, research into the female garment workers of Bangladesh does demonstrate some similarities with the NIDL thesis. For instance, given the labour intensive nature of the industry, it does draw on a source of cheap female labour and, although a degree of passivity and low levels of organising exist, research also demonstrates that the notion of these female workers as invisible and submissive can be misleading. Arising out of their experiences of exploitative working conditions, from initial discussions of discontent, these women are now undertaking collective forms of organised action to improve their situation. Specifically, the relations of exploitation in the production of process have emerged as the source of daily conflict between garment workers and management, conflict that has provoked collective worker struggles. This labour activism has been

facilitated not only through formal unionism, but more importantly perhaps, through organisations not usually classified as 'industrial' organisations, such as women's groups and non-government organisations (NGOs). The role of these latter organisations in educating the female garment workers of their rights under Bangladesh's body of labour law has been particularly important to the rise of organising activities in the export garments sector.

Despite some success, their struggle has proved both difficult and disappointing: difficult in the sense that factory owners oppose attempts to organise, instantly dismissing workers identified as unionists; disappointing in the sense that the reality of political unionism in Bangladesh has meant the garment export workers have frequently been used for the vocal extension of party political matters. However, in the early 1990s, an independent union - the Bangladesh Independent Garment-Workers Union (BIGU) – emerged with the vital assistance of an international labour based NGO, the Asian American Free Labor Institute (AAFLI). By representing the particular interests of the female garment workers, it can be argued BIGU represents a more class-based organisation as the issues being foregrounded are those associated with the relations of production; a struggle fundamentally over the rate of exploitation. Such has been the popularity and success of BIGU that employers and state officials consider its emergence and expansion a threat to the competitiveness of the export garments industry and existing trade union federations regard it as yet another union competing for memberships. More controversially, however, because of its association with AAFLI, BIGU has been accused of bringing to international attention the use of child labour in the garment factories of Bangladesh.

Overall, the emergence in Bangladesh of the export-oriented garment industry represents a good example of the importance of the process of class formation and class struggle for an understanding of the social and political consequences of capitalist development in South Asia. By examining the structural conditions of employment in the garment factories, or, the way in which the surplus is extracted at the point of production, it has been possible to achieve an understanding of labour organisation among the female garment workers. By experiencing the exploitative nature of garment production, trade

union formation and militancy in the industry is now a force affecting capitalist development. In this respect, this dissertation argues that these workers are emerging as active agents of change in their own right rather than remaining the passive victims of national and international forces of accumulation over which they have no control. Nonetheless, successful stories of such struggles are rare; most often, it is the oppression of these workers that dominate discussions. It would appear then, a large part of the history that is being made in and outside the garment factories of Bangladesh remains undocumented. In short, the female garment workers have become an extension and integral part of the industrial working class in Bangladesh, a class that embodies a dynamic history of militant action and struggle that dates back to British colonialism when Bangladesh was East Bengal (Chakrabarty 1989).

Chapter One of the dissertation addresses the literature that has influenced the way in which labour under export-oriented industrialisation (EOI) has been theorised. The chapter divides this literature into two main approaches: the above-mentioned NIDL thesis and the comparative industrial relations approach. The former focuses on the global relocation of labour-intensive manufacturing away from the industrialised to the industrialising countries where labour is cheap. Within this process, transnational corporations are seen to wield enormous economic power and to be the major instrument of global capitalism. It further argues that the state, in its quest to attract foreign investment, is actively concerned with the repression of organised labour in industrialising countries (Frobel, Heinrichs and Kreye 1980). The latter approach examines the similarities and differences between countries and institutions around the world in an attempt to explain systematic uniformities and diversities encountered in cross-national industrial relation conflicts (Cohen 1987; Deyo 1989; Frenkel 1993; Kuruvilla 1995). For instance, labour unions, labour laws and official strike statistics are focussed on to the exclusion of other organisational forms of conflict over class issues, notably, the part played by non-government organizations (NGOs) in the industrial arena in many developing countries. Such detailed institutional comparisons between countries – once described as ‘an industrial relations zoo’ (Dunlop 1977, 102) – tend to stress form rather than content. Indeed, both these approaches are limited as they embody a restrictive representation of the internationalisation or capitalist development process and, moreover, fail to recognise the working class as a social force in history. In sum,



labour is explained in terms of Third World workers being the mere victims of capitalist expansion who have little recourse to respond to their exploitation under EOI.

This chapter continues by canvassing some of the extensive literature focusing on female factory workers in the third world. With the specific demand for female labour in EOI, it has been argued that “industrialisation ... has been as much *female* led as *export* led” (Joekes 1987, 81), resulting in women becoming a distinctive category in the discourse on development in the 1970s. Generally, this literature is heavily influenced by the NIDL thesis that argues that women’s work in export factories is characterised by low wages, poor working conditions, frequent lay-offs, and lack of union protection. It poses these women as naive, passive and unable to organise because they suffer a double oppression - that of capitalist exploitation and gender subordination (Elson and Pearson 1980; Joekes 1985; Mitter 1986; Tinker 1990; Benaria and Feldman 1992; Kabeer 1994). In sum, ‘the stereotypical view’ of women in global factories is, Linda Lim writes, ‘remarkably homogenous’ and ‘generally negative’ (1990, 111). In the context of this literature, the dissertation will argue that while there may be some situations characterised by this stereotype in some or all of its details, it is by no means the norm in all cases where women are employed in export factories in the Third World. Certainly, in Bangladesh, although social transformation has brought new insecurities in its wake, for women working in the garments export industry, it has also provided the space for an increasingly militant and unionised female workforce struggling to achieve better pay and working conditions.

Chapter One concludes by emphasising the significance of class as a “powerful, refined working tool in [explaining] the complexities of social and historical processes” (McNall, Levine and Fantasia 1991, vii). It notes in particular how class analysis remains a valuable theoretical approach, especially to issues of labour organising. In so doing, it argues that knowledge of the class structure itself is not sufficient when analysing class relations. A distinction always needs to be made between theoretical analyses of the structure and dynamic of class relationships and an historical analysis of the actual effects this dynamic yields in concrete circumstances. With this in mind, the thesis focuses on the interaction – inside and outside Bangladesh – of social and historical

forces in order to understand the rise and expansion of the Bangladeshi working class movement, as well as the emergence and growth of the garments export industry. In this way, it also stresses how fluid the process of class formation, class conflict and class consciousness are and how they are constantly initiating action in a dialectical relationship.

Whereas Chapter One focuses on a theoretical analysis, Chapter Two consists of a historical narrative, noting key moments in class formation and struggle over the last 250 years. In this context, it highlights how the silk and textile industry in East Bengal was destroyed in the latter part of the eighteenth century in the wake of the rise of British colonialism (Raychaudhuri et al 1984, 277-87). At the same time, it notes how the Permanent Land Settlement of 1793 gave rise to new forms of social relations among agricultural producers in East Bengal in the nineteenth century. In particular, it points to the expansion of a landless peasantry, which provided the basis of both agricultural and urban labour. It also documents how industry began to re-emerge in the latter part of the nineteenth century, especially in the case of jute. However, the rise of factory based industries, such as jute, was to be found in Calcutta in West Bengal, rather than in Dhaka in East Bengal. Similarly, while peasant resistance to exploitation was very evident in East Bengal throughout the colonial period, owing to the lack of an urban factory base, industrial action by way of strikes was not widespread, as was the case in Calcutta.

Chapter Two then notes how Bangladesh as East Pakistan was subjected to a form of internal colonialism after the locus of state power became situated in West Pakistan. With Partition, the class of Hindu landlords and moneylenders fled *en bloc* to India taking with them most of the meagre but available industrial capital. In this way then, the rural society was reconstituted as a mass small-holding peasantry, while in the urban areas, the bulk of what modest industry had developed, came under the control of West Pakistani investors. Indeed, apart from a few local contractors and entrepreneurs, described as “feeble creatures of the State bureaucracy and its agencies, with little specific weight in East Bengali society” (Nations 1971, 6), East Pakistan lacked a strong local bourgeoisie. Consequently, from 1947-1971, the eastern wing of Pakistan suffered economic exploitation, political domination and cultural alienation and, although all the

Pakistani working class suffered, in East Pakistan workers received lower wages, worked longer hours, faced higher unemployment and were forced to pay higher prices. Just as the Bengali working class had been a vital part of the fight for independence from British colonial rule, the struggle for liberation from internal colonial oppression continued in East Pakistan, a struggle in which the workers played a prominent part (Ali 1975; Karim 1994).

Finally, this chapter surveys the third period when the post-Pakistani aspirations of the Bangladeshi working class were fuelled by the promise of a new and just socialist society in which the workers would share in the profits of nationalised industry, a promise that proved to be a sham. Essentially, the working class continued to experience increasing social differentiation and further impoverishment prompting widespread trade union militancy regardless of a repressive industrial relations system (Ahmad 1978; Nurullah 1993; Rahman 1994). For the most part, since its formation, Bangladesh has relied on a military regime that has rendered it largely ineffective in creating the conditions for ongoing capitalist transformation. It is argued that an over-reliance on foreign aid, the use of state resources to favour business 'cronies', as well as contradictions between the landed class and industrialists have all contributed to a general ad-hoc approach to economic planning by the Bangladeshi state (Sobhan 1989 & 1991; Humphrey 1992; Kochanek 1993; Quamrul Alam 1993 & 1994). As a result of these problems associated with post-coloniality, large-scale class agitation has been weak. However, there have been ongoing pockets of resistance such as the continual struggles by Bangladeshi workers to improve their lot.

Overall, the historical narrative contained in Chapter Two indicates how capitalist development has given rise to changing social relations that, in turn, has created the conditions for the emergence of a labour movement from the nineteenth century through to the present. Certainly, while there are continuities from colonial to post-colonial Bengal, there are also significant discontinuities. What is striking is the salience of class conflict and above all the emergence into political life of the working class movement. In particular, this chapter will emphasise the sense of history that the Bangladeshi working class embodies: workers readily fight for their rights and the spirit of revolt

amongst them is actively manifested in militant forms of protest. As well, the chapter shows that Bangladeshi workers have not been passive in the historical process of their own formation. On the contrary, it argues that they have been active agents and have influenced it in a decisive manner.

Chapter Three documents the emergence of the export garments industry in Bangladesh in the context of the globalisation of export-oriented garment manufacture. It is well known that, with the growing globalisation of production, the production of garments for export has been integral to the early stages of the industrialisation process in many third world countries as it substantially contributes to manufacturing output, employment and foreign exchange earnings. While South Korea, Hong Kong, Taiwan and China had become significant suppliers of garments to world markets by the mid-1970s, India, Sri Lanka, Thailand, Indonesia, Malaysia and the Philippines had developed strategic garment export sectors at the same time (Meyanathan and Ahmed 1994). At this time though, garment exports from most of these countries were seriously curtailed because of formidable international competition, and because of quota restrictions imposed on them by major buyers through the 1974 Multi Fibre Arrangement (MFA). Formulated to benefit textile and garment manufacturers in the developed countries of the United States (US), Canada and Europe, fundamentally, the MFA has been about redressing the loss of international textile and garment markets to developing countries under EOI (Khanna 1991; Raffaelli 1994). To retain competitiveness in international markets, this controversial agreement resulted in firms attempting to avoid quota restrictions through relocating manufacturing to quota-free countries. Quota-free and having the added advantage of harbouring a plentiful supply of cheap labour, Bangladesh became a targeted country for the international subcontracting of the production of garments for export. Although cheap labour was an attraction, it can be argued that most of the growth of the garments export industry in Bangladesh was due to 'quota hoppers' from nearby countries like South Korea, Hong Kong, Singapore and India who were seeking ways to augment their market share. It is also clear that the emergence of more militant garment workers in the context of the severe repression of workers both by the state and management in countries such as South Korea (Ogle 1990), and ethnic unrest in countries such as Sri Lanka (Chowdhury 1987, 359), need to be considered when

explaining the relocation of garment production to Bangladesh.

The third chapter extends this account of the growth and structure of export-led garment production in Bangladesh by focusing on the Desh-Daewoo agreement of the late 1970s, a joint venture between local and foreign capital. Generally regarded as the ‘catalyst’ to the production of garments for export (Rhee 1990), this agreement was struck between the Daewoo Corporation of South Korea and Noorul Quader, a retired well-connected senior state official in Bangladesh. Although the collaboration came to an early cessation, the Desh-Daewoo joint venture proved to be vital as it supplied the Bangladeshis with the knowledge and skills necessary for the growth of production, marketing and administration of a garments export industry in Bangladesh. Having offered a description of the spectacular expansion of this sector, in which garments have overtaken jute as the country’s top export earner, the chapter concludes with an evaluation of the export garments sector as it at presently functions.

Chapter Four documents the formation of a female labour force for the export garments industry in the related context of the situation of women in Bangladeshi society. In much of the writings on women in Bangladesh the model of ‘separate spheres’ - central to which is the institution of *purdah* - has been prominent. In this respect, Nazli Kibria comments that Bangladeshi women “are often portrayed as a monolithic group whose behaviour is uniformly guided by cultural traditions such as that of ‘purdah’ or female seclusion” (1995, 295). Conceived of in essentialist terms, this model poses a number of polarities which divide society into sexually segregated spheres and, ideologically, it assigns to women appropriate modes of behaviour epitomised by obedience and humility (Papanek and Minault 1982; Dil 1985; Mannan 1989). This passive conceptualisation of women in Bangladesh tends to reify perceptions of gender and has been central to minimising, even concealing, the political aspects of gender. In fact, while Bangladeshi women have been constrained by the cultural ideal of *purdah*, Sarah White has argued its practice and thus power have changed in the wake of altered material conditions (1992, 23). Similarly, the studies by Naila Kabeer (1990; 1991) lend support to Denis Kandyoti’s (1985) thesis that the process of intensified commodification erodes the material bases of classic patriarchy. In sum, even though *purdah* is practiced in

Bangladesh by households that can afford to, the economic and social realities of the present may not justify its continuation. Certainly, this chapter argues that Bangladeshi women do not constitute an essentially gendered ahistorical group. On the contrary, it suggests that as active negotiators of socially sanctioned roles, as active partakers in political struggles and, more recently, as active participants in public forms of work, they have been agents for change.

In particular, it notes the convergence of gender and class relations has occurred with the emergence of a large-scale female industrial proletariat that has been appropriated as a source of cheap labour for the export factories of Bangladesh, something unthinkable in the past (Hossain, Jahan and Sobhan 1993). Indeed, within a short period of time, hundreds of thousands of women became highly visible as they quickly availed themselves of the opportunity to work as wage labourers in the export-oriented garment industry (McCarthy and Feldman 1983). Significantly, in this context, the policies pursued by the Bangladeshi state to facilitate the creation of a female labour force in Bangladesh and to promote the situation of women have had some contradictory outcomes. While the state has sought to encourage an Islamic identity through rhetorical references to female seclusion and propriety, it has, at the same time, sought to encourage programmes targeted at women and development with its very different rhetorical reference to the liberation of women (Khan 1988; Kabeer 1991; Feldman 1992). Nonetheless, the transformative process that has taken place over the past few decades has culminated in a growing confidence and power garnered by Bangladeshi women coming together in numerous ways to politicise their claims to independence and struggle. Nowhere is this better illustrated than with the increasing militancy of the garment export workers.

In Chapter Five the structural conditions of employment in the garment export factories of Bangladesh are analysed in order to provide a focus for the theorisation of labour under EOI. The production of garments for export is carried out almost entirely in-house as this permits direct and constant control over the maintenance of quality standards that are crucial for both attracting and maintaining export contracts. The labour process includes: the expectation of management for workers to spend up to fourteen hours

(even longer during peak periods) seven days a week working and to maintain an intensity of work to meet production targets; the imposition of harsh forms of discipline and supervision; and the almost total absence of adequate facilities and ventilation. Together with the payment of very low wages and, on occasion, no payment at all, the structural working conditions are indeed oppressive and result in a number of adverse health problems for the garment export workers (Jahan 1989; Kabeer 1991; Kibria 1995; Paul-Majumder and Chowdhury-Zohir 1994). As well, a more 'archaic' form of extracting surplus value flourishes through the use of child labour and, although this practice has been banned due to pressure from agencies of the international state, the practice persists (Sobhan 1994; Siraj 1996). This chapter argues that, as a result of these conditions, a class consciousness surfaced among the female garment workers of Bangladesh within a relatively short time. Essentially, the demands of garment production in Bangladesh for overseas markets have placed capital in a quandary. By keeping production centralised, manufacturers have been able to maintain constant monitoring and surveillance over quality standards; yet, this has also acted as a catalyst to the capacity of labour to organise.

The focus of Chapter Six concerns labour organisation among the garment export workers of Bangladesh by reference to specific examples. It argues that despite assertions of the NIDL thesis that women workers in global factories are submissive, acquiescent and unable to organise, garment workers in Bangladesh are unionising more and more, in order to address, even resolve exploitation associated with producing garments for export (Hossain and Brar 1988). Undeniably, though, organising in the garments export industry has proved an onerous and precarious activity. Given the vital importance of the industry to the economy of Bangladesh, as well as significant social and political linkages, employers have responded to legal attempts to unionise by subjecting workers to intimidation and harassment, to instant dismissal and to illegal lock-outs. As a result, direct forms of organising have been accompanied by more indirect methods such as the establishment of a number of women's centres and groups offering such diverse facilities as libraries, seminars and discussions on the rights of women and access to legal and medical assistance. In this sense, trade unions have not been the only form of resistance or class struggle. Indeed, NGOs and community groups

have played a crucial role in 'empowering' Bangladeshi women by extending the arena of struggle for the garment export workers. In particular, a category of grassroots organisation has emerged in Bangladesh to focus on issues of class and gender, marking a shift away from the previous preoccupations with the manifestations of poverty and population control (Kabeer 1988, 116).

As this chapter also shows, direct forms of organising into trade unions date back to 1984, largely as a result of ongoing strong alliance between trade unions and political parties. Basically, the labour movement has been co-opted by the state whereby the growth and development of unionism has been driven more by political interests rather than by the fight to effect any real change in the material conditions of the industrial working class. As a consequence, many of the garment export workers have become disillusioned claiming they merely provide an impressive vocal extension of party political matters. While many rallies and demonstrations of protest are held and charters of demands lodged, this is essentially where union activity ceases. Yet, as this chapter argues, in an attempt to remedy the apparent failure of existing trade unions to redress worker grievances, a new completely independent union, the BIGU, emerged with the assistance of the Asian-American Free Labour Institute (AAFLI). Currently, BIGU is the largest garment union in Bangladesh and its success has sparked off numerous reactions. First, it has been identified as a potential threat to existing trade union federations that have become involved in a virtual scramble to organise the more than one million workers employed in the garments export sector. Secondly, BIGU has been singled out as an 'enemy' by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) as representatives of manufacturing capital, on the grounds that it could undermine the productivity in garment manufacture. Thirdly, BIGU has been depicted as a likely threat to the Bangladeshi state, as it is perceived to have the ability to hinder the continued competitiveness of the garment export industry which makes enormous contributions to Bangladesh's foreign exchange earnings.

The concluding chapter endeavours to draw the various layers of discussion together to support the contention that the increasing tendency of the Bangladeshi garment export workers to organise and resist reveals how they have increasingly become the active



negotiators of change rather than simply the invisible and passive victims of the forces of accumulation. Indeed, it suggests that the female garment workers, as a first generation female industrial workforce, have significantly advanced the class struggle in Bangladesh by emerging as an organised and active social force. More generally, it attempts to demonstrate the importance of class analysis in an historical perspective for understanding EOI in contemporary Bangladesh. As already outlined, export-oriented production has not restricted organising activities in the garments export sector, despite a general relaxation of labour laws by the state and the unscrupulous behaviour of many garment enterprise owners. Indeed, the pursuit of export-oriented production in Bangladesh illustrates how the exploitative conditions experienced at the point of production have prompted the capacity of labour to organise. In this way, the dissertation endeavours to reveal how the development of capitalist social relations represents a contradictory totality. The same system that degrades workers as commodities binds them together in collective units in the workforce, and at times, impels them to act collectively to improve their conditions and living standards. Capitalism cannot be understood as a formal logical process, rather, it needs to be theorised as an historical process of conflict out of which emanates social change.

## **Chapter 1**

### **Theorising Labour and Export-Oriented Industrialisation**

#### **Introduction**

Contemporary labour studies on Asian economies and societies have been overshadowed by two approaches, neither of which adequately address the part played by the working class as important agents in the broader processes of social and political change. Instead, workers are largely depicted as the victims of structural processes beyond their control whereby the implementation of EOI is perceived as inimical to the interests of labour resulting in a general disempowerment of the working class. The first approach is the NIDL thesis which focuses on the global geography of production, in particular, the relocation of industries away from the first world and into the third world. According to this perspective, transnational corporations are the major vehicles of global capitalism, possessing prodigious economic power and that, alongside the rise of export-led industrialisation in the third world, state-backed repression of organised labour has become commonplace (Frobel, Heinrichs and Kreye 1980; Clairmonte and Cavanagh 1983; Cohen, Gutkind and Brazier 1986). The second approach, comparative industrial relations, seeks to identify the institutional form which industrial conflict takes in particular national contexts (Frenkel 1993; Belanger, Edwards and Haiven 1994; Frenkel and Harrod 1995; Thomas 1995). As part of this perspective, the 'new international labour studies', concerns itself with the consequences of economic globalisation on forms of labour control and union formation (Munck 1988; Southall 1988a; Deyo 1989; Cohen 1991; Kuruvilla 1995). As the above approaches tend to regard Third World workers as mere 'objects' of the expansion of capitalism the notion of class struggle and various forms of resistance are essentially ignored.

Generally, because Third World industrialisation is seen as mostly uniform, and because production is conceived of in a mechanistic way, the analysis of capitalist development in the Third World is confined to the level of appearances. For instance, "policies to promote exports or attract foreign investment ... are seen as a result of the 'needs' of capital at the centre, rather than as an outcome of local class struggle" (Jenkins 1984,

34). All the usual reference points of economic growth, such as Gross Domestic Product and industrial productivity, are used as evidence of the development of the forces of production and, by extension, of capitalist relations of production. In short, as there is little attempt to penetrate these surface manifestations in terms of certain class configurations and forms of surplus appropriation, the working class remains a passive object. Only by shifting from an essentially institutional focus to one concerned with class formation and class struggle, is it possible to perceive workers as a social force or agent in history. Labour can be theorised as having the capacity to challenge the power of capital and the laws of the state to the extent that it can be argued that “the working class is the historical agent destined to change the system of exploitation” (McNall, Levine and Fantasia 1991, 3). However, and in the words of Marx: “it is not a matter of what this or that proletarian or even the proletariat as a whole *pictures* at present as its goal. It is a matter of *what the proletariat is in actuality* and what, in accordance with this *being*, it will historically be compelled to do” (cited in Tucker 1978, 134).

While there are problems associated with the concepts of class, these do not so much invalidate the theoretical usefulness of class analysis as point to their very complexity. The class-based model adopted for this thesis is heavily influenced by the central elements of a Marxist understanding of class analysis, especially the distinctive focus on class conflict and its steadfast hold on the concept of exploitation. In particular, the framework for class analysis is a multi-dimensional one that allows for an explanation of the particular social conditions of capitalist production and the world of fetishised appearances they sustain. More specifically, Karl Marx’s theoretical concepts represent a critique of labour as the substance of all value, of why labour takes the forms it does, and what the political consequences are (Elson 1979). This is expressed in the following uncompromising terms in the *German Ideology*. “As individuals express their life, so they are. What they are, therefore, coincides with their production, both with *what* they produce and with *how* they produce” (Marx and Engels 1974, 42). Therefore:

definite individuals who are productively active in a definite way enter into ... definite social and political relations. Empirical observation must in each separate instance bring out empirically, and without any mystification and speculation, the connection of the social and political structure with production (Marx and Engels 1974, 46).

Although in many ways, the labour process literature may appear more relevant to this dissertation than does the literature on class *per se*, it is pertinent to comment that the labour process is but one facet of class as a process. The central dynamic of labour process theory explores “the transformation of labour power *potential* into *actual* [concrete] labour” (Willis 1988, 7), that is, although economic necessity ensures that workers turn up for work on a regular basis, the problem employers still face is actually having the work done efficiently. Moreover, the assumption of this body of literature that flowed in the wake of Harry Braverman’s *Labor and Monopoly Capital* (1974) has been of fundamental importance in redirecting Marxist analyses back to the labour process. Moreover by beaching the ‘growing divide’ between class analysis and the labour process, a perspective is provided for understanding the fluid relations of class (Carter 1995), especially as it relates to the production process required for the export garments market. In this way, the essential contingency of the employment relation points to the role which the agency of workers - their ‘strategies and responses’ – play in reproducing the class relation (Isaac 1987, 132).

### **Rise of EOI and Contemporary Labour Studies**

To expedite the capacity of industrialising countries to participate in the global economy since the mid-1960s, many Asian states have adopted ‘outward-oriented’ policies associated with EOI in place of the ‘inward-oriented’ policies associated with import substitution industrialisation (ISI) (Hamilton 1983; Deyo 1987; Hughes 1988; Jenkins 1991). This change has been carried out in the context of a general undermining of the structural forces that fuelled the post-war boom, giving rise to the tendency for an international crisis in profitability and the need for capitalism to restructure itself. It is not that EOI was superior to ISI, rather, the shift exemplified “the ability of the state to direct the accumulation process in the direction ... required by capitalist development at particular points in time” (Jenkins 1991, 224). It is argued that when EOI did proceed in many of the industrialising regions, a concomitant rise of authoritarian regimes played an active role in suppressing organised labour and subjected workers to ‘archaic’ forms of labour control (Frobel, Heinrichs and Kreye 1980, 360; Munck 1988, 206). These dominant views are reproduced by Frederic Deyo in his influential work, *Beneath the*

*Miracle: Labor Subordination in the New Asian Industrialism* in which he argues: “an obvious explanation for the weakness and political exclusion of East Asian labor relates to the tight and often repressive political regimes imposed by the state” (1989, 106). Of note here, is Deyo’s conceptualisation of ‘strong’ states that draws on the work of Guillermo O’Donnell (1979) who posits a direct link between authoritarian regimes and the repression of labour in Latin American countries. Essentially, these approaches are formulaic as they have a tendency to reify the working class as a single, homogenous mass whose oppression is universal. However, the different aspects or dimensions of the concept of class need to be considered, notably, the role which the agency of workers – their ‘strategies and responses’ – play in reproducing class relations (Isaac 1987, 132). Before developing this argument though, it is appropriate to present an in-depth review of the above dominant approaches to contemporary labour studies.

Contemporary labour studies emanate from fundamental changes that occurred in the political economy of capitalist countries in the post-war period. In particular, beginning in the mid to late 1960s, the rate of profit began to fall in industrialised countries and, by the mid-1970s, this had clearly manifested itself as a global recession. This crisis of profitability necessitated a further phase of the international restructuring of capital, a process that included an intensification in the international relocation of manufacturing production to the industrialising countries (Nayyar 1983; Armstrong, Glyn and Harrison 1991). To label this phase of restructuring as something distinct or as a ‘new era’ for capitalism “seems both to foreclose debate about the nature of change, and to impose the interpretation that change occurs by quantum leaps” (Bryan 1995, 12). In Marxist terms, the fundamental nature of change cannot be measured in a linear sense. It needs to be understood in an organic sense - characterised by continuities and discontinuities - and as reflecting the extension of capitalist class relations, a process described by Ernest Mandel in terms of ‘waves’ (1995).

Insofar as the industrialisation process dates back to the colonial era, since then, the role of the newly formed nation state has been vital to attracting and/or retaining a share of global surplus value. Among other things, the state has implemented measures to ensure favourable conditions for the reproduction of capital: by securing the supply and

regulation of labour power; by offering attractive trade and monetary policies; and by mediating the contradictory interests of different individual capitals (deBrunhoff 1976; Holloway 1994; Bryan 1995). In the Asian countries, these have been largely achieved through the strategy of EOI, a strategy directly reliant on world market competition: in part because the commodities produced must compete with corresponding commodities from other sites of production and, in part, because exporting countries have to compete among themselves to attract foreign investment. Under EOI, the state has first guaranteed an abundant supply of cheap and supposedly orderly labour; secondly, it has offered specific investment incentives, like tax holiday, duty free imports of raw materials and state subsidies; and thirdly, it has attempted to balance the interests between traditionally based agricultural production and industrial production (Balassa 1981; Corbo, Krueger and Ossa 1985; Milner 1990). In sum, the above transformations impacted on Asian workers in particular ways, and expedited a sharpening of research focus on how changing global forces affect workers throughout the world.

### **The New International Division of Labour Thesis**

The thrust of the argument of this division of labour thesis is that manufacturing, the cornerstone of the protracted post-war boom in the industrialised countries, was being relocated to Third World countries where labour was cheaper and plentiful in order to resolve diminishing profits. Linked to the dependency theoretical model, it has become the dominant way of understanding the capitalist restructuring process in the 1960s and 1970s by depicting how relations changed between advanced and industrializing countries, or, from the 'centre' to the 'periphery'. Specifically, it describes how the development of advanced economies was contingent upon the underdevelopment or backwardness of dependent capitalist countries (Frank 1969; Leys 1977; Skocpol 1977 and Wallerstein 1979). However, this perspective analyses capitalism at the level of exchange relations and commodity production, rather than in terms of the commodity character of labour power and the methods for the appropriation of the economic surplus. Consequently, such theories do not adequately deal with the specific nature of the state and class relations in particular countries.

It is claimed that this relocation of manufacturing to Third world countries resulted in

the 'de-industrialisation' of many of the established industrial countries (Bluestone and Harrison 1982). Conversely, the recipients of the world's manufacturing industries were emerging from being low-wage agricultural producers, to becoming the newly industrialising countries (NICs). Within this restructuring, the countries that remained in control are those that have moved from labour intensive mass production into finance, technological innovations and specialist production as key areas of global accumulation. Guided by the rationality of comparative advantage, the NIDL is seen largely as an outcome of the profit-seeking strategies of transnational corporations (TNCs) in a period of crisis (Frobel, Heinrichs and Kreye 1980), and/or the structural logic of capital accumulation on a global scale (de Janvry and Garramon 1977; Frank 1978). As a result:

the previous division of the world into industrialised centres and non-industrialised periphery will be superseded by a new dispensation. The contrast will be between highly sophisticated production ... and industrial production using standard technologies. Sites of this second type will be established and then disappear at an unheard rate. Capital may be attracted to one region today, leave again tomorrow, and possibly return the day after (Frobel, Heinrichs and Kreye 1980, 857).

While some versions attribute the NIDL to the forces of production – the manufacturing labour process, transport and communication – others attribute it to the decline in rates of profit in the advanced countries, leading capital to look for production sites with lower wages. However, in both versions, the difference in wages is integral to the thesis. Similarly, the existence of world markets for labour and of one global industrial reserve army of labour is central to the NIDL thesis, but, as Jenkins (1984) points out, there existed a reserve army of labour on a world scale well before the 1960s, especially in the industrialising countries. Briefly, in this restructuring of capitalism, the main purpose of establishing a NIDL is to exploit reserve supplies of labour. This has been greatly facilitated by transformations in the Third World that have resulted in large scale rural-urban migrations of landless former peasants, creating “a nearly inexhaustible source of the cheapest and most exploitable labour in the underdeveloped world” (Frobel, Heinrichs and Kreye 1980, 5). Consequently, surplus labour is the principle factor in keeping wages low because “the large pool of unemployed ... and the associated existence of acute poverty in developing countries forces the workforce to work at virtually any price “ (Frobel, Heinrichs and Kreye 1980, 341). As the logic of capitalist

competition impels firms to constantly cut their production costs, and as wages are a major component of these costs – especially in labour intensive industries like garment manufacturing – such costs become a vital source of competitive advantage.

From this plentiful supply of cheap labour, the NIDL thesis further argues that employers prefer young unskilled or semi-skilled female workers as they will work for the lowest wages and will endure a higher intensity of work. It suggests that females have ‘natural’ attributes that are particularly suitable for assembly line production: for example, they have nimble fingers, longer attention spans, are more passive than men and able to endure longer hours of work (Frobel, Heinrichs and Kreye 1980, 347-48), an argument repeated again in a recent book on the garment industry in Bangladesh (Quddus and Rashid 2000, 76). However, as this influential thesis fails to go beyond describing these stereotypical and narrow views regarding the predominance of women workers in global factories, certain feminist contributions to the NIDL literature have emerged (Elson and Pearson 1980 and 1981; Lim 1983; Mather 1985; Heyzer 1986; Ong 1987). Such feminist approaches, although diverse, tend to embrace a gender segmented labour market approach that seeks to explain why it is that women meet the requirements of employers for a certain type of work better than men. For instance, Linda Lim focuses on the consequences of women’s socialisation and structural place in patriarchy, notably, their perceived position as secondary income earners (1983 & 1990). In essence, both perspectives focus on the distribution of cheap labour rather than the endless need to reorganise the capitalist social relations of exploitation, and, in so doing, fail to explain the predominance of females in EOI in terms of the reorganisation of exploitation, which is central to the historical process of class conflict. Thus, these approaches do not address fundamental questions such as those relating to attempts by the nation state to provide and regulate cheap labour power in order to entice and/or maintain a share of global capital.

The NIDL approach also hypothesises that the state, in its endeavour to promote a favourable climate for foreign investment, plays a crucial role in the repression of organised labour and union formation through both legislative and forceful means. It



asserts that globalisation “requires and generates repressive political institutions and social formations” (Frobel, Heinrichs and Kreye 1980, 141), an assertion based on what the authors see as two imperatives to the NIDL. The first is that TNCs act to control organised labour so that wages can be continually driven down and, secondly, that Third World governments place strict controls on organised labour in order to compete for foreign investment. It follows from this, that authoritarian regimes in industrialising countries are an outcome and an instrument of foreign investment in production for overseas markets. In other words, the repressed militancy of workers and low levels of unionisation are strongly linked to the rise of EOI, to the extent that there is a tendency to interpret the links as a one-way causal relationship. In this way, undue emphasis is placed on the impact of economic policy and not enough on the political factors behind the suppression of organised labour, or, on the social and political forces that underpin certain economic strategies.

In sum, the NIDL perspective emphasises certain structural features which confront labour in general and trade unions in particular: these are, the cost and repression of labour, an intensification in the competition between workers because of the emerging global labour market, and a radical change in the mobility of capital. Generally:

The process of industrialisation in the Third World is seen in an entirely undifferentiated light. Although paying lip-service to the heterogeneous nature of the Third World, concentration on the development of the forces of production to the neglect of social relations of production means that there is no possibility of analysing the internal differentiation of the Third World ... In other words, the specific class structures and modes of surplus appropriation which have permitted rapid capital accumulation in certain Third world countries are not analysed (Jenkins 1984, 38).

### **Comparative Industrial Relations**

While the field of comparative industrial relations is diverse, at a general level it is concerned with differences – at both the national and international levels – in the nature and role of trade unions and/or methods of labour control. (Zeitlin 1987; Bjorkman, Lauridsen and Marcussen 1988; Bean 1994). It has a tendency to generate typologies that show a correlation between certain institutional forms and defining characteristics such as the types of industrialisation, state policies and problems of productivity. For the most

part, the distinct features of Third World industrial relations are identified as a dualism:

where a pre-capitalist economic system mainly dominates the scene; a small industrial sector and the related small numerical size of the working class; a segmented labour market, where a shared dualism both between modern and traditional manufacturing sector and between small and large firms exists; the dominance of the state in the industrial sector; weak trade unions, and thus the absence of collective bargaining between employers and employees (Siddique 1989, 385).

The comparative industrial relations field includes the classical or pluralist approach that considers trade unions to be the natural off-spring of industrialisation and to be either economic or political in form (Kassalow 1969; Sturmthal 1972; Mann 1977; Martin 1989). To challenge the pluralist approach, and to effect a shift to more global perspectives, like the NIDL, the 'new international labour studies' focuses on the connection between economic 'dependency' and the state repression of labour (Cohen 1987; Munck 1988; Southall 1988a & 1988b; Waterman 1993). These studies embody a more anthropological perspective on the uneven nature of the ways in which Third World workers are absorbed into the capitalist labour market, that is, the proletarianisation process. Although it is mainly concerned with the fate of organised labour, it does have a less obvious institutional focus. Finally, the industrial organisation approach concerns itself with the institutional conditions of capital accumulation, in particular, the 'competitive advantage' of national economies and forms of work organisation and labour discipline (Sayer and Walker 1993; Rodgers 1994; Frenkel and Harrod 1995).

### **The Pluralist or Liberal Approach to Theorising Labour**

This more conventional school of industrial relations is regarded as being applied and pragmatic in nature. Founded on an opposition to socialism, its research is empirically oriented, generally with an emphasis on procedural and institutional concerns towards the relevance of labour policy and the solving of conflict between workers and management (Bean 1994, 2). It is a formal, cautiously constructed and usually ahistorical model in which trade unions are perceived to differ according to the stage of industrial development. Usually, theorists argue the essential difference between trade unions in the industrialized countries and those in the Third World is that in the former unions

pursue 'economic' issues and strategies whereas in the latter unions are 'political' in orientation. Economic unionism is based on the assumption that it is a natural characteristic of advanced industrialized societies – a 'branch of the social tree' as Sufrin (1964, 17) wrote – whereby goals and types of action are confined to the workplace (see also Kassalow 1969 and Sturmthal 1972). Similarly, workers *qua* workers are but one of a number of interest groups that arise with the greater division of labour in advanced industrialised societies (Martin 1989, 14-22). By contrast, political unionism is regarded as an 'extra-industrial' phenomenon (Mann 1977, 11) in the sense that unions take part in broader social and political activities outside of the workplace, notably, nationalist struggles in developing countries (Millen 1963; Sufrin 1964, 22-23).

In addition to this artificial separation of the economic and political spheres, industrialisation is considered by the pluralist or classical approach to be a fundamentally universal and linear process. As a result, it is thought that trade unions in the Third World would ultimately 'converge' with those in the western world. This hypothesis is grounded in the theory of industrial society that accepts an essential unity to industrialism. For example, Clark Kerr's 'convergence theory' argues there is "a 'logic of industrialism' which inexorably leads industrial societies to become increasingly alike in their basic institutions, however different they may have been" (cited in Giddens 1986, 28). Perhaps the most representative universal generalisation for pluralists is the notion of enterprise-based collective bargaining, considered to be the linchpin for achieving consensus in mediations over 'economic' disputes in the workplace. This notion that conflict can be resolved through a form of relative power sharing, is explained according to a functionalist model in which power is conceptualised in terms of the accomplishment of social order. By providing rules that are jointly agreed upon, collective (pluralistic) bargaining is held to contribute to managerial control by legitimating rules and institutionalising industrial conflict (Sturmthal 1973; Sisson 1987).

Within the normative foundation of this approach, trade unions are also theorised in functionalist terms, because they are essentially regarded as the legitimate expression of serving the interests of a section of society, the workers (Martin 1989, 7-13). This

characteristic view is aptly expressed by Robin Cohen who writes:

The principal organs of the working class, the trade unions, are accepted parts of the industrial landscape, institutionally protected but legally regulated and constrained. ... Those from this tradition ... who deal with international and comparative issues are perhaps more adventurous than their nationally-oriented colleagues, but they remain uneasily imprisoned in the largely phony world of work-place collective bargaining (1987, 4).

To elaborate, the universal generalisation about workers, trade unions, or labour relations that underpin the pluralist approach, preclude it from adequately theorising the historical nature and form that labour takes in each Third World country. Instead, it is preoccupied with institutional arrangements and norms for managing distributive conflict consistent with the requirements of economic growth. Ostensibly, the role of the state in this process is kept to a minimum, a result of the strong belief in voluntaristic-pluralistic philosophy that envisages a political system based on universal suffrage, effective citizen rights, free association and the like (Giles 1989).

In the recent phase of global restructuring, it has become more problematic to uphold the separateness of the 'economic' and 'political' as pluralists attempt to explain trade unionism in the context of the globalisation process. For instance, under measures associated with corporatism, a more direct and active role was undertaken by the state to regulate work and trade unions, resulting in labour often being drawn into the political sphere to pursue their economic goals. In other words, corporatism typically involved achieving consensus through the integration of central trade union and business organizations into tripartite economic planning bodies with the state as mediator (Lehmbruch and Schmitter 1982; Pantich 1984). This has led to analytical confusion when attempting to sustain a sharp dualism between 'economic' and 'political' unionism. However defined though, pluralists persist in regarding Third World trade unions as 'political' because the scope for collective bargaining is restricted due to the presence of a corporatist industrial relations framework. Trade unions are perceived as the product of a particular stage of industrial development, at the centre of which is a very dominant and active state whose role cannot be restricted to 'entrepreneurial assistance' only, but rather widened to 'entrepreneurial substitution'. For example, it is argued that the vast nationalised sector in many Third world countries is essentially an outcome of the colonial past because the state has had to assume a far more

entrepreneurial role to expedite the industrialisation process (Siddique 1989, 392-94). In a similar way, regardless of the complexities and contradictions that underpin the globalisation process, another enduring feature is the claim that all interests are ultimately reconcilable. In sum, it is argued that because the ideas of this conventional approach to comparative industrial relations remain true to its theoretical traditions, it cannot be “seen as anything more than an ideologically limited and culturally and historically specific form of discourse” (Cohen 1987, 8).

### **The New International Labour Studies**

To obtain more substantial global insights, the ‘new international labour studies’ (NILS) undertook research on key labour issues in a number of places, including Africa, Latin America and Asian countries. In attempts to unite global approaches and international labour studies, the NILS was strongly influenced by the NIDL model of globalisation and the NIDL claims of worker oppression and the repression of union formation. Consequently, the NILS approach concerns itself with the consequences of economic globalisation on the formation, segmentation and articulation of labour and labour organisation in the Third World (Deyo 1989; Cohen 1991; Waterman 1993). In brief, this perspective argues that the globalisation of production and the creation of a global market have critically weakened the bargaining power of labour across the globe. For instance, Deyo (1989, 1-11) argues that EOI strategies in NICs have centered on the exploitation of low-cost labour for the production of manufactured commodities for world markets, as well as the political repression of workers and trade unions. In this respect, he situates the state at the centre of an analysis that attempts to explain the weakness of organised labour and how the state was in a position to defeat early left-wing unionism and shape subsequent developments. In a similar argument, Roger Southall contends that within the shift to global production and changes in the international division of labour, the defensive potential of unions has been undermined because EOI has taken place “under highly repressive state and despotic production forms which unions are hard pressed to counter” (1988b, 5). Fundamentally, the NILS views the state repression of labour as being instrumental in securing industrial peace and labour discipline. However, such claims appear to be mostly founded on research that accepts the institutional conditions of economic success from which an underlying

premise is that EOI, as a development process, is not favourable to the advancement of the interests of labour.

Even though the NIDS perspective is closely aligned with the NIDL's model of globalisation as a single, unitary force, its contributors have attempted to avoid pure structuralism because it "becomes a formalist juggling of variables where all sense of process and human agency disappears" (Munck 1988, 21). In this respect, NIDS is eclectic enough to incorporate issues of class, particularly, the uneven nature of the proletarianisation process (Cohen 1987, 17-20). It also considers the contradictory and complex nature of Third World industrialisation, such as the dynamism of indigenous capitalist forces in promoting EOI in industrialising countries (Jenkins 1991). Again, in theorising the suppression of labour, Deyo does foreground the social organisation of production. For example, he writes:

The attraction of young, low-skilled, and often female workers to employment characterised by low pay, tedium, minimal job security, and lack of career mobility encourages low job commitment, high levels of turnover, and lack of attachment to work groups or firms. These circumstances impede independent unionisation efforts among workers in light export industries, the pacesetters for early export-oriented industrialisation (1989, 8).

In this way, an insecurity of work and weak unionising efforts among EOI (generally female) workers, can be linked to a lack of workers' confidence in their ability to generate change. This weakness largely derives from the absence of effective and independent unions that can supply resources and provide an organisational focus for strong collective action. In other words, women in EOI are less organised than, for example, men in heavy-based industries whose employment condition are more secure.

Where worker militancy emerges among female workers, it is generally explained as unspecified resistance, as poignant or brave eruptions, or, at best, as increased political awareness instead of exploring the possibility that export-led industrialisation has created the conditions under which women workers have become more militant and better able to unionise. Such explanations appear to be grounded in various traditional and modern ideologies that condition the attitudes and behaviour of women factory workers (Afshar 1985; Heyzer 1986; Afshar and Agarwal; 1989). In failing to research and theorise development in the labour processes of export-oriented industries, these

studies are unable to acknowledge the organising abilities of women workers. Yet it has been shown that in both the Philippines and Mexican garment export industry, changes in the labour process like factory size and methods of labour control, have enabled women workers to organise (Hutchison 1992; Tirado 1994). Similarly, in South Korea, female workers in the export-oriented sector, according to Nam (1994) have been the 'backbone' of militant labour struggles. Also, by incorporating the lived experiences of female workers involved in EOI, it is possible to uncover how they have been able to resist in ways other than the traditional form of unionizing. These include the organized lowering of production targets and taking part in associated community activities on issues related to the factory and labour process (Rosa 1991).

While it can be argued that the NELS does have a less obvious structural or institutional focus than the more traditional pluralist approach to international comparative industrial relations, it does share with this tradition – and the NIDL thesis – a concern for the fate of organised labour. Likewise, the NELS shares with the NIDL approach a propensity to incorporate a narrow view of the internationalisation/globalisation process in this recent phase of capitalist development. As a consequence of focussing on the geographical relocation and rationalisation of capitalist production, and the repression of labour, as well as the feminised nature of the workforce, this literature similarly fails to highlight the ways in which the specific demands of overseas markets have shaped the social relations and processes of production. Furthermore, in concert with the pluralist tradition, the NELS argues that new forms of conflict between labour and capital emerge with industrialisation. In contrast though to the pluralist conception of consensual power, the NELS contends that the nature of this conflict is essentially oppositional due to the repressive activities of authoritarian states to substantially curtail worker and trade union rights. In short, as the state and capital are perceived as having the upper hand, and because of a general lack of acceptance of the historical capacity of labour to organise, there is no acknowledgement that EOI is conducive to trade union formation. Within the theoretical framework of authoritarian capital-labour relations, the underlying strength of the working class is, in many ways, disregarded.

### **Industrial Organisation Theory and Labour Relations**

Rather than focussing on collective bargaining as the most important mechanism for determining wages and employment conditions, or, on how the power of workers' is severely circumscribed by the increased mobility of capital, this perspective stresses the form of work organisation and associated changes in the production process and features of the product market (Rodgers 1994; Frenkel and Harrod 1995). It is argued that the post-war era of mass production centred around manufacturing and extractive industries that required technology and control over the market, and which made large-scale production of standardised commodities essential. This regime, or Fordism, declined with the end of the long boom, and since the mid-1970s, capitalism has restructured itself with the emergence of a new regime in the industrialised countries known as post-Fordism, the hallmarks of which are flexibility rather than economies of scale, and specialist production for niche markets rather than long production runs of standardized goods (Aglietta 1979; Lipietz 1982 & 1987). In its more radical form, regulation theory as posed by Robert Boyer, argues that capitalist crises and associated restructuring depends on certain forms of productive structures and social relations in the workplace (1990, viii). For instance, the unravelling of the rigid Fordist system of production in the 1970s and 1980s entailed the commencement of major changes in capital-labour relations. Under post-Fordism a more internationally competitive environment emerged that necessitated a shift to more flexible forms of production and employment conditions to boost productivity levels and to facilitate forms of labour control (Boyer 1988). At the same time, labour-intensive manufacturing associated with Fordist production techniques was exported to the industrialising countries in search of lower production costs and to penetrate protectionist markets.

In this shift to 'new' conditions of production required for the development of internationally competitive industries, 'comparative advantage' has been replaced with 'competitive advantage'. With 'comparative advantage' the rationale was that national specialization was the logical outcome of reliance on 'free' markets whereby all nations had the potential to share in global gains. It was about the relative efficiency of an industry compared to all other industries within the same nation. Conversely, 'competitive advantage' starts with industries rather than nations, as it is concerned with



a facet of an industry within a nation compared with the same industry in other nations (Bryan 1995, 170-75). Accordingly, within this framework, the focus of industrial relations becomes the problematic of procuring work from the workers, or, those factors operating at the point of production.

As with the previous approaches discussed, the broad concern of industrial organisation theory is with the institutional conditions of economic development. However, it is suggested that the single most important measure through which the level of development affects the employment relationship is that of the labour process, or, the way in which work is actually organised. This is because:

capitalist industrial development effects changes on the labour process by increasing the social and technical division of labour and transforming both the type of technology people are working with and the concomitant ability of workers to exercise control over the place and intensity of work (Beresford and Kelly 1991, 87).

Hence, an essential difference between industrial organisation theory and the other approaches discussed so far is that the former stresses 'the social and technical' problems of achieving production (Sayer and Walker 1993, 111). It delves into the lived experience of labour at the workplace – the very point of production – to explore the possible impact on workers of the alleged shift toward more 'flexible' or 'post-Fordist' forms of manufacturing. In a general sense, it is argued there is a need for more efficient, flexible and commitment-enhancing workplace relations to ensure organisational proficiency, and to augment industrial development into the future.

While the industrial organisation theoretical approach shares some affinity with insights into working class formation and capitalist development, it is also the case that perspectives that focus only on the labour process are prone to reductionism. That is, it is potentially limiting to examine only what occurs inside workplaces, or, to only stress factors operating at the point of production, without any informed or extended dialogue with class theory, let alone the role of the state. On the one hand, this is because there is a tendency to restrict research to a certain industry; and, on the other, because there is a tendency to neglect other issues such as the relationships between workers across numerous enterprises, industries or sectors of an economy. Consequently, a

‘reintegration’ of labour process theory with class analysis is needed because:

the arena of labour process analysis is incapable of adding more precision to the theoretical debate about capitalist production process and its relationship to class formation and consciousness unless it accepts as central the twin concepts of a labour process and a valorisation process and their complex relationship (Carter 1995, 64).

In short, a ‘reintegration’ would reassert how germane class is to comprehending “a world in which every relationship appears in flux” (Carter 1995, 36), and in which “all that is solid melts into air”(Marx, cited in Berman 1983, 89).

As with the other approaches considered, industrial organisation theory is inclined to render the working class as a mere ‘object’ of capital, passively accommodating to the changing dynamic of the accumulation process. For instance, Deyo persists with his pessimistic view that, as a result of contemporary forms of capitalist development in an international environment characterised by intense competition, the scenario for workers in Asia continues to diverge from the European experience. He argues that in Thailand, and many other countries in the region, more ‘autocratic forms of flexibility’ have emerged which “may well hinder the institution of more innovative forms of workplace flexibility” (1995, 36). In other words, under conditions of heightened international competitiveness there is scant indication of a propensity towards more participatory or democratic modes of managing labour. In a similar way, Stephen Frenkel and Jeffrey Harrod (1995) contend that EOI workers in both the NICs and developing countries have not received acceptable conditions of employment, a reality that unions have been unable to successfully address. As it is crucial to attract and maintain foreign direct investment, Third World states have been vigilant in their attempts to further subjugate labour by repressing militant union activities.

## **Theories of Gender and EOI**

Prior to the 1970s, mainstream research virtually ignored the economic role of women resulting in, it is argued, a failure of planners to integrate women’s economic role into development policies (Kabeer 1994, 1-10). The publication of Esther Boserup’s *Women’s Role in Economic Development* in 1970 is regarded as the first attempt to examine the impact of industrialisation on women and as laying the groundwork for

subsequent women in development analyses (Tinker 1990, 7-8; Pearson 1992, 226-29; Young 1993, 24-29). Concerned with the impact of agricultural and industrial development on the productive roles of men and women, Boserup argued that with the process of economic modernisation women were marginalised from the industrialisation process. In accordance with aspects of neo-liberal theory, including a linear view of time and market-oriented job generation, Boserup's thesis was used within a dependency perspective to analyse the marginalisation of women from industrialisation in Latin America. Its distinguishing feature is that 'female marginalisation' is portrayed as a single process, albeit a complex one, and is viewed as an irreversible systemic tendency within dependent capitalist development (Saffioti 1978). Although the 'female marginalisation' thesis has been and "will no doubt continue to be used for descriptive or political purposes, it should not serve as a basis for theorisation" (MacEwen Scott 1986a, 673). It is not that capitalist development overlooks the situation of women, as much of the literature claims, rather, it increasingly relegates them to disadvantaged positions. Furthermore, this reality is something facing the working class as a whole. What is required is a more general theory that uncovers regularities in similar situations about the way in which gender is incorporated into capitalist labour markets, regularities that have important implications for the analysis of class and politics.

Since Boserup's thesis, a substantial body of literature has emerged incorporating debates about the impact of EOI on women factory workers in export-oriented factories in the Third World (Mies 1986; Joeekes 1987; Tinker 1990; Moser 1993; Young 1993; Elson 1995). Generally, from this literature "an ideal and universal picture has emerged which has tended to coalesce the Third World into a single undifferentiated country where women factory workers are young, industrious, naive and passive" (Pearson 1986, 75). Third World governments anxious to attract foreign investment have often used these representations as a 'selling point'. For instance, an official Malaysian investment brochure published in the early 1980s claimed, in what has become a frequent citation, that:

The manual dexterity of the Oriental female is famous the world over. Her hands are small and she works with extreme care. Who, therefore, could be better qualified by nature and inheritance to contribute to the efficiency of a production line than the Oriental girl (cited in Chapkis and Enloe 1983, 5-6).

A similar representation was echoed in an interview with an owner of a garment factory in Bangladesh some years later. He stated that women – especially young girls - were essential to the garment industry because they were:

Bred to subservience and will work for very small wages each month. They will accept harsh conditions and will work long hours without complaint, men in Bangladesh would not do this. If I were to hire lots of men workers, they would not put up with these working conditions, they would immediately start making union politics. Not the women (Babul Interview 1994).

It is as if there is an underlying assumption that Third World women are ‘naturally willing’ to work for less and ‘naturally tolerant’ of harsher working conditions. Although these descriptions are thought to be especially true of Third World female workers, in essence, the same can be recognised in industrialised countries where women suffer a similar fate. In short, the processes by which all female labour is made and kept cheap intensify in the wake of a restructuring capitalism, as is the situation for most of the working class.

Although Linda Lim claims a ‘general negative’ view of Third World workers, she herself argues that Third World women “suffer a double oppression - that of imperialist/capitalist oppression on the one hand and of gender subordination on the other - and benefit little if at all from their employment” (1990, 111). Certainly, this argument has resonance for my research among the garment workers in Bangladesh, however, for the most part, these workers also talked of experiencing a newfound sense of dependence and empowerment from being drawn into the industrial workforce as part of the shift to EOI. Nonetheless, the literature on women factory workers in the Third World has a propensity to view them as comprising a source of cheap labour primarily because the interests of capital are couched only in terms of the costs of production. The broader issues of political economy are not sufficiently considered, nor are the mediations of gender and class processes that pervasively shape both material interests and capacities for action. Undoubtedly,

the mediations of gender and class are complex, and the focus changes depending on *what one is looking at and asking* - sometimes gender is in the foreground, sometimes class, and their significance and relationship is a shifting one. [But] by grasping class and gender as fully intertwined, we can gain purchase on the social dynamic of their construction *and* possibilities of change from the tensions and contradictions in experience (Pollert 1996, 646-47).

Essentially then, the struggle of working class women cannot be separated from the general class struggle, it is just that their struggle assumes a different form.

With the NIDL perspective, there emerged another consensus with the claim that industrialisation is based on the increasing employment of women. This is illustrated by the shift from ISI to EOI and the establishment in many countries of special industrial estates or EPZs. While the 'big boom' in zone formation occurred in the 1970s, they were still being established in the 1990s, toward the end of which 27 million people were employed in some 850 EPZs (ILO 1998, 1-3). Most of the workers in EPZs are women, particularly in the labour-intensive textile and garment sector. In this respect, Table 1.1 confirms the widely held view that the vast majority of EPZ workers are young women and that, using the example of Central America and the Caribbean, a high percentage of these women are employed in textile and garment plants. Furthermore it is rare for union activity to be permitted and the state in many industrialising countries has enacted specific legislation that either bans outright the formation of unions in the zones, or classifies workers as belonging to essential industries under which they are prevented from forming organised labour movements. Where the state has succumbed to either internal or external pressure to allow the formation of unions in EPZs, it has maintained control by either linking them to national state-sponsored unions, or, by only allowing the formation of in-house unions (ILO 1998; Martens 1994). In this way, the state has been able to entice foreign investment by providing - among other incentives - a necessary condition for the shift to EOI, that is, the promise that labour laws concerning minimum wages and the right to organise are waived in EPZs (Edgren 1984; Kreye, Heinrichs and Frobél 1987). Hence, the establishment of numerous EPZs across the developing world signalled the entry of large numbers of women into the labour force and the imposition of tighter labour controls. From these objective conditions, feminist contributions to the NIDL have sought to explain the predominance of women in the workforces of these Third World global factories.

Lim (1978) was one of the first to specifically write about the feminised nature of the workforces in EOI through a case study of the electronics industry in Singapore and Malaysia. Like Frobél *et al.*, she found a high concentration of women workers and

attributed this to the demand for 'secondary' or 'marginal' sections of the labour force: "those workers with low skills, a low level of commitment to the labor force, willingness to work for very low pay, and lack of union organization". She noted, as well, that an additional advantage for capital is that women show "great patience, care, industry and dexterity, and a minimum of spot disruptions on the assembly line" (1978, 356). She maintains:

In addition to women's apparently superior physical abilities in electronics assembly work, certain social or institutional characteristics pertaining to their secondary status in the labor force enhances the advantages to employers of hiring women rather than men. Because women are seen as secondary income earners whose jobs and incomes are an "optional" addition to total family income, it is considered justified to pay them lower wages than men at equivalent jobs. It is also "acceptable" for an industry which "needs" to lay off workers periodically to lay off women than men, for much the same reasons (1978, 359).

Two aspects of Lim's argument can be discerned throughout much of the literature on women and the NIDL. There exists first, the perception that women constitute a secondary labour force as cheap labour and as a reserve army; and, secondly, that women's status in the labour market is a direct outcome of the socially constructed gender division of labour rooted in the family: women are, in the context of 'dual labour market' theory, secondary workers because from feminist insights they are perceived as secondary contributors to the household economy. Accordingly, Noeleen Heyzer (1986, 98) suggests, women are "usually paid a subsistence but not a family wage". In other words, the female wage may cover the economic needs of the individual worker, but it need not allow for the provision of dependents. Interestingly, Heyzer does not go so far as to claim the converse: that men are paid a wage to cover the costs of raising a family. Indeed, the argument from dependency and world system theorists is precisely that men in the Third World are not paid an adequate individual wage, let alone an adequate family wage (Chattopadhyay 1987, 64; Deyo 1989, 90-94; and Moody 1997, 187-91). A feminist perspective on this thesis of 'super-exploitation' points out that it is often the subsistence work of women that subsidises the male wage.

In the most theoretical study, Diane Elson and Ruth Pearson use the concept of 'super-exploitation' to describe and explain the ability of capital to lower the female wage.

They argue: women “are particularly vulnerable to super-exploitation, in the sense that their wages will not need to cover the full money costs of the reproduction of their labour power, either on a daily or a generational basis”. Whilst it is the case, they continue, that all wages - both male and female in the First and Third Worlds - are reduced by the unpaid domestic work of women producing use-values which reduce the need for cash to purchase the same goods and services, they reassert that super-exploitation refers to the inability of a wage to meet cash requirements (1980, 22-23). Thus, on the one hand, men in Third World countries are super-exploited because their wage is subsidised by subsistence production; on the other hand, women are super-exploited in this way and, uniquely, by the perception that it is not necessary their wages cover the costs of reproduction. In sum, by and large, women are in the secondary or subordinate labour market characterised by lower wages, worse working conditions and less job stability.

Therefore, as well as proposing that women are a cheap, super-exploitable labour force, Elson and Pearson argue women constitute a reserve army of labour in the sense that they can be “hired and fired when needed” (Elson and Pearson 1980, 21). Lim describes how, in Malaysia, women are ‘shed’ from the workforce when they marry or have children, allowing the firm to take on cheaper labour on probation wages (1978, 359). Also, at a group level, she found that the workforces of multinational export-oriented firms were particularly vulnerable to lay-offs for economic and restructuring reasons (1978, 321-24). Elson and Pearson (1980, 25-26) agree with Lim, but stress that it is the material conditions of women’s lives, not simply the attitudes of employers, which determine their secondary status in the labour market. As women are responsible for housework, they are not able to enter full-time, life long employment and, conversely, it is through the unpaid labour of women that men can assume the classic attributes of ‘free’ wage labourers.

At the same time, it is proposed that women, in addition to being cheap and expendable, are preferred because they are more suited to and, hence, more productive than men in assembly line production. Although Lim treats the physiological explanation for this difference between male and female labour with some skepticism, she is not able to go

beyond the assumption that women are selected because of their “apparently superior physical abilities” (1978, 359). Elson and Pearson (1980, 28), reject this naturalistic explanation, arguing that ‘nimble fingers’ are not a physical attribute but the result of training. For example, they argue women sewers are not unskilled they are pre-skilled, therefore, by hiring women, employers have the advantage of an already trained workforce. In this respect they draw on the work of Anne Phillips and Barbara Taylor who write:

Skill has become saturated with sex ... the equations – men/skilled, women/unskilled – are so powerful that the identification of a particular job with women ensured that the skill content of the work would be downgraded. It is the sex of those who do the work, rather than its content, which leads to its identification as skilled or unskilled (1980, 81).

Lastly, the issue of the supposed greater docility of women workers is dealt with in two ways. On the one hand, writers like Elson and Pearson (1980, 19-20) again stress that such differences between men and women are due to socialisation rather than to nature by drawing an analogy between colonised people and women. They draw on the work of Franz Fanon (1967) in Africa and extract an analogy between colonised people and women - socialisation and self-repression. On the other hand, writers like Heyzer (1986, 100) point to women being “used to their subordinate position in the male-dominated households and villages from which they come”, whereas Grossman (1979) and Ong (1987) stress socialisation in the workplace not through traditional ideology but through the modern ideologies of femininity. Either way, feminists cannot entirely dismiss the idea of women’s greater docility; hence, there is a general assumption that low levels of militancy are associated with the shift to EOI. Consequently, there is no real basis for understanding the actual militancy of female workers, except in terms of emotional or heroic outbursts, or, in the differences in levels of organising amongst Third World women working in export factories (Hutchison 1992).

Although the above feminist contributions represent only a small component of this body of literature, they illustrate the core issues of the NIDL thesis, which can be summarised as follows:

The reasons for the use of young women workers [in textile and garment factories relocated to Southeast Asia] have been associated with the current



pressures of competition in the international market which has forced firms to increase labour productivity while minimising production costs. The reasons for using young women are usually given as the low cost of female labour in comparison with the same category of male labour; the higher productivity of young women as opposed to men in some labour-intensive industries, ... and the social and cultural attitudes of young women which allow a high degree of social control and predictability (Heyzer 1986, 98).

It is evident from these feminist perspectives that they share with the NIDL thesis a propensity to equate EOI with the low cost of labour, with women constituting a reserve army of labour, with productivity and with docility. However, as the changes that occur in the relations between capital and labour at the point of production are not sufficiently considered by this literature, it is difficult to explain how EOI has actually enabled women workers to organise.

While these dominant and influential approaches to contemporary labour studies in Asian countries certainly provoke debate and emphasise different explanatory factors, they all exhibit a general proclivity to focus on the conditions that inhibit or advance the interests of organised labour through the vehicle of trade unionism. It is as if an implicit assumption is that unionisation is the only valid or effective form of organising workers. Consequently, large sections of the working class who are not unionised are omitted and, moreover, the contributions of workers to the processes of social and political change are largely overlooked. As Leo Pantich writes: “market forces never stand alone. They are enveloped in class struggles and class strategies” (1987,135) processes that are fundamental to the social and political consequences of capitalist development. A more efficacious approach, then, to “mere classifications and formal model building”, is a class-based analysis, one that considers class as a ‘dynamic multidimensional process’ (McNall, Levine and Fantasia 1991, 12). Such an approach allows for the elucidation of problems associated with NIDL and comparative industrial relations approaches: notably, how a particular country’s economy is situated or inserted into the global marketplace; and, how the accumulation process is shaped by international class relationship as well as certain configurations of state-class relationships within a particular country. Historically, these have been crucial to the constitution and reconstitution of the working class, as well as the notion of class struggle and its articulation in the historical process of change.

## **Class Analysis and the Theorising of Labour**

Although classes are central to Marx's view of history and the development of capitalism, "generations of scholars since Marx have yet to arrive at a consensus over the various aspects of the concept of class" (McNall, Levine and Fantasia 1991, 3). However, at a general level, the nature of capitalism is such that social classes stand in contradictory and antagonistic relations with one another. Capitalist social relations are fundamentally exploitative because one class of people must sell their capacity to work to survive, while another buys this labour power to make a profit. In other words, the class struggle revolves around the relations of production; it is essentially a struggle over surplus value or the rate of exploitation (Marx 1959, 164-72; 207-12). According to Marx, class as a process represented the means by which:

surplus labour is pumped out of direct producers ... Upon this ... is founded the entire formation of the economic community which grows up out of the production relations themselves, thereby simultaneously its specific political form. It is always the direct relationship of the owners of the conditions of production to the direct producers ... which reveal the innermost secret, the hidden basis of the entire social structure, and with it ... the corresponding specific form of the state (1959, 791).

In its more concrete sense, class as a process also incorporates the interaction of social, political, cultural and historical forces through which classes are in a continual process of being formed and shaped. In short, the constant interaction or dialectical relationship between objective and subjective forces or between essence and appearance in the actual process of social change need to be understood. Ernest Mandel in his *Introduction to Marx's Capital Volume 1* explains this in the following away:

It is necessary to integrate 'essence' and 'appearance' through all their intermediate mediating links, to explain how and why a given 'essence' appears in given concrete forms and not in others. For these 'appearances' themselves are neither accidental nor self-evident. They pose problems, they have to be explained in their turn, and this very explanation helps to pierce through new layers of mystery and brings us again nearer to a full understanding of the specific form of economic organisation which we want to understand. To deny this need to reintegrate 'essence' and 'appearance' is as undialectical and as mystifying as to accept 'appearances' as they are, without looking for the basic forces and contradictions which they tend to hide from the superficial and empiricist observer (in Marx 1976, 20).

In sum, the theory of abstraction as Marx left it retains all its relevance and force. Moreover, by engaging in a Marxist class perspective on labour and the capitalist transformation process, it is possible to reveal the underlying dynamics of the surface appearance of the NIDL and comparative industrial relations approaches. In particular, through Marx's labour theory of value, it becomes clear how the working class has been and continues to be active agents in the process of historical change.

### **Class Structure and Class Formation**

In Marx's conception, the social relations of production form the material base of class, rather than market relations or relations of exchange (appearances) as evident in the Weberian structuralist view in which class is conceptualised simply as collectivities of individuals. Indeed, in the social sciences, the analysis of class in capitalist society can be divided into two main theoretical traditions, namely, the Marxist and Weberian perspectives. Whereas the Marxist approach stresses private property and the relations of production as being central determinants of class and class conflict (Poulantzas 1975; Carchedi 1977; Wright 1985), the Weberian approach describes class in terms of marketable skills or exchange relations (Giddens 1973; Parkin 1979). Even though Weberians do attribute significance to private property ownership and production relations, these are by no means sole determinants, hence, there is a propensity to deny the antagonistic character of capitalist social relations. However, this is not to underestimate Weber's significance to social theory in general and the rise of capitalism in particular. His leading and most controversial work, *The Protestant Ethic and the Spirit of Capitalism* (1904-5), is not merely a metanarrative about ideology and the primacy of ideas in social life as commonly thought. Rather, it exemplifies Weber's consistently historical approach of unintended consequence and his acceptance that modernity was underpinned by struggle, difference and conflict (Albrow 1990; Beilharz 1992).

As mentioned above, in the studies of labour in Asia, the dominant concern has been with the level of appearances, which is revealing of underlying empirical modes of scientific explanation. From this perspective, class politics is defined as the regular behaviour and observable interactions between these collectivities as they embrace,

promote and defend explicit and unambiguous class interests. In the case of Bangladesh, empirical understandings of class are certainly apparent in the modernisation literature on labour (Sen 1986; Siddique *et al.* 1990; Barkat-e-Khuda and Barkat 1992; Islam 1994, 1-40; Rahman 1994). Similarly, empirical understandings of class are also at work in radical studies of labour politics in Bangladesh, and although these begin with a structural understanding of class, when it comes to concrete analysis these structural views often give way to essentially Weberian conceptions (Jahangir 1977; Ahmad 1978; Haque 1979; Rahman 1986a; Feldman 1991 and 1993).

The approach of this dissertation to class is best introduced by a discussion of the main alternative – the idea that class is an empirical group of individuals that can be both ‘objectively’ and ‘subjectively’ defined (Therborn 1983, 39). As an objective or structural phenomenon, class refers to those individuals who share a common socio-economic position; subjectively, it denotes class struggle or observable behaviours and interactions between individuals and their institutions as they consciously endeavour to defend or advance unambiguous class ideologies and interests.

In this sense, Marx made a useful distinction between the objective situation of a class, that is, class structure and the subjective awareness of this situation, or, between class membership and class consciousness. This distinction, which is central to the notion of class formation and class conflict, denotes how workers can at a particular historical moment become active participants in the process of change rather than remain the inert victims of exploitation. For instance, in the development of industrial capital, the origin of labour relations emanates from the interaction of management’s quest to lower the costs of production by lowering wages or by attacking working conditions that, in turn, incite conflict and worker resistance. It is from this constant struggle that workers create their own class consciousness, or, put another way, how they tend to gain greater self-confidence overtime and become more likely to resist their intensified exploitation. This subjective aspect to class is necessary because, without it, classes are mere masses devoid of social and political consequence (Miliband 1988, 23).

On this basis, a two-dimensional view of class is presented which, in the Marxist tradition, has often been expressed by the division of an inactive ‘class-in-itself’ and an

active ‘class-for-itself’ distinction; the class formation process being thought of as a sequential movement from the former to the latter. This approach carries with it the view that class is only truly constituted as a subjective phenomenon, which is described by Marx in the following words:

[The] mass is ... already a class in relation to capital [class-in-itself], but not yet for itself. In the struggle ... this mass becomes united, and constitutes itself as a class for itself. The interests it defends become class interests. But the struggle of class against class is a political struggle (Marx 1978, 218).

To put it another way, until individuals become aware of themselves as a class, and think and act accordingly, they remain simply a mass, something still not properly formed. Accordingly, it is only as a ‘class-for-itself’ that class is thought to become an actual social force or an agent in history, that is, class becomes a real social phenomenon and aspect of social explanation when it is manifestly constitutes as an empirical group. Yet, if there is to be any purpose to the two-phase model of the class formation process, the boundaries of these empirical groups must conform to those that define classes objectively.

It is as if developing the relationship between ‘class-in-itself’ and ‘class-for-itself’, two deductions are made about working people. Identified as ‘proletarianism’, these are “that the proletariat’s oppression is universal, and that common suffering produces a united response’ (Metcalf 1988, 129). Both assume that with wage labour - at all times and under all circumstances - there is only one fundamental experience that all workers endure and which they all perceive to be shared. Additionally, this experience is thought to assume personal and political primacy over every other life experience, for example, those based on gender, kinship and religious variances. To put it briefly, by presuming their ‘original uniformity’ the subjectivity of the working class is negated (Chakrabarty 1988, 223). Moreover, in accepting that class consciousness is the necessary outcome of class structure is to presuppose the class formation process, thus, turning it into ‘a formula’ (Katznelson and Zolberg 1986, 7). This amounts to a reification of class that occurs when something is separated from the particular circumstances in which it actually exists and then taken to in fact exist as that abstraction or generality. It occurs when abstract concepts are mistaken for actual entities. Marx dubbed this as “the mystery of speculative construction” (cited in Sayer 1987, 54) from which the actuality

of class can only be ascertained by the existence of phenomena that equate with a given theoretical interpretation of class.

Consequently, defining class becomes the theoretical problem whereby groups of individuals are defined according to certain boundaries that will assist in explaining, even predicting, patterns of social and political conflict. For example, Erik O. Wright (1985) seeks to generate class 'maps' for advanced capitalist societies describing his definition of class structure as a specific proposition about the forms of differentiation in processes that generate conflict, a proposition that he seeks to test by operationalising class consciousness in interviews. In a similar way, Guglielmo Carchedi (1977) attempts to define bounded groups of individuals in his work on the economic identification of the new middle class. In short, the obsession with classification has severely minimised the structural dimensions of working class experience. Moreover, as the varied nature of workers and the work experience cannot be contained within the same concept or theoretical model, controversies over definitions are invariably unable to be resolved.

In this approach, because class is primarily explained in a structural way, when the class formation process fails to take its anticipated course this is normally ascribed to subjective variables (Sayer and Walker 1993, 23), such as 'false consciousness' and/or opposing forms of social identity. In the Asian context, a perceived absence of class conflict is often explained in cultural terms. For example, in South Asian historiography, the emergence of Subaltern Studies has again promoted the notion of 'primordial values' as being exclusively responsible for shaping the resistance of subordinate peoples in the colonial period (O'Hanlon 1988). In this respect, Dipesh Chakrabarty in his acclaimed publication *Rethinking Working Class History* (1989) argues that the Bengali jute mill labourers were unable to develop a class consciousness because of an inequalitarian caste system. Furthermore, in contemporary Bangladesh a number of commentators argue that class-based politics is inhibited by a persistent culture of patron-client politics (Sobhan 1989; Kochanek 1993; Quamrul Alam 1994) and, that the Islamic constraints of *pardah* have acted to inhibit women from taking part in collective forms of social action (Dil 1985; Ahmed 1991). In so doing, such explanations often reproduce essentialist assumptions about culture and social identity that preclude the ability to observe a class

formation process. This has posed considerable problems for scholars of Asian labour, leading them to call into question the usefulness of class analysis. However, these problems are methodological rather than substantial and can be resolved by a more critical and realist understanding of class, which holds that the proper objects of explanation and analysis are the real underlying structures that generate the level of appearances (Bhaskar 1989).

A critical realist methodology facilitates the theoretical grounding for the characteristic distinction Marxists make between class structure and class formation. While the former denotes a real underlying social relationship of exploitation and struggle, the latter denotes the ongoing and open-ended process through which this relationship is formed, reformed and potentially transformed in and through the concrete practices of human agency (Isaac 1987). Indeed, the process of class formation is essentially one in which classes are continually being 'organised, disorganised and reorganised' (Przeworski 1977, 372). With this conceptualisation of class, the notion of class politics does not refer to the observable activities of classes, rather, it denotes struggles over class relationship, their establishment, maintenance and possible transformation. As Ellen Meiksins Wood emphasises:

while the basis of class formation is to be found in the antagonistic relations of production, the particular ways in which structural pressures exerted by these relations actually operate in the formation of classes remains an open question to be resolved by historical and sociological analysis (1995, 98).

In other words, knowledge of the class structure itself is not sufficient when analysing class relations. A distinction always needs to be made between a theoretical analysis of the structure and dynamics of class relationships and an historical analysis of the actual effects this dynamic produces in concrete circumstances, namely, the mode of surplus appropriation. In this way, the working class can be theorised as a social force whereby it develops its political skills and capacities in its quest to challenge the rule and domination of capital.

### **Class as a Social Process**

The above problems associated with the concepts of class structure and class formation do not so much invalidate the theoretical usefulness of class analysis as point to its very

complexity. Although class can be regarded as a specific form of an enduring social relation that agglomerates individuals, it can also be thought of as a *sui generis* social phenomenon. In this sense, class is a 'generic' concept whose signification distinguishes it from other social relations, without specifying its actual empirical composition (Sayer 1987, 54-56). To briefly elaborate, although 'labour' and 'capital' denote the form of or process that exploitation takes in capitalist societies, they do not set the boundaries around groups of people; rather, they define the relationship or process by which surplus labour is produced and appropriated. Accordingly, they are 'experience-distant' tools of analysis without 'direct or unmediated phenomenological referents' (Katznelson and Zolberg 1986, 12). Specifically, while class is apprehended through abstraction, its specific form under particular circumstances can only be uncovered through research. Accordingly, a critical realist approach to class operates according to the notion of levels of analysis or abstraction that are irreducible to each other, but "which must be combined in order to understand the concrete world" (Isaac 1987, 61-62).

Ira Katznelson and Aristide Zolberg usefully develop a four-dimensional framework of analysis for an understanding of class, arguing "that class in capitalist societies be thought of as a concept with four connected layers of theory and history: those of structure, ways of life, dispositions and collective action" (1986, 14). At the first layer, class is viewed objectively as a process without, as stated above 'direct or unmediated phenomenological referents', that is, at this level, the working class is simply that section of the population who work for wages instead of owning the means of production. The second layer is more structurally specific in that class is grounded in a particular set of circumstances in people's lives, both in and outside the workplace. At the third layer, 'classes are formed groups, sharing dispositions', again under particular lived circumstances, that is, for workers classes represent 'plausible and meaningful' responses to the situations they find themselves in. Finally, at the fourth layer, class actually involves organised or collective action in which a distinction is made between 'shared dispositions' and resistance (Katznelson and Zolberg 1986, 14-21). However, this level can be further extended to include 'unorganised' forms of resistance that happen outside any formal based organisation.



In keeping with the critical realist position, Katznelson and Zolberg argue that class “lies at the intersection of structure and process, social being and social consciousness (Katznelson and Zolberg 1986, 20); an argument that immediately draws on the idea of structure in motion (Bhaskar, 1986, 215). Whereas the ‘class-in-itself’ and ‘class-for-itself’ distinction hypothesises that structure happens, then agency, this theoretical perspective regards class as a theory of human activity rather than as a theory of location. Expressed as the contrast between ‘structures *as against* processes’ and ‘structures that *undergo* processes’ (Wood 1995, 79), this view is central to the critical realist postulate that social relations - and not the structural situations - of people are the foundation of society and, hence, the essential objects of social theorising.

Sociology is not concerned, as such, with large-scale, mass or group behaviour (conceived as the behaviour of large numbers, masses or groups of individuals). Rather, it is concerned, at least paradigmatically, with the persistent *relations* between individuals (and groups), and with the relations between these relations (and between such relations and nature and the products of such relations) (Bhaskar 1989, 28-29).

To summarise, Katznelson and Zolberg’s approach to class has merit because it avoids the pit-fall of the ‘boundary problem’ and allows for some sense of class as a conceptual hierarchy. The evocation of four levels to class contain ‘no developmental assumptions’ as there are no ‘necessary stages or a natural progression’ (1986, 17-18). There is no suggestion that any of the four levels of class are isomorphic with each other, nor any suggestion that these are stages in the class formation process. Importantly too, there is no implication that worker militancy or resistance will occur, that it will take an organised form or, even, that the organised form is the most effective. Indeed, the second, third and fourth levels of class are best thought of as different aspects of the class experience to the extent that “questions about the content of each level and about the connections between the levels of class constitute the very heart of the analysis of class formation” (Katznelson and Zolberg 1986, 22). In this way, the idea of the capacity of workers to resist or ‘class capacities’ (Therborn 1983) ahead of ‘class structures’ facilitates a much richer consideration of class as an *embedded* experience.

For although at the most abstract level the key class process is the extraction of work from workers, this is only achieved through a complex of conditions; they being, class

formation, the form of the labour process, the nature of the industrial relations system, the state of labour organisation, the political context such as the extent of democratic rights, the particular economic climate and important social factors such as gender. For instance, with export-led industrialisation gender as a specific class relationship is particularly salient. As the labour power of young females in third world countries has a lower value, they have become the preferred labour force for capital. Moreover, as their supply is plentiful, they comprise a potentially disposable industrial army of labour.

## **Conclusion**

When theorising labour and forms of industrialisation it is vital to bring back workers into the centre of analysis so that the working class is not dismissed as having the capacity to bring about social change. Certainly, this dismissive potential tends to underpin the NIDL and comparative industrial relations perspectives. For although “the story of international labour has been one of disappointed hopes and frustrated dreams”, it has also been “one of stirring acts of solidarity and fraternity (Cohen 1987, 3). Certainly, to examine class formation as a process involving an analysis of structural position, ideology or consciousness and organisation, is to render the possibility of explaining why sections of the industrial working class are able to act out against their oppression. Class has an objective and subjective component, is a process, is defined in opposition to other class processes and is historically contingent. Only in this way can it become apparent how fluid the process of class formation, class conflict and class consciousness are, and how they are constantly initiating action in a dialectical relationship. With this in mind, the following chapters of this study examine the interaction - inside and outside Bangladesh – of social and historical forces in order to understand the rise, expansion and responses of the industrial working class movement in Bangladesh. As well, and more specifically, these forces will be articulated through the emergence and growth of the garments export industry in Bangladesh as well as the emergence of its female workers as a political force in the struggle to articulate their grievances.

## **Chapter 2**

### **The State and Labour in Bangladesh: An Historical Narrative**

#### **Introduction**

Whilst Bangladesh's political and economic development is well researched, what is not so well documented or understood is the historical importance of labour as active negotiators of change in capitalist development. In locating the working class in Bangladesh, it is necessary to place its origins and development within an historical framework dating back to at least the seventeenth century when Bangladesh as East Bengal was an important part of the emerging capitalist world economy. Indeed, prior to the significant disjuncture when the East India Company invaded and conquered Bengal in the 1750s and 1760s, there were over one million workers involved in the production of cotton and silk in Bengal (Prakash 1976). Under British control, these workers suffered from the disintegration of the Mughal courts, the low prices at which they were forced to sell their products, and the wholesale restructuring of their market to serve the export trade (Das Gupta 1976). By the early nineteenth century, much of the weaving industry had been destroyed by the imposition of British colonialism. In particular, Dhaka, which was the traditional centre of such manufacturing activity, entered a state of decline that has characterised much of its history from that point onward.

The capacity of the working class to resist this process has been contingent upon the social structures specific to a particular economic and political period, of which the most important has been the development and practices of a labour movement and the related context of state labour policy. Historically, these need to be considered not only in terms of a continued need for the state to superintend labour but also as a response to persistent worker agitation. Although a continuity is revealed with labour policy under colonial and post-colonial regimes, whereby workers continued to be subject to a repressive industrial relations system, the labour movement has been the spring-board from which important labour laws have been introduced as well as benefits gained for its members. Indeed, the Bangladeshi working class embodies a dynamic history of militant action and struggle provoked not only by industrial issues but also inspired by the ongoing fight for

independence and liberation from colonialism.

At the outset, then, it is pertinent to identify significant historical moments or periods in the history of Bangladesh which illustrate forms of labour resistance which have accompanied the process of capitalist development: first, as East Bengal under the British regime; then, as East Pakistan under the rule of West Pakistan; and, finally, as the sovereign state of Bangladesh that emerged in 1971. In this way, the history of the Bangladeshi working class reveals an open-ended process of class formation and reproduction, class conflict and struggle. Moreover, it depicts how the development of capitalist social relations is not a formulaic process, rather, it represents an historical process of conflict from which important social change has occurred. As well, this history of prolonged struggle and sacrifice indicates why it is that contemporary industrial workers in Bangladesh are quick to form unions and to make demands. Although the working class bears the burden of the global expansion of capitalism, the industrial workers of Bangladesh cannot be regarded as the passive bearers of the forces of accumulation over which they have no power at all. As they are both politicised and strike-minded, the Bangladeshi industrial working class has emerged as and continues to be active agents in advancing the class struggle.

### **The Integration of Bangladesh into the Global Capitalist Economy Under Britain and West Pakistan**

The process of globalisation is nothing new, rather, it has its historical roots in the so-called voyages of discovery which coincided with the emergence of the capitalist world economy about five hundred years ago, and which were the fore-runners of merchant capital (Rubin 1979, 19-26). Since the 1970s, explanations of this process have been dominated by an essentially Euro-centric interpretation of the growth of the modern capitalist system as characterised by the 'core' and 'periphery' concepts of dependency theorist, Immanuel Wallerstein (1979). Wallerstein outlines the major stages of the history of the world economy from a geo-sociological perspective dating back to the long 'sixteenth century' (1450-1640) up until the 1970s. The 'core' of his system originated in Europe and comprised England, the Netherlands and northern France, with Germany and the United States eventually becoming core states. While initially the

‘periphery’ was made up of Eastern Europe and increasingly the Americas, it later spread out to encompass the remaining areas of Latin America, Asia and Africa. Basically, Wallerstein argues that as ‘unequal exchange’ was imposed by the developed ‘core’ on the underdeveloped ‘periphery’, the surplus of the world economy was thereby appropriated.

However, the orthodoxies of world systems analyses have been questioned by more recent research that explains points of elision between South Asian history and global history. This research suggests that one reason for the pervasiveness of the Euro-centric interpretation stems from the “vast and accessible corpus of records on the creation of the British colonial state” (Stein 1985, 415), which fails to acknowledge that South Asia actually occupied a pivotal position in the world trade of the early modern era (see also Bayly 1983; Perlin 1985; Washbrook 1988 and 1990). For example, David Washbrook’s important historiographical essay argues that South Asia formed the ‘hub’ of networks of production and exchange of great size and complexity and was, in several ways, “involved in ‘the social history of capitalism’ from a very early period” (1988, 72). As he points out, it underwent many similar forms of social development as those that took place in Western Europe which was just one of many trading systems feeding into different South Asian regional economies and, except perhaps in Bengal, was never the largest. In fact, so wealthy was Bengal that in 1498 Vasco da Gama described it to the Portuguese King as a country that could export “grain and very valuable cotton goods, and a country that abounds in silver” (cited in Novak 1992, 77).

The most obvious example though of a deepening of the globalisation process in South Asia occurred when the British East India Company (EIC) was attracted to Bengal in 1651 for the lucrative trade in cottons, silks, food and manufactures. So profitable was Bengal’s trade that four European countries - the Portuguese, the Dutch, the British and the French - all fought for supremacy and, when the EIC won the Battle of Plassey in 1757, Bengal became the first area of India to come under direct British control. The extent of the exploitation of the labouring population in the years immediately following Plassey was revealed by the 1770 famine in which an estimated one-third of the population perished (Bose and Jalal 1998, 54). Owing to the private ultra-appropriative

activities of the EIC, it gradually came under the control of parliament in Britain until it was abolished in 1858 (Bhattacharya 1969). Nonetheless, the EIC had provided a mechanism through which the infrastructure of the British colonial regime in India was established and, in the years that followed, India was formally subjugated through the policies of the colonial state that defined how the sub-continent was to be incorporated into the global capitalist economy. Indeed, India became the 'jewel in the crown' of the British Empire during the nineteenth century. Accordingly, as the eastern part of Bengal and, as the agricultural hinterland of the Calcutta industrial belt, Bangladesh formed an integral and vital part of the British colonial system until 1947 when the British finally withdrew from India (Tomlinson 1993, 116-23). An appropriate starting point, then, for the history of Bangladesh's political economy is with India's colonial relationship with Britain, a relationship historically rooted in the mercantilist framework of the EIC.

### **Bangladesh as East Bengal Under British Rule**

In the meantime, the EIC, upon assuming political control in Bengal from 1757, sought to generate revenue to sustain and expand its military operations in India by amending the land revenue systems that had been previously employed by the Mughals and regional kingdoms of India. Indeed, the events in Bengal during the second half of the eighteenth century were critical for the way in which the region would be able to respond to the major social changes of the nineteenth century. These vital changes were based on the notion of private property that prevailed in Britain at that time and facilitated for them the production of crops in India for sale rather than consumption. As a result, colonial exploitation occurred by the direct extraction of a substantial portion of the economic surplus produced by the cultivating peasants in the form of land revenue. In this way, the British were able to maintain and extend their political power and ensure the supply of raw materials for British industry through the spread of commercial agriculture in the nineteenth century. For instance, in Bengal, peasants were forced into the production of cash crops such as indigo and jute to meet the demands of industries based in Britain (Charlesworth 1982, 17-31).

Although in Bengal, the Permanent Land Settlement of 1793 had a far-reaching impact on the social, economic and political structure of Bengali society, its contribution to the

development of capitalist relations of production in Bengali agriculture remains contentious (see Ray 1979; Guha 1981). The basis of this contention lies with the different relationship of merchant capital to the land in eastern India, namely Bengal, compared to the Bombay Presidency in the West. In Bengal, the Permanent Settlement introduced by the British altered land relations by placing the task of collecting revenue on the *zamindar*, who in practice became a landlord. As claims to revenue collection were saleable, this had the effect of Bengali investment capital being drawn more to land, government securities and urban property rather than to trade interests. In contrast, in the Bombay Presidency, the *ryotwari* system offered less attraction for land investments compared to trade, banking and various other business pursuits (Lakha 1988, 50, 61-62).

However, Sugata Bose describes the *zamindari* system imposed on Bengal by the Permanent Settlement as a 'deceptive' framework for the study of Bengal's rural economy and society (1986, 3-33). Bose explains that Bengal's agrarian structure has been mainly viewed in the context of colonial revenue history and rent relations, formal landlordism and tenancy. He writes that, although land revenue and rental demands are important, after 1860 they were:

a less significant aspect of the colonial context than the capitalist world economy and the financial policies of the colonial government ... By the early twentieth century, the agrarian economy of Bengal rested on an extensive subsistence base while at the same time participating in a growing international trade. The history of a subsistence-oriented peasantry engaged in petty commodity production for a well-integrated world market has to be set in the context of the demographic constraint on resources as well as the international and regional dimensions of the colonial political economy. A study of the network of agrarian credit relations is more relevant in the late colonial period than a focus on ties of revenue and rent. It not only provides the critical linkage along which fluctuations in the world economy were transmitted to the region's agrarian economy, but also forms the most important element in the complex of agrarian relations within the region. This shift of perspective is, therefore, necessary for a better understand of the connection between changes in the agrarian structure and the nature and course of peasant politics in the final decades of colonial rule (1986, 5).

Nonetheless, the establishment of a form of property rights laid the material foundation of a permanent colonial order whereby the state was positioned at the pinnacle of a system of colonial domination well into the twentieth century. Furthermore, the basis for

the emergence of capitalist social relations of production and the further integration of Bengal into the global capitalist economy had been set in motion.

In particular, Bose states, by the late nineteenth and early twentieth centuries, “the jute growing peasant smallholding system in East Bengal was tied most firmly to the international economy” (1986, 275). However, given their tiny land holdings and the expense associated with growing jute, their very survival became inextricably linked with the credit system. In effect, a greater involvement in the global market economy had “opened up a golden age for the moneylender” (Thorner and Thorner 1962, 55) and rural credit had become “the nub of an interlocking set of relations of production and surplus appropriation underpinning the agrarian social structure” (Bose 1986, 181). At the concrete level of class formation the growth of a more differentiated peasantry was established through ‘depeasantisation’, a concept that refers to three inter-related processes: first, an increase in the frequency of land transfer; the escalation of rural indebtedness; and, a rapid expansion in share cropping as the dominant form of agricultural production in which there were low levels of investment and a failure to increase the productivity of the land (Smalley 1983, 187-90).

The stringent nature of the moneylending system and the determination with which it was imposed became a potent cause of revolt among landless labourers and the poor and middle peasants, many of whom fell victim to endemic unemployment. Indeed, the threat of starvation became widespread throughout rural Bengal. However, any resistance to achieve a better position within the existing structure of relationships was quickly put down by means of direct force (Hardiman 1992). Although resistance continued, the landlords, moneylenders and traders were able to maintain their stranglehold, to the extent that any resistance did not have any lasting impact, at least until the 1940s and 1950s (Bagchi 1985, 9). In sum, by the late nineteenth century a permanent cycle of rural indebtedness became all-pervasive and the spawning of labour occurred at a rapid rate as poor peasants and landless labourers were forced to migrate in search of employment as wage labourers. While they remained secondary in terms of numbers, when compared with Northern India, especially Bihar and Uttar Pradesh, the



poor and landless peasants who migrated to Calcutta from East Bengal in search of work became a source of cheap labour for emerging industrial sectors, especially in West Bengal. Indeed, ever since, this growing reserve army of labour has provided an abundant pool of workers for the process of industrialisation in the sub-continent and other parts of the world (Omvedt 1980; Bremen 1985; Faraizi 1993).

Overall, the character of Britain's relationship with Bengal was transformed in the nineteenth century, particularly after 1850. In the wake of major transformations that were taking place in the world economy, foreign (mainly British) investment capital flowed into India. This capital was invested in those areas of capitalist development that expedited the accumulation process and facilitated the construction of roads, canals, ports, railways and other public utilities (Banerji 1982; Chaudhuri 1968; Sen 1992). While this influx of investment capital underwent a major downturn in the 1870s and 1880s, it laid the basis for the intensification of agricultural production, the establishment of a manufacturing base in selected industries, and the extension of mining and plantation industries. In Bengal, major factory industries such as jute and cotton mills, iron foundries, machinery and railway workshops were all situated in the industrial belt of Calcutta. These sectors became major employers of an influx of non-local factory labour, and the jute workers came to form the core of the industrial proletariat in this region (Das Gupta 1976).

Indeed, from all the developments under British control, the most significant feature was that labour in the sub-continent had become, for the most part, yoked to capital for "the production of surplus value ... the chief end and aim of capitalist production" (Marx 1978, 220). Furthermore, the emergence of an Indian industrial and urbanised working class provided the necessary pre-requisite for the development of a labour movement and labour policy.

The first industry to attract legislative measures was the profitable plantation industry in Assam where the Assam Tea Company, formed in 1839, was experiencing difficulties with the recruitment of labour from outside regions. Two acts - the Workmen's Breach of Contract Act (1859) and the Plantation Act (1863) - were passed by the Government of India to address the many abuses arising from the unregulated recruitment of labour

by speculating contractors. These acts, both harsh in their application, neither solved the problem of labour supply nor secured adequate protection for labourers; rather, they were adopted largely with a view to ensuring a stable labour force for employers (Ahmad 1978, 3-4; Das, 1941, 11-48). Certainly, they did nothing to improve the appalling working conditions that plantation workers suffered; conditions which became all too familiar for the industrial working class as both Indian and British employers extorted maximum profits by paying as low a wage as possible. S.A. Dange, a prominent figure in the history of Indian communism and trade unionism, vividly describes this:

From 1859 to 1890 the working class ... was exploited most inhumanely and without pity. Arrogant British, pious Hindus and religious men, all combined irrespective of their religion, nationality, language or country in bleeding men, women and children in their slaughter house of capital. There was no limit on hours of work ... there was no Sunday, no holiday, no starting and closing time. And when they died or [were] maimed in the machine, there was no value for their life or limb (1952, 48).

For the most part, the reality for the emerging Indian industrial working class during this period was characterised by deplorable working conditions. In factories, they endured the horrific noise of machinery all day, monotonous regular work and repressive supervision were complemented by unlimited working hours, low wages, the use of child labour and the like. Subsequently, in the latter half of the nineteenth century, strike activity became commonplace as there existed no other means of ventilating grievances and putting forward demands. With the lack of an organised labour movement, the majority of these strikes were spontaneous and provoked by workers themselves. However, in most cases, the intervention from well-known public figures after the declaration of a strike allowed for some form of settlement to be reached. Ultimately though, continuous labour unrest culminated in the appointment of the first Factory Commission in 1875 to investigate factory conditions, and resulted in the passing of the Factories Act (1881) (Mukhtar 1935, 1-26). Not only were the provisions of this act far from satisfactory, in that they tended to be ambiguous, but, in the absence of regular inspections, they were not enforced. Regardless of ongoing representations and recommendations concerning the material conditions of the industrial working class then, very little was accomplished in the area of industrial labour legislation during this phase of industrialisation. Nonetheless, these conflicts between capital and labour were

to establish a continuity of bitter and protracted struggles in the coming years and led to the emergence of a trade union movement in the 1920s (Mukhtar 1964, 20-35).

In this early period of industrialisation, Bengal became a major area of militant worker activity especially in the jute sector where workers, both male and female, were involved in numerous strikes. Among the range of industries covered by the Factories Act, jute alone employed many women, and the Factories Act of 1881 and the Factories (Amendment) Act of 1891 became the first to place restrictions on working conditions for women and children. Provisions covered the age at which children could be employed; the degree to which women ought to use moving machinery; and, placed restrictions on the hours of work, rest intervals and night work for women and children. Although, Samita Sen states, it is generally thought that these 'protective' provisions became 'restrictive' in that it reduced women's employment in the organised sector, it seems these restrictions did not lead to any retrenchment of women (1999, 94). Indeed, Sen makes an important contribution in her book, *Women and Labour in Late Colonial India*, by pointing out that Indian labour historians have sustained their analyses about class by narrowly focusing on 'organised' industrial workers as being overwhelmingly male. Consequently, the fundamental issue of how gender has been crucial to labour processes, strike activity and the labour movement in colonial Bengal remains unaddressed. In fact, women workers were active participants, but their banishment or marginalisation from organised labour politics arose from, in part, "an uncritical reading of government and managerial documents which attempted to constitute women as 'docile' and tractable labour" (1994, 215). However, this assumption is misleading because the:

... instances of women's active involvement in initiating and sustaining violent confrontations with the management and police are especially notable for the specific articulation of their demands. ... [Hence], women's active contribution to the 'epidemic' of strikes in the 1920s and especially the 1930s have been subsumed within the story of workers' progressive class consciousness. When women were considered at all in this narrative of class, they were relegated either to negative or to sacrificial roles (Sen 1994, 245).

Although there was no organised labour sector in East Bengal, except for the railway workers, East Bengali workers gained a militant worker consciousness through its links

with the industrial workforce in West Bengal, in particular, from the jute workers who share a rich history of long-standing grievances and a tradition of militant and, at times, well-organised strikes. In fact, West Bengal became a centre of remarkable advancement in the organisation of labour under the British and, in 1905 when the colonial regime partitioned Bengal according to the distribution of Hindus and Muslims, the labour movement gained an important impetus when political leaders took up the cause of industrial workers. Although the British justified Partition on grounds of administrative efficiency, it was clearly a political move to weaken the growing opposition to colonial rule by igniting Hindu-Muslim rivalry (Bose and Jalal 1998, 117). Sir Herbert Risely, a colonial state official, wrote: "One of our main objects is to split up and thereby weaken a solid body of opponents to our rule ... Bengal divided will pull different ways ... Bengal united is a power" (cited in Novak 1994, 112). During the massive protests generated by partition, "political agitation in Bengal ... contributed greatly to the awakening of the exploited mass in India" (Ahmad 1978, 8) and, with the withdrawal of Partition in Bengal in 1911, nationalist representatives realised that support from an urban concentrated labour force was an essential asset to the political struggle for independence. Subsequently, nationalist agitators actively sought to broaden their political base by the inclusion of socio-economic issues. In this way, the labour movement became an integral part of the nationalist movement and since then trade unions have been steeped in party politics in India and Bangladesh (Nurullah 1993, 17-22; Ramaswamy 1979).

Aspirations of the working class were further propelled during World War 1, when war conditions and a decline in foreign imports engendered unparalleled prosperity for industry in India. However, although labour did benefit from a rise in employment levels due to industrial expansion, working conditions remained the same and real wages declined as a result of sharp rises in the cost of living. In protesting against this deterioration in living standards, workers engaged in strikes and demonstrations throughout India, especially in Bengal where the jute mill workers went on strike with increased frequency and for longer durations, prompting one state official to remark on the "apparent ease with which the jute mill workers were brought out" by strike organisers (cited in Chakrabarty 1989, 120). As a consequence of this and of the Russian

Revolution in 1917, the British Government became concerned about the possibility of the rise of Bolshevism in India, issuing a warning to its provincial heads just after the war in 1919 that: "Labour is growing more conscious of its own wants and power [and] it is showing signs of a capacity for organization" (cited in Chakrabarty 1988, 186). By the end of World War 1 then, in the context of strong worker protests, widespread agrarian unrest and nationalist agitation, organised trade unionism took off in India with the formation of a large number of unions which occurred on an hitherto unprecedented scale.

As the Government of India had taken part in the creation of the International Labour Organisation (ILO) in 1919, it was committed to the ILO aims of achieving international minimum standards relating to all labour matters. Thereafter, the Government of India sought to reform and regulate the emerging labour movement by assuming a direct role in structuring the situation of the Indian working class. Hence, in 1920 a Labour Bureau was created to collect, compile and classify all accessible data on labour conditions in India. To expedite performance of this task, provincial governments were equipped with new departments to "maintain a proper watch over the industrial situation, ... in particular to investigate and report on labour conditions and the facts and causes of labour disturbances" (cited in Chakrabarty 1988, 188). The colonial state's traditional and repressive law-and-order view underwent a shift as it sought to assume a direct role in labour matters, reflected by a striking range of labour laws considered and enacted in the 1920s and 1930s. This range of legislation granted Indian workers a new 'legal' status and formed the foundation for labour law, institutions and practices under the post-colonial states in South Asia. Some of the more prominent all-India acts included the Workmen's Compensation Act (1923), the Trade Union Act (1926), the Trade Disputes Act (1929), the Children (Pledging of Labour) Act (1933), the Payment of Wages Act (1936) and the Employers' Liability Act (1938).

The labour movement was further radicalised with the inauguration of the Communist Party of India formed in 1920 by émigré Indian revolutionaries, especially in Bengal, where communists had already penetrated the trade union movement (Ahmad 1978; Kotovosky 1992, 246-52). In fact, in the 1920s, strike activity dramatically increased and

in the jute industry alone 201 strikes were held between 1921 and 1929 against illegal termination and lamentable working conditions. Although reflecting the clear manifestation of worker discontent, these and other strikes were viewed by the colonial state as communist conspiracies. For example, the Cawnpore Conspiracy trial in 1924 and the Meerut Conspiracy Case in 1929 both represent the colonial state's attempt to stamp out the communist plot of building trade unions as conspiracies to overthrow the government (Sen 1977, 198, 292-97). By "raising the bogey of an imminent 'Communist menace', ... the government tried to root out the militant section of the working-class movement by unleashing draconian repression" (Sen 1977, 232). This took the form of the Indian Trade Disputes Conciliation Act (1929) that represented a concerted attempt by the colonial state to control an accelerating and militant labour movement. Modelled on the British Industrial Courts Act (1919), the Act embodied the processes of conciliation and adjudication that were to furnish the origins of industrial relation systems in post-colonial South Asia. In essence, the Act had a far-reaching outcome for labour, as it rendered strike activity complex and risky and thrust unions into the fetters of state controlled industrial relations.

In 1942, in the wake of general worker militancy reminiscent of the 1920s, the Government of India introduced new measures regarding industrial disputation to both harness uninterrupted war-time production and to curb and control industrial conflict. By the inclusion of Rule 81A of the Defence of India Rules, increased powers of intervention became available to the government whereby it could now compel parties to present their arguments to arbitration and then to enforce its decision. These increased powers were to become a permanent part of the Industrial Disputes Act (1947) that was, from the point of view of labour, a most significant piece of legislation as it facilitated the omnipresence of the state in the settlement of industrial conflict (Giri 1959, 151-53). After the British withdrew from India in the same year, and despite intense opposition from unions and labour reformers, the post-colonial states of India and Pakistan persisted with the Act, fearing that free collective bargaining, with its concomitant right to strike and lock-out, could induce turbulent industrial conflict and so hinder the realisation of targets for economic growth. Subsequently, compulsory conciliation and adjudication became the twin pillars of industrial relations in contemporary India and

Bangladesh and, although numerous amendments have been made to the Act, the content has remained fundamentally unchanged.

Although the centre of trade union activities in the British period was concentrated largely in and around Calcutta in West Bengal, the impact of the labour movement was felt in the industrial areas of East Bengal such as Dhaka and nearby Narayanganj. From the mid-1920s, left-wing political organisations in East Bengal decided to work among industrial workers and before long a considerable militant worker consciousness became apparent. While strikes in predominantly rural East Bengal were not as common as in the more industrialised West Bengal, they did increase in frequency. Moreover, in 1946, history was created after 9,000 workers employed in five cotton mills in Narayanganj went out on and continued a strike for three months until their demands were met (Ahmad 1978, 27). Then, by the time the British withdrew in 1947, the working class in Bengal had emerged as much stronger. Indeed, the Bengali working class and the labour movement had become decisive forces in the shaping of post-colonial India and Bangladesh.

### **Bangladesh as East Pakistan under Pakistani Rule**

Not only was Independence achieved with the termination of British rule in 1947, but also a decisive turning point in twentieth century world history took place when British India was partitioned into two independent sovereign states - India and Pakistan. While the majority of East Bengalis had successfully pressed their claim to become the eastern wing of Pakistan, it was not long before tensions between East and West Pakistan surfaced. As East Pakistan, East Bengal again became subject to repression when the centre of Pakistani power - comprising the military and bureaucratic state apparatus inherited from colonial rule - became located in West Pakistan. Separated by a vast geographical distance, as well as linguistic, cultural, social and ethnic differences, the only mediation between East and West was the bond of Islam (Jackson 1975, 9-32). Any prospect of a new beginning for the East Bengalis, or the Bangladeshi people, soon faded with the realisation that the creation of Pakistan meant nothing more than a mere change of rulers and a new form of subordination. For the next 24 years, East Pakistan continued to be subject to economic exploitation, political repression and cultural

deprivation: a situation which, on the one hand, facilitated the economic development of West Pakistan and, on the other, frustrated the process of capital formation in East Pakistan (Ali 1975; Karim 1994). As a result, between 1947 and 1971, the nationalist struggle previously fought to gain independence from the British continued in East Pakistan as the population became subject to the uncompromising greed of the landlord-bourgeois bloc of West Pakistan. In the same way that British India provided Britain with substantial liquidity and a market for its industrial expansion, so East Pakistan served West Pakistan.

At Partition, the Pakistani state was faced with an economy devoid of any real industrial base except for one main and obvious asset: a cash-crop agriculture largely situated in its eastern wing which exported both raw materials and food products. However, as the feudal *zamindaris* in East Bengal had been Hindus before partition, “this class fled virtually *en bloc* to India, taking with it most of the exiguous industrial capital in the province” (Nations 1971, 5). Primary products, including Bengali jute that boasted a world monopoly, generated substantial amounts of foreign exchange from which the Pakistani state planned to build import-substitution industries. In addition, as the Bengalis had only played a negligible role in the development of manufacturing capital under the British colonial state, the class structure of East Pakistan was characterised by the absence of an indigenous capitalist class. The bulk of what modest industry had developed, fell into the hands of West Pakistani investors. Consequently, the pragmatic aim of the nascent Pakistani state became the redirection of wealth generated by agriculture to the benefit of chosen applicants from a small group of immigrant trading communities who had migrated to West Pakistan after Partition. In short, these communities became the agents of Pakistan’s industrialisation programme and, from this situation there emerged an overwhelming reliance on state patronage for the distribution of privileges and protection necessary for capitalist accumulation. Alternatively, in East Pakistan, the Hindu class of moneylenders, traders and landlords migrated to West Bengal taking with them any meagre industrial capital from the province; moreover, any industrial units that existed after Partition fell into the hands of West Pakistan investors. From this situation, there emerged an overwhelming concentration of economic wealth and political power in West Pakistan whereby constant and active discrimination against



its eastern wing in matters such as the granting of import licences, foreign aid and development expenditure became commonplace. This process not only subordinated the rural and urban proletariat in West Pakistan but also the entire population in East Bengal. Not surprisingly, this disparity acted to ignite a mass movement for regional autonomy among the Bangladeshis as East Pakistanis (Ali 1970; Nations 1971).

Any vision, then, of a better deal for the industrial working class in East Bengal after the cessation of colonial rule was quickly put to rest. On the contrary, in the transition from colonial to post-colonial rule, the Pakistani state continued the administrative structures and practices established under the British relating to all aspects of labour, including the adoption of labour laws as adapted by the Adaptation Laws Order (1947). In this way, post-colonial labour policy was predicated on the assumption that industrial conflict was abnormal and should be kept to an absolute minimum. Furthermore, the emerging industrial relations system was influenced by the erroneous assumption that in an Islamic state there would be no need for a trade union movement as both capitalists and workers were brothers and could live peacefully without conflict (Amjad and Mahmood 1982, 4). These suppositions are embodied in an inaugural speech made by Prime Minister Liaquat Ali Khan on labour policy in Pakistan at the first Tripartite Labour Conference held in 1949:

the fulfilment of our schemes and certainly the rapidity of development of industry cannot take place without the full co-operation of labour which should be contented and prosperous. We must create conditions which are favourable to labour. My Government will take all necessary steps to see that labour gets its due share in all enterprises. Labour must remember that the interest and welfare of Pakistan comes before the interest of any individual or class of individuals, and it must not do anything which in any way weakens Pakistan. If Pakistan endures and prospers, the problems of labour will be solved (cited in Ahmad 1978, 64).

To this end, the All-Pakistan Confederation of Labour (APCOL) was formed in 1950 under government patronage and recognised as the sole representative of the working class in both wings of the country. However, this attempt at the total co-option of trade unionism in post-colonial Pakistan did not endure for long. Trade union activists quickly realised that the labour movement could not develop as an adjunct of the government in power and it was not long before the APCOL lost its direction and became a place for

factionalism and rivalry. From this, numerous splits and formations ensued whereby “the cult of leadership was highly developed in East Bengal, often at the expense of the development of good and sound trade union organizations” (Ahmad 1978, 36).

Although all workers suffered under the post-colonial state of Pakistan, Bangladeshi industrial workers and peasants as East Pakistanis were, as Richard Nations succinctly writes, “plundered by a double articulated structure of exploitation, built on class and imperial domination” (1971, 17). All the forms of exaction imposed by the ruling class in West Pakistan were magnified in East Pakistan; industrial wages were lower, working hours were longer, consumer prices were higher and the rate of unemployment was always greater. From the early 1950s, then, the Pakistani capitalist state had:

ruthlessly kept wage costs down while increasing labour’s factor share in production; a task rendered possible by the military dictatorship that outlawed strikes as well as by the existence of a permanent reserve labour force or rural poor (Nations 1971, 14).

This reality generated clear signs of industrial militancy and a readiness by the workers to take direct action and, by 1954, labour unrest had reached an unprecedented high impelling the government to announce a new labour policy in 1955.

As part of this new policy, the *Industrial Disputes Act (1947)*, which stressed the principle of conciliation and adjudication between management and workers and thereby failed to recognise the fundamental right of workers to strike, was amended. At the same time, the sense of dissatisfaction escalated amongst the working class and, in the context of political action for Bengali liberation, the imposition of martial law was declared in 1958. Once again, in a modified labour policy declared in 1959, under which the Act covering industrial disputes was repealed and promulgated as the *Industrial Relations Ordinance (1959)*, the right to strike was not acknowledged and, for the next ten years, all strikes were banned in those major industrial sectors declared by the state as ‘essential industries’. In this respect, it was rare for any industry to be listed as a non-public utility service; hence, the list of industries identified as ‘essential’ was very long (Ahmad 1978, 76). In the meantime, the *Trade Union Act (1926)* was amended several times and certain restrictions were withdrawn from the right to organise (Ahmad 1978, 61-74; Nurullah 1993, 25-27). In short, all kinds of provisions were incorporated into the

labour laws to ensure “fantastic profits without sharing them with workers who were the real contributors to production” (Ahmad 1978, 75). From these, industrial workers were virtually deprived of the rights and benefits of collective bargaining and its natural corollary, the right to strike: rights embodied in ILO Conventions Nos 87 and 98, which were ratified by the Pakistani state in 1949 (Khan 1987, 105).

While martial law was certainly a setback for the labour movement, strike activity did not cease. In fact, the militancy of labour under Pakistani rule intensified in East Pakistan regardless of and undoubtedly because of the repressive measures imposed by the state. In fact, during the intervening years between 1948 and 1970, a total number of 978 strikes took place and, in the single year of 1964, labour unrest occurred in 72 industries (Rahman 1986b, 125). Of these, two strikes stand out which reflect the militant history and continuing struggle of the Bangladeshi working class. The first incident occurred in 1964 when the Pakistan Jute Mills Workers Unions organised an historic strike which lasted for a period of almost two months and, although all the Union’s demands were not granted, the strike was considered a success as ultimately - apart from other concessions - the minimum wage for jute workers was raised (Ahmad 1978, 47-48). The second incident involved the workers of the Dada Match Company in Khulna who went on strike in 1966 because of failed negotiations with management. Subsequently, the Pakistani owners sued the trade union and when the litigation came before the High Court, the strike was declared legal, a decision which, in effect, bestowed a legal footing for strike activity (Rahman 1986b, 125). Additionally, in 1968, the labour movement and political leaders in Bangladesh adopted the *gherao* movement as a means of advancing the class struggle (Ahmad 1978, 78-95). The word *gherao*, meaning surround, was borrowed from West Bengal and involves workers holding management under duress until they agree to sign illegal agreements which, under law, then become binding. By that time, the Pakistani state had come to realise that class conflict could not be resolved by repression alone and a revised labour policy was announced in an attempt to quell the mounting militancy of labour in both its wings. The cornerstone of this new labour policy was the *Industrial Relations Ordinance (1969)*, which merged together the *Industrial Disputes Ordinance (1965)* and the *Trade Union Act (1965)*, which bestowed the right to strike on labour, albeit for practical purposes

(Nurullah 1993, 28-29). Regardless of this pragmatic concession, the promulgation of military rule by Pakistan's President Yahya Khan in 1969 meant that all kinds of social movements were brutally stopped and, in this respect, the labour movement was no exception.

Military rule had been imposed in response to a mass upsurge in both East and West Pakistan against Ayub's repressive and corrupt regime. However, in East Pakistan the strength of protest was intense, as it represented an escalating social and national struggle for Bengali liberation from West Pakistan, protest which was politically harnessed by the Awami League that was formed in 1949. Recognising the vital importance of the national question, the League had been able to hegemonise the politics of East Bengal by constantly carrying out propaganda campaigns against domination by West Pakistan (Ziring 1992, 16-52). By the late 1960s, this Bengali nationalist movement gained considerable momentum when the popular Awami League put forward its Six Point Plan, a political manifesto for complete political and economic regional autonomy (Rahman 1993, 49-50). This plan, which directly threatened capitalist accumulation in West Pakistan, basically "represented the charter of the aspirant Bengali [petty] bourgeoisie: it articulated [their] desire to create its own regional state apparatus and to have an equal share of the capitalist cake" (Ali, 1975, 300). Despite military rule, the Yahya regime could not quell the mass movements against its rule and, ultimately, was forced to promise a general election on the basis of adult franchise.

The Awami League fought this December 1970 election on the basis of its Six Point Plan and emerged with an overwhelming electoral success that entitled the League to form the central government. The League took 167 of the 169 seats allocated to East Pakistan in the National Assembly, and won 291 out of the 343 seats in the Provincial Assembly, giving the party an overwhelming majority throughout Pakistan (Ali 1975, 298). Consequent to this development, demands were made by defenders of West Pakistani hegemony for the Awami League to compromise on their Six Points because they jeopardised capitalist interests in West Pakistan, specifically, the large industrialist and trader-controlled capitalist class. Then, with Yahya's decision to delay indefinitely the meeting of the National Assembly, tremendous mass outrage exploded in East

Bengal resulting in the Army shooting hundreds of protestors. This set in motion a continuous general strike in East Bengal culminating in the 1971 War, out of which emerged the new nation of Bangladesh (Choudhury 1974). In this struggle for liberation from West Pakistan, the industrial workers in East Pakistan became enthusiastic participants and have since been identified as forming “the vanguard of the independence struggle” (Ahmed 1984, 82) and as having “spearheaded the resistance against Pakistani oppression, militarism and exploitation” (Yusuf 1985, 307).

As former East Bengalis and later as East Pakistanis, then, the Bangladeshi working class embodies a dynamic history of militant action and ongoing conflict: first, for their part in the struggle for independence from imperial British rule; and, second, for their part in the struggle for political liberation and economic emancipation from a form of internal colonialism under West Pakistan. Given this prominent and active part in the latter independence struggle, and the Awami League’s promise of a socialist economic order, most Bangladeshi workers tended to think or trust that nationalisation in the wake of ‘liberation’ would put an end to their previous struggles (Rahman 1993, 83). However, this faith in an improved change to their material existence was not to be realised under the new nation state. Although formal political independence had been achieved in Bangladesh, it did not bring with it a revolution in the relations of production; on the contrary, capitalism continued to prevail. Furthermore, the state ‘failed miserably’ to achieve its economic goals and to create the social conditions for productive investment and industrial growth (Alam 1994), a reality that ensured “the seething anger of the East Bengali workers and peasants [would] not disappear overnight” (Nations 1971, 25).

### **The State and Labour in Post-Colonial Bangladesh**

After Bangladesh gained its independence, the Awami League Government, led by Prime Minister Mujibur Rahman, faced the onerous task of rebuilding a neglected and war-torn economy. The new government - dominated by those who had led the nationalist struggle - rhetorically proclaimed nationalisation, socialism, democracy and secularism as the four fundamental principles of state policy. As the workers and peasants had played such a central and active role in the struggle for independence,

economic policy under the new nation state appeared to be directed toward achieving the establishment of a socialist economy. In a statement delivered in 1972 Mujib proclaimed:

I assure our workers that a basic goal of the socialist economy which we are committed to establish will be securing the just rights of workers and ensuring their welfare. A plan is being prepared whereby measures of nationalisation [will] be combined with new arrangements to ensure workers' participation in the management of industries. Indeed, they [will] themselves share in the fruits of increased production (cited in Islam 1988, 90-91).

Subsequently, a massive programme of nationalisation was undertaken by the state to facilitate some semblance of economic recovery in the industrial sector (Yusuf 1985), a programme which saw the public sector increase from 34 per cent to 92 per cent of total industrial assets in Bangladesh (Kochanek 1993, 116). Similarly, the Awami League's Labour Minister, Zahur Ahmed Chowdhury, announced that the perennial conflict that had divided capital and labour would be eliminated. Industrial workers would be allotted shares in industrial sectors and representatives of the workers would be appointed to the management boards of nationalised industries (Ahmed 1984, 81).

While this expansion in the role of the state sector and promises to workers were necessary for the achievement of declared socialised ideals, in essence, it belied a very fragile state structure and an inordinately low level of capitalist development. Essentially, state policy drew two main categories of the petty-bourgeoisie into the process of capital formation, identified by Hamza Alavi as the 'contactors' and the 'contractors' (1972, 78-79). While the former were educated Bengalis with influential bureaucratic contacts who were granted all kinds of permits and licenses, the latter were small businessmen who were awarded government contracts at deliberately inflated rates. In this situation, state patronage was extended to those who very quickly plundered the state to expand private capital and create monopoly control. Even though their stance on the politics of Bengali nationalism was one of 'qualified support' and that they profited greatly from the pressures created by nationalist politics, "they were apprehensive because of its leftward gravitation" (Alavi 1972, 79). This situation led prominent journalist and Awami League supporter, Anthony Mascarenhas, to remark in 1972 that:

some Awami Leaguers have not only joined in the outright scramble for perks

and patronage but have also, through their excessive sycophancy, clogged Mujib's channels of communication with the masses and tended to isolate him (cited in Ali, 1975, 314).

Indeed, under the protection of military rulers, it is alleged there emerged in Bangladesh a 'class of parvenus' who engaged in the excessive plundering of state resources. Loans and credit amounting to hundreds of millions of taka were advanced from nationalised banks to businessmen and, regardless of their failure to repay monies advanced from the state, new loans were often granted to the same people. With what was virtually stolen money, they acquired at throwaway prices businesses formerly owned by the state. Basically, these expropriated state funds provided the resources for the emergence of a nascent entrepreneurial class rather than being utilised to generate a surplus to reinvest in production in the nationalised sector. In this way, the existing relations of production were reproduced in Bangladesh in which power was articulated through an unstable class alliance between the military, the bureaucracy and an underdeveloped industrial bourgeoisie made up of "an inexperienced trade-oriented entrepreneurial class, which has become politically powerful, used state resources for personal benefit and played no role in the development of the productive forces" (Quamrul Alam 1994, 55). In other words, as the Government failed to regulate the conditions under which industrialisation could take place, the 'new rich' in Bangladesh did not emerge as capitalists or industrialists; rather, they squandered their appropriated wealth on such things as the importation of luxury goods or transferred it to safe havens abroad.

In the meantime, the working class discovered that the continual references to socialism were a mere facade. Behind the promise of a 'golden Bengal' after Liberation lay the reality of increasing social differentiation and further impoverishment. Essentially, they remained part of the old system, a reality that became particularly evident when the new labour policy was announced in 1972. This policy failed to award any promised shares in industrial concerns to the workers and actually narrowed the scope of collective bargaining on the ground that the industries now belonged to the state sector. After all, "most of the industries were already in the hand of the proteges of the Awami League who were unwilling to sacrifice the privileges they were enjoying in the name of

protecting the right of the workers” (Ahmed 1984, 82). When the industrial workers realised they were not going to share in any profits flowing from the nationalisation of industries, they began to agitate for social liberation and as a result the labour policy was shelved (Ahmad 1978, 96-120).

At the same time, the socialist rhetoric and radical policy initiatives of the Mujib regime did little to establish Bangladesh’s international status as a sovereign state, attracting criticism from foreign donors and international financial institutions whose financial assistance was vital to economic development. Like many other developing countries, Bangladesh was to become heavily reliant on aid for development, a reality, Rehman Sobhan argues, that has hampered the nation’s ability for economic self-reliance and compromised its political sovereignty by granting aid-givers unacceptable political dominance (1990, 1). Similarly, the old Muslim industrial bourgeoisie were joined by a new generation of Awami League capitalists in an alliance to promote the future of the private sector in the economic development of Bangladesh (Kochanek 1993, 85-86). In the national context of a worsening economic and political climate, whereby the Awami League Government had been deeply discredited, and an international context of capitalist instability and restructuring, Mujib was assassinated in a military coup.

Mujib’s assassination ushered in the regime of General Zia Rahman (1975-1981) that claimed a more pragmatic understanding of social and economic reality. To this end, the Revised Investment Policy of 1975 established a clear break with economic policy under Mujib as it aimed to facilitate the pursuit of export-led industrialisation through a programme of selective privatisation and the promotion of private sector investment. Zia declared that his government was “ready to extend all possible support to the private sector for utilising the full potential of the private entrepreneurs in stepping up the productive economic activities in the country” (cited in Yusuf, 1985, 127). Consequent to this shift in policy direction, foreign assistance to Bangladesh stabilised at a high level with the forging of close ties with international financial institutions and donor countries. In this respect, external financial assistance had become vital for the establishment of Bangladesh as an active player in the global economy and, also, critical for the development of an industrial capitalist class “whose entire fortunes are intimately



tied up with access to external resources in the name of development” (Sobhan, 1989, 100). Indeed, as a large proportion of aid was siphoned off or usurped at the upper echelons of officialdom, the reality of corruption and politicisation of the state apparatus became integral to the political economy of Bangladesh.

Even though privatisation and private sector development were advanced during the Zia regime, policies were carried out with more caution than conviction. “Policy was emphasised more than implementation and, as with the [previous] government, no well-thought-out plan with coherent objectives were ever developed” (Humphrey 1992, 58). This cautious approach - explained by Zia’s wish to consolidate his political power first - was attacked by nascent Bangladeshi capitalists, who argued for a more concerted effort to speed-up the disinvestment of nationalised industries, notably the return of jute and textile mills to their Bangladeshi owners. Nonetheless, during this phase of privatisation, the ground was well prepared for acceleration in privatisation policy in the 1980s to expedite further the strategy of export-oriented industrialisation. Similarly, under the Zia Government, the Bangladeshi business sector started to show an increased interest in longer-term industrial ventures. Certainly, while their reliance on state patronage persisted, they began to venture into larger and more sophisticated longer-term productive activities. Of those investment projects approved were ventures into areas in which the state sector was not operating or had decreased its presence through disinvestment; including garment manufacturing, synthetic and specialised textiles, footwear, pharmaceuticals, ship repair, canning and engineering works (Humphrey 1992, 46-62).

While Zia’s cautious approach to privatisation is explained by a wish to consolidate his own political power first (Humphrey 1992, 47), it can also be explained by a concern that speeding-up the process would lead to an escalation in worker militancy in a state sector already beset by labour unrest. In the context of a complete reversal in economic policy and the imposition of military rule by Zia, the working class had been further superintended through the promulgation of the *Industrial Relations (Regulations) Ordinance (1975)* and the *Emergency Power Rules (1975)*. Under these, all rights of labour were withdrawn and the registration of new trade unions was banned, a ban

which was not lifted until 1977. In the same year, a regulation was implemented requiring each political party to have its own labour front. This decision acted to not only reproduce a divided working class by reinforcing the persistent problem of a multiplicity of trade unions but it also ensured the Bangladesh state's capacity to reproduce conditions under which the labour movement could be controlled by forging links between political parties and trade unions (Nurullah 1993, 42-43; Rahman 1986b, 126). Even though political control over the labour movement was already entrenched in Bangladesh, the shift to EOI provided the objective conditions for repressive state-labour relations under which tighter restrictions were imposed on both the structure and activities of trade unions. Nonetheless, in spite of these state measures, and as the publication *Asian Worker* noted in the late 1970s: "black labour laws, bans on strikes and demonstrations, restrictions of democratic rights and rule of martial law have not been able to stop the working class of Bangladesh" (February 1979, 2).

With the lifting of martial law in 1978, industrial disputes escalated prompting the Zia Government in 1980 to formulate a new labour policy in an attempt to placate mounting militancy, under which the right to strike was restored, although the process for it was made cumbersome. However, after the assassination of Zia in 1981, his regime was replaced by a second martial law authority led by President Ershad (1982-1990) who proclaimed a new labour policy that once again suspended the rights of workers to strike or to organise for collective bargaining. While the ILO expressed concern over these violations, it was claimed these measures were a necessary condition for economic growth through the acceleration of privatisation and production for overseas markets (Nurullah 1993, 31-32; Rahman 1986b, 127). Certainly in the 1982 New Industrial Policy (NIP), the most crucial element was the decision to denationalise former Bangladeshi-owned jute and textile mills, and to privatise the public sector through the formation of mixed public/private corporations. This decision proved to be very difficult for the Government of Bangladesh to implement and left in its wake bitterness and recrimination from many sections of Bangladeshi society. Overall, writes Stanley Kochanek:

Apart from the business elite and the World Bank, the new policy enjoyed little real support in the country at large ... especially [from] public sector labour unions [who] supported public ownership of the means of production. Outcry

against the policy, however, was muted by the existence of martial law (1993, 96).

The privatisation of state-owned industrial units increased, confining the extent of the public sector to seven basic and strategic industries: arms and ammunition, atomic energy, air transport, telecommunications, the generation and distribution of electricity, mechanised forest extraction and security printing. Also, thirteen state sectors were listed for both public and private investment: jute, cotton textiles, sugar, paper and newsprint, iron and steel, shipbuilding and heavy engineering, heavy electrical industry, minerals, oil and gas, cement, petrochemicals, chemicals and basic pharmaceuticals, and telecommunications equipment (Bhuyan and Rashid, 1995, 367-68). Since then, only five industries have been reserved for the public sector with power generation and telecommunications being open to private investment (Board of Investment, 1995, 22-25). By the end of the 1980s the number of state-owned industrial units had fallen from 854 in 1972 to 160 that were organised under six corporations (Bhuyan and Rashid 1995, 364; Humphrey 1992, 63-97).

During this time, there were many measures introduced to liberalise Bangladesh's economy. For instance, in 1980 the Bangladesh Export Processing Zone Authority (BEPZA) was established by an Act of Parliament with the following objectives: to encourage economic growth by attracting foreign investment; to diversify the sources of foreign exchange earning by encouraging export-oriented industries; and, to generate employment and facilitate the transfer of technology. In the same year, the Foreign Private Investment (Promotion and Protection) Act was passed guaranteeing security to foreign private investors in Bangladesh (BEPZA 1994, 16). As Kumar writes, EPZs should be regarded "as an instrument through which developing economies can liberalise marginally and gradually extend the scope of such liberalisations over a period of time" (1989, 6). The first export processing zone (EPZ) was established in 1984 at the port city of Chittagong and is dominated by garment manufacturing firms, followed by the opening of another in 1993 in Savar, the air-based zone of Dhaka, which specialises in high-tech firms and which is to be expanded. The EPZs cater for 100 per cent foreign owned ventures, for joint ventures between foreign and Bangladeshi entrepreneurs, and

for 100 per cent Bangladeshi owned enterprises. Described as 'Asia's low cost production base', by 1995 there were approximately 77 industries operating in these two Zones creating jobs for some 37,500 people. According to the BEPZA, by the mid-1990s export earnings from the EPZs had increased substantially and demands for industrial plots at the Zones were constantly being processed making it necessary for the development of more industrial units (BEPZA 1995). At the end of the 1990s, there were 126 enterprises working in the EPZs, of which 31 per cent produced garments. South Korea was the largest investor, followed by Japan, the US, the UK, China and India. As well, at the end of the 1990s, three more EPZs were being developed, one situated near the Khulna port, one in Comilla, and a private one in Chittagong (Economist Intelligence Unit 1999, 24).

As with most EPZs (see Edgren 1984; Kreye, Heinrichs and Frobel. 1987; ILO 1988; Martens 1994), labour administration is the sole responsibility of the BEPZA. Each EPZ has its own industrial relations department that looks after workers' grievances on a case-by-case basis. While labour laws ostensibly apply, trade unions are not allowed to operate and striking is illegal. Like their counterparts in export factories outside the EPZs, Zone workers suffer the same fate of not being granted their entitlements under the country's labour laws. For instance, they have been sacked without cause, are not paid the correct wage, do not receive overtime payments, are not granted national or religious holidays, and facilities such as dining and recreation rooms are used as store rooms (*Morning Sun*, 30 December 1995). However, with growing international concern about deteriorating labour standards in Third World factories, in the late 1990s, the US administration began to insist that the right to unionise and to bargain collectively be extended to EPZ workers in Bangladesh (ILO 2000, 86). This insistence is likely to increase with the release of a recent study of garment factories in Bangladesh that included EPZ factories and whose findings can only be described as dismal. The Report – *Bangladesh: Ending the Race To the Bottom* – states that the garment workers in Bangladesh “will receive the full support of the growing anti-sweatshop coalition of labor, religious and solidarity organizations across America” (National Labor Committee 2001, i).

Together with the 1986 Revised Industrial Policy and World Bank strictures and prescriptions laid down in structural adjustment programmes introduced after 1986, the measures introduced in the 1980s to augment private and foreign investment accelerated, incentives were provided for efficient production and the reinvestment of profits, and measures of import liberalisation were introduced. In fact, Bangladesh was one of the first countries to avail itself of the Structural Adjustment Facility set by the International Monetary Fund (IMF) in 1986 and, also, the Fund's Enhanced Structural Facility set up in 1987. These programmes were instituted to provide highly concessional, but extremely conditional, loans in support of structural adjustment to low-income countries (Bhattacharya 1995, 63-70). However, in spite of all the liberal economic measures introduced under Ershad, the 1980s have been referred to as a 'decade of stagnation'. Prominent Bangladesh economist, Rehman Sobhan, for example, claims this has been fundamentally perpetuated by an indefinite flow of largess from donors whereby aid has:

gradually moved from a temporary measure to repair a war devastated economy and as a supplement to domestic savings, to a permanent crutch needed to keep the economy functional and the polity viable. It is no surprise that as the economy goes downhill and the donors become more strident in their demands the state becomes more alienated from the people (1991, 93).

As well, throughout the decade state resources continued to favour business 'cronies' who redirected them to augment political and personal coffers, rather than to productive investment. Regarded as "one of the most centralised and corrupt in the history of Bangladesh" (Kochanek 1993, 53) political parties targeted Ershad's government in the mid to late 1980s calling for him to hand over power to a neutral care-taker so that a free and fair election process could take place. With little prospect of this occurring, the opposition took its complaints abroad, in particular, to the United States as a major aid-giver. Subsequent pressure from donor countries and agencies, together with support from a wide-based democratic movement that had gained momentum throughout the 1980s for the lifting of martial law and the holding of a general election, Ershad resigned in 1990 (Amin and Islam 1992, 116-19; Rahman 1990, 150-57). Then, in a convincing victory, the Bangladesh Nationalist Party (BNP), led by Begum Khaleda Zia (the widow of General Zia), came to power in one of the first free elections in Bangladesh in about

twenty years.

The BNP was confronted with numerous daunting problems and an economy 'hung-over' from a prolonged period of misgovernment (Bowring 1991). While the roots of the policy commitment to export-led growth and denationalisation of selected industries were grounded in the regimes of Zia and Ershad, the new government was concerned to speed up the reform process in collusion with the IMF and World Bank (Bhattacharya 1995). To this end, in 1991, the BNP unveiled its NIP aimed to accelerate the pace of privatisation and to grant full operational freedom to the private sector. In this sense, it aimed to liberalise further its already liberalised foreign investment policy by allowing greater concession to international capital in order to "encourage foreign investment in appropriate sectors and particularly in high technology, export-oriented and labour intensive industries" (cited in Jasimudding 1994, 164). Foreign investment has become vital to the country's industrial development, especially to reduce its reliance on external borrowing which had rendered the nation as one of the most aid-dependent in the world. In this way, the state "has become the instrument to mobilise foreign aid and loans in order to provide the financial support to the groups who control state power and [who] are neither able nor interested in setting up industries" (Quamrul Alam 1989, 67). Moreover, economists, entrepreneurs, donor agencies and the IMF and World Bank have expressed concern about the slow pace of economic reform in Bangladesh especially regarding privatisation. In what has been termed as "the snail's pace of progress on the privatisation front", the World Bank Mission Chief in Dhaka, Pierre Landell-Mills, suggested that privatisation needs to be given 'top priority', and that a new ministry of privatisation be created to attend to the staggering losses being recorded by the state sector enterprises (*Morning Sun*, 24 December 1995).

Arguably, a particularly pertinent reason for this alleged 'slowness' is the political fallout the government fears in the form of losing vital support from a large section of the working class and/or the threat of increased militancy and strike activity. For example, at the end of 1995, the government requested that the World Bank 'cancel or defer' its condition to privatise some of the work practices of the Dhaka Water Supply and Sewerage Authority. With an election looming in 1996, it was reported that: "the

government does not want to lose popularity among the unions. Therefore, it is not pressing hard the reform measures" (*Daily Star*, 30 December 1995). This scenario was also referred to in an interview with the then Finance Minister, Sirfur Rahman, who was critical of some of the conditionalities imposed by the World Bank. While he agreed with the fundamental aim of seeking a better use of the country's resources, he claimed the conditions imposed are, in essence, 'rigidities born in other settings' without having concern for Bangladesh's regional, political, cultural and social contexts (Bakht 1995). In short, the government has experienced considerable trouble implementing the reform process due to overwhelming resistance, much of which emanates from the industrial workers of Bangladesh (*Daily Star*, 27 July 1994; *Financial Express*, 15 December 1995; *Morning Sun*, 17 January 1996). This is especially the case when, it is argued, profitable or potentially profitable state-owned enterprises are sold off or closed down due to pressure from the World Bank. For instance, in 1988, a state-owned textile mill that employed 2,000 workers was sold off, even though it was a profitable concern and was equipped with modern machinery. This mill now lays idle and is just one of many state-owned enterprises to experience the same fate (Rahman Interview 1996).

### **Labour's Response to the Economic Reform Process in the 1980s and 1990s**

With the increased pace of disinvestment/privatisation and the associated threat of retrenchment from the early 1980s, organised labour in Bangladesh was forced to confront state policy (Abu Taher 1994). In response to this and the imposition of martial law in 1982 and the NIP, a significant development occurred within the history of the labour movement of Bangladesh. In spite of a divisiveness and weakness in the union movement, caused largely by numerous politically affiliated trade unions and federations, a form of solidarity emerged in response to the economic reform process and associated restrictions placed on the labour movement. The increased pace of privatisation in Bangladesh squarely affected the livelihood of workers resulting in organised labour being forced to confront the economic reform process. With the very real threat of a further reduction in the number of state-owned enterprises, certain signs of a class consciousness or unity became apparent with the emergence in 1982 of a loose informal federation called the Sramik Karmachari Oikya Parishad (SKOP) - the United Front of Workers and Employees - to represent the trade union movement as a whole.

Initially, in 1982, this body drew support from a nucleus of eleven trade union federations, then, in early 1984, SKOP was formally inaugurated with support coming from sixteen federations. At the end of 1996, SKOP, which had eighteen of the twenty-two federations under its 'umbrella' (Rahman Interview 1996), came up with a five-point programme: to secure free trade union activities; to cease the further de-nationalisation of industries; to grant thirty percent dearness allowance to all workers in both the public and private sectors; to ensure the immediate publication of the wage commission report; and to lobby for the speedy setting up of mills and factories by cutting expenditure on unproductive and non-essential sectors (Nurullah 1993, 44). In response to SKOP's call, a strike unparalleled in scale took place throughout the country in April 1984 and, when the government refused to concede to its demand, a further 48-hour strike was called by SKOP in May. To avoid this, the government conceded to the united strength of the working class by signing an agreement with trade union leaders, which included increasing the minimum wage from Tk 270 to Tk 460 taka per month and the granting of more generous bonuses (Farhad 1984, 41).

Since then, SKOP has played a vital and increasingly controversial role in the industrial relations system in Bangladesh, identifying in particular "redundancy adjustment and privatisation as critical issues on which trade unions should be consulted - or preferably their concurrence be obtained" (Rahman 1994, 58). Not surprisingly, employers and several chambers of commerce have seriously contested its role and legal status and industry. They regard SKOP as no more than a 'loose' organisation, which is neither a registered trade union nor a federation of trade unions and which, therefore, is an extra-legal body. Consequently, they have argued that any agreement between SKOP and the Bangladesh government cannot be legally tenable. However, as one leading trade union president pointed out, such an attitude is not without ambiguity. "On the one hand, they criticise union multiplicity and rivalry, on the other, they reject alliances such as SKOP. There are a number of employer associations, so, why not have a similar body for the workers?" Importantly, though, he continued: "SKOP has emerged as a vital body for the workers of Bangladesh because it represents the only platform through which the working class can articulate a unity of interests" (Rahman 1994, 61).



When Ershad declared the Revised Industrial Policy in 1986, it shifted the emphasis away from disinvestment and denationalisation to privatisation. This shift was strongly opposed by public sector unions largely because privatisation was perceived as a further threat to a public sector already undermined by disinvestment and denationalisation. Of particular interest was the militant action taken by the jute and textile unionists in 1987, action that included the development of the *aborodh* or a railway/highway blockade.

At first, many trade unions and opposition political parties opposed it because it was unlawful, nonetheless, it was used and some trade unionists were imprisoned for life under the terrorist act, they have since been released due to ongoing trade union agitation. Now, it has become a common form of militant worker activity (Bashar Interview 1996).

Trade unions, irrespective of their political affiliation, strongly opposed privatisation and, ever since, they have held continuing strikes and rallies against what they consider to be the 'anti-labour policies' of the government, as well as the IMF and World Bank.

With the new democratically elected BNP government installed in 1991, the trade union movement hoped that the privatisation process would be scaled down and that the lot of the Bangladeshi working class would improve. However, this hope was thwarted when privatisation was further accelerated under the BNP's NIP provoking SKOP to organise strikes and demonstrations during the early 1990s. In fact, owing to the increasing frequency of industrial disputes, especially the use of the *aborodh*, the Government of Bangladesh imposed the *Suppression of Anarchy/Lawlessness Ordinance (1992)* which further increased the wide-ranging powers the state already had at its disposal under the *Special Powers Act (1974)*. Subsequently, trade unionists were subjected to further harassment and repression under the law, making peaceful marches by workers a potentially terrorist activity (ICFTU 1994, 53). In spite of the so-called 'democratic' bases of the new government, the rights of workers remained severely circumscribed. The passing of this draconian piece of legislation signalled for labour that even though Bangladesh had a new democratically elected government - the first for about twenty years - this did not mean that workers were to benefit from a more democratic approach toward their rights. In fact, as one labour leader claims: "The ruling BNP [adopted] a very distasteful policy regarding workers' interests ... unfortunately, [it] has done nothing worth mentioning for the workers" (Al-Faisal 1995, 21).

In the context of intensifying labour unrest, SKOP negotiated five major agreements between 1991 and 1993. “The agreement of 1991 set the agenda and defined the substantive issues; the subsequent agreements elaborated the issues and followed up on implementation” (Rahman 1994, 58). The principal issue identified in this agreement was privatisation and its implication for workers and SKOP demanded that no further privatisation of state-owned enterprises take place without the consent of concerned parties. Although the SKOP leaders opposed privatisation and retrenchment in the beginning, they eventually became reconciled to the inevitability of both, but demanded the government recognise that the more important causes of inefficiency in industries were inefficient management, inappropriate investments and the corruption of officials rather than trade union activity or over-staffing. As an ILO official remarked: “Employers want to link wages to labour productivity, however, what they fail to acknowledge here is that management is often the problem for low productivity, [yet] the workers are always blamed” (Khan Interview 1996).

When, in pursuance of the 1991 agreement, the National Wage and Productivity Commission (NWPC) and the Labour Law Reforms Commission (LLRC) were established in 1992, SKOP demanded that the NWPC immediately review the wage structure for public sector workers and allow for a 20 percent increase, and that a minimum wage be introduced for all workers in privately owned mills and factories. SKOP also called for minimum wage regulations to be extended to agricultural and informal sector workers, demands that were not accepted by the Government. While the Government’s decision was not unexpected, as it is almost impossible to organise the workers in these sectors, let alone monitor whether or not any wage regulations have been implemented, SKOP continues to highlight the plight of these particular workers (Rahman Interview 1996). The LLRC was instituted as a tripartite body – comprising SKOP, the state and employer associations – to examine labour policy in Bangladesh and to make recommendations to the Government regarding the classification of labour laws in a more democratic and effective way (Khan Interview 1996). The outcome of the LLRC was a proposed new Labour Code – the Unified Bangladesh Labour Code - to be adopted and approved by Parliament. Prepared by the National Labour Law Commission

and submitted to the BNP Government in March 1994, the new Code attracted the support from employers; however, SKOP rejected it, claiming that its recommendations had been largely ignored, and that workers were not adequately or democratically represented. Similarly, the ILO did not agree to the Code in its entirety, as it contravened some of the basic ILO conventions, especially those dealing with the freedom of association and collective bargaining (ILO 1998).

As well, the government reached an agreement with SKOP in July 1993, wherein it called for the re-opening of closed industrial units, for there to be parity between the private and public sectors over pay and conditions, and for the government to release those workers convicted under the anti-terrorism Act. While most of the workers imprisoned for trade union activities had been released, the agreement had yet to be officially implemented, further inflaming militant activity by trade unionists (Bashar Interview 1996). Essentially, though, the Government of Bangladesh is faced with a 'huge constraint' owing to:

The conflicting demands of the World Bank and other foreign aid donors for a wage freeze and plant closures ... and the demands made by the affected workers for an end to restructuring and job losses, plus the improvements to public sector pay recommended by the Wages Commission (Economic Intelligence Unit 1994, 22).

In this sense, the work of SKOP has become vital for the industrial working class of Bangladesh. Despite its ad hoc and loose structure and occasional internal divisiveness, SKOP does provide a common forum in which a united position can be put forward to strengthen the bargaining power of organised and unorganised labour. This 'strength in unity' is essential as "workers are not thought of as partners in the production process, they are treated merely as factors of production to be used and shed as global market forces dictate" (Rahman Interview 1996).

A further development during the 1990s among trade unions has been the use of *hartals* - general strikes - in collaboration with left wing opposition political parties. Employed as the ultimate political weapon, the hartal has become part of the political culture in Bangladesh to express dissatisfaction with or lack of confidence in the incumbent government (Rashiduzzaman 1997, 255-60). When the newly emerged democratic state

came into being after the 1991 free elections, it was assumed there would be no further need for *hartals*; however, *hartal* politics continued. With accusations that the BNP had been guilty of vote rigging, *hartals* became almost part of daily life for the Bangladeshis to the extent that during the escalating political crisis of 1994-1996, one *hartal* lasted for a record seventy-two hours (Ahmed 1995). As a result, the opposition parties agitated for a neutral caretaker government to be appointed to oversee new general elections (Kochanek 1997, 136-38). The political practice and legacy of calling *hartals* continues, as does the labour movement's participation, to the extent that they are often identified as having enormous repercussions for Bangladesh's economy and therefore should be banned by the state. It is argued, on the one hand, that *hartals* harm the efficacy of vitally important export-oriented industries, such as the export garments sector which loses crucial production time and can be in danger of losing market share because shipping schedules are not met (*Financial Express*, 23 October 1995; *Independent*, 20 October 1998). On the other hand, potential foreign investors are discouraged from investing in a country beset with political unrest and an economic reform process that is slow to be implemented (*Telegraph*, 19 January 1994; *Holiday*, 1 December 1995; *Bangladesh Observer*, 31 January 1996). Yet, the significance of these *hartals* is that not only do they provide a vehicle to mobilise public support for political parties, they also provide their respective affiliated trade unions with the political space to agitate and voice their demands. In this way, the industrial working class is provided with a strategy to continue their tradition of militancy and determination to achieve change in the material conditions of their existence.

In sum, the industrial relations system in Bangladesh is at a critical turning point. The manner in which it has evolved over time is currently at odds with an increasingly competitive and liberalised global environment that necessitates stability in labour-management relations to attract foreign investment. The present state is one characterised by a politicised and fragmented trade union movement that is increasing in membership. This is illustrated by Table 2.1, which shows that in 1972, there were 1,160 registered trade unions with 450,606 members. By 1997, the number of registered unions had increased to 5,319 with a total membership of 1,739,074. The procedural framework for the arbitration and adjudication of industrial disputes – as governed by the *Industrial*

*Relations Ordinance* (1969) – is not always followed and there are several impediments to an efficient collective bargaining process. Even though more stability and flexibility was promised by the Awami League in the election campaign leading up to the 1996 General Election, on attaining Government, the draft Unified Labour Code was still awaiting parliamentary debate in the year 2000. A recent ILO study states that there is hope that this Code will eventually:

lead to changes in broad policy guidelines on labour practices, and will encourage rethinking of labour policy and the nature of government intervention in the labour market, rectify anomalies in labour laws and ensure their enforcement (Paratian and Torres 2001, 72-75).

## **Conclusion**

From the eighteenth century on then, peasant resistance, nationalist politics and industrial unrest all reflect a continual process of class formation, reproduction and conflict in the context of capitalist development, a process which continued in post-colonial Bangladesh in spite of promises of a more just and egalitarian socialist society in which the industrial working class would share in the profits of nationalised industries. When Bangladesh became an autonomous state in 1971, its class structure was grounded in the social relations of capitalism (Jahangir 1977; Haque 1979), which in the agricultural sector, where the large majority of people were located, was firmly based on small-scale commodity production and which, in the manufacturing sector, where a small but growing number of workers were involved, was initially centred on the jute industry and then on the garments industry. As a result, trade unionism in the new nation of Bangladesh broadened its struggle into the political arena by forging links with political parties resulting in officially sanctioned organised labour becoming a vehicle for dominant interests. In this way, the historical links with political parties that had been conducive to the furthering of working class claims and interests, now became an impediment to the realisation of such claims. The practices of the labour movement in the related context of state labour and economic policy - as mechanisms of reproduction - have acted to either dampen the potential of the revolutionary left or to prevent the re-formation of the working class as a conscious collective. Nonetheless, this fertile history serves to explain the sense of history that Bangladeshi workers possess: they are quick to press home their demands and the spirit of revolt amongst them is actively manifested in

strikes, rallies and demonstrations of protest.

Regardless though, of all the intensive policy reforms and commitments in successive Five Year Plans in the quest to make Bangladesh internationally competitive, the country's economy continued to suffer from problems fundamentally related to issues of post-coloniality. The most pressing of these have been a weak industrial base and the formation of a productive industrial capitalist class. Indeed, although the state has played a significant role in promoting the accumulation process, it has done so with little success. At the same time, capitalist penetration has been uneven, giving rise to a symbiotic relationship between a comparatively weak state and an inexperienced but politically powerful petty-bourgeoisie who have done little to develop Bangladesh's productive forces. Economic growth rates have been small and have shown no upward trajectory for over 12 years, even though industrial production has increased as a result of the phenomenal growth rates of the garments export sector. In fact, readymade garments for export have overtaken jute, the traditional mainstay of the Bangladesh economy, as the top export earner for the country. Just as the export-oriented garment industry has played a major role in the initial industrialisation process in many developing countries, this industrial sector has also been vital to further integrating Bangladesh into the global economy.

## **Chapter 3**

### **Globalisation and Export-Oriented Garment Manufacture in Bangladesh**

#### **Introduction**

Until the mid-1970s, there was practically no manufacturing of garments for export in Bangladesh, although a readymade garment sector producing for the domestic market - along with a made-to-order garment industry in tailor-shop form - had existed for some time (Ahmad 1989, 94-95; Siddiqi 1982, 56-57). In 1976, a change was signalled when Bangladesh entered into the production of garments for the export market with the establishment of a few industrial units completely under private initiatives. In the year that followed, Reaz Garments became the first Bangladeshi garment enterprise to export a shipment to France. However, with little knowledge of the nuances of the garment export business, with virtually no support from the state, and with a lack of skilled workers, local producers struggled to make a profit. The buyers, mostly from Hong Kong, took advantage of this situation, often engaging in exploitative and fraudulent practices that left the Bangladeshi garment enterprises earning 'razor thin margins'. Then, in the late 1970s, in what is considered a breakthrough for the garment export industry of Bangladesh, an agreement was struck between a Bangladeshi civil servant turned entrepreneur and the South Korean conglomerate, Daewoo Corporation, to produce garments for export from Bangladesh (Quddus 1993, 30-31). This agreement, it is argued, provided the vital 'catalyst' for the subsequent development and prosperity of the Bangladeshi export-oriented garment sector (Rhee 1990).

In the context of the twin tendencies of a new international division of labour and the globalisation of production, the emerging economies of Hong Kong, South Korea, Taiwan and China had become major established suppliers of garments in the world market by the mid-1970s. At the same time, the Philippines, Indonesia, Malaysia, Thailand and India were in the process of developing strategic garments export sectors (Meyanathan and Ahmed 1994). However, the export of garments from many of these countries was severely constrained, not only by formidable international competition but

also by quota restrictions imposed on them by major buyers in the United States (US), Canada and Europe through the Multi-Fibre Arrangement (MFA). Described as ‘an instrument of forced consensus’ between unequal partners, the MFA was designed in 1974 to manage textile trade to the advantage of developed countries who were fast losing international competitiveness because of the import of these lines of production from developing countries (Khanna 1991, 21-38; Raffaelli 1994). Since then, and to maintain their competitive edge in the international garment market, many companies have circumvented the quota restrictions through relocation or international subcontracting to those countries free from quota restrictions. In this way, many other industrialising countries have increased their share of the global trade in garments (Trela and Whalley 1990a, 22-23). To this end, Bangladesh, a country with an abundant supply of cheap labour, proved most suitable. In fact, much of the expansion of the garment export industry in Bangladesh can be attributed to the arrival of ‘quota-hoppers’ from the region: companies in search of greater market share, not simply lower labour costs as argued by the NIDL thesis. Arguably too, the growth of democratic labour movements as a response to the repression and manipulation of workers in countries such as South Korea (Ogle 1990), as well as ethnic violence in countries such as Sri Lanka (Chowdhury 1987, 359), were also decisive reasons behind moves to relocate garment manufacture to Bangladesh.

### **The Globalisation of Production and Trade in Garments**

The garment export industry is best understood as an integral part of the textiles and garments complex of industries as it is the main end-user of textile fibres and fabrics and, moreover, there is often a wide ownership and geographical overlap between textiles and garment operations. However, the global pattern of production and trade in textiles and garments is predicated on a number of factors including low labour costs, access to markets, quota restrictions and policy environment both at a national and international level. Generally though, and as expressed by the Clothing Economic Development Council in 1971, as “the garment industry has been dominated by the sewing machine which is a relatively simple, cheap and long lived tool. ... entry to the industry has been, and still is, easy ...” (cited in Rainnie 1984, 145). Research clearly shows that the production of garments for overseas markets is one of the first sectors



where industrialising countries have achieved a rapid growth in manufactured exports to industrialised economies. As an example, the success of Hong Kong and South Korea in pursuing an export-led strategy, based mainly upon the expansion of garments and textiles, influenced many less developed countries to attempt a similar route to industrialisation. For instance, by 1970, Hong Kong had captured 76 per cent of the US market for woollen jumpers and 50 per cent of that market for cotton dress shirts, while South Korea had 42 per cent of the market for synthetic shirts (Hoffman and Rush 1988, 27). More specifically, labour intensive industries such as textiles and garments are pursued when industrialising countries attempt to liberalise and open up their largely agrarian economies to being a modern industrial state (Morawetz 1981; Anderson 1992). This is exemplified as far back as 1868 when Japan opened up its economy under the Meiji Restoration which was accompanied by growth in the production and export of labour intensive industries including textiles and garments (Park and Anderson 1992). Gradually, these exports came to eclipse exports from Britain and Europe in international markets up until the late 1950s and early 1960s. Since then, the global relocation and production of textiles and garments has intensified and undergone several major changes, all of which have involved other Asian countries.

When South Korea, Hong Kong and Taiwan emerged as industrialising economies in the late 1950s and early 1960s, Japan's share of global textiles and garment markets declined. With the relocation of production away from Japan to the 'Big Three', these countries dominated global textile and garment exports in the 1970s and 1980s, especially in garments. However, because of the imposition of quota restrictions on these countries and an increase in real wages, a second relocation of production took place to a number of other industrialising countries, notably, mainland China. By the early 1980s, wage rates were substantially higher in these countries compared to China. For example, the wages of garment workers in China in 1982 were only 14 per cent of garment workers in Hong Kong, 17 per cent of those in Taiwan, and 24 per cent of those in South Korea (Bauer 1990, 1013). It was a shift that was accelerated by the move of garment manufacturers in East Asian industrialising countries into higher-value-added garment production, a move that gave rise to the expansion of cheaper garment exports from other low -wage South East and South Asian countries. For instance, Thailand,

Indonesia and Malaysia were able to increase their portion of global garment exports from 1.3 per cent to 7.2 per cent, while the South Asian countries almost tripled their share of the global total from 2.3 to 6.3 per cent. Furthermore, the pre-eminent textile and garment export sector of the East Asian NIEs declined as a proportion of these countries' total exports from 25 per cent in 1980 to just over 14 per cent in 1993 (Anderson 1992, xxii, 194-96; Gereffi 1996, 90-93). As a result, between 1970 and 1981, the share of global trade in garments almost doubled for industrialising countries from 22 per cent to 41 per cent, while the industrialised countries share decreased from more than 60 per cent to 46 per cent (Hoffman 1985, 371). In turn, these second wave countries began to invest in or sub-contract part of their production process to a third wave of countries including Bangladesh, Pakistan, Sri Lanka, followed by Laos, Nepal and Vietnam.

By the mid-1990s, more than 60 per cent of the world's garments were being produced in industrialising countries with Asia being the major world supplier, producing more than 32 per cent of the world's exports in clothing (ILO 1996, 23). Out of all these economies, China has emerged with the lion's share of the global market. Indeed, the rapid growth of the Chinese export garments is unrivalled in the annals of the world garment industry with garment exports reaching US\$24.6 billion in 1992, 160 percent higher than in 1987 (Quddus and Rashid 2000, 41). Toward the end of the twentieth century, the global export market for garments was estimated at US\$160 billion, of which China's share had increased to \$30 billion or 19 per cent of the global market. Following China was Hong Kong with \$10 billion or 6 per cent and India with \$5 billion or 3 per cent. Bangladesh's share of the global trade was \$3.7 billion, an amount equivalent to just over 2.2 per cent.

### **Protectionism and the Global Trade in Garments**

A distinctive feature of the global trade in textiles and readymade garments is that this sector is one of the few industries in which discriminatory protectionism has been around for a considerable period of time. As far back as the end of the seventeenth century, tariff discrimination was imposed by England on all Indian manufactured textile products and the import of Indian silk and printed cotton cloth was banned. In the United

States in the early nineteenth century, the 1816 Tariff Act was passed with the aim of protecting the fledgling textile industry from import-created market distortion and, since the 1930 Tariff Act, tariffs on textiles and garments have remained higher than those on other manufactured products (Parsons 1988, 133). By the early 1800s, Britain had emerged to replace India as the biggest supplier of cotton goods to the rest of the world and, with the rapid penetration of imported yarn and cloth from Lancashire, the domestic market for Indian textiles came under severe threat in the first half of the nineteenth century (Bose and Jalal 1998, 70-71).

Historically, Bangladesh has a long and illustrious history in the production and trade of world-class cloth. As East Bengal, artisan weavers once produced the famous fine Dhaka muslin known as 'woven wind', a prized fabric in the imperial courts of Europe and Asia in the seventeenth century. This unique craft was appropriated by the British and used in their own cotton industry, an industry that developed to replace the industry of what is now Bangladesh as the largest producer of cloth (Hossain 1988). Nehal Karim describes how personnel of the British EIC actually cut off the thumbs of the weavers who produced the famous Dhaka muslin as part of the strategy to create a market in India for the textile goods produced by Britain's new textile industry based in Lancashire (1994, 3). Essentially, the strategy was imposed as a measure to boost the Lancashire-based British textile industry that prospered from the 1790s on. Hence, in the case of East Bengal, from which the exports of Dhaka muslin to England were highly valued in 1787, they had completely ceased by 1817. Subsequently,

between 1813 and 1833, Bengal's vast homespun cotton industry collapsed and millions of Indian women and men were thrown out of work by machines half a world away. Bengali unemployment reached unprecedented levels as the industrial revolution rocked India's peasant economy ... (Wolpert 1989, 214).

Lancashire dominated Asian markets for machine-made yarn and cloth until the 1870s when the revival of Indian cotton production, in the form of a mechanised spinning and weaving industry, presented a new threat from South Asia (Leadbeater 1993, 29-55; Tomlinson 1993, 105-6). Centred around the major centres of Bombay and Ahmedabad in Western India and Madras and Coimbatore in South India, the new largely Indian-owned cotton textile industry developed to the extent "that the spectre of competition

from Indian industry obsessed British cotton manufacturers from the late nineteenth century onwards, leading to successive agitation in Lancashire for the adjustment of Indian tariff policy to suit their interests” (Tomlinson 1993, 112). In the period that followed, the textile industry expanded considerably on the basis of import-substitution and by 1913 it had emerged as the most important manufacturing industrial sector in India. Although its development was impeded at times in the inter-war period by the militant activity of industrial workers – often in spite of Mahatma Gandhi’s attempt to pacify them - and increased competition from Japan in their main market of China, by 1939 the Indian textile industry had become the second largest in the world to the US (Leadbeater 1993, 38). At the time of independence in 1947, the textile industry in India seemed to be well placed to compete with the rest of the world, only to lose out to the East Asian industrialising economies and to a post-colonial textile policy that was sympathetic to decentralised weavers and placed restrictions on the mill sector. Imbued with the ideology and politics of Gandhi’s *swadeshi* movement - a central component of the nationalist struggle - this policy resulted in the decentralisation of cotton production in India. While it is often argued that by giving support to Indian nationalism, the mill owners had embraced an ideology antithetical to their long-term interests (Leadbeater 1993, 20), in reality, Indian mill owners as part of the indigenous bourgeoisie were in competition with British mill owners as part of the British bourgeoisie.

In the post-World War II boom period, the global production of and trade in textiles and garments escalated, as did the demand for garments in the industrialised world that was met with the rapid growth of a centralised retail sector and with the arrival of advertising through the electronic media. Indeed, consumer demand growth and retail centralisation have been powerful forces in the global restructuring of the garment industry (Bluestone *et al.* 1981). Retail firms as the major buyers of garments have substantial bargaining power in their dealings with garment producers, a relationship that has persisted whereby advances in production coexisted with the growth of major retail outlets and both consequently fuel each other’s development (Rosewarne, 1983; Rainnie 1984, 147). Accompanying this escalation in production and demand, the global trade in garments became subject to intense international regulations. The industrialised countries, notably the US, began to restrict garment imports under the pretext that they caused market

disruptions. Culminating in the Multi-Fibre Arrangement (MFA) in 1974, this form of protectionism is described as “one of the most pernicious trade restrictions in the artillery of product-specific measures used by developed countries” (Trela and Whalley 1990a, 11). Having emerged in response to the rapidly growing penetration of textile and garment imports from industrialising countries, in spite of the liberal and non-discriminatory rules enshrined in the General Agreement on Tariffs and Trade (GATT), it provided a framework for the global economic environment in the post-war years. In so doing, it was at odds with several GATT articles including Article 1, concerning non-discrimination, Article 19 requiring proof of ‘serious injury’ rather than ‘market disruption’, and Article 24, concerning bilateral trade agreements (Khanna 1991, 22; Trela and Whalley 1990a, 13).

### **The Multi-Fibre Arrangement (MFA)**

Prior to the implementation of the MFA, the institutionalisation of restrictions on a multilateral basis dates from the 1950s. With the increased penetration of Japanese imports into the US market, domestic political pressure arose from the powerful textile lobby in the US for the government to take concerted action to restrict Japanese textile imports. Subsequently, a motion was put to the US Senate in 1956 to impose quotas but, on the basis of US obligations under GATT, was narrowly defeated by two votes. To overcome this, the US federal administration succeeded in applying political pressure to the Japanese Government to agree to Voluntary Export Restraints (VERs) on textile products which led to interest from other industrialised countries such as Canada and West Germany. However, as other exporting countries such as Hong Kong refused to agree to the VERs mechanism on the basis of GATT rules, the US administration sought to develop a strategy that would legalise VERs (Khanna 1991, 22-23). In 1959, the US initiated discussions to systematise the ad-hoc measures being taken by a number of industrialised countries to regulate and protect this form of market penetration. These negotiations led to the legalisation of VERs and institutionalisation of protectionism in the form of the 1961 Short-Term Arrangement, negotiated between the US and Japan, an arrangement that became the Long-Term Arrangement in 1962 and which lasted through a series of extensions until the MFA was instituted in 1974 (Trela and Whalley, 1990a, 13).

During the life of these Arrangements two developments occurred: first, was the growth of industrial country imports of textiles and garments from industrialising economies; and, secondly, was the rise in the imports of non-cotton (regenerated and synthetic fibres) textile products into industrialised countries. In the context of a general slow-down in the international economy in the late 1960s, these developments prompted a desire to curb further the penetration of textile and garment imports from industrialising economies, especially those from the 'Big Three', namely, South Korea, Taiwan and Hong Kong. Backed by the governments of industrialised countries and their respective domestic textile lobbies, the USA succeeded in bringing the imports of textile products under control. In 1971, the East Asian countries of Japan, and the 'Big Three' succumbed to political, diplomatic and economic pressures and signed bilateral agreements. Finally, in 1974 they accepted the MFA-1. Sri Ram Khanna writes:

With major exporting nations now towing [sic] the line, the MFA was formally negotiated as an agreed departure from GATT rules to allow for a comprehensive and sophisticated framework for protectionism vis-a-vis the trade in textiles. The urge for such a framework had, and continues to have, its roots in the domestic pressure from the highly organised US textile lobby in the Senate as well as the Congress. This lobby has been instrumental in activating successive US administrations to renew the MFA four times since 1974 (1991, 24).

In sum, the protectionist MFA comprises numerous bilaterally negotiated quota restrictions covering the trade of both garments and textiles between specific industrialised and industrialising countries. These quotas are divided into particular product categories, such as shirts, trousers and dresses, and tend to be based on historical trade performance. Thus, quota allocation processes vary from country to country. Late entrants tend to have smaller quotas than more established exporting countries such as South Korea and Hong Kong, unless the country has some political clout, for example, China (Wolf 1987, 257). For the most part though, the quota system administered under the MFA has been an important catalyst for the development of an export-oriented garment sector for many industrialising countries, including Bangladesh. When considering the political economy of the MFA, it is noted that in the course of the significant decisions taken on the trade in garments and textiles:

the manipulation of an incredibly complex, highly opaque and – to the outsider

extremely uninteresting structure of import quotas, the lobbyists of the developed countries come increasingly into their own. They are eternally interested, unceasingly helpful and, not the least, always available. They find little difficulty, moreover, in grappling with this Frankenstein monster. [It] is, in part, their own creation (cited in Quddus and Rashid 2000, 20).

Without going into too much detail concerning the numerous arguments over the validity, fairness, effectiveness, and viability of the MFA, there is little doubt that, in general, the agreement has become more restrictive (Keesing and Wolf 1981; Cable 1987; Trela and Whalley 1990b).

However, in the context of the globalisation process over the past few decades and its associated political hegemony of mainstream economics - incorporating deregulation, small government and globally competitive and 'free' markets - a more even playing field has been sought by eliminating the MFA. As part of the Uruguay Round of Trade Negotiations in the early 1990s, the question of how to phase out the MFA and integrate textiles and garments into the normal GATT rules was considered. From these negotiations an agreement was signed in 1994 that incorporated the decision to phase out the quantitative restrictions imposed by MFA restraints over a 10-year period commencing in 1995. In this way, it is anticipated that the exports of textiles and garments from many industrialising countries may be enhanced (Wolf 1990, 215-307; Yang 1994). For example, a 1990 study estimated that, if all industrialised country garment and textile restrictions were removed, exports would increase by 35 per cent for Korea to 332 per cent for China (Trela and Whalley 1990a, 24). In this context, recent entrants into the export-oriented garment sector like Bangladesh "will have to compete with ... the highly efficient garment producing factories of Korea and China that sell the same type of garments that Bangladesh exports" (Quddus and Rashid, 2000, 21).

Conversely, it is argued, regional trading blocs established under the North American Free Trade Agreement (NAFTA) and the European Union (EU) will adversely affect the Asian share of trade through the application of tough technical and environmental standards (Mehta 1996). As well, new 'country of origin' rules for garment exports now apply. In 1995, the 'country of origin' was switched to the country where the garments are sewn rather than where they are cut. This change is alleged to have also resulted

from the intense lobbying efforts of domestic garment manufacturers in the industrialised countries who wanted to curb the substantial flow of Asian garment imports (*Asian Times*, 4 July 1995; *Independent*, 4 October 1995).

### **Impact of the Global Restructuring of Garment Production in Industrialised Countries**

The relocation of production to low-waged industrialising countries since the 1970s has certainly impacted on the industry and its workforce in those countries (ILO 1987a; ILO 1987b). Intensified competition has resulted in a considerable reduction in profit margins for garment firms that have placed enormous pressure on them to respond in various ways. Apart from the protectionist response as outlined above, garment firms have been forced to restructure the production process so that labour costs can be reduced, including the introduction of new technologies and an increased use of outworking and subcontracting. Restructuring has been further fuelled by technological change at the level of the retailer with the installation of new electronic point of sale systems that enable the monitoring of specific garment sales. That is, garment producers need to have the capacity to cater to rapid changes in taste and fashion which mean shorter and more flexible production runs (Baker 1993, 44). For example, as many retailers in the US have adopted 'just-in-time' inventory controls, this has made ordering and shipping from Asia cumbersome, especially when consumer tastes change sharply or garments arrive flawed. As a result, it has been claimed that more garment manufacturers are moving their operations back to the US (*Business Times*, 9 October 1994). Likewise in Britain, it is argued, the associated demands of faster turnaround times, improved flexibility and design capability by the retail sector have allowed British garment producers to regain some of the ground lost to low-cost imports in the 1970s (Gibbs 1988). As these demands rely upon close contact with suppliers and a switch to more capital intensive and flexible production processes, manufacturers in industrialised countries appear to have the edge. Overall, one difference between garment production and other industries is that since seasonal fashions are important, short lead-times, quality and punctuality in delivering are vital. No exporter of garments is likely to retain contracts if deliveries are continually late, if quality is poor, or if lead times are weeks longer than those of the competitors.



Consequently, as part of the need to restructure garment production in industrialised countries, many manufacturers have responded by adopting more capital intensive and flexible forms of production in the hope of constraining Third World producers as independent competitors. However, it is noted that as many of the major Asian industrialising economies are efficient producers, they do have the capacity to adjust rapidly to technological change (Mytelka 1991, 138). Advances in automation have mostly been restricted to the design and pre-assembly stages of production, with the essential features of sewing technology remaining largely untouched (Hoffman and Rush 1988, 137-45). In this respect, “new technology in the clothing industry is best depicted as a mountain range, with peaks of high-tech processes separated by valleys of labour-intensive tasks” (cited in Lall and Wignaraja 1994, 27). As the making-up or assembly stage has been the most difficult to automate, and is the most labour intensive of all the stages of garment production, this is the area where industrialising countries have built and retain a competitive edge. The ease of entry into and exit from the sector is not conducive to labour saving capital investment in many of these countries, particularly when there is a readily available supply of cheap, unorganised labour. However, since the 1970s, to enhance the competitiveness of garment producers in the advanced industrialised countries, increased investment in new technologies have been made. These include machinery controlled by microprocessors and programmed by computers, and developments in cutting technology (Hoffman and Rush, 1988). This shift to capital intensive production includes areas like design, engineering, management and marketing abilities “that, for the most part, are still lacking in all but a handful of Third world countries” (Mytelka 1991, 110).

One study indicates that computer-aided design has facilitated the rapid switching between production runs, a vital development for garment firms seeking to ‘trade up’ into the high quality end of the fashion market in response to import competition in the standardised goods sector in the British garment industry (Truman and Keating 1988). As well, the Italian garment industry represents a fine example of how the shift of products from standardised to fashion categories has constantly increased the importance of design skills, communication, speed of response and flexibility in production. As a

model of 'flexible specialisation' in operation (Piore and Sabel 1984), the 'Benettonisation' of parts of the garment industry has had profound implications for capital structure, inter-firm relationships and labour utilisation in Europe and North America. At the centre of this model, lies a decentralised production system dependent on technologically sophisticated small firms which are integrated through subcontracting arrangements and which concentrate on the manufacture of high fashion rather than standardised products (Lazerson 1990; Scott 1988). Furthermore, another study alludes to the erosion of Korea, Taiwan and Hong Kong's competitive advantage vis-a-vis the US in standardised products as the American clothing industry automates and becomes more flexible (Mody and Wheeler 1987). In this sense, the study argues that many garment firms in the middle income industrialising economies with relatively high wage costs have been increasingly caught in a bind between increasing automation in the advanced countries and the entry of low-wage but efficient countries at the bottom end. Overall, even though automation has proved difficult to introduce into the labour intensive assembly stage, technological innovations in the garment industry in the industrialised countries have resulted in an increasing number of product lines becoming less labour intensive.

Intricately linked with the above technical component of restructuring in industrialised countries, has been the need for a more flexible workforce and a growth in utilising subcontracting practices, including outwork. Certainly, such practices have always been encouraged in garment production but they appear to have intensified in recent times as another measure to cut the costs of production. In the Australian garment industry, tightening profit margins induced by fierce import competition have led to garment manufacturers fragmenting and relocating their production processes (Greig 1992). This restructuring has resulted in the growth of industrial outworking to the extent that, in the early 1990s, it was estimated that there was as many as 60,000 outworkers utilised in the Australian garment industry compared to a factory workforce of under 50,000 (Peck 1992, 302). Also, in Australia a more spatial division of labour has evolved with the relocation of labour-intensive elements of the production cycle to non-metropolitan locations where there exists a plentiful supply of labour (Peck 1990). In the US, much of the garment industry now thrives on the exploitation of non-unionised female workers

who toil in urban 'slave-like sweatshops'. For example, in 1992 in the San Francisco Bay area alone, 25,000 female immigrant workers were employed "earning a pittance in wages while producing millions in profit for a handful of fashion designers" ('Immigrant Women Workers ...' 1994).

From all of this restructuring, the effects for those working in the garment industry have been quite severe. There has been a steady decline in employment in the garment and connected sectors in all industrialised countries to the extent that it is claimed "the clothing industry has certainly suffered proportionally more labour displacement than virtually any other manufacturing industry" (Hoffman and Rush 1988, 42). In the US alone, 700,000 jobs were lost in the garment industry between 1960 and 1986 (Parsons 1988, 148), and in Europe, employment fell in the industry by almost 4 per cent annually from 1972 until 1983 which included a 29 per cent drop in the four years after 1980 (ILO 1987a, 19). Moreover, associated with this erosion to domestic employment bases in industrialised countries has been the declining strength of garment unions who have seen their membership numbers drastically reduced. For instance, between 1973 and 1985 the International Ladies' Garment Workers' Union - the major organisers of workers in the women's and children's garment industry - fell by just over 50 per cent. Also, the rate of unionisation in the Amalgamated Clothing and Textile Workers Union in the US declined over the same period by approximately 20 per cent, far exceeding the national contraction in the unionisation rate (Parsons 1988, 132). This situation is a severe and growing public policy problem because the workers who have been and will continue to be displaced are mostly poor marginalised women, a problem that "has pushed the employment outlook for female, minority, poor, badly educated, and non-English speaking workers from bad to worse" (Parsons 1988, 150). The only option many of these garment workers have is to accept poorly paid work in the growing and unorganised urban labour market of sweatshops and homework (Hoel 1982; Mitter 1986, 5-24; Peck 1990; Pessar 1994). In this sense, any notion of human agency doesn't exist because of the prevailing conditions.

It appears, then, that the processes used to increase the rate of exploitation in the garment industry in the industrialised world have been under-rated when compared to

the issue of cheap labour in third world factories. Pursuant to the global nature of accumulation in the garments sector, garment enterprises in the industrialised countries have adopted various strategies to facilitate their capacity to compete directly with low-wage countries, a reality necessary to their economic survival. Profitability seems to have been maintained, if not enhanced, through such measures as the innovation and application of new technologies, as well as initiatives in the organisation of the labour process. Furthermore, garment enterprises have subjected their workers to measures like wage cuts and lengthened working hours while, at the same time, they have intensified the use of immigrant labour, sweatshops and outwork.

### **Bangladesh and Export-led Garment Production**

As outlined in Chapter Two, from the early stages of the emergence of Bangladesh as an independent nation state, the Bangladeshi state pursued an export drive policy as a means of integrating the country into the global economy. In this economic and political environment, the production of garments for export emerged in the mid-1970s with the establishment of a few garment firms under private indigenous capital. However, as Bangladesh had no reputation abroad in the garment markets and as the entrepreneurs themselves did not understand the intricacies and nuances of this tightly scheduled export business, progress was slow. Buyers and agents – especially from Hong Kong – often took advantages of this lack of experience. For instance, they would place orders stipulating that certain fabric from a foreign source be used from which they would then earn commissions from the fabric suppliers. When the orders were ready, the buyers or agents would often refuse to accept them for one reason or another. As a result, the manufacturers would be forced to seek out other buyers and dispose of the garments at below-cost prices to keep their businesses afloat. As Quddus notes, “it was indeed a difficult environment, fit for only the bravest entrepreneurs” (1993, 30-31). It was against this background that at the end of the 1970s, a significant development occurred concerning the combination of Bangladeshi entrepreneurship and traditional sewing skills, allied to Korean (Daewoo) marketing technology and investment. By 1982, a number of joint venture garment enterprises were operating in Bangladesh under some form of foreign collaboration with garment exporters and manufacturers from such countries as Singapore, Hong Kong, South Korea, Japan, India, the United Kingdom and

the US (Siddiqi 1982, 57-58).

### **The Desh-Daewoo Agreement**

As part of its global strategies, the Daewoo Corporation of South Korea became interested in Bangladesh in the late 1970s when the Chairman, Kim Woo-Choong, proposed an ambitious joint venture to the Government of Bangladesh which involved the development and operation of tyre, leather goods, cement and garment factories. Described as a 'grand design', this proposal was quickly agreed to. In particular, the Bangladesh government and the private sector were eager to pursue the setting up of a joint venture in export-oriented garment production because they realised the comparative advantage Bangladesh had as quota free territory and as a plentiful source of cheap and unorganised labour. Although, it is alleged, the Daewoo Corporation was allegedly more interested in tyre, leather and cement factories, it agreed to a collaborative operation in garment manufacture. This agreement offered Daewoo an effective way of dealing with the import restrictions it faced under the MFA, as well as the growing efforts of South Korean garment workers to unionise (Ogle 1990) and a wage increase granted to production workers (Amsden 1989, 198). In 1978, a former senior government official, Noorul Quader, expressed interest in entering a new garment venture with Daewoo and, subsequently, in 1979 the Desh Garment Company was established after a collaborative agreement - rather than a joint venture - was signed (Rhee 1990).

The agreement entered into between Desh Garments and Daewoo was to run for five years. It included collaboration in the areas of technical training, purchase of machinery and fabric, plant set-up and marketing in return for an 8 per cent marketing commission on all exports by Quader's company, Desh, during the contract period. Of particular interest, was an agreement for Daewoo to provide a cadre of Desh trainees with six months training at its ultra-modern Pusan garment factory in South Korea. Quader had been so impressed by the large number of efficient female workers in Daewoo's and other Korean garment factories, that he convinced the Bangladesh Government to support some female trainees in spite of the Muslim tradition that precludes them from working in factories (Rhee 1990, 337). Desh recruited 130 workers - 14 of whom were

women - to undergo in-depth training that provided marketing, supervisory and administrative skills with the aim of turning out world-quality exportable garments and with the expectation that these workers would train future Desh employees. While “the training imparted was extraordinary in intensity and scope and turned out to be highly effective” (Quddus 1993, 31), it was probably not anticipated that the training would also produce future managers for much of the Bangladesh garment export industry. In short, this collaborative agreement provided Desh workers with

not only narrowly defined production skills, but also the whole system of production, marketing and management that Daewoo had developed or accumulated over the preceding 10-12 years through its pioneering activities to enter international markets (Rhee 1990, 338).

In early 1980, Desh Garments began production in its modern factory located in the port city of Chittagong. Equipped with 450 machines and employing 500 workers, this factory was the largest in Asia outside Korea at the time (Rhee 1990, 339; Quddus 1993, 32). Having conquered production, marketing and management know-how, Desh felt confident enough to cancel the agreement with Daewoo after only eighteen months and just after the military coup in South Korea in which Kim Woo-Choong was forced into temporary exile in the US. On the one hand, Desh claims, had it persisted with the collaborative agreement, its restrictive component would have ultimately been detrimental to the success of the garments export sector in Bangladesh. In this sense, research shows that while collaborative ventures with foreign players have been vital to developing countries in the initial learning stage of producing garments for world markets (Egan and Mody 1982; Keesing and Lall 1992; Lall 1991; Lall and Wignaraja 1994), it is unwise to persist with such agreements as they generally place the new entrant in a weak bargaining position (Barba Nararetti 1992; Hamill 1991) On the other hand, Daewoo officials were disgruntled with the cessation of the agreement, claiming that they had big investment plans with Bangladesh, plans that were shelved after the collaboration was aborted. Nonetheless, Daewoo continued its presence in Bangladesh mainly as a supplier of fabric.

Overall, it is argued, the Desh-Daewoo collaboration was an important ‘catalyst’ to the expansion and success of Bangladesh’s entire garments export sector. In the first place, it

would have been difficult to attempt to export garments in the international market place without Daewoo's brand names and marketing network. One of the most difficult hurdles to overcome in the early stages of export-oriented garment manufacture is for a country to build a reputation as a reliable supplier of quality garments. It takes time to "acquire enough know-how to make its capabilities as a supplier potentially attractive to other buyers" (Keesing and Lall 1992, 183). By being associated with Daewoo's excellent reputation, overseas buyers continued to purchase garments from the corporation regardless of their origin. Secondly, out of the initial trainees, most left Desh Garments at various times after the cessation of the collaboration to set up their own competing garment firms. They "proved a very powerful medium for transferring knowledge throughout the whole garment sector and for recreating miracles with garment exports" (Rhee 1990, 341). Daewoo trainees were quickly lured away at multiples of their salary by hundreds of new garment enterprises being set up on an almost daily basis in the early to mid-1980s in the major cities of Dhaka and Chittagong. Through the Desh-Daewoo venture Bangladesh came to be recognised by other well-known garment exporters as quota-free territory and as having the capacity to manufacture quality garments for overseas markets. Garment exports from the country escalated in the 1980s and continued to climb in the 1990s. In this way, Bangladesh was rapidly integrated into:

a layering of financial investment between ... industrialised countries and the newly industrialising countries (NICs) of Korea, Taiwan, Singapore and Hong Kong, whereby the NICs establish subcontracting arrangements with new producers located in the least developed capitalist economies (Feldman 1992, 110).

### **Structure and Growth of Bangladesh's Export Garments Industry**

From modest beginnings in the late 1970s, the export-oriented garment industry of Bangladesh has recorded spectacular growth becoming the fastest growing industrial sector in the country. From only 69 registered garment factories in 1980-81, the number had increased to 935 by the year 1990/91, and to 2,726 by 1997-1998 (see Figure 3.1). Indeed, since 1980, the production of garments for export in Bangladesh has spearheaded the growth in non-traditional manufactured exports. Throughout the 1980s, the value of garment exports surged from approximately US\$1 million in 1980-81 or a

mere 0.29 per cent of total exports, to just on US\$131.5 million or 16.5 per cent of total exports by 1985-86 and, by 1989-90, further increases saw the total value of garment exports rise to US\$624 million comprising just on 41 per cent of total exports. A similar picture is revealed in the 1990s. From a total of US\$866.82 million in 1990-91, or just on 50.5 per cent of total exports, this figure had increased to a staggering US\$3.7 billion by 1997-98, an amount that made up just over 73 per cent of the country's total export earning (see Table 3.1). This surge in garment exports was accompanied by a concomitant growth in employment. From a total of 4,543 people – including workers, supervisors and managers - employed in the industry at the beginning of the 1980s, total employment had increased to 439,076 by 1989-90 and to just over 1.5 million workers by 1997-98 (see Table 3.2), the vast majority of whom were women.

This rapid increase in the export of garments meant that the traditional mainstay of jute in the country's export economy was quickly overtaken by the mid to late 1980s (see Figure 3.2). Whereas jute products had constituted 67 per cent of total export products from Bangladesh in 1980–81, in comparison to only 0.29 per cent for garment exports (see Table 3.1), by 1989-90, this percentage had been reduced to 28 per cent, whilst garment exports had risen to 41 per cent. This reduction continued throughout the 1990s to the extent that, by 1996-97, jute products had fallen from a high of 67 per cent in 1980-81 to only 10 per cent of total exports, and garment exports had risen from below 1 per cent as part of the 'others' or miscellaneous exports to 67 per cent by 1996-97 (see Figure 3.3).

Although there are several 100% foreign-owned garment factories both inside and outside the Export Processing Zones (EPZs) and some joint ventures where the foreign firm provides the technical and marketing expertise in return for a majority stake, the success story of the garment export industry lies mainly with indigenous capital acting as international subcontractors. The locally owned garment firms producing for the export market cater mainly to the mass produced garment sector rather than to the upper end of the fashion market. In this respect, the garment units operating in the EPZs cater mostly to the high fashion end of the export market due to a decision taken by the Bangladesh Export Processing Zone Authority (BEPZA). To protect the local export garments



industry, it was decided to allow only producers of more high fashion garments to produce in the country's two EPZs. At the end of 1995, there were twelve garment manufacturing units operating in the Zones, and the BEPZA was actively discouraging the establishment of anymore units because of the vital importance of the garment sector to local entrepreneurs and the country (Khan Interview 1996a).

Generally, only a small portion of garment factories receives orders directly from importers in the industrialised countries; rather, orders are placed through foreign and local agents operating in Bangladesh. Of these, about 12 per cent are large wholesalers like Levis, Sears and Capital - Mercury Shirt - Corp., all of whom have access to retail outlets all over the world and who order the manufacturers to produce specific garments according to specific design. It is estimated that about 95 per cent of all orders for garments coming into Bangladesh are channelled through numerous buying houses (Hoque, Murayama and Rahman 1995, 26; Quddus 1993, 40). As a result, Bangladeshi garment producers do not take an active part in marketing their garments; rather, they are only concerned with satisfying quality standards and meeting shipment schedules. Moreover, very little value-added production occurs as the raw materials are imported; only cutting, sewing, finishing and packing are carried out in the manufacturing process. Consequently, owing to the excessive import content of garments produced in Bangladesh, the increasing export figures have not translated into equivalent increases in the net foreign exchange earnings. Significantly, they have not been sufficient enough "to overcome the chronic trade deficits that have become a permanent feature of Bangladesh's foreign trade. For example, the overall trade deficit in 1991-92 stood at \$1.4 billion, up from \$270.25 million in 1977-78" (Quddus and Rashid 2000, 49).

Prior to the commencement of the US importing Bangladeshi garments in the early 1980s, these products had only been exported to a handful of European countries, mostly France and Germany. However, the US market expanded rapidly and by 1984, 80 per cent of garments produced in Bangladesh were shipped to that country. With the imposition of quotas by the US on some popular Bangladeshi export items in 1985, this percentage decreased to just over 56 per cent in 1989-90 (Hoque, Murayama and Rahman 1995, 26). Then, by 1997-98, the EU had become the main recipient of garment

exports from Bangladesh. While 44.19 per cent of total garment exports were exported to the US, a total of 51.16 per cent was shipped to EU countries. Other countries to import Bangladeshi garments included Canada, Japan, Russia and some Middle Eastern countries comprising only 4.64 per cent of the share of Bangladeshi garment exports (see Figure 3.4). By the early to mid-1990s, Bangladesh had become the seventh largest supplier of garments to the US market, the fifth largest supplier to the EU market, and the ninth largest to the Canadian market (see Table 3.3).

Until 1985, Bangladesh had operated as quota-free territory, a factor which greatly facilitated the early growth of the garment export industry as quota-hoppers from South Korea, Taiwan, Hong Kong and China took advantage of having their garments manufactured in Bangladesh to escape their quota restrictions under the MFA (Kaye 1986). However, with an upsurge in garment imports from Bangladesh, the garments export industry suffered when quota restrictions were imposed by first, the United Kingdom, then France and Canada and lastly the US. The export of popular garment products such as shirts, blouses, shorts and jackets were restricted by quota impositions as per the MFA. This disrupted the garment industry and the confusion that followed resulted in the closure of many factories because of delays in government agencies allocating the quotas. It is alleged the 'exceptionally slow handling of the distribution of quotas' meant that many garment factories had their orders refused by buyers or that deadlines could not be met. Additionally, with the closure of an estimated 250 factories, more than 40 per cent of the workforce - approximately 200,000 workers - lost their employment (Khandaker Interview 1994; Kamaluddin 1986). As a result, the BGMEA sent several high-level delegations to negotiate with the quota imposing nations in the first half of 1986. Consequently, the UK and the French quotas were largely withdrawn and the US quotas were relaxed (Quddus, 1993, 32). While the industry quickly recovered, it nevertheless realised that there could not be an endless market for the types of garments being produced and that it would have to diversify.

In this context, the quota policy that they established was very significant. Framed by the Government in consultation with the BGMEA and the Export Promotion Bureau (EPB) and to be administered by the Ministry of Commerce, it focused on three types of quotas:

past performance quota, local fabric quota and free quota. Of these the past performance type comprised the major portion of the total quota distributed. This form of quota was predicated on the proven past performance of exports by local garment manufacturers, most of which goes to the larger established garment enterprises. While it was possible to purchase quotas from other producers, over the years this strategy has become less common as the premium paid can be quite high (Hoque, Murayama and Rahman 1995, 38-39). Although quotas were distributed more efficiently, problems still existed with 'red tape', bribery and corruption, according to which government 'cronies' who were garment producers appeared to be favoured in the distribution process (Babul Interview 1994; Ahmed Interview 1994). These allegations were reflected in the comment that although garment entrepreneurs "find the system of bribery disturbing, they have adjusted to it and have learned to overcome bureaucratic hurdles" (Quddus 1993, 42). This was especially the case when many garment manufacturers were ex-bureaucrats, or, continued to be politicians, facilitating their ability to deal effectively with state agencies. Additionally, as some garment factories have been engaged in the manipulation and forging of illegal quota documents, the Government responded with some new measures to put an end to such practices. At a high-level meeting in October 1998, this problem was discussed at length and it was decided that concerted efforts must be made to address the problem, including the sending of a delegation to the US (*Independent*, 6 October 1998). Then, in the wake of yet more scandals of illegal garment exports to the US, and after a three-month trial, in January 2000, an on-line monitoring of the export quota utilisation came into effect (*Independent*, 4 January 2000).

Generally, the quota system has been regarded as a constraint to the production of garments for exports in industrialising countries; however, with its phasing out by 2005 there is much conjecture about whether or not Bangladesh's garment export industry will benefit. Although it is anticipated Bangladesh will enhance its market share, "one thing is clear, cost and quality will dictate the market instead of quotas" (Hoque, Murayama and Rahman 1995, 40). Should Bangladesh wish to participate in the upper-end of the fashion market in a quota-free environment, then its garment firms will have to compete with a large number of established and powerful suppliers of garments from countries

such as China, Hong Kong, South Korea, Taiwan and Singapore. Furthermore, with the entry of other low-wage industrialising countries, such as Thailand, Vietnam, Laos, Nepal and the small countries of the Caribbean, the garments export sector will experience severe competition at the lower end or standardised sector of garment production (Khondoker 1994, 40; Siddiqi 1995, 15). In sum, there is much concern about the intensified competition that the export garments sector will face in a post-MFA environment. One local commentator notes that: "both the government and leaders of the country's ready-made garment ... exporters seem to be totally ignorant and unprepared about the future challenges from a highly competitive global apparel market with the phasing-out of the ... MFA..." (Mahmud 1998, 5), an opinion expressed four years earlier in *Textile Asia* soon after the conclusion of the Uruguay Round:

If the industry can equip itself properly to face this competition, it stands to gain from expanding markets. If it fails to confront the increasing number of competitors successfully its export will decrease. The impact of this on the employment situation and overall economy will be disastrous. ...To retain market share ... the cost of production must be kept low, quality must be further improved, and the product base significantly diversified (Shahid 1994, 103).

### **Factors Contributing to the Success of the Export Garments Industry**

Undeniably, for the factory owners and buyers, the most often cited strength of the production of garments for overseas markets in Bangladesh is the low-cost of labour. Certainly in the 1980s, Bangladesh had one of the cheapest sources of labour in the industrialising world for garment manufacture, with the wage cost per shirt estimated at only US\$0.10 (Ahmad 1989, 102). Since then, in terms of comparative hourly wages, including social and fringe benefits - that are rarely paid - Bangladesh continues to have one of the lowest wage levels when compared with competing countries (see Tables 3.5). Even though Bangladesh pays low wage rates, this does not mean that productivity is high. For instance, in the late 1980s, the amount of time it took to produce a man's shirt was higher than in other Asian countries. However, this is not necessarily a result of the workers involved in assembling the garment, rather, it is usually a result of poor management techniques emanating from a lack of 'know-how' in the running of a garment enterprise (Khan Interview 1966b). Again, in the 1990s, an international comparison for Asian garment workers showed that it had the lowest monthly wage of

\$29 compared with “a high monthly wage of... \$228 in Taiwan, \$114 in Hong Kong, to a low scale of \$63 in Pakistan [and] \$55 in India” (Hossain, Jahan and Sobhan 1993, 38). An integral component of this low wage advantage has been the extensive use of child labour in Bangladesh’s export-oriented garment sector, use that has recently turned into a disadvantage as a result of international concern over child labour, an issue that is taken up in Chapter Five.

Associated with the low cost of labour, is the plentiful and readily available supply of young Bangladeshis seeking much needed employment in the export factories, especially those producing garments. In particular, the garments industry has supplied over a million of young, poor Bangladeshi females - most of whom have migrated to the urban areas in search of work - with jobs for the first time as wage labourers in the industrial sector. In a number of cases, their experience of working as industrial labourers in the garment factories has provided them with a new-found economic independence which, over time, has strengthened their resolve to struggle for their rights as industrial workers. Consequently, while the reality of a constant source of cheap labour has certainly facilitated the growth and competitiveness of the export-oriented garment sector it has, arguably, created the conditions for workers to unionise.

In this context, another significant strength contributing to the growth and competitiveness of the garment export industry has been an unwillingness by the Bangladeshi state to address the lack of enforcement of a plethora of labour laws pertaining to industrial workers. Regardless of this body of legislation, very few garment factory owners adhere to these statutory requirements: for example, the minimum wage and overtime are rarely paid; prescribed working hours are not maintained; union activities are forbidden; and, required facilities are not provided for the workers. While this can be attributed to a paucity of factory inspectors employed under the Department of Inspection for Factories and Establishments, it is also due to many unscrupulous owners who offer bribes to these inspectors to ‘look the other way’ (Khan Interview 1996b). Additionally, the BGMEA – often referred to as ‘the second parliament’ in Bangladesh (Amin Interview 1995) – has been slow to urge its members to comply with statutory requirements.

While this general disregard for Bangladesh's labour laws has been an overwhelming problem confronting the garment workers, it has allowed garment firms to be more competitive and to enhance their profit margins. Nonetheless, this lack of enforcement of the workers' statutory rights has, over time, acted as a stimulus to organising activities among the workers and is discussed and analysed at length in Chapters Five and Six. Additionally, in the wake of the international controversy over the use of child labour in the garment factories of Bangladesh, the industry is coming under increasing pressure, especially from US buyers, to observe core labour standards (Ahmed 1999, 3). More generally, the push to link workers' rights to trade is attracting growing support with the push by trade union and human rights bodies for the World Trade Organisation (WTO) – the organization that has replaced GATT - to include a 'social clause' or 'workers' clause' that would put core labour standards at the centre of world trade (Clifford 1994; Manning 1998; Mah 1998).

Furthermore, the policy environment at both an international and national level has favoured the growth of the export-oriented garment sector in Bangladesh. At the international level, and as already discussed, the initial growth of the industry was spurred on by the country being quota free territory. Even after quotas were imposed under the MFA in 1986, Bangladesh has been the recipient of generous quota levels from its major importing countries, notably the US and Canada. This generous treatment in quota negotiations has been aided by the World Bank and other donor agencies that have played a behind-the-scene role in favour of Bangladesh (Quddus and Rashid 2000, 78). Bangladesh has also enjoyed the Generalised System of Preferences (GSP) facility under which preferential treatment is granted to industrialising countries by industrialised countries by way of a reduced or duty free tariff rate (Hoque, Murayama and Rahman 1995, 32). For instance, the EU's GSP scheme is a case in point where special assistance is granted to garment exporters who use domestically produced fabrics to encourage the development of backward linkage industries. Regarding this GSP scheme, which Bangladesh benefits from, a recent decision taken by the South Asian Association for Regional Cooperation (SAARC) has been welcomed by the Bangladesh garment industry. SAARC's 'cumulation rule' will now allow garment factories to use

fabrics imported from any of the SAARC countries for exporting garments to EU countries, and still be entitled to the GSP facilities. Although this development was welcomed by the garment sector as a way of expanding markets, the textile sector claimed it would further hinder its rehabilitation (*Independent*, 9 August 2000). However, Bangladesh is in danger of losing its GSP status in the vital US market unless the Government moves to allow freedom of association and collective bargaining in the country's EPZs (ILO 2000, 86).

At the national level, the garment sector has flourished in a policy environment aimed at encouraging export-led industrialisation since the late 1970s. As part of this policy milieu, described in Chapter Two, certain important concessions were granted to the export garment sector, notably, the back-to-back letters of credit and the bonded warehouse facility. Granted only to the 100 per cent export garment factories, the back-to-back letters of credit have considerably eased the financial burden for local garment entrepreneurs.

In fact, with very little of their own funds for running capital, [they were] able to complete the complicated process of manufacturing and export. This was certainly one of the main reasons why so many entrepreneurs, often with modest funds at their disposal, were able to start and succeed in this business (Quddus and Rashid 2000, 73).

Under the bonded warehouse facility, the costs of production have been further contained as garment manufacturers can import duty free fabrics and other materials required for the production of garments. However, this facility has been criticised on the grounds that it is open to abuse in the form of illegal leakages into the domestic market. It is alleged that there are many 'fake' garment factories in Bangladesh that exist on paper only, and that several of these exist with the intent of importing fabric to sell in the local market (Hoque, Murayama and Rahman 1995, 19; Rab 1988, 72). To further enhance competitiveness, the garment industry also gains from a policy that enables all export-oriented industries to receive a concessional duty rate on any machinery imported (Quddus 1993, 43-44). To sum up, the entire system of policy incentives extended at the national level has created lucrative opportunities for prospective investors in Bangladesh's export-oriented garment sector.

## **Weaknesses of the Export Garments Industry**

Infrastructural deficiencies such as power, transport and communications plague industry in Bangladesh. Common to all of South Asia (Lall 1993, 113-14), and what the World Bank calls “the additional cost of doing business” (cited in Siddiqi 1995, 10), infrastructural projects have been prioritised for foreign investment by the Board of Investment (BOI) in Bangladesh (BOI 1995). Officials of the BOI remarked that “this is really important, otherwise other investment will not happen” (Bhuiyan and Islam Interview 1996). As well, congestion and delays at the sea and land ports in Bangladesh pose particular problems for the garment industry, particularly, as delivering orders on time is crucial for securing further contracts from buyers. In this respect, delivering on time is further exacerbated when faced with the regular flooding of transport routes during the monsoon season. For example, in 1998, the BGMEA reported that floods had caused an estimated production loss of US\$120 million, and that the garment industry had been burdened with a stockpile of finished garments worth \$231 million. Yet another ‘annoyance’ is that doing business in Bangladesh can often take much longer because of bureaucratic delays and corruption at different levels of officialdom (Ahmed Interview 1994).

However, apart from these persistent weaknesses, the main weakness the garments export industry faces is the slow progress made in establishing backward linkages. Although a number of ancillary industries have emerged locally to cater to the demand for accessories like buttons, threads, labels and packaging materials - estimated at 60 per cent of total requirements in the mid-1990s (Ahmed 1995b, 3) - and some support services like washing factories, the area of greatest concern is the almost total reliance on the importation of fabric. For instance, in the year 1993-94, out of the total demand of approximately 1,630 million yards, a mere 35 million yards was supplied by local producers (Ahmed 1995b, 4). Similarly, in the same year, Bangladesh could only supply about 13 per cent of the country’s total demand for raw cotton, with imports of this raw material coming from their competitor countries, including India, Pakistan and China. In its *Annual Report 1994-95*, the Bangladesh Textile Mills Association strongly suggested that Bangladesh should “expand the cotton-growing area along with using [an] improved variety of seed” (BTMA 1995, 41), a development that is regarded as essential to the



competitiveness of the textile sector, which needs to achieve 50 per cent productive capacity within five years. Yet, this goal poses 'a very real problem' because of a shortage of land for such cultivation, especially when Bangladesh needs the land to maintain self-sufficiency in food production (Bhuiyan and Islam Interview 1996).

Nonetheless, for the export-oriented garments sector, an increase in the domestic output of fabric - supported by dyeing and finishing facilities - is the most urgent problem. With the local textile mills only supplying approximately 4 per cent of the fabric required for the industry, the BGMEA has been lobbying the state to prioritise the textile sector as a major investment opportunity for both local and foreign capital. Identified as the 'thrust' sector for investment, in 1995, ten composite textile mills were in the process of being established by local capital which, when in operation, would have the productive capacity to increase the supply of fabrics to about 230 million yards (Siddiqi 1995, 8-9). However, it is estimated that 60 composite textile mills are required in Bangladesh to cater to the fabric requirements of producing garments for the export market (Ahmed Interview 1995). In the mid-1990s, there were negotiations occurring with foreign capital on the prospects of investing in Bangladesh's textile sector, including a plan to convert some of the 'sick' jute mills into textile mills. In the 1996 Textile Policy, it was further declared that the state-owned mills would be sold to the private sector and that attractive incentives would be offered to expedite increased investment in the textile sector (*Financial Express*, 13 July & 26 August 1995). A stated aim of this Policy was to increase the capacity of the textile sector by 80 per cent by 2005. In this way, the textile sector would be able to feed the garment industry, and rehabilitate the ailing and closed down state textile mills (Shahid 1996, 105). However, some progress seems to have been made. From requiring a sum of US\$5.85 billion for backward linkages in 1995 (*Financial Express* 30 October 1995), this amount had been reduced to just on \$3 billion dollars in late 1998 (*Independent* 25 November 1998). In sum, reducing the reliance on imported fabrics is crucial for the garments export industry to remain competitive in the post-MFA global market after 2005. In particular, it will facilitate the industry's ability to minimise its turn-around-time for filling export orders as required by foreign buyers, a vital component of attracting contracts.

Another recognised weakness in the production of garments for overseas markets is the need for diversification in the types of garments that are produced. As the product base comprises only a limited range of garments for export, the overwhelming portion being shirts (see Table 3.6), there is a need for more diversification (*Financial Express*, 19 September 1995). However, to diversify this narrow product base of garments produced in Bangladesh, or, to move from producing simple to more complex high fashion garments, necessarily requires investments in skills and training needs, an area where many of Bangladesh's other Asian competitors are already ahead. To address product diversification, in 1995 a project was implemented by the United Nations Development Programme and the ILO in collaboration with the BGMEA and the Bureau of Manpower Employment and Training. This project, titled 'Training and Employment in Garment Industries', sought "to establish a permanent institutional capacity for training of middle management personnel, supervisors, technicians, skilled workers and trainers" (UNDP/ILO 1995, 1). This project was deemed successful and prompted the BGMEA to lobby the Government of Bangladesh for its continuation and financial support for a further two years. Indeed, the need to continue such training is vital to ensure a ready supply of skilled labour for the production and improvement of high quality garments especially as quality is one of the prime determinants for attracting and maintaining export contracts (*Daily Star*, 14 August 1995; *New Nation*, 19 December 1995).

Additionally, as a result of a 'familiarisation mission', the BGMEA announced in mid-1995 that it would proceed with the recommendation to establish an institute of apparel and fashion technology to impart the necessary skills for enhancing quality and for the production of more high fashion garments. In early 1996, the Government announced its intention to establish a Fashion Institute under the new export policy as a means of boosting the competitiveness of the garments export industry. It was envisaged this Institute would be set up by the EPB in cooperation with the private sector and would cater to all areas of garment production, including design and marketing (*Financial Express*, 8 July 1995; *New Nation*, 19 December 1995). However, from a keynote speech delivered at a BGMEA Seminar in October 1999, it appears that this intention has not been acted upon. The speaker, Professor Hafiz Siddiqi, again drew attention to the urgent need for a specialised fashion and training institute in Bangladesh, one similar

to the Institute of Textile and Clothing at the Hong Kong Polytechnic University that offers a three-year diploma program (Siddiqi 1999).

Together with product diversification, Bangladeshi manufacturers also need to seek out new markets rather than rely on the US, Canada and the EU countries as the major recipients of their garments. This will require garment manufacturers pursuing an aggressive and penetrating marketing strategy rather than being reactive to demand through buying agents. One strategy developed to diversify markets for the garments industry has been promotion through trade fairs and exhibitions. For instance, in the wake of the imposition of quotas in 1986, the EPB in Bangladesh undertook a programme to promote garment exports to other parts of the world, including the display of Bangladeshi garments at fairs in Moscow, Berlin, London, Los Angeles, Tokyo and Melbourne. Also, beginning in 1989, the BGMEA in conjunction with the EPB, have jointly been involved in the running the Bangladesh Apparel and Textile Expo (BATEXPO) held in the capital city of Dhaka. These garment exhibitions run over a number of days with the aim of acquainting foreign buyers and heads of trade organizations with the latest ready-made garments and textile products of Bangladesh. At the 1998 BATEXPO, spot orders worth US\$43.5 million were taken, an increase of over \$5 million from the previous year, and with more orders to follow worth an expected \$350 million (*Daily Star*, 20 October 1998).

Perhaps a more important strategy to facilitate the creation of new markets is when visits are undertaken by garment manufacturers to various countries to expand their knowledge of what niche markets there are. For example, in the early 1990s a delegation went to South Africa to explore the possibility of opening-up a trade office with a view to diversifying and expanding the markets for Bangladeshi garments (Shahid 1994, 86). As well, in 1996 the government expressed its intent to widen export markets in Europe and to explore export markets in other countries such as Central Asia (*Financial Express*, 17 January 1996). While these attempts have contributed to an increase in market share in major importing countries, it seems they have not really achieved greater market diversity (Uddin Interview 1995). A recent market to be targeted is the Japanese garment market - worth an estimated US\$100 billion - whereby big buying houses and

distributors from Japan have been invited to Bangladesh to familiarise them with the local industry. Similarly, with the technical support of the Japan International Cooperation Agency, and to meet the Japanese market and quality standards, the BGMEA is planning to train a large number of mid-level managers (Quddus and Rashid 2000, 35).

Evidence suggests though, that Bangladeshi garment manufacturers themselves must make greater efforts to seek out new markets and to expand and diversify into non-quota markets, rather than depend on intermediaries. In part, this perhaps can be attributed to a form of complacency on the part of garment manufacturers who have become reliant on the market niche created for low cost garment export under the MFA and policy support provided by the Bangladeshi state. As Sobhan writes:

private entrepreneurship has great promise in areas where markets are secure, investment finance needs are modest, technology assimilation is easy and a system of back to back financing of letters of credit provides a ready supply of working capital free of the hassles of import regulation (1993, 929).

Considering the need to develop further backward linkages, to diversify the product base and to create new markets, increased state support will be vital for the garments export sector to overcome these weaknesses. The urgent need to strengthen the industry was reflected in 1995 when the BGMEA proposed for a second time that a separate state institution be created to cater entirely to the interests of the garments sector. On the grounds that the industry contributes so much to the nation's economy, the BGMEA argued the creation of a new ministry was a vital requirement to oversee its further development into the new millennium (*Morning Sun*, 3 October 1995). Indeed, the weaknesses confronting the export-oriented garment industry in Bangladesh can be attributed to a lack of resolute state action. In this respect, Sobhan continues by commenting that:

it is arguable that more purposeful government, such as in the Republic of Korea, would have intervened much more positively to capture the backward linkage effects of the garments exports and would have taken the lead in promoting further exports (1993, 929).

This view is further echoed in the local press as illustrated by the following quotation:

There is a general and also genuine feeling that the existing administrative system has failed to satisfy the political and economic needs of the society. As an institution, it remains backdated. In the absence of proper policy direction, the

whole system suffers from inefficiency and incompetence (*Business Independent*, 13 January 1996).

Although it can be argued this view reflects problems associated with post-coloniality, it does appear that the Bangladeshi state needs to become more dynamic in its degree and form of intervention rather than as an inefficient consumer of aid-given resources.

## **Conclusion**

As with many other industrialising countries, the garments export industry in Bangladesh since the mid-1970s has played a crucial part in the quest to integrate the country into the global economy. In the context of a national policy environment to pursue export-led industrialisation, the production of garments for export became a profitable sector for private indigenous capital in Bangladesh. This opportunity was further fuelled by an international policy environment in which established garment manufacturers from other Asian countries, such as South Korea, Hong Kong and Singapore, had become seriously constrained by MFA quota restrictions imposed on them by the major importing industrialised countries, such as the US, Canada and EU countries. To maintain their production levels and competitive edge, developed suppliers of garments to the world market found low-wage, quota-free Bangladesh as a lucrative opportunity to relocate the production of mass-produced garments. In particular, the success of the Desh-Daewoo venture provided an important catalyst for the rapid growth of the garments export sector in Bangladesh which, since the early 1980s has recorded spectacular growth. Yet, while this growth has been impressive, there is little doubt that the Bangladeshi garments export industry needs to rapidly develop backward integration and to diversify its product and market base. Should it fail to do this, the ability of the Bangladeshi garment entrepreneurs to compete in a post-MFA environment after 2005 will be seriously hampered.

Overall though, in considering the emergence and growth of the export-oriented garment industry in Bangladesh, it can be argued that the industry constitutes one of the most significant socio-economic developments in contemporary Bangladesh. It has emerged as the fastest growing industrial sector contributing significantly to gross domestic product, foreign exchange earnings, employment levels, and as a vehicle of social

change. In the case of the latter, the garments export sector has incorporated Bangladeshi women into the industrial sector as urban wage labourers, something unlikely in the past. Indeed, these young women working in the export garment factories have not only been vital contributors to export-led industrialisation in Bangladesh but have also become significant actors in the process of social change. Indeed, it will be argued that, by being drawn into manufacturing employment as part of the industrialisation process, the female garment workers have experienced the potential of collective action, action directed towards transforming their material conditions. However, to comprehend this transformative process, it is first necessary to explain the forces that gave rise to the creation of a female labour force for garment production in Bangladesh. This will form the substance of the following chapter in the context of issues of gender and industrialisation in the Third World.

## Chapter 4

### Gender and Export-Oriented Industrialisation in Bangladesh

#### Introduction

As outlined in Chapter Three, since the mid-1970s, the state in Bangladesh has consistently pursued policy reform programmes aimed at integrating and establishing the country as a competitor in the global market place. On achieving independence from West Pakistan in 1971, the Bangladeshi state under the Mujib regime adopted strongly inward-oriented policies - a socialist form of development - characterised by measures like import substitution strategies, restrictions on market mechanisms, the nationalisation of industries and the regulation and control of foreign investment. However, in an international political economy characterised by crises and restructuring - and with the urgent need to attract international aid - Bangladesh had little choice but to open-up its economy to the proclivities of globalisation in the mid-1970s. Under General Zia's regime, a fundamental change was engineered through the Revised Investment Policy of 1975 that targeted EOI and the denationalisation of selected industries as the cornerstone of economic policy. This liberalising shift was accelerated in the 1980s and 1990s under the regimes of President Ershad and Begum Khaleda Zia whose policies - in concert with World Bank prescribed structural adjustment programmes - firmly committed Bangladesh to export-led growth and privatisation. From these objective conditions, not only did the industrial working class of Bangladesh become subject to tighter restrictions on organising activities, it was also transformed with the entry of mainly young rural women who, for the first time, availed themselves of the opportunity to become wage labourers in the export industries of Bangladesh. Traditionally constrained by the institution of *purdah* that relegates women to the private sphere, for the most part, these women were employed in factories producing garments for the export market, a sector that came to represent the most dynamic growth element for the Bangladesh economy since independence.

Traditionally, Bangladesh depended on agricultural exports to meet its financial and

trade requirements. Indeed, as late as 1973-1974, income gained from agricultural exports, including jute, fisheries and processed food deriving from agriculture, represented about 95 per cent of total exports. As well, agriculture was responsible for providing approximately 80 per cent of total employment in Bangladesh. However, in a period of international economic downturn, traditional exports like jute and leather products deteriorated, and there were only modest increases in tea exports, factors which led to an overall decline in the demand for rural labour (de Vylder, 1982, 29). Together with the increasing transformation of the rural economy, or, the capitalisation of Bangladeshi agriculture, the process of rural proletarianisation intensified whereby the demand for employment increased among the poorer segments of the rural population (Faraizi 1993; Januzzi and Peach 1988; Rahman 1986a, 174-259). An increase in the number of landless and marginal producers placed new demands on the rural labour market, and by the early 1980s it was realised that the rural sector was unlikely to provide employment for the vast majority of Bangladeshis. In this respect, a notable element of the 1982 NIP, which sought to hasten Bangladesh's integration into global manufacturing through EOI, was the belief that Bangladesh could "best meet the needs of the rural disenfranchised because of a comparative advantage in the availability of low skill wage labour". Moreover:

The magnitude of people available to be drawn [into] low-wage manufacturing coupled with the pressure imposed by the state to limit the labour union movement and to ignore minimum wage standards, as well as the lack of quotas imposed on other countries producing manufactured goods for export, have provided the structural preconditions for Bangladesh to be directly integrated in the 'global assembly line' (Feldman 1993, 228).

Nonetheless, while labour costs and state policies are key factors in the early stages of EOI, they are not sufficient in recognising that capitalism is perpetually restructuring as conditions of profitability change. It is not that old structures are being replaced by new ones, but rather that EOI represents a particular set of changes within a continuum of change that include changes in the composition and organisation of industrial production both at a national and international level. Importantly, restructuring fundamentally arises from the often-overlooked factor of class conflict and class alliances involving the state, capital and the working class. These are crucial when "explaining the changes in state-society relations and the increase in economic internationalisation which has accelerated



from the late 1970s, changes now grouped under the rubric ‘the process of globalisation’” (Moran 1998, 56). To elaborate, the form in which capitalism further globalises should not be described as the integration of market processes, as conventional economics and prominent international financial institutions like the World Bank proclaim (Wade 1990; World Bank 1987, 1995); or as the relocation of manufacturing industries between countries as the NIDL thesis argues (Frobel, Heinrichs and Kreye 1980); or, again, as the shift of Fordism to peripheral countries as the Regulation School contends (Aglietta 1978; Boyer 1990; Lipietz 1986). Rather, it is to be found in the shifting forms of and “developing relationship between money, production and commodities as they each, with their own (though inter-related) histories, expand across space and time” (Bryan 1995, 65-67). Marx identified these as not only the source of surplus value but also the driving force behind the reproduction and expansion of capital across national boundaries in an increasingly competitive world: a process that is both a response to and the outcome of the antagonistic character of capitalist accumulation, the class struggle. He writes:

Capitalist production, therefore, under its aspect of a continuous connected process, of a process of reproduction, produces not only commodities, not only surplus-value, but it also produces and reproduces the capitalist relation; on the one side the capitalist, on the other the wage-labourer (Marx 1954, 542).

In sum, changes to the global accumulation process, like the general shift to EOI, fundamentally, result from class struggle -both nationally and internationally - which itself changes in its form and content in response to changes to the forces and relations of capitalist production.

## **The Political Economy of EOI**

The period since the Second World War is marked by a major upsurge in capitalist social relations and productive forces in the Third World characterised by a change in emphasis away from import substitution industrialisation to EOI. The international relocation of manufacturing production through EOI, now commonly referred to as the globalisation of production, has contributed to a rapid growth in manufactured exports and has accelerated industrialisation in many Third world countries (Gereffi and Wyman 1990; Hewitt, Johnson and Wield 1992; Sklair 1994; Hoogvelt 1997). However, while the participation of developing countries in the process of globalisation is nothing new,

the form of involvement has changed over time. Deepak Nayyar (1983, 13) identifies three historical stages since the turn of the century. First, foreign investment was directed toward resource exploitation whereby third world countries provided raw materials and primary commodities to industrialised countries. Secondly, a shift occurred whereby foreign investment went into manufacturing for import substitution to secure the protected markets of industrialising countries and to pre-empt potential competition. This second stage includes the post-war boom and resulted in three-quarters of world trade in manufactured goods being carried out between industrialised countries by the early 1970s, a situation facilitated by the Bretton Woods System set up after World War II to achieve global economic stability (Jenkins 1992, 15). This system was the outcome of post-war planners who convened at the 1944 Conference at Bretton Woods for the purpose of establishing guidelines of international cooperation and institutional structures such as the GATT, the IMF and the World Bank that such cooperation required (Gwynne 1990, 20-21).

The third stage, which represents the movement toward the globalisation of production and the creation of a global market, arose from the 1960s when the foundations of the protracted post-war boom began to erode. In this stage the:

domestic resources or markets of poor countries have little significance, and the participation of transnational firms in *manufacturing for export* represents the incorporation of labour from [industrialising countries] into an integrated corporate structure of manufacturing production which is spread across the world economy (Nayar 1983, 13).

For instance, in the industrialised countries, capitalists were forced to yield to working class demands for material and political gains resulting in a rise to the cost of production. With corporate profitability in the United States and many other countries plunging from the mid-1960s (Gordon 1988, 54-55), and with an increase in the price of oil from US\$2 to US\$11 a barrel in 1974, and by 1980 to US\$40 a barrel (Jenkins 1992, 15), the need to restructure the forces and relations of product through the strategy of EOI became pressing.

In the 1960s, the industrialising economies of East Asia - South Korea, Taiwan, Hong Kong and Singapore - launched the labour-intensive phases of their export-oriented

strategies. Termed ‘the East Asian Miracle’ by the World Bank (1993), these ‘four tigers’ were extolled by academics and policy makers alike as representing an outstanding model of development that the rest of the developing world should emulate. The explicit message directed at countries pursuing ISI was that “the economic performance of outward-oriented economies has been broadly superior to that of the inward-oriented economies in almost all respects” (World Bank 1987, 85), most notably, increased exports and employment, and rapid and sustained economic growth. That is, the liberalising policies of EOI were perceived by mainstream economics as superior to the inward ISI strategies of growth and were quickly advanced as the panacea for economic growth in other developing countries. As early as 1965, export-led growth “had become the favoured strategy for development touted by the United Nations Industrial Development Organisation, the World Bank and the IMF, along with multinational corporations and banks” (Fuentes and Ehrenreich 1987, 209). From the early 1980s, through numerous structural adjustment programmes implemented under conditions imposed by the World Bank and the IMF, these reforms spread to most industrialising countries, and were also applied in Eastern Europe following the collapse of the socialist system (Reza 1994, 87). However, a number of policies geared toward structural adjustments in Asian economies had been in operation under the ‘policy-based’ lending operations of the IMF and the World Bank since the 1960s (Sobhan 1993, 135-80).

The rationale of EOI advanced by neo-classical economics is now treated as conventional wisdom (Balassa 1981; World Bank 1987; Haggard 1990). The thinking is that the export of manufactured goods will expand the availability of foreign exchange earnings both for investment in industrial production and for meeting increasingly diversified producer and consumer needs. Success necessarily hinges upon the absorptive capacity of the global market for particular goods and the regulation of prices so that the exports of industrialising countries are competitive without unduly undercutting world prices. In this process, considerable faith is placed in the regulatory capacity of markets and a limited role for the nation state to that of “passive responder; the facilitator of market outcomes” (Bryan 1995, 31). The nation state’s role is essentially reduced to securing the appropriate conditions of domestic production to

permit capital to attain an internationally competitive rate of profit. For the most part then, EOI is viewed as constituting a virtual clear-break from previous strategies of accumulation, rather than as a critical component of the ongoing need for capitalism to restructure the conditions of production and accumulation. To analyse the forces behind the shift to EOI, or globalisation, is to uncover the dynamics of class politics and national struggles in the continuum of the expansion and reproduction of capitalism as a mode of production, and to ignore these “does serious violence to reality” (cited in Moran 1998, 77).

Furthermore, alongside this shift to EOI as an integral part of the further expansion of capital across the globe, it is argued there emerged a NIDL. To reiterate the discussion on NIDL in Chapter One, the main feature of this theoretical perspective is the massive migration of capital from major OECD countries to low-cost production sites in the Third World. This changing international geography of production prompted the creation of one global industrial reserve army of labour from which transnational corporations could hire workers to toil in the export-oriented factories being re-located and set-up in developing countries. From this seemingly ubiquitous labour supply, the preference is for young females who are more suited to the tedious and repetitive nature of labour-intensive industry, like garments, textiles and electronics, who will accept lower wage rates, and who are less likely to organise (Frobel Heinrichs and Kreye 1980, 341, 347-48). In a similar way, an alternative reality of the East Asian ‘miracle’ is posed by Deyo in *Beneath the Miracle: Labour Subordination in the New Asian Industrialism*, in which he highlights the plight of the ‘hyperproletariat’, that is, mainly young and non-unionised females recruited from the countryside who have borne the brunt of the implacable goal to penetrate uncertain world markets at almost any price (1989, 167-208).

Hence, the argument is that, “women all over the world are becoming a giant reserve army of labour at the disposal of globe-trotting multinationals” (Fuentes and Ehrenreich 1987, 212). Although appealing arguments and analytically more sophisticated than conventional economics, they suffer from a similar cause and effect explanation. In other words, they are too structuralist and ignore agency. Largely, it views EOI as representing a break from previous economic growth or accumulation strategies, and not as yet

another form of the historical product of the expanded reproduction of capitalist production within a system of nation states (Mandel 1995). Moreover, as change is assumed to be direct and from above, class conflict and struggle as the dynamic driving force underpinning political, economic and social change is under-emphasised, even negated.

## **Gender and the Shift to EOI in Bangladesh**

The Constitution of Bangladesh undertakes to guarantee women equal rights with men: Section 28(1) states that “The State shall not discriminate against any citizen on grounds of ... sex”; Section 28(2) states that “Women shall have equal rights with men in all spheres of State and Public Life”; and, Section 28(3) declares that “No citizen shall on grounds only of ... sex ... be subject to any disability, liability, restriction or condition with regard to any place of public entertainment or resort, or admission to any educational institution”. Similarly, the Constitution sanctions affirmative action in favour of women; for example, the provisions of S29 provide equal opportunity for all citizens with the state reserving the right to make “special provisions in favour of any backward section of citizens for the purpose of securing them adequate representation” (cited in Dil 1985, 60). Nonetheless, although it may be concluded that Bangladesh already has passed its equal rights amendment, women suffer from marked discriminations and denials in almost all aspects of their lives.

The greatest single cause of the tragedy of Bangladesh is the place that has been allotted by history, society, and life itself to the women of the nation. Chained by culture, ignorance, fear, poverty, she is, ... “not a wife or a women, but a slave” (cited in Roy and Tisdell 1996, 121).

In particular, the secular law of Bangladesh as it applies to women is, in many ways, subservient to religious law. In other words, the role of women in Bangladesh has been constrained by the Islamic cultural ideal of *purdah* or female seclusion whereby women’s work has been traditionally ‘hidden in the household’ (Feldman 1993, 222). However, the ideology of *purdah* has undergone a remarkable shift since the disruptive War of Liberation in 1971. In the context of Bangladesh’s commitment to export-led industrialisation and denationalisation, of particular note is the rise of new relations of production in the industrial sector characterised by an urban-based industrial capitalist

class as well as an urban-based working class. An integral component of this process of class re-formation has been the emergence of a large-scale female industrial proletariat as a source of cheap labour for the export factories of Bangladesh. Indeed, within a short period, tens of thousands of women became highly visible as they quickly availed themselves of the chance to take up work as urban-based waged labourers, notably in the export-oriented garment industry. In this process, a striking feature is that poor rural families were now compelled to allow their female members to take up employment outside the home to augment the possibility of their collective survival. Hence, the contradictory ways in which the desired social relations of production were created cannot be isolated from the over riding compulsion for Bangladeshi women to seek wage labour in the urban-based industrial sector.

Even though certain events – like the 1971 War, the 1974 famine and recent floods – may be identified as ‘catalysts’ for increasing female labour force participation rates, it is clear that women have responded in the context of specific historical and material conditions. Significantly, and as Atiur Rahman states:

a sizable portion of the small peasantry [has] been ousted from their principal means of production (ie land). This has led to a rapid increase in the magnitude of poverty and inequality amongst the vast majority of the rural population in the Third World, especially, in the poor countries (1986, 2).

As with most Asian countries, the majority of the poorest people in Bangladesh are located in rural areas, and women agricultural workers form a substantial proportion of the ‘hardcore poor’. According to available data at the end of the 1980s, the proportion of the rural population living below poverty ranged from 7 per cent in Korea to a high of 94 per cent in Bangladesh (Heyzer 1989, 1111). In this way, the feminisation of labour activity in Bangladesh has, together with the increasing global incorporation of the Bangladesh economy, “been shaped by the capitalisation of agricultural production, the increasing proletarianisation of subsistence production and a declining family wage” (Feldman 1993, 223-24). Additionally, with increasing rates of male-out migration from Bangladesh since the early-1980s, the public participation of women in the economy as either sole primary or secondary income earners has grown markedly. This feminisation of the labour force is replicated in several Asian countries where, in most cases, women now comprise almost half of the total industrial workforce (see Table 4.1).

Coupled with the shift to EOI and privatisation in the mid-1970s, and their acceleration from the early-1980s, a dramatic increase in rural-urban migration occurred as the process of rural proletarianisation intensified. The trend of rapidly increasing landlessness in rural Bangladesh is well documented with evidence suggesting that the proportion of landless rural households rose from 18 per cent in 1960 to 38 per cent in 1975 (Chen 1986, 219). As one of the least urbanised areas in Asia, Bangladesh experienced “one of the most rapid rates of urban growth in the world. Between 1974-1981, the urban population grew at an estimated rate of 10.6 per cent per annum” (Pryer 1992, 140). Although census data does not disaggregate migration data by gender, women have undoubtedly been prominent in these figures, with many undertaking independent migration to the cities to seek employment in the industrial sector (Chaudhury 1978; Ahsan and Hussain 1987; Ahsan 1994). Even as far back as the early 1970s, a survey of 100 villages in the southeast of Dhaka found that 67 per cent of migrants were female (Chaudhury and Curlin 1975). Disaggregation though is not really necessary because, and according to Marx’s categories of surplus population, male and female workers are contradictory in form only. In this sense, Braverman writes:

In essence they represent two sides of the same phenomenon, the increase in the relative mass of the industrial reserve army. Among male workers this takes the form of a sloughing off into the ranks of the so-called nonparticipants in the labour force, or in other words an increase of the “stagnant” portion. Among female workers it takes the form of a growing body of female labor which is drawn from the mass of women who previously did not work, and hence represents an enlargement of the “floating” and “stagnant” reserve army of labor by additional hundreds of thousands and even millions each year. As the available pool of unemployed labor is expanded among men by the relative *repulsion* from industry and trade, it is expanded even more among women by the increasing *attraction* into industry and trade (1974, 391-92).

Nonetheless, by the mid-1980s, the proportion of women in the industrial workforce in Bangladesh had increased from only 4 per cent in the 1970s to 28 per cent in 1984, a growth largely attributed to the export-oriented garment sector (see Table 4.2). With hundreds of factories operating in Dhaka alone by 1985, “80,000 to 100,000 young women had been recruited, mainly from landless or poor families in the rural areas” (Heyzer 1989, 1117). Indeed, the growth of garment factories producing for the export

market in the mid-1980s would explain the surge in the female participation rate in the industrial labour force of Bangladesh at this time as shown in Figure 4.1. Indeed, a recent ILO Report, *Labour practices in the footwear, leather, textiles and clothing industries* (2000, 26) found that in Bangladesh from 1980 to 1995, the share of total female employment in the export garments sector rose from 17 per cent to 69 per cent. By the late-1990s, the number employed in the export garments sector and its ancillary industries had risen considerably providing employment for over 1.3 million females (Quddus and Rashid 2000, 233). This Other industrial sectors in Bangladesh to have a high percentage of female workers in export-oriented production are the electronic and aquaculture and fisheries industries. The ILO in its magazine, *The World of Work*, identifies this increasing trend of Bangladeshi women leaving their traditional work at home or in the fields to join the urban-based labour market:

In Bangladesh over the last decade the number of women in the active work force has risen by 7.5 percent each year. The ever growing number of women heads of families (widows, divorcees, separated), the increase of rural poverty and the weakening of traditional networks of solidarity partially explain what has happened. Urbanization, development of export industries and other sectors such as construction, as well as government incentives have also influenced the demand for women workers (ILO 1993, 22).

Consistent with the NIDL thesis then, increasing numbers of Bangladeshi women from below subsistence and female-headed households have been forced to seek wage employment outside their villages. Certainly, village women of poor families have traditionally been unable to meet the dictates of purdah or seclusion and have worked outside the household mostly in cultivating land or the processing of paddy. However, the intensification of rural poverty has eroded the ability of the patriarchal family system to maintain women as dependents with the result that there has been an increase in female labour force participation outside culturally prescribed norms (Adnan 1989; Pryer 1992). This is exemplified in the comment made by one young garment worker: “my father and mother can’t feed me, my brothers can’t feed me, my uncles can’t feed me. So that is why I am working in garments, to stand on my own feet” (cited in Kibria 1996, 269). Nonetheless, the decision by these women to take up employment in the garment factories entailed overcoming substantial resistance by male family members. “This is hardly unexpected given the link between female seclusion and male honour in



Bangladesh society. More unexpected is the fact that these women were able to override these objections” (Kabeer 1991, 142). In this way, Islamic women in Bangladesh have crossed the boundary into ‘male’ space in search of wage labour. The ancient shackles of patriarchy and religion have been thrown off to the extent that “the strict norms of *purdah* remain essentially a ‘luxury’ adhered to by only a few [upper class] women” (Chen 1986, 219). Essentially though, and as Kabeer writes:

The garment factories came to Bangladesh at a critical juncture in its history. The events of the preceding decades, and particularly of the crisis-ridden 1970s, had brought home to women in a very stark way that they could no longer rely on male protection in times of crisis and, increasingly, not even in course of the more ‘everyday’ processes of impoverishment (2000, 139).

No longer do the economic and social realities of present day Bangladesh justify the practice of *purdah* continuing; rather, studies lend support to Deniz Kandiyoti’s observation that ‘classic patriarchal’ controls associated with the Muslim world are being eroded by processes of socio-economic transformation (1988). For instance, one study notes that capitalist development in South Asia, however distorted or uneven, has intensified the processes of proletarianisation or sheer pauperisation to the extent that the material bases of *purdah* have been eroded (Chhachhi 1989). Other studies by Kabeer (1990, 1991) suggest that as the state in Bangladesh considers the issue of women’s rights, and of Islam itself, in instrumentalist terms, shifts and contradictions are possible. For example, women’s groups were able to flourish in the spaces created by development projects and NGOs have been able to initiate inventive forms of organisation and mobilisation for women. Overall though, it is argued that “the power of *purdah* is the power of a myth, not in the sense of being unreal or untrue, but as a symbolic expression of relations between male and female, with simultaneous ideological and material dimensions (White 1992, 23).

### **The Formation of a Female Labour Force for EOI in Bangladesh**

The complex and contradictory nature involved in yielding a suitable labour force for EOI in Bangladesh is of specific interest. Even though it is clear- as the NIDL thesis argues – women in the Third World do present capital with a source of labour that is cheap and highly productive, this can only occur by the state and capital intervening to

'release' this labour power in the particular form required by the conditions of concrete production. This is especially the case in locations where there is a large supply of women for work in export-oriented factories, but where traditional forms of patriarchal control act to inhibit their availability for exploitation by capital. In a critique of the NIDL and the incorporation of women into the global economy, Pearson poses the issue this way:

...the analysis of the new international division of labour has ignored the complexities and contradictions of producing the desired social relations of production involved in creating a new sector of waged labour. ...It has not been acknowledged that either capital or the State might need to intervene to deliver the suitable labour required; [rather], it has been assumed that this was axiomatic on the existence of high levels of unemployment or underemployment in the Third World locations. Given that it has been female labour, which was targeted to provide labour power for Third World export factories it, was assumed that the absence of industrial employment for women in the immediate economic history of the country meant that there would be no problem in making this labour available in the quantities and qualities required (1986, 76-77).

In Bangladesh, a number of measures introduced by the state can be identified that clearly point to the need for the formation of a plentiful supply of cheap female labour for a new and emerging form of production, EOI.

An examination of the respective Five-Year Plans (FYPs) implemented by various governments since 1971 reveals the aim of enhancing the participation of women in development activities; an aim central to the state gaining political legitimacy and international aid. In the First FYP (1973-78), no specific issues for women's employment were included except for the rehabilitation of women and children affected during the Liberation War. Then, with the initial shift to export-led production and as a direct outcome of 1975 as the international Year of Women and 1976-1985 as the United Nations' Decade of Women, the National Economic Council identified two broad objectives regarding women and development in Bangladesh.

- a. Creation of a congenial socio-economic condition to ensure better participation of women in economic activities. This involves attitudinal change, institutional and legal measures to secure social justice and the creation of a healthy environment for women.
- b. Developing realistic and diversified programmes to suit women's felt needs which have to be a part to the overall national development programmes focussing on the development of appropriate technology suitable for women. (cited in Khan 1988, 84).

To expedite these aims, in 1976 a Women's Affairs Division was set-up to oversee women's issues. Also, the number of parliamentary seats reserved for women was doubled to thirty, and a 10 per cent quota was reserved for women in public sector employment. Essentially though, given the demand for such jobs, it is argued this provision merely acted to restrict the hiring of women to 10 per cent (Khan 1988, 46-60).

Following these initiatives, a Two-Year Plan (1978-80), implemented during the interim period of preparation for the Second FYP, considered women's development as a separate issue for the first time in Bangladesh. The Women's Affairs Division was raised to the status of a fully-fledged Ministry of Women's Affairs, the first in the Asia Pacific region (Khan 1988, 84), and high priority was accorded to women so that "they [could] exercise their socio-economic rights and shoulder responsibilities". (Planning Commission 1979, 279). This professed commitment by the state to the cause of women and development was then incorporated into the Second and Third FYPs (1980-1985 and 1985-1990) with the aim of reducing the gender gap by increasing women's participation in income-generating activities. For instance, the Second FYP states:

Traditionally women have remained out side the main stream of development activities. Social taboos, illiteracy, lack of training and therefore, unemployment have forced them into a precarious state of dependency. ... [Hence], to ensure a balanced socio-economic development of the country full participation of women is an absolute necessity (Planning Commission 1983, 364).

To give further expression to these aims, the NIP of 1982 and the RIP of 1986 – both fundamentally concerned with the strategy of export promotion – implicitly defined women *a priori* as the preferred workforce. Figure 4.1 reveals that women's participation in the industrial labour force certainly increased in the mid-1980s, an increase that can be explained by the growth in export garment factories in the same period (see Figure 3.1). Overall, the aims undertaken were ambitious considering the modest budgetary outlay of around 0.2 per cent for the Women's Affairs Division.

Partly through the initiatives of NGOs and women's groups, 'a major break' with past planning exercises was achieved in the Fourth FYP (1990-1995) when the goals of bringing Bangladeshi women into the 'mainstream' of development were further

accentuated (Salahuddin 1991). Each of the fourteen sectoral chapters acknowledged the need to incorporate women into various activities, and a vital 10 per cent increase in budgetary outlays for women's affairs was announced to meet the even greater emphasis placed on integrating women into development (Hamid 1995, 207). Additionally, for the first time, the Fourth FYP accorded recognition to the NGO sector as an important agent in the development process but with no specificity about its role or objectives. Notwithstanding these developments, it is alleged that because women's issues tend to be treated as social welfare problems, they are never truly incorporated into the mainstream of development planning activities. In this respect, the Fourth FYP was silent about the mechanisms required to operationalise the policy objectives and, consequently, women in Bangladesh remain at the periphery rather than in the mainstream of the development planning process. "In the absence of specific sectoral policies, guidelines, programmes and [the sufficient] allocation of funds, commensurate to the policy of mainstreaming women, the stated intentions [sounded] hollow and meaningless" (Salahuddin 1991, 239).

Apart from the above policy shifts, the state and capital have also legitimated new forms of cultural expressions of appropriate female behaviour, such as living away from the family group, unaccompanied travel on public transport and the preference for non-traditional forms of dress. As well, female employment has recently come to be regarded as a negotiable attribute in marriage arrangements (Feldman 1992, 116-23), whereas traditionally, a family's status was partly established and maintained by the capacity of a father to keep his daughter out of the labour market (White 1992, 25). A number of laws have also been enacted to protect women's interests including: the Dowry Prohibition Act (1980) and amended in 1982; the Cruelty to Women (Deterrent Punishment) Ordinance (1983); an amendment in 1982 to the Muslim Family Ordinance (1961); and, the establishment of the Family Court in 1985 (Jahan 1989, 11; Khan 1988, 88-92). Apart from the Ministry of Women's Affairs, a number of institutional bodies have been established to cater to the needs of women, notably, numerous local and international NGOs. Even though some of the NGO programmes and activities tend to reproduce rather than challenge existing patterns of discrimination, there:

are some impressive examples of women's mobilisation: women enabled to save

themselves and their families from poverty who have gained new self-confidence and social respect; women who have come together to act against unjust legal cases, threats of divorce or demands for dowry and violence against women or to press for their rightful pay (White 1993, 16).

Regarding the production of garments for export, NGOs have certainly been instrumental in offering support through a range of technical and service oriented programmes. These include training in the skills required for work in garment factories, instruction in the legal rights of workers, the provision of health services as well as dormitories and hostels for young single women in urban-based garment factories.

In sum, throughout the 1980s and 1990s a number of improvements have been made to the institutional support available to ameliorate the situation of women in Bangladesh. On the one hand, this support has increased their integration into development policies and, on the other; it has been responsible for an emerging confidence and politicisation that has seen Bangladeshi women 'coming out' of seclusion. Although the costs of development have continued to fall disproportionately on women, an ideological space had been created in which they could contemplate new strategies and opportunities. Moreover, what makes female income-generating activities especially salient in the 1980s, has been the resurgence between 1985 and 1988 of the Islamic fundamentalist party, the Jamaati-I-Islami, that sought to adopt more conservative Islamic practices, including the observance of *purdah*. Rather than contest these demands, the Ershad regime sought to co-opt the growing strength of the Jamaati-I-Islami by seeking to make Islam the state religion in the 1988 passage of the Eighth Amendment to the Constitution (Feldman 1992, 125-26). This amendment, which meant that women, especially those working in the industrial sector, would have difficulty in observing restrictive Islamic practices, elicited a particularly strong response from Bangladeshi women including two big marches held in the capital city, Dhaka, something unthinkable in the past. As Kabeer writes:

Although successive regimes have sought to promote an Islamic identity in Bangladesh, with some of the attendant rhetoric of female seclusion and propriety, they have also simultaneously sought to champion women and development programmes with its very different rhetoric of women's emancipation (1991, 141).

Women in Bangladesh are under no illusion about the process of social transformation

occurring in their country and that they are an integral part of it.

### **Socio-Economic Profile of Export-Oriented Garment Workers**

Although tailoring had traditionally been regarded as a male occupation in Bangladesh - suggesting appeals to 'natural nimble fingers' have no firm traditional base in Bangladesh - a distinct feminisation of garment manufacture occurred when industrial production was re-oriented towards exports. The massive influx of women workers into export-oriented garment factories corresponds with the established practice in the export garment factories around the world to employ females in accordance with the Western ideological notion of sewing as women's work. While finding work in the garment factories of Bangladesh can be through newspaper advertisements, these do not attract many applicants because most females seeking work in the export factories are either illiterate or semi-illiterate. Considering that just over 70 per cent of female garment workers in Dhaka originate from the rural areas (see Table 4.3), for the most part, they usually find work in the export sector through familial and village connections with the factory owner. As most owners of garment factories have village or district connections, they are generally regarded as 'village heroes' who have found success and, therefore, have a good standing in the community. Usually, employers make promises to the parents that they will act as guardians for their daughters in the urban centres and that they will provide them with safe and proper housing. In this way, "a cadre of female workers are recruited for industrial production within the context of a changing but not radically altered interpretation of female propriety under male guardianship and patriarchal control" (Feldman 1993, 232). This method has important implications for the workers because in exchange for their employment opportunities they often feel obligated to management during times of worker dissatisfaction over wages and working conditions. In many instances, it allows factory owners to have greater control over their workforce and helps to justify the removal or sacking of those involved in organising activities to build up worker solidarity.

For the most part, females employed in the export-oriented garment sector are young in age and work as sewing machine operators, or as sewing or finishing helpers. While there is a small minority of males who work as machinists, the rest are mainly employed

as cutters, pressers and packers and as administrators and managers, the latter positions of which they tend to dominate. It is estimated that over 50 per cent of female employees are below the age of 19 compared to 17 per cent of male employees in the same age bracket (Hoque, Murayama and Rahman 1995, 79). This is replicated in other studies that indicate the overwhelming majority of female workers cluster around 15 to 24 years, with about 16 per cent being below 15 years. Those females aged above 30 years hardly comprise one tenth of the total workforce in the industry (Jahan 1989, 240; UNIDO 1991, 41). Of the female garment workers, a considerable proportion of them—approximately 54 per cent - are unmarried, with a further 5 per cent being widowed, divorced or abandoned by their husbands. A further study of all garment workers in 1997 found that 78 per cent were under the age of 25, with the biggest percentage in the 15-19 age bracket, and that about 50 per cent had been or still were married (cited in Kabeer 2000, 414). Overall, these figures suggest a clear bias by garment factory owners to recruit young, single females, with some employers demanding a single marital status in their work contracts. Indeed, one work contract form stated: “during continuance of 2 (two) years service from the date of joining you will have to maintain spinster life and not permitted to be engage [*sic*] in matrimony” (cited in Hossain, Jahan and Sobhan 1993, 51). Such a requirement often leads to prospective workers lying about their marital status, as well as to the termination of unwanted pregnancies rather than face dismissal. In this respect, in the early 1990s, one health clinic in Dhaka reported that 23 per cent of their clients seeking abortions were garment workers (Hossain, Jahan and Sobhan 1993, 51).

Surveys also reveal that the export garment industry provides employment to a large number of uneducated and illiterate females, a finding that corresponds in part with the tradition in Bangladesh of a preference for the male child. Resulting low level of female literacy in the country tends to reflect poorer families either not sending their female children to school at all or withdrawing them at an early age (White 1992, 31). In 1990, the World Bank found that the literacy rate of Bangladeshi females aged 15 years and above was 10 per cent compared to 40 per cent for males. Also, from a study of female literacy rates that covered 2.3 billion women from 99 countries, it was found that Bangladesh ranked the lowest of them all (Chowdhury and Ahmed 1992, 8). Indeed,

representative studies of the garment workers shows that just over 60 per cent of female employees have very low levels of education and that about half of this uneducated group are completely illiterate. In comparison, about 24 per cent of male employees have a poor educational status, with only 10 per cent being illiterate. This reality of illiteracy is certainly problematic for the garment workers. For instance, evidence suggests that there are many cases where management thrust different forms in front of workers for their signatures only to later discover they no longer have a job or have agreed to wage cuts or the like (Amin Interview 1995). Consequently, many workers have learnt to sign their names, especially as a signature is required by management to receive a wage (Chaudhuri and Paul-Paul-Majumder 1991, 17; Hoque, Murayama and Rahman 1995, 82-82). Of the female workers who do have some education, the level attained is generally no higher than primary level. However, these low levels of education are not considered important by management because it is claimed skills are learnt on the job during the probationary period of employment (Khandaker Interview 1994).

Being unskilled and having little or no education, are criteria that have gone a long way to justifying the payment of very low wages in the export garments industry. Additionally, they have meant it has taken some time for the garment workers to develop awareness about their legal entitlements as factory workers. One female trade union activist stated that with the rise of EOI in Bangladesh and the accompanying influx of women as industrial workers, poor or no levels of education was their biggest problem in relation to organising activities. It meant “they had no awareness and were ‘ripe pickings’ for the factory owners” (Akhter Interview 1996). This situation has given rise to numerous educative programmes being run by NGOs, as well as the formation of numerous locally based women’s groups. For example, the *Karmojibi Nari* (Working Women), established in 1991, aims to bring working women together:

... to articulate their experiences of subordination in order to develop strategies for organisation through which they can empower themselves. This objective is particularly important in Bangladesh which has struggled against authoritarianism, but continues to be faced with the threat of political control through the politics of patriarchy, obscurantism, militarism and fundamentalism.

Accordingly, the *Karmojibi Nari* encourages female workers to resist their exploitation by unionising and to fight for their equal participation in a trade union movement “that is



dominated by males and operates mostly for male workers” (Akhter Interview 1996).

Given that cheap labour is considered vital to the competitiveness of labour-intensive export-oriented industries (Safa 1981), it is not surprising to discover the workforce in the Bangladeshi garment sector being collectively referred to as ‘unique’.

This uniqueness is the unlimited availability of unusually cheap but usable labour. It is the abundant supply of comparatively cheap labour that stands out as the most significant strength. ...The workers can be employed at a very low wage, not only in comparison to other competitor countries, but also in comparison to other domestic industries in Bangladesh (Siddiqi 1995, 4).

This claim is backed-up with the estimation that, although the average monthly income of garment employees is just over Tk2040 (Hoque, Murayama and Rahman 1995, 86), an overwhelming majority of female garment workers earn less than Tk1500 per month (Amin Interview 1995). This meagre amount is quite inadequate for subsistence, especially if the employee’s wage is contributing to the daily reproduction of other family members. Some workers told of how management sometimes uses the payment of piece rates in some factories as a way of personally rewarding the stitcher for her output. For example, for every one hundred collars stitched, the worker receives Tk50. However, there seemed to be an overwhelming preference amongst the workers for time-based wages over piece rates. This was made clear in an interview with workers belonging to the National Garment Workers Federation (NGWF) in 1995.

Most of us don’t like to work for piece rates because we have to work very hard and for very long hours and are unable to take many breaks; otherwise, we don’t get enough pay to exist on. Then, if we speed up too much, the owners just reduce the rate so they only have to pay us as little as possible.

However, although piece rates have the propensity to increase productivity, often quality standards are sacrificed. In such cases, management finds it necessary to actually slow the pace of work down by switching to time-based wages “to prevent poor quality garments being produced and the very real possibility of having orders rejected or losing out on further business” (Babul Interview 1994).

Furthermore, if gender is taken into account, one study found that 68 per cent of female garment workers receive an income less than Tk1500, compared to just on 42 per cent of male employees (Hoque, Murayama and Rahman 1995, 84). Quite apart from the reality

of inordinately low wage rates, data also reveals that female garment workers suffer a substantially higher frequency of low-level income earnings in comparison to their male counterparts. It is estimated that females receive about 66 per cent of the pay male workers receive, even in the female dominated stitching section of production (Chaudhuri and Paul-Paul-Majumder 1991, 49; Hoque, Murayama and Rahman 1995, 85)). Moreover, regardless of the prescribed wage rates set by the Minimum Wage Board of Bangladesh in 1984 for the garment sector, female workers are more likely than their male counterparts not to receive the correct rates of pay set down according to different skill levels. Another common problem reported by garment workers is the delay, irregularity and even the non-payment of wages with some factories having no fixed time for the payment of wages (Sigelakis Interview 1996). Indeed, in a 1995 press release of the National Garment Workers Federation, titled 'No more wage slavery', it was claimed by one union organiser that, "it was not unusual for some garment workers to have their wages withheld for four to five months."

A more recent study of seven un-unionised garment factories in Chittagong and Dhaka reveals the extent to which this practice has continued for the young Bangladeshi female garment workers (National Labor Committee 2001). In every case, they are paid below the legal minimum wage, forced to do overtime for which they are routinely paid only half of what they are legally owed, denied sick days and severance pay, regularly not permitted to take scheduled holidays and often suffer cruel and harsh treatment in factories that are overcrowded and poorly ventilated. The rate of exploitation of these workers is significant. For example, in a factory producing hats and caps that retailed for US\$18.99, the workers were paid just 1.5 cents for every hat sewn. It was estimated that this represented over 1,400 per cent mark-up over the cap's total landed US Customs' value of \$1.23 (National Labor Committee 2001, 3-7). Workers in these factories knew their right were being violated but expressed fear of being fired and blacklisted if they joined a union. This desperate need for jobs corresponds with an earlier remark made in an interview with a union organiser: "The garment workers would rather suffer their exploitation than have no job as they have nothing to fall back on – it is a serious problem for organising" (Amin Interview 1995).

Other factors contributing to the disadvantaged status of female garment workers include the almost total lack of promotion prospects and the issue of dispensability. As the female garment workers have low educational levels, they are rarely appointed to higher positions. For the most part, they enter the industry as sewing or finishing helpers for a probationary period ranging from six to twelve months, often to find themselves retained at this status for longer periods. This allows the owners to continue the payment of lower probationary wages - about Tk400-500 – which is usually justified on the grounds that the worker requires extra time to learn the skills, or, that there is a lack of orders to be filled (Amin Interview 1995). Similarly, given the position of women in Bangladeshi culture, generally, they are not acceptable in management or supervisory positions. Indeed, the value of having male managers rests with their ability to use gender relations as an instrument of labour discipline. Hence, females represent a very small percentage of workers employed in management positions. One study found that of the sewing machine operators, 89 per cent were females, while only 16 per cent were production managers. However, the share of females in some supervisory capacities was somewhat higher, with 34 per cent in positions such as quality and line inspectors (see Table 4.4). Generally, this latter situation only arises after the female worker has been with the enterprise for a number of years and has proved herself capable of enforcing quality standards. Yet, should these workers decide to take up employment in another garment factory because of factory closures or lay-offs, it is not unusual for them to be employed again on probationary wages, regardless of the skills they have accrued from previous positions. As interviews conducted with female garment workers in 1995 and 1996 suggest, the incidence of this occurring seemed commonplace. Again, in almost all cases, the turnover rate for employees in the garment industry was higher for females than for male employees, and appear to be linked to the low rates of overtime paid, as well as delays in and the irregularity and non-payment of wages (Hoque, Murayama and Rahman 1995, 6; 96-100). Furthermore, the servile status of Bangladeshi female garment workers often results in them being “laid off in the absence of orders without too much protest” (Kabeer 1991, 135).

In the case of leave, discrimination against female employees is also common. While

leave provisions are 'highly unstructured' and vary across factories and job categories, normally, after six months of employment, garment workers are granted ten days casual leave and fourteen days sick leave annually. For those employed for one year, a further fourteen days of paid leave is accrued. However, surveys have found that only about 24 per cent of garment workers were granted leave with pay, and that 26 per cent had taken unpaid leave, implying that just over 50 per cent of workers had been refused any leave at all. From these figures, it was also found that the frequency of paid leave for males is 29 per cent compared to 20 per cent for female workers. Similarly, the granting of leave varies across job categories; with the male dominated areas of cutting, supervisors and quality controllers showing the highest incidence of paid leave. Conversely, as the incidence of paid leave is lower for the sewers and sewing and finishing helpers, females are far more likely to take unpaid leave than males (Chaudhuri and Paul-Paul-Majumder 1991, 66-68; Hoque, Murayama and Rahman 1995, 101). Such practices have had an adverse effect on family relationships. As one interviewee noted: "Many workers suffer psychological problems, especially those from the villages, as they feel even more separated from their families. As a result, one of the many demands garment unions are fighting for is that workers receive paid leave" (Amin Interview 1995). Overall, those female garment workers who are granted paid leave in the industry are very fortunate.

The above account of the disadvantaged socio-economic background of female garment workers in Bangladesh throws some light on the factors that combine to create their vulnerability and exploitability. Indeed, labour recruitment strategies reveal a distinct conformity with aspects of the NIDL thesis in highlighting what is common to the textile industry the world over, that is, the low status and skill and low pay attached to female workers. To summarise, in the quest to maximise profit and to be competitive in international markets, employers demonstrate a clear preference for certain characteristics in their workforce, namely, cheapness, docility and dispensability, or, what has been described as 'the comparative advantage of women's disadvantage' (Arizpe and Aranda 1981). This was reflected in many interviews carried out with garment factory owners. When asked the question about the obvious preference for female over male employees, responses ranged from 'it's girl's work' and 'they are nice to have around', to 'they don't answer back' and 'they are more easy to control' (Ahmed

Interview 1994; Babul Interview 1994; Khandaker Interview 1994). At a theoretical level, it is more the case that:

Capitalist firms are compelled by competitive forces to select their labour force and constitute their division of labour on the basis of profitability, not [gender] ideology. If it were more profitable to employ men in world market factories to do jobs done by women in the developed world, then this is what capitalist firms would do (Elson and Pearson 1981, 92).

Initially, given the young female garment workers were entering waged labour for the first time, they did lack confidence and did not have much choice other than to agreeing what was offered them. This situation was clearly depicted by a lawyer who commenced a human rights programme in the early 1990s specifically targeted toward the female garment workers.

At first I was shocked even appalled to learn of the harassment and victimisation that the garment workers were subjected to. While I know workers often get exploited, theirs is a serious case precisely because they are mostly young village girls who are illiterate and vulnerable and unaware of their rights. I have heard some shocking stories of abuse and psychological torture, and the constant deception these workers have been put under is sickening (Firoze Interview 1996).

Rarely did they raise complaints about their working conditions, a situation illustrated in many interviews conducted with the owners of some garment enterprises.

Yet, through their experience as factory workers, overtime, women have gradually become aware of their poor working conditions and a deep resentment has emerged among them. Hence, while the process of social transformation brought new insecurities in its wake, it also presented the female garment workers with new possibilities and opportunities. Together with assistance from trade union bodies and NGOs workers have increasingly, since the mid-1980s, been involved in organising and militant activities with the express aim of improving their lot as waged labourers. In light of their large numbers, they can no be regarded as 'docile' and unable to organise. Indeed, the concentrated energy and potential power of the garment workers in Bangladesh cannot be easily dismissed.

## Conclusion

From the above, and consistent with the NIDL claim that export-led industrialisation increases employment for women in Third World export factories, since the mid to late 1970s there has emerged in Bangladesh a massive influx of women workers into garment production. In the context of a shift in state policy aimed at integrating Bangladesh into the global economy through EOI, as well as state practices in shaping new patterns of hegemonic control, the interests of Bangladeshi women became an integral component of development issues. Regardless of archaic ideological preconceptions about women in Bangladesh society that relegate them to supposed seclusion, within a short period of time new forms of *purdah* emerged when hundreds of thousands of mainly young rural working class women became highly visible as participants in public forms of work in urban centres. In a country where female factory employment is generally regarded as a cultural anomaly, absolute economic necessity compelled many of them to take up employment as urban-based waged workers in the export-oriented industries springing up in and around major urban centres. In this process, the export garment factories absorbed the majority of this plentiful supply of low-cost female. Undoubtedly then, while economic compulsion drove the entry of Bangladeshi women into the labour market, the processes by which this labour supply became available entailed a close relationship between economic motives and cultural norms associated with the Islamic tradition of *purdah*.

Moreover, the changing configuration of the Bangladesh labour force as it corresponds to changes in industrial production reveals a consistency with the NIDL thesis, namely, that the nature of this emerging female workforce can be described as young and uneducated, subservient, naive and open to intense exploitation. Accordingly, they suffer from low pay and harsh working conditions. In short, their rights as prescribed under the labour laws of Bangladesh are almost completely disregarded by employers. However, as the NIDL's account tends to stop at the level of these appearances, it is unable to uncover advances in the class struggle, that is, it fails to engage with the structural conditions of employment that operate at the point of production under EOI. In this respect, what the remaining chapters reveal is that through being subject to an increasingly intensive labour process involved in the manufacture of garments for

export, female garment workers have not remained merely the passive cogs in the process of profit maximisation. Gradually, through experience and an awareness of their rights as industrial waged workers, efforts toward organising into trade unions began so they could challenge many of the archaic conditions and practices endured in the garment factories of Bangladesh. Their growing confidence and militancy reveals an increasing commitment among the garment workers to become the active participants or agents of change. Accordingly, the rise of a mass female industrial proletariat as a source of cheap labour for the export factories has had important implications for urban class formation and for furthering the historical struggle of the Bangladeshi industrial working class.

## **Chapter 5**

### **The Labour Process, Labour Laws and Export Garment Manufacture in Bangladesh**

#### **Introduction**

From the previous chapter, it is clear that the shift to EOI in Bangladesh made possible the entry of Bangladeshi women into social production, a development that stresses how capitalism itself generates a proclivity toward bringing females as wage labourers under the direct domination of capital (Beechey 1977; 1987). According to the NIDL thesis, this employment of mainly young, poor, rural Bangladeshi females in the factories producing garments for export also provided employers with a supposedly subservient workforce unwilling to take part in militant union activity. Yet, over time, the particular ways in which the structural conditions of employment were imposed on the garment workers have substantially contributed to the rise of a class-consciousness and labour activism in the garments export sector. With garment manufacturing taking place almost entirely in-house, and with increasing antagonistic social relations of production, the conditions for advancing the class struggle were provided. In short, to uncover the class struggle in Bangladesh as it relates to the female garment workers is to uncover the 'relationships' of exploitation, conflict and struggle that provide workers with the impetus to organise and to contest the prerogatives of capital (Wood 1985, 93). Accordingly, this chapter will examine whether the necessary conditions were, in themselves, sufficient for the female Bangladeshi garment workers to challenge the source of their exploitation.

What becomes clear in examining the labour process involved in the production of garments for export, is the use of archaic forms of extracting surplus labour in which the control over workers is intense and direct. Best described as arduous and relentless, such control includes: the expectation of management for workers to spend up to fourteen hours, seven days a week toiling to meet production targets; the imposition of harsh forms of discipline and supervision; and the almost total absence of adequate facilities



and ventilation. While an even more archaic form of extracting surplus value has flourished in the industry through the use of child labour, this practice has attracted international pressure in recent years and Bangladeshi garment manufacturers have been forced to either phase out the use of child labour in the garment factories, or, face the loss or withdrawal of garment manufacturing contracts. Nonetheless, in spite of these changes, the structural conditions of employment in the export garment factories of Bangladesh have provided the conditions necessary for lowering the value of labour power and, thus, the means of generating profits in a fiercely competitive international marketplace.

Significantly, such a process has operated in the face of a plethora of labour laws in Bangladesh that clearly stipulate certain condition be met in factory-based production, including the right to unionise. Indeed, given that the export garments industry is vitally important to the economy of Bangladesh, and that many factory owners are former or current politicians or state officials, the state, which is essentially weak, has tolerated this non-compliance. In a period of intense internationalisation of exports and the existence of powerful international agencies that can erode national sovereignty, the state in Bangladesh can best be characterised as impotent. Certainly, this is borne out by the almost complete absence – until the eventual signing - of state intervention in the negotiations that preceded the 1995 memorandum of understanding (MOU) concerning the decision to phase out the highly controversial use of child labour in the export garment factories in Bangladesh. The main participants in this process were the BGMEA, the ILO, the United States Embassy and the United Nations International Children's Education Fund (UNICEF).

In the wake of the failure of the state to ensure that labour laws are adhered to in the factories producing garments for the export market, then, the structural conditions of employment endured by these workers have, within a short time span, been responsible for the emergence of a class consciousness. From its beginnings in mid to late 1970s, and its extraordinary growth in the following decade, by the mid-1980s, garment workers were considering ways to organise themselves into unions. Consequently, a broad understanding of the concrete labour process and social relations at the workplace

is crucial when attempting to analyse and explain the efforts undertaken by the female garment workers in Bangladesh to improve their situation. In this way, the struggle of these workers can be perceived as resulting from the exploitative capital-labour relationship at the point of production, or, as Michael Burawoy argues, how “the process of production decisively shapes the development of working-class struggles” (1985, 7).

### **The Labour Process, Capitalist Development and the Bangladesh Garment Workers**

Harry Braverman’s seminal study *Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century* (1974) has been fundamentally significant in redirecting the focus of Marxists back to the capitalist labour process as a basic reference point in Marxist theory. Although he tended to theorise the working class passively and neglected its agency (Elger 1979; Knights and Wilmott 1989; Thompson 1990; Wilmott 1994), he nonetheless recognised that analyses of class and the labour process are inseparable to understanding capitalist development, an inseparability that has relevance to the study of the female garment workers in Bangladesh. While research does indicate a subservient workforce passively adjusting to the required labour process for producing garments for export in Bangladesh factories, it is from this process that a growing agency can be identified. From management’s quest to lower the costs of production by subjecting the garment workers to a super-exploitative labour process, an emerging class consciousness can be discerned. Forged in the factory, this class consciousness has led to increasing organising activities for many of the female garment workers.

In fact, in a post-Braverman analysis of the transformation of the labour process, there have been some attempts to stress that developments in the labour process have fundamentally been shaped by class struggles at the point of production. These perspectives offer a greater level of sophistication in Marxist class analysis as they are more grounded in the social and political organisation of day-to-day production practices and changes at the level of the workplace (Thompson 1983; Burawoy 1983 and 1985). Indeed, Michael Burawoy’s concept of ‘market despotism’, or, the despotic regulation of the labour process made possible by the economic whip of competitive markets, is particularly applicable to the export garments industry in Bangladesh.

The specific conditions necessary for this aspect of capitalism are: that workers need to sell their labour power for a wage; that the labour process is subject to fragmentation and mechanisation; and, that because capitalists are compelled by competition, they continually transform production through the extension of the working day and an intensification of work (1983, 588). First, garment workers comprise an unceasing migration of rural poor women to the major urban centres in search of work. The garment factories provide an alternative to jobs as maids, prostitutes, or as manual labourers at back-breaking construction sites. Secondly, the labour process to assemble one item of clothing involves the use of power driven machines to perform a number of specialised operations. Lastly, as producing garments for the export market is highly competitive and requires deliveries to be on-time and of a certain quality, the working day is rarely less than twelve to hours long and often much longer in peak times, the pace of work is relentless and workers are subject to constant and severe supervision.

In a similar way, Maja Bjorkman and co-writers claim that the labour-capital relationship assumes a different form under different types of industrialisation in the Third World. They suggest that there is a difference between import substituting and EOI, in the sense that with the latter, the focus is on the maintenance of very low labour costs as this provides the basis for successful competition in an increasingly competitive global marketplace. To put it another way, the extraction of surplus value is achieved by keeping production costs low through long working days and an intensification of work to the extent that workers are increasingly subjected to the oppressive control of capitalists and their managers. As a result, workers in export-oriented factories are often unable to work for long periods of time and are regularly replaced with new workers. According to this argument:

At the level of production it is of crucial importance to secure very low unit labour costs in order to compete with third world exporting nations. Production is kept at a relatively labour-intensive level, and high productivity is provided not through the development of the productive forces, but by the method of double absolute surplus value extraction (that is via intensification of work and the extension of working hours). Control over labour ... is aimed at securing this end. The mechanisms of control may vary but high job rotation seems to be a preferred means, reflecting monotonous and depressed working condition. The high labour turnover involves only segments of the labour force and thereby

creates an internal segmentation of workers as another means of control (Bjorkman, Lauridsen and Marcussen 1988, 76).

Again, this theoretical perspective is applicable to the export garments industry in Bangladesh. In an intensely competitive global marketplace, garment manufacturers in Bangladesh are compelled to keep their production costs low to both procure and maintain orders. In competition with numerous other garment manufacturers from countries such as Indonesia, Malaysia, China, the Philippines, Vietnam and India, they must retain a competitive edge. Together with a favourable policy environment, this is primarily achieved through the payment of very low wages, an intense work regime and a lengthening of the working day. Although garment workers remain one of the hardest-working segments of the labour force in Bangladesh, their remuneration is pitiful as are their working conditions. While the turnover of labour in the industry is quite high, for the most part, workers who do leave because of the non-payment of wages, or, who are fired for trade union activities generally are forced to take up employment in another garment factory. Nevertheless, a natural attrition rate does exist because as one trade union organiser stated: “these workers have a limited working life as machinists, in the end they become physically worn out. You rarely see a worker over 30” (Akhter 1994). A trade union organiser also claimed that when workers approach 30, management pressures them into quitting so they can be replaced by fresh, young teenagers (Amin Interview 1995). Furthermore, it is not uncommon for factories to close because of claims they are no longer economically viable, often due to labour demands, only to open shortly after with a new workforce.

Importantly, the labour process in the export factories of Bangladesh reflects the distinction Marx made between the formal and the real subsumption of labour contained in a previously unpublished ‘Appendix’ meant to form part of Volume One of *Capital* (1976, 1019-38). Both these forms of labour imply capitalist relations of exploitation, or, the expropriation of surplus-labour as surplus value. In this sense, they also correspond with Marx’s distinction between two forms of surplus value, relative and absolute (1954, 476-85). The formal subsumption of labour into capital is associated with the production of absolute surplus value, the rate of which can be increased through simply prolonging

the working day or week. When this reaches its limit, a shift to real subsumption allows the production of relative surplus value through technical change and the reorganisation of a more intensive production process. Even though the former is characteristic of earlier periods of capitalist development, and the latter with the maturity of capitalism and the ever-increasing forces of competition, the two can go hand in hand because, with technical change, the extraction of relative surplus value can provide the basis for a revived effort to extract absolute surplus value.

In the case of Bangladesh, the entry of young females into paid employment in the export-oriented garment industry facilitated the extraction of relative surplus value with the payment of very low wages that represent a lower individual value for labour power. Additionally, the garment worker's labour power is lowered even more by the often-irregular payment and withholding of wages, the non-payment for overtime worked as well as the non-payment of bonuses and maternity leave as set down in the labour law of Bangladesh. At the same time, the basis for the extraction of absolute surplus value is laid through an intensification of the work process and an extension of the working day that raises the rate of surplus value by increasing the total value produced by each worker. Moreover, this total value is increased even more because the garment workers rarely receive their statutory entitlement of a Friday holiday - a religious day for Muslims in Bangladesh - and are also forced to work on gazetted government holidays.

In subsequent Marxist literature on the labour process and capitalist development, there has been a propensity to link directly the real subsumption of labour only with 'technical control' over labour whereby major leaps in productivity are usually associated with technical innovation. With the initial separation under formal subsumption being social, in this instance, the technical component of real subsumption is perceived as a further separation of the worker from the means of production (Edwards 1979; Stark 1980; Meiskins 1984). Along similar lines, Ernest Mandel links formal subsumption with "the period of manufacture" and real subsumption with 'the modern factory' (1976, 944). By so doing, the mechanisation of labour is perceived as the mark of the transition from formal to real subsumption, that is, evolution in the labour process is technological, although contingent on the social production relations distinctive of capitalism.

However, by breaking with the tendency to focus on technical control or automation, the labour process in the export garment factories of Bangladesh can be seen in terms of the real subsumption of labour. Although the technology remains simple, the organisation and methods of production indicate a real subsumption because of intense working conditions and the imposition of direct methods of supervision and control. Through a hierarchical structure of work tasks, the factory owners subject garment workers to both the technical and social relations of work that systematically and rigorously produce quality garments for export with the sole aim of appropriating surplus value as the basis of production. Interestingly, this accords with Marx's own discussion on the shift from formal to the real subsumption of labour, in which he focuses on the socialisation of capital rather than on mechanisation and the production of relative surplus value (Marx 1976, 1024). Put another way, the real subsumption of labour and the production of relative surplus value "extends to the immediate process of production itself, and to the reproduction of that process" (Elson 1979, 165).

In this respect, it is historically pertinent to consider both the technical and social aspects of garment production. As part of the overall process of mechanisation throughout Britain in the nineteenth century, the first Singer sewing machine was introduced in 1851 (Chenut 1983). Writing of the clothing industry in the mid-nineteenth century, Marx stated that:

At last the critical point was reached. The basis of the old method, sheer brutality in the exploitation of the workpeople, accompanied more or less by a systematic division of labour, no longer sufficed for the extending markets and for the still more rapidly extending competition of the capitalist. The hour of the machine had struck. The decisively revolutionary machine ... is the sewing machine (Marx 1976, 601).

With this new technical development, the piece-work system was certainly strengthened. Not only did it link wages more tightly to production, especially for women, but it also divided the labour process into separate operations that required closer scrutiny and control. Rarely did women handle the whole garment; instead, they relentlessly sewed just one component such as sleeves or button-holes. In other words, while the sewing machine marked the technical component of the shift from formal to the real subsumption of labour to manufacturing capital, it was also accompanied by changes to

the scale and methods of production under which there occurred an accompanying development of the social forces of production.

Despite recent technological advances in various stages of the production process, which have mostly been confined to the design and pre-assembly stages, garment manufacturing retains many of the features that characterised the industry at the turn of the century. The actual sewing of garments continues to be labour intensive, to the extent that garment production still remains “one of the lowest capital-labour ratios in manufacturing as a whole” (Phizacklea 1990, 57). In fact, since the introduction of the sewing machine in the mid-nineteenth century, little has changed in terms of the assembly stage of garment production for the majority of garment firms operating in the industry, especially in Third World countries. With generous quota allotments and the availability of an abundant supply of cheap labour, in newly industrialising countries - such as Bangladesh - the making-up stage of garment production is the one area that these economies have been able to build and retain a competitive edge.

In sum, Marx’s distinction of the effect of the transition from formal to real subsumption of labour is particularly useful for comprehending the changes in the social relations of production that have occurred with export-oriented garment production in Bangladesh. With the need for higher productivity levels, the production of quality garments and the meeting of delivery dates, an intensification of the labour process has been required to comply with the dictates of the marketplace. This intensification has been achieved through a relentless lengthening of the working day, by a system of payment by results for assembly workers, and by constant supervision and dictatorial control. Angela Coyle argues that such is the expectation of management in the garment industry that “for the women concerned it can mean “sweating golfballs” and still not being able to reach management’s production targets” (1982, 14). To this end, the lot of the Bangladeshi garment workers could be likened to the miserable conditions of nineteenth century factory labourers who were exploited most inhumanely and without pity. Perhaps this is illustrated best by a saying in the slums of Bangladesh: “If you’re lucky, you’ll be a prostitute – if you’re unlucky, you’ll be a garment worker” (cited in Spielberg 1997, 113)

## **The Structural Conditions of Employment in the Garment Factories of Bangladesh**

The enormous purchasing power of the large textile and clothing multinationals enables them to drive a hard bargain over prices, and for enterprises to make profits out of supplying them requires very fast and accurate work (Elson 1989). Additionally, during the 1980s, the international trade in garments became increasingly 'marketing intensive' with a shift in emphasis from just price to factors such as 'design, quality and variety' (Lall and Wignaraja 1994, 28). Indeed, the success of an exporting garment firm's ability to increase sales to foreign markets rests in large part on improvements to the standards of quality in exported clothing. With fashion dictating the consumption of clothing commodities, clothing firms have successfully increased both the design and marketing intensity of their products, at the centre of which is the requirement for quality-produced garments. "Where there was once a commodity market, there is now a fashion market where colour and pattern sell a product and where consumers expect co-ordination to a sophisticated degree" (cited in Myelka 1991, 124). Consequently, although price remains an important factor for gaining contracts for manufacturing garments, it seems that greater emphasis is now placed upon improved quality as well as delivery reliability.

Considering that quality standards and meeting delivering dates are vital for both attracting and maintaining export contracts, centralised in-house production is preferred as this ensures a more direct and constant control over the maintenance of quality and production targets. Correspondingly, as a result of evidence drawn from a number of visits to garment factories in Dhaka and from numerous interviews with management personnel, there emerged the way in which the production of garments for overseas markets is organised. In particular, it demonstrated how such a process assumes a specific form in Bangladesh. Three types of production arrangements operate in the export garment factories of Bangladesh which cater mainly to the lower end of the fashion market: where the factory carries out only the cutting and stitching processes with all raw materials being provided by the foreign buyer; where the factory carries out the cutting, assembly and trimming processes with only fabrics supplied by the buyer and all other materials provided by the factory as per specifications; and, where the



responsibility of purchasing all materials lies with the garment manufacturer. The latter method often includes assistance from the foreign buyer's representative in Bangladesh who may be involved in organising the task by personally supervising the production process and monitoring the delivery time (Hoque, Murayama and Rahman 1995, 24-26)

No matter what the arrangement, the labour process involved in producing good quality garments is normally divided into three distinct stages: the pre-assembly stage in which the garment design is marked, graded and cut; the most labour-intensive stage in which the garments are assembled or sewn; and, the post-assembly stage which includes inspection, ironing, packing and warehouse and management distribution. Within the labour process itself, there is a distinct occupational segregation according to gender with a clear demarcation between males and females in the different stages of production. Males dominate as production managers, floor-in-charges, cutting masters, supervisors, quality inspectors, ironers, folders and packers, while women dominate as sewing machine operators and as sewing helpers (see Table 4.4). When questioned about this segregation, factory owners have always attributed it to skill levels, claiming that the making up or assembly stage is basically an unskilled process and more suitable to the female gender (Ahmed Interview 1994; Babul Interview 1994 and Khandaker Interview 1994). The equation of men/skilled and women/unskilled is so powerful that the identification of a particular job with women ensures that the skill content of their work is denigrated and the payment of lower wages justified. However, one exception to this generality is when a female is promoted to the vital position of line supervisor, a situation that only occurs after many years of dedicated service (see Table 5.1). When speaking with some female workers, the reality of pay discrimination was described as being 'very unfair' because "we often have to put the male cutter's work right and that can't be done for us", and more pertinently because "sewing is the most important operation" (BIGU Workers' Interview 1996).

Undoubtedly, of all the stages in garment production in Bangladesh, the making-up section is the most integral part, not because it employs the largest share of the workforce, but because it is where the pace of work is set for the whole enterprise. As the pre-assembly and finishing sections essentially have to adjust to the level of output in

the assembly stage, the pace of work on the assembly line is the critical element to the productivity and profit of the garment enterprise's operations. In Bangladesh, this process consists of several lines of machine operators, each using a power machine to stitch only a component of the garment. Depending on the nature of the garment, up to thirty operations can be required, each of a duration of one to two minutes. In this way, each woman's work is linked with all others, dependent on those behind for her work and those in front dependent on her. All sit in one position on stools for hours on end continuously performing their repetitive task and all are 'forced' to work at the same even speed through the day. To ensure the continuity of production is maintained, in some factories, toilet breaks are not permitted except in the times allocated for meal breaks, and in others, workers require a 'toilet pass' the use of which is strictly monitored and timed. Talking is strictly prohibited and offenders are reprimanded. Pressure on the foot pedal must be maintained and any sign of slowing attracts the wrath of ever-vigilant supervisors.

Given the pace of work in the assembly stage is crucial to productivity and profit, to speed this up the most common method used is to pit one line's output against the other. Most factories display targets on a blackboard, which if exceeded, are rewarded with some type of production or efficiency bonus. However, current practices suggest that few garment employees receive these bonuses (Hoque, Murayama and Rahman 1995, 101). Of all the workers employed in the industry, the daily reality for the sewing machine operators is indeed exhausting and severe. The entire production process is structured around imminent deadlines and workers are not permitted to leave until the day's quota has been reached. One garment worker commented that:

The work is exhausting and quickly wears you down. Not only do we work long hours, we are shouted at and often treated like animals. Workers don't last very long, ten years is the most. The bosses prefer to replace the older workers with new young ones who have more energy and who accept lower wages (Shirin Interview 1996).

This unyielding quest to meet productivity expectations in the garment factories of Bangladesh has meant that the garment workers are subject to the strain and pain of what Ruth Cavendish refers to as 'control by the line', a process she vividly describes in a

passage from her book, *On the Line*, concerning unskilled female workers in West London:

We all found the repetition hard to take; once you were in command of your job, repeating the same operations over and over thousands of times a day made you even more aware of being controlled by the line. You couldn't take a break or swap with someone else for a change – you just had to carry on. ... If you couldn't keep up with the line, you were out (1982, 41).

In the garment factories in Bangladesh, supervisory and quality controllers, who walk around all day checking for mistakes and pointing out and punishing unacceptable work, accentuate control over female assemblers. For instance, should one stitcher make a production error, the imposition of a fine or more forced overtime is often applied to all stitchers. In short, it is commonplace for managers to use small incidents in order to extend the working day and extract more surplus value. In this respect, many workers complain of their close supervision and control, alleging that it is often intrusive and aggressive and, in many cases, amounts to bullying and physical intimidation (Akhter and Yeasmin Interview 1996). At an experiential level, in a recent article on Bangladeshi garment workers, suitably titled 'Miracle Worker or Womanmachine? ...', the process is described in the following way.

The relationship of worker to machine is complex and ambivalent ... As operators, women are expected to possess total control over their electric sewing machines. Yet most confess to feeling of subordination or subjection to those machines. ... [T]his relation is conditioned by the larger features of the immediate work environment, in which factory doors are locked, entrances strictly policed, production quotas fixed and workers kept under close supervision. The most important factor mediating this relationship is the assembly line conditions of work in which continuous motion and speed is critical (Siddiqi 2000, L-15).

Add to this the reality that their labour power is paid for a price well below its value, these garment workers experience repressive and exploitative conditions of work that tend to reinforce their subordinate position as women in Bangladeshi society. Nonetheless, having experienced these conditions, their determination to fight for an improved situation certainly strengthened with the passing of time, a matter taken up at length in the next chapter.

Alongside this intensity and surveillance of their work is the length of the female

garment workers' working day and week. Almost without exception, garment factories in Bangladesh remain open for 10 to 14 hours most days of the week, even longer during the peak season from October to January. Workers have no discretionary powers and receive little relief from their intense working day with most factories not permitting morning or afternoon tea breaks, and only allowing a thirty-minute lunch break. However, by way of contrast, in those factories where males predominate, workers often receive a one-hour lunch break (Chaudhuri and Paul-Paul-Majumder 1991, 35). Moreover, although the law stipulates a weekly holiday on Fridays, and that no worker is to work more than ten days consecutively without a holiday, the practice is to ignore such legal constraints. Furthermore, there is an expectation in the industry that workers will work throughout the night when shipment schedules have to be met. Most of the time they accept such expectations for fear that, should they not comply, they will be fired. In fact, in certain instances, they are forced to work by actually being locked inside the factories for the night, not knowing when they will be 'released'. In this respect, some workers claimed that, generally, they work all night at least eight days every month (BIGU Workers' Interview 1996). To exacerbate the reality of long working hours, overtime is rarely paid at the prescribed level. Moreover, in keeping with the overall wage differential between males and females, it has been found that males receive almost twice the overtime pay of females. Accordingly, one study states:

Employers claim that they pay for the overtime work in the garment industry according to the rules. But in most cases these rules are not known to the employees doing the overtime work and also there is hardly any effective mechanism for overseeing whether such rules are abided by or for punishing those who violate them. It is therefore quite easy for the employers to ignore rules and also to interpret the provisions in line with their own interests. [Also], there exists a significant difference in overtime rates for males and females (Hoque, Murayama and Rahman 1995, 99).

Additionally, some workers receive no pay at all for the extra hours worked; however the incidence of unpaid overtime is not as widespread as before because of increasing union activity in the industry (Amin Interview 1995).

Not unexpectedly, conditions such as those described above have affected the health of the female garment workers. As a result of the intensity of work, they suffer a number of adverse health problems, especially the sewing machine operators. Indeed, almost all

workers in one survey claimed they enjoyed much better health before commencing work in the garment factories (Chaudhuri and Paul-Paul-Majumder 1991, 103). Should workers be sick, they rarely take time off because of the fear of losing their jobs, or the common practice of management to impose penalties. In interviews with workers it was pointed out that it was not uncommon for operators and helpers to be fined Tk50 and Tk25 respectively for non-attendance. Eye, back and neck complaints are common because of poor lighting and the close, confined and sustained nature of repetitive stitching. Also, many suffer urinary tract and gastro-intestinal problems because of the lack of toilet breaks, and insufficient time to consume their meals (Akhter Interview 1994). While some factories do provide medical treatment -a requirement by law for large factories only – this is very rare. Another predicament females constantly face is sexual harassment, either as a form of discipline or as an inducement for gaining employment. It has even been reported that some garment workers have been ‘forced’ to give sexual favours to buyers to ensure the securing of contracts (Firoze Interview 1996).

These problems are further exacerbated by the fact that most garment factories are located in residential and commercial areas in buildings not designed for large workforces. On visiting factories, and from interviews with workers, it was common to discover that there were only two toilets, one for males and one for females. Considering females greatly outnumber males and that toilet breaks are supposed to be taken during lunch breaks, this deficiency is particularly onerous for the female garment workers. In some factories visited, there were between 100 and 200 female employees expected to use the toilet facility at lunchtime. Yet another problem, especially in hot weather, is the lack of sufficient drinking water in a large number of the factories, with some workers reporting they knew of many factories that had no access to drinking water at all. As a result, during the summer months, female workers often faint out of sheer exhaustion and suffocation in hot, congested work places (Akhter Interview 1994).

A particularly troublesome problem associated with the unsuitable nature of buildings used as garment factories, is the potential danger workers face in the event of fire. Given that most factories have sub-standard electrical wiring systems, insufficient stairways or exits, and usually locked entrances, many workers have lost their lives in factory fires

with many more suffering serious injuries (*Daily Inqilab*, 28 December 1990; *Bangladesh Observer*, 15 July 1994; *Financial Express*, 5 August 1995; *Independent*, 7 November 1995). When questioned about the facilities in garment factories, a BGMEA representative acknowledged they were inadequate and that the government needed to allocate lands for the relocation of the industry to factories specifically designed for garment production (Hossain Interview 1996). In light of this serious situation, in 1997 a ministerial committee suggested that “some immediate, mid-term and long term measures” be taken to avoid future garment factory fires. In this context, it was recommended that separate industrial zones incorporating properly designed factories be established solely for the export garments sector (*Daily Star*, 3 September 1997), a recommendation that was still awaiting implementation in 1999. This committee also directed that factory owners take immediate fire safety measures to address the problem including the provision of sufficient fire exits by way of two sets of stairs. The BGMEA, which was given the task to monitor this direction, stressed that factory owners would not have their licenses renewed if they did not cooperate. However, the onus on owners to provide a second set of stairs was subsequently relaxed as it posed problems because “they did not have the facilities” (*Independent*, 11 July 1999). With more fires and more loss of life (*Independent*, 5 June 1998; 10 July 1999; 23 January and 28 August 2000) the alliance of national trade unions, SKOP, intervened to demand more concerted and immediate efforts to ensure safe workplaces (*Independent*, 1 December 2000). All in all, with an estimated total death toll of over 300 garment workers over ten years, increasing problems with issues of health and safety have significantly contributed to the resolve of garment workers to organise.

As all garment factories involved in export-oriented production must be registered, they are liable to observe factory labour laws and industrial relations ordinances. Nonetheless, and as mentioned earlier, a hallmark of the export garments sector is that this range of laws is, more often than not, ignored by factory owners who run their establishments as they wish. Although there are law enforcing bodies that have the responsibility to ensure laws are observed, “irregular and some-time non-existing inspections by labour law enforcing authorities, ... make it easy for employers to adopt a cavalier attitude towards providing and maintaining congenialities” (Jahan 1989, 255). On the one hand, this

disregard can be explained by a Department of Inspection for Factories and Establishments that is severely under-staffed. When an official of this department, was interviewed, he claimed it was “absolutely impossible for his inspectors to visit half the garment factories let alone all of them”, and that there was an urgent need for the appointment of more staff to carry out this statutory requirement. Moreover, with ongoing budgetary constraints, the appointment of more inspectors was “highly unlikely in the foreseeable future” (Ahmed Interview 1996). On the other hand, it seems to reflect a general reluctance or inability by a weak state to enforce the applicable laws. A recent study found that this situation remained the same in 2001. It found that there were only eleven labour inspectors for the whole of the Dhaka, an area with over one million garment workers (National Labor Committee 2001, 56).

For the most part, the lack of state intervention to oversee the application of laws applicable to factory-based production can be explained by the largely uneven nature of capitalist penetration in Bangladesh, and by the destabilising nature of political developments since 1947. As noted, because the petty-bourgeoisie in Bangladesh has enjoyed a specific position in the state structure since gaining independence, and has taken advantage of the opportunity to accumulate capital, many of them acquired not only economic strength but also political influence. Certainly, this is the case with many Bangladeshi garment employers who constitute a powerful section of the administrative and bureaucratic machinery deeply involved in the operation of manufacturing capital with many owning their own garment enterprises. Furthermore, as the garment exports sector earns such a large percentage of the country’s foreign currency, any disruptions to production are kept to a minimum. Even ‘the most gentle nudge’ by authorities could prove too much for garment employers who are likely to respond by threatening to lay-off their employees (Ahmed Interview 1996). Consequently, it is as if the labour laws pertaining to women in the workplace are “merely written in books [to] collect dust in the shelves of libraries” (*Daily Star*, 9 June 1994).

### **Garment Workers’ Rights and the Labour Law of Bangladesh**

The exploitative and oppressive labour process involved in the manufacture of garments for export in Bangladesh is further highlighted by an examination of the labour laws that

reveals numerous violations. Industrial workers are covered by a range of labour laws, most of which have their origin in the labour laws of British India, and subsequently Pakistan, and while they may not be “as pervasive in Bangladesh as in India, they are more so [when] compared to East Asian countries” (Rahman 1986b, 127). These include the Workmen’s Compensation Act (1923), the Children (Pledging of Labour) Act (1933), the Payment of Wages Act (1937), the Employers’ Liability Act (1938), the Maternity Benefit Act (1939), the Minimum Wages Ordinance (1961), the Shops and Establishments Act (1965), the Employment of Labour (Standing Orders) Act (1965), the Factories Act (1965) and the Industrial Relations Ordinance (1969). Of these, a central reference point is the Factory Act of 1965 that prescribes the required hours of work, including overtime, the provision for holidays and for areas of health and safety.

### **The Factories Act, 1965**

Under the Factories Act of 1965, Section 2(f) states that a ‘factory’:

means any premises including the precincts thereof whereon ten or more workers are working or were working on any day of the preceding twelve months and in any part of which a manufacturing process is being carried on with or without the aid of power (Khan 1992, 209).

Accordingly, garment enterprises in Bangladesh are duty-bound to adhere to the regulations of the Factory Act, since the number of workers involved in the production process far exceeds the minimum number cited in the Act. Furthermore, under Section 6(1) of the Act, an owner “shall, at least fifteen days before he begins to occupy or use any premises as a factory send to the Chief Inspector” all details of the factory’s operations, including the number of workers to be employed. Also, under Section 8, government approval of the plans and fees for the licensing and registration of every factory is made obligatory (Khan 1992, 212-13).

Even though these provisions are followed by garment enterprise owners – no registration, no export license – they are also required by law to meet a range of conditions in relation to the physical nature of their buildings. For instance Sections 20(1a) and 20(1b) state that “In every factory ... sufficient latrines and urinals ... shall be provided” and that these “shall be provided separately for male and female workers (Khan 1992, 220-21). In augmenting these provisions, Rule 27 states that “where



females are employed, there shall be at least one latrine for every 25 females” (Khan 1992, 277). Again, under the heading of Welfare, Chapter V (Sections 43-48) of the Act stipulates that every factory shall provide “adequate and suitable facilities for washing and bathing”, as well as “first aid boxes or cupboards ... kept in charge of a responsible person who is trained in first-aid treatment and who shall always be available during the working hours of the factory”. As well, it notes that in factories employing more than 250 workers, “an adequate canteen shall be provided”; that in factories employing more than 100 workers “adequate and suitable shelters or rest rooms, and suitable lunch room with provision for drinking water ... shall be provided”; and, that in factories employing more than 50 women “there shall be provided and maintained a suitable room or rooms for the use of children under the age of six years of such women.” In those factories employing 500 or more workers, it points out that “there shall be provided and maintained an ambulance room ... or similar facilities, in the charge of ... medical and nursing staff”; and that occupiers “shall employ in the factory [a] number of welfare officers as may be prescribed” (Khan 1992, 232-35). Given most garment factories are housed in buildings not designed as factories, very few of the above stipulations are provided for the garment workers with the result that the employers simply ignore the law.

Whereas Chapter V of the Factories Act deals with the conditions under which workers are suppose to work, Chapter VI focuses on the length of the working day and week and, significantly, seems to stipulate contradictory legislation. For instance, Sections 50(1) stipulates that “no adult worker shall be required or allowed to work in a factory for more than forty-eight hours in any week”. However, Section 50(2) states that “... an adult worker may work for more than nine hours in a day or forty-eight hours in a week: **Provided** that the total hours of work of an adult workers shall not exceed sixty hours in any week and on the average fifty-six hours per week in any year” (Khan 1992, 235). Moreover, while Section 53 prescribes that the daily hours of work in a factory should not exceed nine hours, Section 65 states that:

- (a) no exemption from the provisions of section 53 shall be granted in respect of any woman; and
- (b) no woman shall be allowed to work in a factory except between 7a.m. and 8 p.m.(Khan 1992, 244)

Yet, under Section 65(2), the government reserves the right to waive this protection in the case “of women working in the fish-curing or fish canning factories where [it] is necessary to prevent damage to, or deterioration in, any raw materials”. Additionally, Section 70 states that no child (those under 16 years of age) or adolescent (those between 16 and 18 years of age) is allowed to work in any factory for more than five hours in any day and between the hours of 7 p.m. and 7 a.m. (Khan 1992, 246). While some of the more cautious factory owners do seek permission for their workers to work for more than the prescribed maximum of sixty hours, most seem to do what they want without reference to the law (Lokollo Interview 1996).

The structure of the working day is further addressed in Sections 54(a), (b) and (c) that respectively stipulate that no worker be made to work “for more than six hours in any one day unless he has been allowed an interval of at least one hour”; ... “for more than five hours in any one day unless he has been allowed an interval of at least half an hour”; and, “for more than eight and a half hours unless he has had an interval under clause (a) or two such intervals under clause (b)” (Khan 1992, 237). Notwithstanding these provisions, it is rare for workers to be permitted to take these breaks, with most only allowed to have a thirty-minute lunch break. In the case of workers being required to work overtime at night, a meal break in the evening is also permitted which, on occasion, attracts a tiffin (meal) payment that is often paid in lieu of overtime rates (Hoque, Murayama and Rahman 1995, 99-100). This occurs regardless of Section 58 which states that workers “be entitled to allowance at the rate of twice his ordinary rate of wages” (Khan 1992, 238), a right that is rarely awarded to workers, especially female ones.

Similarly, weekly holidays are covered in Sections 51 and 52. According to Section 51, workers shall be provided with a weekly holiday and they are not to be expected to work for more than ten consecutive days without a rest. Should workers be deprived of this holiday, then Section 52 allows for ‘compensatory holidays’ to be granted (Khan 1992, 235-36). The Act also provides for leave and paid holidays under Chapter VIII. For example, after twelve months of continuous work in a factory, Section 78 grants workers “during the subsequent period of twelve months’ leave with wages” which is calculated

at the rate of “one day for every twenty-two days of work performed”, or if a child, at the rate of “one day for every fifteen days” (Khan 1992, 248-49). For the purposes of this Act, a child is a person who has reached 16 years of age. Workers are also entitled under Section 79(1) “ten days’ festival holidays, with wages in a year”, and should a worker be required to work on any festival holiday, then Section 79(2) states that “two days’ additional compensation holidays with full pay and a substitute holiday shall be provided”. According to Section 80, “every worker shall be entitled to casual leave with full wages for ten days in a year”, and “to fourteen days’ sick leave on half-average wages in a year” (Khan 1992, 250). Once again, interviews with workers and various union officials indicates that these provisions are constantly violated and that female workers are more prone to discrimination than their male colleagues (also see Chaudhuri and Paul-Paul-Majumder 1991, 49; Hoque, Murayama and Rahman 1995, 84-85).

### **The Employment of Labour (Standing Orders) Act, 1965**

In addition to the 1965 Factories Act, the Employment of Labour (Standing Orders) Act of the same year is also significant in that Section 2 identifies the categories of labour found in industries and the major types of conflict, for example, the lay-off of workers and their rights to compensation when laid-off. While the latter, and the Industrial Relations Ordinance (1969), form part of the next chapter, of particular interest under this Act are the categories of apprentices, permanent workers and probationers as most workers in the garment industry fall into these classifications.

- (a) ‘apprentice’ means a learner who is paid an allowance during the period of his training; ...
- (m) ‘permanent workers’ means a worker who has been engaged on a permanent basis or who has satisfactorily completed the period of his probation in the ... industrial establishment;
- (p) ‘probationer’ means a worker who is provisionally employed to fill a permanent vacancy in a post and has not completed the period of his probation (Khan 1992, 157-59).

Coming under one of the Act’s categories means that the employment of these workers are covered and regulated by provisions of the Act. However, few workers “are given an explanation of their status or even of their duties or rights when they are ‘taken on’” (Hossain 1990, 76). While the period of probation for factory workers is given as three months under Section 4(2), this section also provides for this period to “be extended by

an additional ... three months if, ... it has not been possible to determine the quality of his work within [a] three months' period" (Khan 1992, 160-61). This extension is exploited by many garment firms to the extent that many probation workers can be retained at this status for a year, even years. Furthermore, evident in the drafting of the Employment of Labour (Standing Orders) Act is that workers are only described as male, which contrasts with the provisions under the Factories Act that cater for female workers. However,

the Act was modified in 1983, when the female labour force had already appeared ... Therefore, it is significant that the Act has no single line which shows that the industrial workers can belong to the female sex. This ignorance of the policy makers ... may become a hindrance for policy formulations in favour of female workers (UNIDO/UBINIG 1991, 50)

### **The Maternity Benefit Act, 1939 {Bengal Act IV of 1939}**

Although the majority of women employed in the garments sector are single, there are a number of married women who become pregnant. Consequently, as factory employees, these women have rights under Section 3 of the Maternity Benefit Act of 1939 that forbids an employer "to knowingly employ a woman during the (six weeks) immediately following the day of her delivery", and a woman is likewise forbidden from being employed for that same period. Also, under Section 4(1), a pregnant woman is entitled to a maternity benefit for the six weeks immediately preceding the birth and for the six weeks after delivery "**provided** ... she has been employed by the employer ... for a period of not less than nine months immediately preceding the day of delivery" (Khan 1992, 523). One survey found that few women were aware of their entitlements under this Act (Chaudhuri and Paul Paul-Majumder 1991, 138-39), while another claims that maternity benefits are not 'the norm' because:

The whole business of becoming entitled to prepartum benefits depends on notice accompanied by a doctor's certificate confirming the date of confinement. ... To expect uneducated women to maintain a strict schedule of delivery dates in order to time their maternity leave, when most of them have no access to medical care, remains an exercise in futility (Hossain, Jahan and Sobhan 1993, 96, 110).

The limited nature of the implementation of such acts, then, highlight the fragile nature of the state, the agencies of which are either too weak or corrupted and which are, therefore, incapable of ensuring that the legal rights of factory workers in Bangladesh are

protected. Certainly, a clear picture emerges concerning the conditions of work experienced by female garment workers in Bangladesh that involves far-reaching violations of the rights of these workers that are encapsulated in laws. By extending the working day, by withholding legally prescribed holidays, by paying wage rates well below the requirements, and by illegally extending the training period for new recruits, factory owners are able to restrict their production costs and increase the amount of value appropriated. To further deepen this reality, female workers are largely forced to work in factories that do not comply with what is required by law: there are not enough toilets, washrooms or health facilities, rarely are there lunch-rooms, and factories have insufficient ventilation. Moreover, alongside the exploitation of female garment workers is the ubiquitous problem of children working in the garments export industry in Bangladesh. The use of child labour has been extensive and represents yet another measure that garment firms resort to, not only to increase the rate of exploitation but, also, to facilitate their capacity to compete in the international garment market. In recent years, however, the practice of employing children as workers in the export-oriented garment sector in Bangladesh has attracted considerable international condemnation, resulting in a major controversy involving garment enterprises, NGOs and trade union bodies.

### **Child Labour and Export-Oriented Garment Manufacture in Bangladesh**

The United States Labor Department released a report in 1994 – *By the Sweat and Toil of Children* – which estimated that there were between 100 and 200 million child workers in the world, 50 per cent of whom were employed in Asia (US Department of Labor 1994, 24-26). This is not surprising given that the use of child labor in the capitalist labour market is nothing new (Elson 1982; Standing 1982), especially in Third World countries where workers usually receive miserly wages that are inadequate for the reproduction of family members (Standing and Rogers 1981). As one of the poorest nations, it is not surprising that Bangladeshi children have been and, undoubtedly, will continue to be used as a source of very cheap labour. In Bangladesh in 1990, there were over 5.5 million child workers between the ages of 10 to 14 comprising nearly 12 per cent of the total labour force, a figure considered far too high by international standards

(Ahmad and Quasem 1991, 2; Siraj 1996). As estimates vary widely, it is not possible to show how many children have been employed in the export garment factories of Bangladesh; however, it is clear that the number is very high. In 1995, in the midst of international humanitarian concerns over the use of child labour, an official random survey of factories in Dhaka, Chittagong and Khulna found that there were only 11,000 underage workers (*Bangladesh Observer*, 1 November 1995). Prior to this, and before considerable pressure was placed on the garment industry to phase out the use of child labour, estimates ranged somewhere between 150 and 250,000 (Sigelakis Interview 1996). Even the Economic Intelligence Unit (EIU) claimed a possible 350,000 Bangladeshi children had lost or were at a risk of losing their jobs in garment factories (EIU 1995, 17-18).

Regardless of the different estimates, it is clear that the number of children employed in the garment industry in Bangladesh is very high. In fact, the 'real' or 'actual' situation has been difficult to estimate as much child labour in garment factories has been 'hidden' because of its illegality (Amin Interview 1995). Interviews with garment workers revealed how underage workers were told by management that, if questioned, to give their age as the statutory requirement of 14. Also, from visits to garment factories in the mid-1990s, it was obvious that many of the employees were under-age regardless of signs at the entrance of the building declaring that 'this factory does not employ children'. Often, in rooms behind closed doors, it was not uncommon to find a group of quite young children sitting around a mound of stitched clothing tediously involved in the finishing process by trimming hanging threads off each item. Whatever the figure, Peter Custers, who claims that 25 per cent of workers in the garment factories are 'non-adults', writes that despite statutory provisions:

Whether a child is 14 years, or older or younger, he or she is expected to sweat the same number of hours in the factory as male and female adults. ... The owners neither respect the legal time limit for child labour, nor limit their hours of toil to the working time the Factory Act has fixed for adults (Custers 1997, 148-49).

Legislation against the use of child labour in Bangladesh include the inherited 1933 Children (Pledging of Labour) Act - passed to check abuses of child labour in

undertakings beyond the scope of the Factories Act - and the 1938 Employment of Children Act. Both these are considered quite comprehensive as they apply to all forms of employment in both the industrial and agricultural sectors. The 1933 Act restricts the employment of children in any occupation in those activities detrimental to their health and where the contract is not terminable within a week's notice (Khan 1992, 26-27). The 1938 Act also prohibits employing children under sixteen in any occupation involving the transport of passengers, goods or mail by railway, and in occupations involving the handling of goods within the limits of certain ports. As well, it prohibits employing children below the age of twelve from working in certain processes such as bidi making, cement and soap manufacturing, cloth printing dyeing and weaving, tanning and wool cleaning (Khan 1987, 30). Moreover, the 1965 Factories Act specifies the illegal nature of hiring children to work in factories. Under Section 66 of this Act, children under the age of fourteen are forbidden to work in a factory, and for children or 'adolescents' who have reached fourteen years of age, Section 67 requires they be issued with 'certificates of fitness' before being allowed to work in a factory. In addition, Section 70, states that only after reaching fourteen years can a child engage in factory work for a maximum of five hours per day (Khan 1992, 244-46).

As with other labour laws, these Acts pertaining to the use of child labour Acts appear confined to paper because there have been no concrete steps taken to enforce the various provisions. In the mid-1990s, however, when the use of child labour in Bangladesh's export garment factories attracted sufficient international concern, steps were taken to phase its use out to offset the potential threat of losing contracts. The child labour issue flared up in Bangladesh following the tabling in the US Senate of the Child Labour Deterrence Act in 1992 by Senator Tom Harkin. Referred to as the Harkin Bill, its intent had wide ranging support from the public and, notably, from the extremely active Child Labor Coalition (CLC), a consumer coalition based in Washington. The membership of the CLC included the International League of Garment Workers and it maintained a close working relationship with the American Asian Free Labour Institute (AAFLI), an international affiliate of the American Federation of Labor – Congress of Industrial Organisation (AFL-CIO), the largest labour organization in the United States (Kabeer 2000, 368). Concerned with the exploitation of children in industrial establishments, the

Harkin Bill called for a ban on the import of goods manufactured wholly or in part by child labour.

With the US comprising the largest export market for garments produced in Bangladesh, garment enterprises were faced with a very real dilemma. By continuing to use child labour to minimise production costs, the threat of discovery through random inspections could result in the cancellation or the non-placement of orders, or, with the withdrawal of special concessions granted to the garment industry in Bangladesh by the US and other governments. For instance, when the NBC TV Network showed a 'blistering' documentary of children working in a Bangladeshi factory that made shirts under contract to the US department store, Wal-Mart, the contract was subsequently cancelled (Clifford 1994, 60). Likewise, emotive newspaper articles in the US and Britain fuelled public outcry for the ceasing of contracts with garment manufacturers in Bangladesh. One New York newspaper reported that: "thousands of kids face 16-hour days in Bangladeshi sweatshops ... that churn out Levis and other garments for the blue jeans barons" (Siemaszko 1994). In Britain after a campaign run by one newspaper concerning the 'tragic' and 'pitiful plight' of young girls exploited in the garment factories of Bangladesh, the C&A chain store cancelled a very lucrative contract with its Bangladeshi supplier (Buckley and Fielding 1994a and 1994b). This was followed closely by the announcement that the British Government would be urged to support a European Commission proposal linking preferential trade terms for those developing countries that improve their labour standards (Fielding and Buckley 1995). While the media coverage helped highlight the issue of child labour in Bangladesh factories, it did not develop into a well-informed and analytical debate about international trade and labour standards. On the contrary, such coverage "fuse[d] many issues and ideas – political, economic and humanitarian - into a set of powerful and disturbing images that dramatise and personalise subjects that might otherwise seem technical and remote" (Kabeer 2000, 372).

In spite of claims by the BGMEA that child labour would be eliminated from factories, the problem persisted, partly as the result of garment manufacturers attempting to retain



a cheap source of labour, and partly as the result of the adverse impact of the introduction of the Harkin Bill, which saw many Bangladeshi children lose their much-needed jobs. One Oxfam researcher reported that between 1993 and 1994 around 30,000 to 50,000 children working in textile firms, especially garments, were thrown out of factories because suppliers feared losing their business if they kept them on (Bayes 1994). Indeed, with the impending passage of the Harkin legislation in 1995, the BGMEA prepared to put-off the remaining child workers, a threat that mobilised a coalition of international agencies due to the perverse outcomes of the Harkin Bill. With no support or rehabilitation offered to these children, it was feared that they would be forced into even more destitute circumstances prompting them - especially girls - to take up more dangerous and less desirable work such as prostitution.

Hence, in May 1995, the US Embassy, UNICEF and the ILO provided a proposed Memorandum of Understanding (MOU) to the BGMEA as a strategy to address the problem that would arise as children were released from the of child labour in Bangladeshi garment industry. Members of the BGMEA rejected the MOU on the grounds that no assurance was given that international buyers would accept the stipulations during the interim period of phasing out child labour by 1 September 1997. Following this rejection, the US based CLC announced a boycott against the garment exporters of Bangladesh, a threat the industry could not afford with more than US\$1 billion worth of garments being exported annually to the US. Consequently, the BGMEA proposed that they themselves would oversee the total elimination of child labour from garment factories by 31 October 1995 (*Daily Star*, 23 May 1995). However, such a 'heroic' decision had been made before when the BGMEA declared that the use of children in garment factories would cease by October 1994. Even though the BGMEA had been party to the negotiations involved in drafting the MOU, reports claim members found provisions unacceptable, notably, those relating to the verification process of the existence of child workers by the agents of foreign importers and the compulsory certification by agents. In sum, the BGMEA claimed no outside inspection was necessary because the issue of child labour could be solved through the existing laws in Bangladesh (Lokollo Interview 1996).

Describing the campaign as ‘malicious and highly motivated’, and fearing the possibility of a trade war with the US, the BGMEA re-opened negotiation for a revised MOU. These negotiations concentrated on the specific points concerning the rehabilitation of retrenched child workers, and the creation of an independent monitoring system to ensure compliance with the ban. A revised agreement was finally accepted and signed in July 1995 by officials of the BGMEA, UNICEF and the ILO. It was at this time that the Government of Bangladesh – notable in its absence from the negotiating process - stepped in to take part and ratified the agreement. The revised MOU required that no children be terminated from employment until they were placed in an educational programme, and that a stipend of Tk300 per month be paid to each child that is terminated, but only after their admission in a school. Half of this stipend was to be contributed by the BGMEA for a period of three years, and the US Government agreed to contribute funds to the ILO for the schooling scheme. Steps were then taken to ascertain the number of child workers and the most effective means of implementing the MOU component relating to education of the retrenched children (*Daily Star*, 25 May; 7 June; 5 July and 15 July 1995). Finally, in January 1996 six schools were opened for child garment workers in the urban centres of Dhaka, Chittagong and Khulna to be run by a prominent local NGO, the Bangladesh Rural Advancement Council (*Independent*, 1 February 1996). It is envisaged that, depending on finance from donor countries, 250 such schools will eventually be in operation, with UNICEF assuming the responsibility for setting them up in association with various NGOs that have experience in this field. The ILO’s role is to monitor the schools to ensure the children attend and do not drift back into paid work, as well as to assist in strengthening a particularly under-staffed Ministry of Labour by the addition of thirty trained personnel for routine monitoring of garment factories (Lokollo Interview 1996).

In June 2000, the ILO, the BGMEA and UNICEF signed another MOU, the MOU-2, to continue the achievements of MOU-1 for one year. More funding was committed for continued monitoring to keep the factories child labour free and for the continued provision of training skills for all working children removed from garment factories. By August 2000, it was claimed that the employment rate of children under the age of 14 in the garments sector had declined to 5 per cent from 43 per cent in July 1995 (Huq 2000).

With claims that the garments sector of Bangladesh had been made child labour free since the MOU's implementation, and that the model had been acclaimed by the world community and was being followed by other developing countries, one commentator argued that "as a reward ... for [the] elimination of child labour totally in the RMG sector, we deserve the benefit of 30 per cent [more] quota from the USA" (Haider 2000).

However, such claims need to be treated with caution. Although the MOU seems to have achieved a measure of success, because it applies only to the export sector, it is claimed that it has merely shifted the problem of child labour more onto the non-export sector. From a 1999 US Government report on child labour abuses in 16 countries, evidence suggests that "nearly 50,000 children dismissed by employers from garment factories in Bangladesh ... have found employment in other garment factories, in smaller, unregistered subcontracting garment units or in other sectors" (*Independent*, 2 April 1999). These other sectors include rock breaking and construction where conditions are even more exploitative and more dangerous and where any hope of protection or control is completely absent.

Even though the MOU is admirable in its intent, history has shown that legislation alone is unlikely to solve the child labour problem in Bangladesh. Indeed, a recent ILO study on the social dimensions of globalisation on Bangladesh makes the observation that:

child labour is widespread despite the Government's commendable efforts: according to official statistics, over 6 million children are at work, that is one child in five. Disturbingly, nearly 5 per cent of young children (aged 5-7) are reported to be working (Paratian and Torres 2001,v).

As child labour is rooted in poverty, the more pressing problem is the need to pay adequate wages to the parents of these children so there is not the economic need for children to work. This was acknowledged in a 1994 UNICEF report that rightly claims: "what is leading to child labour is the need to increase the parents' income which is too low or the fact that they are too destitute, underpaid and unemployed" (Siraj 1996). This view is replicated in a weekly Bangladeshi publication, *Friday*, which states that it "is essential for the American public to combine their commendable concern for the rights of children with a better and more realistic understanding of the constraints facing under-privileged children in Bangladesh" (Sobhan 1994). As well, a serious focus on the capitalist labour market is needed to assess those "situations in which children's capacity

to work, their labour power, is bought by enterprises which are producing for the market and trying to make a profit” (Elson 1982, 479). However, it also needs to be noted that it is not always the poorest households that allow children to work. An NGO representative remarked during an interview that:

Some families view work as necessary for life in the society, others claim it helps children build independence, and children themselves may protest against being prevented from working. In the long term though, the removal of exploitative labour practices against children are likely to be successful, however, the question of the balance between work and education will continue as a central issue in Bangladesh and other countries (Bose Interview 1996).

To summarise, the child labour controversy in Bangladesh has attracted many fervent responses. Besides the resentment shown by BGMEA and its members, many local NGOs and trade unions have accused the US and Britain of unfairly singling out Bangladesh. Allegations of ‘protectionism’, whereby US garment producers can better compete with Bangladesh as a low-wage garment manufacturing country, have been made (*Holiday* 2 June 1995; Karmaker Interview, 1996). Kabeer describes the child labour controversy as “perhaps the issue par excellence ... because it captures in microcosm the politics of protectionism ... being played out on the international stage” (2000, 367). In short, it is claimed that the US is ‘getting ready’ for the even playing field that will be created in a post-MFA environment after 2005 (). Also, the Bangladesh Garments Sramik Federation demanded a ban on the work of AAFLI - the prominent international labour-based NGO - operating in Bangladesh alleging that it is responsible for inciting the child labour campaign in Bangladesh. The claim is that “AAFLI was part of a conspiracy to ruin the Bangladesh garments sector and was being funded by some vested quarters in the West so they could have easy access to the largest US market” (*Financial Express*, 8 February 1996). Perhaps this is not surprising considering that the then country representative of AAFLI situated in Dhaka, Terri Collingworth, had a letter published in the *Mail on Sunday*, the British newspaper that ran the campaign against child labour in Third World sweatshops, particularly in Bangladesh. Under the title “The pitiful slaves of fashion’, it reads:

... Your article has made a big impact in Bangladesh where trade unions have been trying to persuade factory owners to comply with laws on pay and hours. No doubt Levi’s sent someone to inspect the premises producing their clothes. He or she would have been shown a factory specially prepared and probably

returned to New York thinking that all was well. Interviewing the owners is not enough. My organisation stands ready to help any company that wants accurate information about the real conditions here (4 December 1994, 35).

While the child labour and labour standards controversy need to be understood within the context of the passage of the Harkin Bill through Congress in the United States, and wider labour activist concerns about labour and safety standards in Third World factories, AAFLI's activities need to be also understood within the context of the machinations and larger agenda of its parent body, the AFL-CIO. Notwithstanding the laudatory goals of promoting 'the freedom of workers', the international institutes of the AFL-CIO do receive the vast majority of their funding from the US government. Other institutes are the American Institute of Free Labor Development that operates out of Latin America, the African-American Labor Centre that operates out of Africa and the Free Trade Union Institute that figured prominently in the overthrow of the communist regime in Poland (Sims 1992, 1-18). Funds for these bodies are directed through the US Information Agency and the Agency for International Development, an offshoot of the State Department. For example, in 1987 direct grants from these agencies accounted for 98 per cent of the AFL-CIO's funding, with the institute itself contributing only a paltry two per cent toward its overseas activities (Sims 1992, 22). This fact belies the AFL-CIO's claim to be a private organisation independent of Washington, and that 'intentionally or not' it has supported, and continues to support, the global dominance of the United States and the economic dominance of owners over workers (Sims 1992, 6). For instance, in South Korea, AAFLI has been identified as "an agent of the American government, not a legitimate union operation at all" (Ogle 1990, 173), while in Malaysia AAFLI "is believed by many to perform a labour watchdog role for the CIA and for US interests" (Das 1991, 151). Similarly, in Bangladesh, criticisms of AAFLI are best understood in the context of the following claim: "if there is donor money, there must be a donor agenda and if there is a donor agenda, it cannot be [for] our own national interest" (Anam 1995), although logically this is not necessarily the case.

Moreover, as AAFLI has been prominent in assisting the formation of BIGU as a successful and politically independent trade union body for garment workers, it has been identified as an organisation working against the interests of garment manufacturers in

Bangladesh. For instance, a representative from a local NGO, Steps Towards Development, claims that AAFLI has caused much 'segregation' in the industry, meaning that "owners of large factories are sub-contracting more to escape the problem of trade unionism, especially BIGU activities" (Bose Interview 1996). Similarly, an Oxfam representative questioned AAFLI's motives:

This is naked protectionism. If it was really about helping children then they wouldn't have pushed the children out on the streets ... It is very clear now that whatever the BGMEA does here, there is a whole lobby in the US which doesn't want Bangladeshi garments (cited in Kabeer 2000, 370).

While the conflict concerning AAFLI and BIGU's operations in Bangladesh is developed further in the following chapter, it is suffice to comment that AAFLI has been subject to many vilification campaigns from the BGMEA and trade union bodies in Bangladesh. Nonetheless, regardless of its intentions, AAFLI's assistance has been vital to furthering the class interests of female garment workers in Bangladesh.

Indeed, it seems the wider ethical issue of labour and safety standards have become more pressing in Bangladesh since the child labour controversy Hosain (1999). With growing international outrage at the exploitation of Third World workers through globalisation, labour standards have become, one commentator writes:

...especially important for Asian manufacturers whose competitiveness is under attack from Western trade unions, consumers and shareholder activists. And a new generation of executives at some US firms wants to make sure that suppliers are in tune with the corporate values and mission statements that are increasingly popular in the West (Clifford 1994, 56).

Although there are numerous ILO labour standards that govern working conditions and industrial relations, five are identified as core standards. Employed by labour rights activists and the international community, these are: freedom of association, freedom to organize and collectively bargain, a minimum age of employment, no forced or slave labour, and prohibition of discrimination (Mah 1998, 293). Moreover, they are all standards that have been ratified by Bangladesh when under both British and West Pakistan colonial rule (Khan 1987,105).

Major importing companies of Bangladeshi garments are now insisting that minimal sourcing standards – a supplier code of conduct - are adhered to in their subcontracting

factories, a requirement the BGMEA has not taken lightly. For instance, at the annual BATEXPO in 1998, a seminar was held on 'Compliance of the Code of Conduct at Workplaces of the RMG Industry' at which the keynote speaker was ILO Project Manager, Rizk Van Haarlem (*Independent*, 19 October 1998). In fact, it is not uncommon now for buyers' inspection teams to visit Bangladesh with 'check lists' before placing orders to determine whether the factories are capable of complying with labour and safety standards. Considerable concern has been expressed about this practice because these inspection teams often include people from countries that are Bangladesh's competitors of ready-made garments in the US and European markets (Ahmed 1999). Essentially, attempts to link trade with labour standards have not been welcomed by the BGMEA and its members because they are perceived as amounting to protectionist sentiments and as posing serious threats to the competitiveness of the export garments sector in Bangladesh. It is thought that such measures eliminate the comparative advantage of labour abundant industrializing countries, thus diminishing the benefits of free trade. Also, a touch of irony is evident because "multinationals have abandoned the cause of workers in their own countries because they can get away with sub-standard labour conditions in countries where labour protection and rights are little respected" (Manning 1998, 133). Nonetheless, the requirement for manufacturer compliance evaluation reports has also been welcomed and is expressed in the following way by one local commentator:

Our cheap labour is the predominant feature that encouraged the garment manufacturers to establish factories in Bangladesh. Some entrepreneurs took this advantage and they even denied the workers their fundamental human needs. The American people deserve appreciation for introducing such [reports] that ... improve working conditions of the garment workers. The people of Bangladesh, especially those who value general workers, express their sincere gratitude and thanks to the US government. They feel that these laws have come as blessings for the workers of Bangladesh. We expect that the workers of other sectors will also [benefit] ... (Ahmed 1999).

## **Conclusion**

From the above examination of the structural conditions of employment in the export garment factories in Bangladesh, a particularly exploitative labour process has been revealed, a process accentuated by a considerable lengthening of the working day and week. Characterised by intensive work methods, direct supervision, strict discipline and

the use of child labour, the industry offers its workers little more than poorly paid wages under very poor working conditions. This industrial reality is inextricably linked with numerous violations of the rights of these workers to which the state seems powerless to redress. Underlying and furthering this process is the extent to which the forces of accumulation compel garment entrepreneurs to produce at a price that allows them to compete in the international market. To put it another way, the increasingly fierce nature of competition in the global trade for garments has placed an inexorable demand on garment enterprises in Bangladesh whereby the extraction of surplus value is predicated on an intensely exploitative labour process.

However, although the export garments industry in Bangladesh is generally renowned for its low rates of pay and poor working conditions, the often complex, informal and contradictory nature of workplace relations has helped shape working class struggles. In this respect, the demands of producing garments for export – dictated by acceptable quality standards and meeting delivery schedules - has presented manufacturing capital in Bangladesh with a dilemma. As the next chapter explains, with the need to keep production centralised or in-house to maintain close supervision and control, the capacity for labour to organise has been enhanced. In a radical departure from the supposed servile status of Bangladeshi women, the female garment workers are increasingly becoming identified as an integral part of an historically active and militant working class in Bangladesh. No longer are they willing to remain passive and accepting of their exploitative working conditions, or, to return to their villages or seek out other employment; rather, their experience as factory workers has motivated them to fight for their rights enshrined in the labour laws of Bangladesh.



## **Chapter 6**

### **Women Organising in the Export Garments Industry of Bangladesh**

#### **Introduction**

Undoubtedly, the rigorous demands associated with producing quality garments for the export market has prompted the predominantly female workforce in Bangladesh to organise. While this 'new' section of the urban-based industrial workforce was initially hesitant to even articulate their grievances to management, they eventually began to resist the exploitative conditions associated with factory-based, labour intensive production. In addition to trade unions, they sought support from NGOs and women's groups whose general objectives fell in line with trade unions. Given the strong alliances between trade unions and political parties in Bangladesh, however, the female garment workers soon realised they were merely being used for party political matters rather than achieving any real improvement in their conditions of work. Importantly, this reality of a state-co-opted labour movement, or, political unionism, further shaped the capacity of the garment export workers to resist by becoming involved in the formation of a new independent garment workers union. Put simply, the rise of activism in the export garment sector of Bangladesh emerged not only in response to an intensification of work but, also, to officially sanctioned labour as an effective arm of dominant interests.

This chapter will show that in the wake of the apparent failure of existing trade union structures to effectively redress worker grievances in the export garment sector, the Bangladesh Independent Garment Workers Union (BIGU) began to emerge as a new and independent union. With no formal political affiliation, BIGU was set-up with the vital assistance of the Asian American Free Labour Institute (AAFLI), an international quasi type of NGO involved in working with Third World labour issues. The formation and subsequent popularity of BIGU, as a vehicle through which garment workers could express their interests, demonstrates how capitalist relations impact on women. Importantly, the emergence of BIGU also provides a case against the NIDL's claim

about the passivity of Third World female workers and essentialist notions of culture. Additionally, the claimed independence of this union signals a move away from 'political unionism' which has been a pivotal component in the history of labour organising in Bangladesh. Such has been the success of BIGU that both employers and state officials have expressed concerns that its rise and expansion poses a potential threat to the export garments industry's survival, an industry that has played a key role in the initial industrialisation process of Bangladesh. Similarly, existing national trade union federations have shown concern because BIGU has attracted thousands of members and has the further potential to attract the majority of the export garment workers and, moreover, to develop into yet another rival trade union federation in Bangladesh.

Above all, it can be argued that the popularity and achievements of BIGU represent a growing awareness or class consciousness among the female export garment workers of their oppressive working conditions and demonstrates that passivity has been replaced by activism in the pursuit of their legal entitlements as factory workers. In this way, the garment workers of Bangladesh contradict the NIDL's claim that Third World female workers are compliant and reluctant to organise, rather, they have emerged as a force affecting capitalist development. It is as if class analysis - in spite of its recent marginalisation as a mode of theorising and as the key to political mobilisation - is as central to understanding the dynamics of contemporary capitalism as it has ever been. Appropriately, Adam Przeworski writes:

The working class has been neither a perpetual dupe nor a passive victim: workers [do] organise in unions and in most countries as political parties; these organizations have political projects of their own; they [choose] strategies and [pursue] them to victories as well as defeats. Even if itself moulded by capitalist relations, the working class has been an active force in transforming capitalism. We will never understand the resilience of capitalism unless we seek the explanation in the interests and in the actions of workers themselves (1985, 3).

In contextualising this process as it relates to the Bangladeshi female garment workers, this chapter draws heavily on is how Katznelson and Zolberg's social theory - outlined in Chapter One - in identifying the development of a class consciousness and activism among the garment export workers of Bangladesh.

## **The Development of Class Consciousness Among Bangladeshi Garment Workers**

The concept of class consciousness as it pertains to the Bangladeshi garment workforce relates to how over the years these workers have become conscious of themselves as a class in opposition to the garment capitalists, and not in any revolutionary sense as a class politically conscious of its 'historical role'. Marx clarified this when he wrote:

This mass is ... already a class in relation to capital, but not yet a class for itself. In the struggle ... this mass becomes united, and constitutes itself as a class for itself. The interests it defends become class interests. But the struggle of class against class is a political struggle (cited in Tucker 1978, 218).

In this sense, the contentious claim by Marx that workers develop a political consciousness associated with the overthrow of the capitalist system has, Katznelson and Zolberg argue, never been attained by any working class in the world. While there are wide variations between the experiences of different working classes, there are no national histories of class formation utterly lacking in the efforts to create trade unions (1986, 18-20).

Before proceeding, a brief reiteration of the four level structural analyses as posed by Katznelson and Zolberg is appropriate. While the first level depicts a group of workers who are compelled to work for a wage and accept their commonality in the production process in specific historical periods of capitalist development, the second level depicts the actual circumstances of the workers lives within as well as outside the workplace. Although the first two levels are closely related, to conflate them into a single category, excludes "important questions about the connections between key aspects of capitalist accumulation and national economic histories on one side and the organisation of labor markets and workplaces on the other" (1986, 16). At the third level, workers then come to identify their common economic interests and, finally, at the fourth level, a political or class consciousness is developed as they come to realise that collective action is necessary to advance their interests (1986, 14-21). It is only when all these four levels are present simultaneously, or, when workers have passed through these different levels of articulation and organisation that their agency becomes apparent. By applying this model to an empirical study of the female export garment workers in Bangladesh, unexamined essentialist assumptions about these workers as posed by the NIDL thesis

can be explained and thus challenged.

At the first level, whereby class is used objectively as a tool to analyse the 'motion' of capitalist development, a particular national history of economic development in Bangladesh becomes apparent. In the mid-1970s, there occurred a clear shift in economic policy from import substitution to export-led industrialization that was accompanied by the selective privatization of state industries and the promotion of private sector investment. As part of this process, the production of garments for export commenced in the late 1970s, and by the early 1980s, a quite specific mechanism of exploitation had emerged. This entailed the availability of a labour force that could be employed for low wages and that could adjust to a particularly onerous labour process. These requirements were met by an intensification of the process of proletarianisation through increased impoverishment in the rural areas of Bangladesh on the one hand, and by the practice of *purdah* becoming increasingly untenable, on the other. Increased urban migration now included poor, young females who were forced to seek out waged work in the privately owned export factories opening in the major urban centers. In terms of working class formation, this economic compulsion provided the necessary condition for the injection of a first generation of female workers into the Bangladeshi industrial working class.

It is at the second level that the subjective aspect of class becomes apparent as these young female garment workers experienced a new form of social organisation that was to shape their patterns of life, dispositions and collective action in particular ways. Class is now a concept that is an 'experience-near' rather than an 'experience-distant' tool as it includes workplace relations and labour markets as well as new living arrangements and ways of interacting (Katznelson and Zolberg 1986, 15-16). In the case of Bangladesh, this level reveals that the production of garments for export is factory-based and carried out almost entirely in-house. Moreover, production workers have been drawn from a labour market that now included an abundant supply of young, single and poorly educated females with strong village ties who usually reside together in hostel like accommodation. These workers are overwhelmingly preferred by factory owners who, in the context of a system of social control predicated on patriarchy and *purdah*, consider

them to be suitably subservient and more appropriate than males for the unremitting and tedious labour process involved in garment manufacture. This is borne out by one factory owner who stated that: “sewing is women’s work. If I hired men, they would be harder to discipline and would end up forming unions as there is a long history in our country of militant union activity” (Khandaker Interview 1994). Even though this second level of analysis may inform how garment workers toil, exist and live in particular surroundings, it does not necessarily show how they think or act according to their experienced circumstances.

It is at the third level that classes as formed groups, sharing dispositions can be discerned from which “cognitive constructs map the terrain of lived experience and define the boundaries between the probable and the improbable” (Kartznelson and Zolberg 1986, 17). In short, this level refers to the female Bangladeshi garment workers as first-time, urban-based industrial workers, and to their plausible and meaningful responses to the circumstances in which they found themselves. The transition from either unpaid family labour or extremely lowly paid agricultural labour to wage labour in the labour-intensive industries associated with EOI – the shift from formal to real subsumption of labour - has been one that has presented these workers with the possibility of greater independence. Most certainly, it is possible to argue that, for many of these women, the experience of receiving a money wage is one that has actually empowered them. However, this transition also includes being exposed to, even trapped by, the appalling working conditions of assembly-line garment production in which motion and speed is critical to meet daily quota targets. One worker described the work environment in the following way:

the roar of the machines hurts your ears, your back hurts and your eyes water all day. We are not allowed to fall behind, if we do the supervisors yell at us. We have to put up with this seven days a week. It is like being a slave (BIGU Workers’ Interview, 1996).

Finally, the fourth level reveals the emergence of a class consciousness among the female garment workers with many making concerted attempts to take conscious and collective action to organise in pursuit of common goals. From the mid-1980s on, workers started to meet outside the workplace to discuss strategies of organising and

resisting around issues of their exploitation. Also, through living together in women's hostels and dormitories and through the simple act of exchanging information when walking to and from the factory, garment workers gained a sense of unity and strength. Indeed, a strong sense of community from working and living together has become an important aspect to the development and perpetuation of a class consciousness among these workers. Furthermore, from the late 1980s, this initial sense of solidarity gained further strength from the increasing activities of NGOs, women's groups and trade union federations in promoting the rights of garment workers through seminars, workshops, protests and rallies. Fundamentally, while their class consciousness was something forged in the factory, it has also emerged out of the body of fragmented worker thoughts, shared knowledge, experiences, values and suffering grounded in a network of worker organisations and grassroots NGOs. Increasingly more, non-factory organisations in Bangladesh have become central to promoting gender awareness as well as worker agency and the growth in militancy.

In sum, Katznelson and Zolberg's second, third and fourth levels are certainly relevant as they represent what E.P. Thompson referred to as the conjunction between 'lived' experience and 'agency' as a way of setting social forces in motion (Steinberg 1991). In the case of the Bangladeshi female garment workers' experience, the resolve of many to fight against those institutional structures central to their exploitation was set in motion: against a repressive work regime; against a weak state unable to enforce the labour laws of Bangladesh; against the cultural constraints of patriarchy and *purdah*; and, in some instances, against a trade union movement unable to respond effectively to the grievances of women workers who may not necessarily fall into the 'working class' categories familiar to them. Put another way, they have been able to translate their experience into a critique of their oppression as well as an agenda for action. As Thompson wrote:

Class happens when [people] as a result of [their] common experiences (inherited or shared), feel and articulate the identity of their interests as between themselves, and as against [others] whose interests are different (and usually opposed to) theirs. ...Class consciousness is the way in which these experiences are handled in cultural terms ...(1968, 9).

Although no official figures are available on the total number of unionised garment workers, and research suggests that only a small proportion of them have actually signed up as members of unions, arguably, this is not from a lack of desire to do so. Although employers have responded with the instant sacking of workers identified as unionists, this situation no longer holds the same degree of fear it formerly did. It has facilitated rather than hindered an emerging class consciousness because, over time, the fear of joining a union has diminished because of the strength and resolve that solidarity brings. Finding ways to support each other, whether in the community, the boarding houses, on the streets or in the factory itself has been central to their struggle, a struggle that is fundamentally about securing their statutory entitlements as industrial workers of Bangladesh. Problems of low pay, inhumane treatment, poor conditions and inadequate facilities are all issues the garment workers in Bangladesh have and continue to organise around. As one NGO worker stated: “they have become a determined and militant bunch of workers – they do not want sympathy or tears, just hard fought efforts to improve their lot” (Akhter Interview 1994). Commentator, Jeremy Seabrook, has also noted this determination:

If anyone will change the living conditions and wretchedness of the people of Bangladesh, it will be these young women and the thousands like them who pour forth from the slums of Dhaka each morning to labour on garments we unthinkingly buy ... (cited in Moody 1997, 203).

Indeed, research suggests that class formation among the female garment workers has emerged with the four levels of structure, patterns of life, dispositions and actions simultaneously evident.

### **The Rise of Activism Among the Bangladeshi Garment Workers**

Even though the emergence of an export-oriented garment sector brought new insecurities in its wake, it also provided its workers with new potentials and opportunities. Interviews held with groups of garment workers in 1994 and 1996 clearly indicated a process whereby Bangladeshi females were relinquishing former perceptions as the passive occupants of predestined roles, and increasingly becoming active agents by anticipating new uncertainties and taking advantage of new possibilities. However, as the garment workers were initially fearful of lodging complaints with management about their oppressive working conditions, an informal network system emerged whereby

workers would meet out of working hours at parks and cinema halls to discuss ways of challenging their exploitative conditions of work, including the possibility of unionising. Described as ‘underground’ activities’, it was from these meetings that simple strategies of resistance were devised as coping mechanisms in the factory such as the use of eye contact and body language in the factory and, at times, the more serious decision was made to lower production targets by ‘go slows’. Although the latter would bring down the wrath of management, workers claimed they were worth it “because it made us even more angry and more determined to rebel” (NGWF Workers’ Interview 1995).

Workers who had been employed in the industry for sometime explained that in the beginning they had no idea they were legally allowed to form a union despite having some knowledge about trade unions being active in many industries in Bangladesh. For the most part, it was thought that unions were only for male workers (BIGU Workers’ Interview 1996). Indeed, most female workers taking up employment in the garment factories for the first time in the 1980s were ignorant of this right. Only a few studies focusing on a small samples of garment enterprises have been conducted on this issue and they found in the early 1990s that 51 per cent of female workers had no knowledge about trade unions and their roles, and a further 10 per cent were reluctant to take part in union activities for fear of being dismissed (Chaudhuri and Paul-Majumder 1991, 134; Hoque, Murayama and Rahman 1995, 106). However, from numerous interviews carried out with trade unionists, NGO officials and garment workers themselves in the mid-1990s, it is clear that knowledge about the right to unionise has become more widespread.

Even though the majority of female garment workers were deprived of the opportunity of unionising and the protection and benefits that this can bring, those female workers who did take up the fight for job security, for the application of the prescribed minimum wage and for the right to unionise, have set examples for other workers and created a precedent for ongoing organising activities. In so doing, they have made a break with the norms of female propriety and virtue by showing that it is possible to engage in militant forms of behaviour, particularly in the face of new economic exigencies. Central to this process since the mid-1980s is that the garment workers have become a major source of



strength for the women's movement in Bangladesh that, together with NGOs, have actively promoted the rights of garment workers through regular seminars, workshops and conferences. For instance, in 1992, the Bangladesh Nari Shilpa Sramik (Women Industrial Workers of Bangladesh) ran a seminar that was attended by a wide cross-section of people including female workers from twelve industrial sectors including garments and textiles (Akhter Interview 1996b).

These linkages and associated activities have led to the development of a strong commitment among many female industrial workers in Bangladesh from which the garment workers sense of solidarity - their class consciousness - has been strengthened. Indeed, with the assistance of NGOs and existing trade union structures keen to gather garment workers as affiliated members, eighty-one plant level unions were legally formed between 1984 and 1991; however, few survived (Khan Interview 1996). In part, this can be explained by a 1986 study that found garment factory owners considered trade union formation to be unnecessary as management 'solved' the problems faced by their workers. As well, many thought they had the right to suppress worker militancy because the industry brought in substantial foreign exchange for the nation (UNIDO/UBINIG 1991, 71). In short, during these years evidence of retrenchment and punishment by management made union activity a risky business for those workers courageous enough to take up the fight for their legal entitlements. Nonetheless, they provided an empowering and fertile grounding in the potentials and opportunities associated with workers' struggles.

Given the male dominated culture of trade unionism in Bangladesh, it has been useful for the female garment workers to interact with organisations whose agenda corresponds with the overall aims of trade unions. These include both local and international NGOs, women's and human rights groups that have mushroomed since the mid-1980s, such as the locally based UBINIG, Nari Uddog Kendra (Centre for Women's Initiatives), Steps Towards Development and Women for Women, and international bodies such as AAFLI and the Women's Development Unit of UNICEF. Offering such diverse facilities as health centres, libraries, seminars and discussions on the rights of women as citizens and waged workers, these organisations have played a crucial educative role in extending the

arena of struggle for the garment export workers. By bringing them together, they began to question their working conditions and to gain strength that collectivity can deliver. Their resolve to take action increased throughout the 1990s. Quick to take part in rallies and public protests, they have become a significant political constituency to the extent they can no longer be considered as subservient and docile.

## **NGOs and Women in Bangladesh**

While there were only a few international voluntary organisations working in the then East Pakistan prior to 1971, the emergence of Bangladesh as an independent nation saw the activities of NGOs in Bangladesh mushroom. Most emerged with the assistance of foreign donors who took an active role in rebuilding the war-ravaged economy and socio-political structure of the country (Huda 1987). Then, with the launch in 1975 of the United Nations International Decade for Women, women's issues were tagged to development issues during the tenure of General Ziaur Rahman (1975-1981). Women's issues suddenly came to represent a new resource with a range of individuals and groups gaining access to funds and/or social and political recognition. It has been argued, however, that a major limitation of NGOs is that, as they are accountable to governments or donors and that, as a result, they only have the potential to reinforce old roles and impediments rather than to equip women with access to new types of resources, thereby prompting new potentials and possibilities. In this capacity, Elson claims that women availing themselves of NGO assistance need to be regarded as not just clients of bureaucracy, as they are "social actors, disempowered but not powerless, capable of being 'agents of their own development, able to exercise choices and set their own agendas'" (Elson 1991, 14). In a similar, argument taken up in relation to the early activity of NGOs, Kabeer points out that both the state and international agencies working in Bangladesh "remained tied, in practice, to an extremely limited, urban, middle class and frequently Westernised set of ideas about what constituted 'proper' work for women" (2000, 65). She elaborates this claim by explaining that:

[Agencies] were organised by elite women to provide literacy training and income-generating opportunities for destitute women along welfarist lines which defined poorer women as 'clients' dependent on the project for direction funds, training and marketing support. Indeed, the distinction made in the official discourse between 'employment' for men and 'income-generation' for women was strikingly symbolic of the mainstream/residual gender distinction which

characterized much of the government's development efforts. Nor did NGO activity manage to shift these attitudes (2000, 66).

In fact, most of the work of NGOs in Bangladesh has been concerned with poverty alleviation through income generating projects, for example, by the Bangladesh Rural Advancement Council, the Grameen Bank, Gonoshasthaya Kendra, Nijera Koria, Proshika and Saptagram (Sanyal 1991; Mizan 1994; Holcombe 1995; Westergaard 1996). Although the renowned Grameen Bank is technically not an NGO, being a commercial organisation concerned with profit and partially financed by the state, its activities can be evaluated in juxtaposition with other NGOs as its aim is to empower rural women through the provision of credit. However, when a prominent feminist who has been involved with the women's movement in Bangladesh for twenty-five years was interviewed in 1996, she remarked that credit schemes have done little to improve the lot of Bangladeshi women, noting that "because of the high interest rates charged, women have fallen victims to vicious circles of creditors: they are now born into debt, live in debt and die in debt" (Nabi Interview 1996). Nonetheless, in spite of such ambiguities, it is argued that NGOs have made an important contribution to the empowerment of Bangladeshi women. In the absence of a strong state to protect the under-privileged, NGOs have involved women from destitute backgrounds in numerous income and employment generating activities (Hashmi 1997; Goetz and Gupta 1994; Kabir 1987).

With an increasing emphasis on EOI from the late 1970s and the emergence of an urban-based female workforce, by the end of 1995, NGOs in Bangladesh totalled 986. Of these, 848 were locally based and 138 foreign based, and they employed a total of 119,666 persons of whom 119,201 were Bangladeshis. In a special supplement to a national newspaper, it was claimed that Bangladesh was regarded as the world's leader "in terms of number organisations, extent of coverage ... and percentage of the total population covered by their activities" (*Daily Star* 30 December 1995). This growth, however, was not only quantitative as it was accompanied by a qualitative shift from the more primary, individual and immediate welfarist approach to one based more on collective, longer-term empowerment through processes of 'conscientisation'. More NGOs became involved in extensive educative programmes aimed at promoting

awareness among the new generation of female workers about their statutory entitlements. Considering the inability of the Bangladeshi state to enforce workers' rights, it was crucial that NGOs direct their activities more toward achieving organisational and mobilisation power rather than being limited by the parameters of local-level projects or restricted by acceptable and predefined agendas.

Essentially, in this shift from the previous preoccupation with the manifestations of poverty, a category of local labour based or grassroots organisations emerged to focus on issues of class and gender. The primary objective of these NGOs has been to promote an understanding amongst poor working class women about the nature of their collective oppression and to impart to them their organisational capacity to resist. Put simply, "from a state of powerlessness that manifests itself in a feeling of 'I cannot', empowerment contains an element of collective self-confidence that results in a feeling of 'we can' (Dighe and Jain 1989, 87). In this way, workers "are encouraged to analyse the roots of their oppression and to break the 'culture of silence' that is part of the condition of poverty" (Kabeer 1991, 54). These urban, labour-based NGOs have substantially contributed to the awareness, courage and solidarity required for the Bangladeshi garment workers to become involved in organising attempts. As they are not so constrained by the long arm of the state, and are generally flexible and somewhat unbureaucratized, they have been adept at bypassing the mechanisms of state control by carrying out community-oriented activities.

Of these 'new' NGOs, UBINIG is one prominent example. Formed in 1984 by concerned social scientists, this locally based NGO has been involved in carrying out research on women in development by critically examining the whole issue of EOI. Since 1986, UBINIG has been extensively involved with the garment industry workers by running informative gatherings about their statutory rights and, also, by setting up a clinic to assist those workers experiencing work-related health problems. Additionally, in concert with the National Garment Workers Federation, UBINIG has been responsible for encouraging many garment workers to become union members (Akhter Interview 1994). Two other locally based NGOs working in a similar capacity are Karmajobi Nari (Working Women) and Nari Uddog Kendra (Centre for Women Initiatives). Both were

formed in 1991 in response to the shift of Bangladeshi women into the industrial urban workforce because of the labour intensive industries associated with EOI. The former is linked with the Jatiyo Sramik Jote (National Workers' Front) Bangladesh, and has operated to bring together working women from both offices and factories to develop organising strategies and to challenge the culture of male dominated trade unionism in Bangladesh (Akhter Interview 1996). Alongside these local labour-based NGOs are a number of prominent international NGOs working to assist in either the training of garment workers, such as agencies linked with the United Nations, or in helping these workers to unionise, such as the labour-based, quasi-NGO, the AAFLI. In fact, this latter organisation has been at the centre of considerable conflict with locally based NGOs and trade unions, the essence of which is the alleged involvement of AAFLI in the use of child labour issue in Bangladesh and, by extension, the alleged ruination of the exports garment industry.

Essentially though, NGOS involved in working class struggles have been unable to form a cohesive, united front in Bangladesh. As a result, they suffer the same tendency toward fragmentation that can be identified within the broader trade union movement. In fact, many of these organisations are often entangled in rivalries with each other, because of either different political affiliations and agendas, or, in the case of local versus international NGOs, opposing positions as to who is better placed to deal with the domestic social and political realities. As well, more banal rivalry exists simply because of personality squabbles involving middle class activists organising the working class. In spite of these limitations, they have come to facilitate the capacity of women to challenge the belief systems and institutional structures that legitimise their subordination by developing empowering strategies to ameliorate their situation. Ideally, short-term goals can now accord with the long-term goal of sustainable empowerment so that the interests of working class women can link up with the wider struggle for more responsible development and for a more just resource allocation at the policy level. As Bangladeshi women are excluded from most sources of institutional power, their collective strength gained through a conscious process is perceived as the most significant transformatory stratagem at their disposal for empowerment. To cite Kabeer again:

Strategies of 'empowerment from within' provide women with reflection, analysis and assessment of what has hitherto been taken for granted so as to uncover the socially constructed and socially shared basis of apparently individual problems. New forms of consciousness arise out of women's newly acquired access to the intangible resources of analytical skills, social networks, organisational strength, solidarity and sense of not being alone (1994, 245-46).

## **Garment Worker Campaigns and Attempts to Unionise**

From a formerly unorganised industrial sector completely free from union activity, the export-oriented garments industry has been beset with worker attempts to organise since the mid-1980s. Despite some successes, their endeavours have been difficult because factory owners have often dismissed workers identified as unionists and disappointing because their efforts have frequently been used for party political purposes. Although the larger trade union federations – especially those with permanent links with the three major political parties – ostensibly have the capacity to influence policies for their membership, “it is a moot point, however, whether they can adopt policies ... which are in the interest of workers” (Rahman 1994, 43). In particular, this situation has impacted on the female garment workers who have been quick to realise they had become the “victims of male union officials who have over-riding political ambitions rather than the goal of improving the situation of female workers in the garment factories of Bangladesh” (Akhter Interview 1996a). Moreover, one trade union president claimed a general reluctance to launch efforts to organise the garment workers because, he remarked:

it is too difficult, especially as the government protects the industry and many of the garment owners have close political links, with some being politicians. The government will always protect the owners, never the workers in the garment sector (Rahman Interview 1996).

More generally, however, they have been faced with the problem that such organising activities have not been permitted in the garment factories operating in the country's three export processing zones. In the glossy brochure *Investment Opportunity in Bangladesh EPZs*, published by the Bangladesh Export Processing Zones Authority, it is clearly stated that “labour unions are not allowed to operate [and that] strike is illegal.” Furthermore, in the list of incentives to attract foreign investors, an exemption “from the operation of certain specified labour laws of the country” is offered (BEPZA 1990, 17,

20). Considering this specification, and that most of the production of garments for export occurs as a predominantly indigenous form of accumulation, zone workers and unions have been reluctant to attempt organising activities in the EPZs. However, in an interview with an ILO official in Dhaka, he commented that due to the growing number of reports indicating extremely poor working conditions for EPZ employees, one of his staff had been given the task of carrying out research in this area. He continued by saying that this chore was going to be very difficult “because the big capitalists there have a lot of power, and as gaining entrance to these zones is almost impossible, most of the research will have to take place outside” (Lokollo Interview 1996). Following this ILO study, and in the wake of the child labour controversy, the issue of allowing trade unions in the EPZs of Bangladesh has been emphasised as one of the compliance measures with US labour standards (*Independent*, 24 May 2000).

In the domestic-based export garments industry, although a virtual ban on organizing activities existed in the 1980s, in the 1990s, several strategies to recruit members and promote the setting up of plant-level unions increased. With the return to democratic government in 1990 in the first free elections in Bangladesh for twenty years, the prospects for greater worker consciousness was facilitated. However, the threat of instant dismissal for unionising continued. For the many trade unions that were established, after the mass dismissal of the concerned workers, many collapsed. Accordingly, as an indicator of growing worker consciousness, it has been difficult to gain any reliable figures about the percentage of garment workers who have become unionised since the 1980s. From the few studies conducted and from interviews with relevant trade union bodies and NGOs, it could be claimed that the level of unionisation has shifted from very low to low, and that in the process the class consciousness of the female garment workers has strengthened to the extent that increasing numbers are deciding to join unions and become part of the predominantly militant industrial workforce in Bangladesh. No longer do threats deter all female garment workers from becoming involved in the mushrooming of factory committees and unregistered trade unions that had developed to generate interest in collective labour activism (Akhter Interview 1994; Amin Interview 1995; NGWF Workers’ Interview 1995; Sigelakis Interview 1996 and BIGU Workers’ Interview 1996).

Peter Custers identifies a fire in a garment factory in December 1990 as representing a turning point in the growth of garment trade unions in Bangladesh. The fire - a result of an electrical fault - occurred at Saraka Garments in Mirpur, Dhaka (*Daily Inqilab* 28 December 1990). As the factory was located on the upper floors of a building and had its doors locked, workers were unable to escape. Of the 24 lives lost and of the 20 workers admitted to hospital with serious burns, most were women and children. Furthermore, up to 100 workers suffered lesser injuries. As news of the carnage spread quickly to other garment factories, spontaneous outbursts of protest ensued with a *hartal* or strike called for 1 January 1991. "The city saw the anger of women workers explode, as thousands of garment labourers marched through the streets demanding proper compensation for the victims" (1997, 158). This tragic incident was referred to on numerous occasions during interviews with garment workers and does appear to have symbolised a break with the notion of these workers as submissive. An important outcome was the formation of a broad-based trade union organisation comprising eight garment unions called the Garments Sramik Karmachari Oikya Parishad (Unity Council of Garment Workers) that organised a mass demonstration in which garment workers from 60 different factories took part. This Council drafted a plan of demands to improve the working conditions of garment workers that included: an 8-hour working day; every Friday off; pay for all overtime worked as well as the regular and on-time payment of wages; provision of child care facilities; transport home for women working late at night; and, protection of child workers from long working hours (Haque Interview 1995).

Consequent to the above, a strategy was devised that has since become commonplace in trade union activities in the garments sector, that is, the tendency to 'hook on to' wider worker struggles in Bangladesh, especially those relating to the organised jute and textile sectors. With jute and textile employees facing massive retrenchments associated with the World Bank and IMF structural reform prescriptions, joint action councils were set up in 1991 and 1992 (Custers 1997, 159). Nation-wide strikes and *hartals* followed as a means of expressing the jute and textile workers' fierce opposition to the proposed retrenchment policy and the privatisation of factories. Indeed, road and railway blockades as well as general strikes against privatisation became a familiar part of the



industrial landscape in Bangladesh in the 1990s, prompting the World Bank to air its annoyance over the slow progress of meeting its privatisation targets (EIU 1994; *Bangladesh Observer*, 23 December 1995). In this respect, “knowing that women are now firmly a part of the ‘visible’ workforce, they have become important to the trade union movement as they can swell their membership, add strength to their strike action as well as rallies of protest” (Akhter Interview 1996a).

The National Garment Workers Federation (NGWF), the Bangladesh Garment Workers Federation (BGWF) and the Bangladesh Garment Workers Employees Federation (BGWEF) are three trade union organisations operating on a more prominent and regular basis for the female garment workers in Bangladesh. Both the NGWF and the BGWF were formed in 1984 and the BGWEF was formed in 1991. Although the NGWF claims it is independent of any political affiliation, like the BGWEF, it does support the Left Front in Bangladesh which has a number of affiliated trade union federations such as the Jatiya Sramik Federation, the Bangladesh Sanjukta Sramik Federation and the Jatiyo Sramik Jote Bangladesh. Conversely, the BGWF is affiliated to the Bangladesh Jatio Sramik League trade union body, which, in turn, has political links with the rightist Bangladesh Nationalist Party. Another prominent trade union to develop in the 1990s was the Bangladesh Independent Garmentworkers Union (BIGU) formed in 1994. Completely independent of any political affiliation, this union has emerged as the largest garment worker union in Bangladesh and its rather controversial activities will be examined shortly. Other trade unions that existed in 1995 included the United Federation of Garment Workers, Bangladesh, the Bangladesh Garment Workers’ League, the Bangladesh Apparel Workers’ Federation and the Federation of Garment Workers. However, it seems there is little knowledge, even confusion, about the membership and extent of their activities (Khan Interview 1996).

In March 1991, both the NGWF and the BGWF as part of the Unity Council were involved in militant action when the 800 workers of Comtrade Apparels - a subsidiary enterprise of the Bangladeshi corporation, Beximo - were locked out by management. Following this lock-out, the female garment workers staged a heroic and successful sit-in strike at the factory gate that lasted for thirteen days. With the arousal of public

sympathy and no indication of the workers relenting, management was forced to re-open the factory and to reinstate the trade union activists who had been dismissed. Then, again in October 1991, the management of Comtrade declared a second lock-out that resulted in workers gathering outside the BGMEA offices to demonstrate. Protest processions were also organised and the Unity Council called for a general garment-workers' strike which, it is claimed, was successful in 80 per cent of Dhaka's garment factories (Custers 1997, 158-59). However, when state-sponsored repression ensued with armed police guards being stationed at factory gates, the campaign lost its momentum and the lock-out continued.

The NGWF has been consistently active in leading campaigns for the female garment workers since the late 1980s and has claimed success for eleven plant level campaigns in prominent garment establishments in Dhaka. All of these have been concerned with illegal closures (lock-outs) and the non-payment of wages and/or overtime. On speaking about these successes, the General Secretary of the NGWF, Amirul Haque Amin, stated that:

In most of the campaigns, we were able to sign an agreement with the factory management that conceded all of the workers' demands. However, with the other campaigns, we were only able to achieve part of what the workers were campaigning for (Amin Interview 1995).

One successful and militant struggle is worthy of mention as it represents the courageous resistance of the female workers involved in export-oriented garment manufacture. Workers of Flint Garments, one of the oldest export-oriented factories in Dhaka, won the fight for out-standing wage and overtime payments through six days of continuous strikes, sit-ins and blockades in late December 1993. In response, the company used 'goons' or *mastans* (thugs) to intimidate the workers, and called in the police to break-up a physical blockade of the factory gates by the female workers. After three tripartite meeting, called by the Inspector of Labour to find a solution, management was made to sign an agreement with the NGWF conceding to the payment of salaries and overtime dues and to take responsibility for those workers injured in the struggle (Hossain 1994, 13-14). The workers then staged a victory procession in the city streets under the NGWF banner to "show other garment workers the success that solidarity brings" (Amin Interview 1995). Another success was achieved when the NGWF workers mounted a

campaign against Baron Garments when it illegally closed their factory leaving hundreds of workers without jobs and without outstanding wages (*Dainik Rupali* 9 and 13 July 1993).

Similarly, since its formation in 1991, the BGWEF has been involved in a numerous campaigns concerning the legal rights of the female garment workers with claims that, in 1996, there were ten cases pending in the labour courts from action taken by the union. However, this course of action was not preferred by the union because it could have taken many years for the cases to be dealt with or, indeed, ever heard. For instance, when workers of one garment factory formed a union in the early 1990s, the workers were subjected to a lock-out. As no agreement could be reached by the BGWEF with the factory management, the union filed a case with the Labour Court claiming illegal closure. After three years, the court finally ruled that the closure was illegal and that all workers be reinstated, but the owner would not comply. This non-compliance then led to another case from which the court handed down a one-year jail sentence and a financial penalty. The employer appealed this decision and, in 1996, the case remained ongoing (Hossain Interview 1996).

In the context of increasing worker militancy in the garments export sector, both the NGWF and the BGWEF were included in negotiations with employers and the state to revise and implement the lawful minimum wage for the garment workers, to sanction the right to organize, and to guarantee compliance with the Factory Act. From these negotiations, a tripartite agreement was reached in 1992. In reality, however, nothing changed. The General Secretaries of the NGWF and the BGWEF claimed that this was not surprising because there were only thirteen factory inspectors for all of Dhaka, because of the links between factory owners and government officials and because of the importance of the industry to remain a viable alternative to its international competitors (Amin Interview 1995; Hossain Interview 1996). Subsequent campaigns then resulted in a new agreement being signed in July 1993 containing a clause that the original agreement would be implemented. However, as the state and not employers was the only signatory to this second agreement, it was valid for state-owned companies only. Then, in September, a new, but lower, minimum wage was proclaimed, prompting several

unions to issue a common press statement in protest. Finally, in January 1994, an acceptable minimum wage was declared by the Minimum Wages Board, yet, tens of thousands of workers have been denied any increase (Amin Interview 1995).

Furthermore, at a press conference in July 1994, the NGWF announced a month-long campaign that was part of a much larger campaign for all industrial workers organised and coordinated by SKOP, the united front for the trade union movement in Bangladesh. Together with the fight for the implementation of government declared minimum wages, this campaign incorporated seven other basic demands (*Daily Star*, 26 July 1994). Submitted to the BGMEA, the Department of Labour Inspection, the Labour Ministry as well as individual garment factory owners, this list of demands succinctly summarised the oppressive and alienating conditions endured by the garment workers. They included: the enforcement of a weekly holiday and government holidays; the regular payment of wages and overtime, as well as the payment of festival bonuses; the provision of identity cards, attendance cards and overtime slips; the provision of adequate health and safety measures; the supply of transportation and canteen facilities; and, the enforcement of labour laws and ILO conventions. It was then announced that a National Convention of Garment Workers would be held later in the year from which an action programme for the further mobilisation and agitation of workers would be proposed. In addition, the NGWF held the 'Garment Workers Representatives Convention 94' in December to further consider appropriate action (*Daily Star*, 3 December 1994).

In early 1994 and 1995, the NGWF also helped organise a campaign of action called the 'Festival and Bonus Realising Programme'. In so doing, it focussed on a law that specifies all workers in state-owned and private industries receive two festival bonuses – each equal to one month's wage – in the main Islamic festivals of 'Eid' in Bangladesh. Among other things, it pointed out that the non-payment of this bonus in the garments sector, largely attributed to the strong influence of the garment manufacturers' lobby, was a clear violation of the law. To remedy this unfair labour practice, the NGWF devised a four-phased programme to take place over four weeks: first, a list of demands was to be submitted to factory owners and a press conference held to publicise the issue;

secondly, further publicity through posters, leaflets and meetings of organisers was to be arranged; thirdly, broad support was to be canvassed among students, women activists, human rights workers, politicians and the like; and, fourthly, an action programme involving demonstrations, processions and public meetings was to be organised. Should these prove unsuccessful continuous strikes would be called. Subsequently, demonstrations, rallies and strikes have become common to the export garments sector and have involved other garment worker unions.

Although the Bangladeshi garment workers have made some real progress in unionising - something considered inconceivable in the past – it has not been sufficient to guarantee a significant improvement in their working conditions. In fact, while union activities have increased public awareness of the plight of garment workers, have assisted in the creation of a class consciousness among the workers themselves, and have occasionally been successful in defending the rights of the female garment workers, such activities have been limited in a number of ways. For instance:

Whereas, previously, garment owners had succeeded in imposing a virtual ban on organising activities in the sector, some unions now have struck roots and are, to an extent, able to defend women workers' rights. What is more, an awakening has taken place among a workforce of women who formerly lacked experience with trade union practices. [However], the movement's strength to date does not suffice to put a serious break on the ruthless exploitation prevalent in the sector: membership is limited to a small minority of the workers, and the movement is split into too many small trade union factions to be fully effective. Moreover, since most unions are dominated by men, they tend to see the labourers as part of a homogeneously exploited class. [whereby] the different aspects of patriarchal oppression are not systematically addressed (Custers 1997, 160).

In a number of instances, both registered and unregistered garment unions have failed to redress worker grievances. For example, while unions have continued to organise rallies and demonstrations of protest and to lodge charter of demands with respective state departments and the BGMEA, they have not always followed such actions through to their logical conclusion. As a garment worker explains:

We were just dolls in the hands of our union organisers. We just added to the numbers in processions and rallies that were mostly held to gain political recognition for the organisers, then, we were just told to go home and that was that, nothing ever happened (Yeasmin Interview 1996).

Generally, this rent-a-crowd mentality has engendered an obvious frustration among many garment workers who have been courageous enough to take part in union activities. Some workers told of how they had attended union meetings at a trade union organiser's house where some thirty to forty workers would be asked to stand in front of a banner with their arms raised as if in protest. A photo would then be taken and passed on to the media as if the protest had actually occurred and, even if there was a 'real' demonstration, it would only be held for a short time, because once photos were taken they were told to disperse.

As well, accusations of some organisers either 'making deals with management' or 'shaking down the owners and screwing the workers' have been common. For instance, an incident often described by garment workers is that when union officials 'get wind' of workplace grievances, they visit the respective factory to offer assistance. The workers accept the offer, pay their union fees and wait for the union representative to approach management to warn of impending action should the grievance not be addressed. In a number of instances, however, the manager offers the union official a bribe, he disappears and the garment workers are left in the same vulnerable position. This allegation was made against a former leader of the BGWF, Khorshed Alam who, workers claimed, was "informally on the payroll of the BGMEA. When the BGMEA wanted something done about union activity in the garment industry, they would use Alam to fix it" (Akhter and Yeasmin Interview 1996). Subsequently, Alam was 'exposed and expelled' from the trade union movement in Bangladesh in 1995 for having banked members' dues in his own personal account, and for having personally used aid from a French NGO specifically given for organising the garment workers. Alam admitted that between 1989 and 1993, he had taken one million taka from the French aid money, and about a half a million more taka from local garment workers in the form of union dues (Anis Interview 1996). While not condoning this type of behaviour, one commentator noted that this particular incident needs to be understood within the context of union organisers in Bangladesh being unpaid workers, and by the claim that Alam 'was merely a victim – a poor person that was caught while others got away' (Karmaker Interview 1996).

Apart from bribery and corruption, the most frustrating factor in organising the garment workers is the persistent problem of the political affiliation of trade union bodies. Each garment union is associated with one of the twenty-three federations who are, in turn, affiliated with one of the political parties. This partly explains why the garment workers have become such a target for unionising in recent years. With over one million workers, they comprise a massive source of membership and an impressive vocal expression of party political issues. Indeed, it is argued that political parties rather than trade unions fighting for better pay and working conditions call most strikes in Bangladesh. One of the founding fathers of the labour movement in Bangladesh, and secretary of the Jatiya Party in the mid-1990s, commented that: "it is imperative ... for labour leaders to be above party politics and adhere strictly to looking after the workers interest" (Al-Faisal 1995). In this respect, garment workers claim many union officials are 'political animals' who use workers to impress their federation leaders and affiliated political parties in an attempt to gain entry into formal political life (Akhter and Yeasmin Interview 1996). This was backed-up by a senior official of the ILO stationed in Bangladesh who remarked:

the political affiliation causes problems for the garment workers as the possibility of unity is thwarted. However, this is not to say that the workers are not militant, they are some of the most militant workers I have encountered in my many years of working for the ILO (Lokollo Interview 1995).

Interestingly, it is this political 'use' of the garment workers that further shaped their capacity to resist. In an attempt to remedy the apparent failure of existing garment unions to achieve any real material gains, a break with political unionism occurred. In 1994, and with the support of the international labour-based NGO, AAFLLI, many garment workers became active in the setting-up of BIGU, a completely new union independent of any formal political affiliation and one with a clear agenda to become a registered national trade union body for all Bangladeshi garment workers.

In effect, the rise and success of BIGU represents an escalation of class-based collective action in the garment exports industry of Bangladesh to the extent that its organising activities have sparked off many reactions, both nationally and internationally. First, BIGU poses a possible threat to current trade union federations because of its increasing capacity to attract the vast majority of the garment export workers and to become yet

another competing labour organisation in Bangladesh. Secondly, it has been identified as the 'enemy' by the BGMEA as the peak representative body of garment producers, on the grounds that its militant activities could undermine productivity levels and so the accumulation process in export-oriented garment production. Thirdly, it represents a likely threat to the Bangladeshi state because it is perceived to have the ability to jeopardise the continued international competitiveness of the garments sector that makes an enormous contribution to Bangladesh's foreign exchange earnings. In short, the last thing some elements of labour, capital and the state need in Bangladesh is a completely autonomous and registered single national trade union body for garment workers. According to the World Conference of Labour in February 1986, authorities in Bangladesh "adopt an authoritarian and repressive attitude to ... autonomous and independent organisations, [while remaining] tolerant with regard to the forces which identify themselves with the government" (cited in *Trade Unions of the World*, 1989, 3).

In addition to the above predominantly domestic forces, there are certain inextricably linked international forces at work both to augment and undermine the activities of BIGU. In particular, these are the role of the international labour-based NGO, AAFLI, the part played by the International Confederation of Free Trade unions (ICFTU), an historical rival of AAFLI, as well as the associated controversy over the use of child labour in the garments export sector discussed in the previous chapter. Established in 1949 the ICFTU emerged as the non-communist rival to the World Federation of Trade Unions (WFTU), a labour organisation originally associated with pro-Soviet activities (Gershman 1975, 17-21; Munck 1988, 190-92). The AFL-CIO was originally a member of the ICFTU, but withdrew in 1969 because it regarded the ICFTU as being equivocal on the communist issue and basically uninterested in the problems of the new nations formerly under colonialism. In short, the AFL-CIO felt it would be more effective acting on its own rather than through the ICFTU. Gary Busch comments that this disaffiliation "had a profound effect on Asian union development. It eliminated a source of funds for the ICFTU and created a rival body to interact with Asian labour, the AAFLI" (1983, 131).

Indeed, since the split, Beth Sims notes that "the AFL-CIO has had a love-hate



relationship with the confederation” (1992, 62), a situation depicted by the response of the ICFTU to the initial and growing organising efforts of BIGU. For instance, in 1995, the ICFTU made a grant of US\$45,000 to its four-affiliated trade union federation bodies in Bangladesh and provided them with cars for the sole purpose of organising the garment export workers.<sup>1</sup> Although this is not unusual, in the sense that the ICFTU engages in Third World development and labour programmes, it is pertinent to note that it does so often “with the aim of pre-empting left-wing advances and preventing unstructured labour revolts” (Munck 1988, 122). The coordinator of this campaign, Nasrul Islam Khan, was at that time not only the President of one of the largest right-wing trade union federations affiliated to the ICFTU – the Bangladesh Jatiyatabdi Sramik Dal - but also secretary to the right wing Bangladesh Nationalist Party. Allegedly Khan, who had a lot of sway with the Labour Ministry, did not favour BIGU’s registration. Considering it would be easy for the organisers of the four affiliates to identify BIGU factories, the union alerted its membership to the ICFTU funded campaign in an attempt to thwart the move. Essentially, once BIGU factory-level unions had been identified, there was the possible danger that moves would be made to snap them up by finding a stooge or some charismatic worker in each factory to encourage the workers to be part of the ‘big four’. “This would be tragic as it would foil years of hard work for BIGU” (Sigelakis Interview 1996). Certainly, given the central place the garments export sector has in the Bangladeshi economy, it was not surprising to discover that steps were being taken to bring the garment workers into the fold of state-controlled unionism. In other words, the emergence of BIGU, as a potentially successful independent trade unions, has set in motion attempts to weaken, if not, destroy the organisation.

Furthermore, BIGU members and officials have been subject to continuing threats and even physical attacks, a discussion of which seems appropriate to illustrate the overwhelming problems BIGU faces in its organising activities. This problem was nowhere more evident than in the Palmal Group of fifteen garment factories – owned in 1996 by the Vice President of the BGMEA, Nurul Haque Sikder – many of which have

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<sup>1</sup> The source of this information cannot be revealed as anonymity was requested. However, a copy of the letter sent to the ICFTU affiliates in Bangladesh informing them of the programme was cited.

been named in legal cases filed by BIGU. In particular, the Palmal Knitwear Factory, that produces garments for the retail outlets of Sears and J.C. Penny in the United States, was singled out for its treatment of BIGU activists and members and, in a fact sheet compiled by BIGU, a number of beatings by *mastans* (thugs), illegal dismissals, black-listings and the falsification of documents are listed. Similarly, in an international labour publication, under the heading 'Repression made-to-order', the International Textile Garment and Leather Workers' Federation (ITGLWF) reports of death threats against BIGU unionists. The severity of this situation is illustrated by a comment made by one management agent who claimed that "if it is necessary to kill workers, they will be killed, but there will not be a trade union in this factory" (cited in *Free Labour World*, June 1996, 7).

At the same time, BIGU offices have come under attack. In late 1995, a particularly vicious onslaught was carried out on the Malibarg district office in Dhaka when 30 *mastans* armed with guns, molotov cocktails and batons brutally attacked both the premises and union officials. They pistol-whipped union delegates on duty that night, and held the union's lawyer at gunpoint, ripping off her sari and soaking her with petrol before attempting to set her alight. Offices were ransacked, windows smashed and an attempt was made to torch the building and, on leaving the premises, the *mastans* fired shots into the air and warned BIGU officials to cease their activities or face even more severe consequences (see *Free Labour World*, January 1996, 6). On speaking with the lawyer involved in this attack, a vivid picture was gained on how frightening this attack was for those present in the Malibarg office on this night, an attack that provoked substantial condemnation, both nationally and internationally. For instance, the ITGLWF was quick to condemn the incident and, in a letter to the then Prime Minister, Begum Khaleda Zia, the ITGLWF General Secretary, Neil Kearney, called for "an immediate and thorough investigation into the attack and for swift action to bring these criminals to justice". Kearney continued by way of a warning:

This incident is further evidence that some people in the garment industry are prepared to go to criminal extremes to protect their vested interests. Such actions will damage the standing of Bangladesh in the eyes of the world and will harm its reputation as a trading partner (ITGLWF 1995, 1-2).

Similarly, Kearney invited the BGMEA, some of whose members' enterprises had been involved in court cases brought by BIGU, to publicly condemn the attack and to support demands for action. The BGMEA subsequently denounced the attack in the January 1996 edition of their monthly newsletter.

In addition, a curious outcome of BIGU's successful organising strategies has been that other garment unions are 'getting their act together', as they have come to realise that the garment workers want a more concerted effort in the representation of their legitimate grievances (Karmaker Interview 1996). Consequently, these unions are filing more cases with the labour Courts instead of relying on mere political point scoring through the media coverage of worker demonstrations and rallies. Following on from this development, on the one hand, it is claimed that management is not dismissing workers as readily as before as they now realise the very real threat of being taken to court and being subject to out-of-court settlements (Khan Interview 1996). On the other hand, it is thought that trade union organising and related activities in the export-oriented garment industry has led to segregation in this industrial sector. That is, a momentum has emerged for the setting up of smaller factories, as owners of larger enterprises are now sub-contracting more to escape the problem of trade unionism, especially BIGU. Furthermore, it is alleged that some large factories are closing down under the guise of financial difficulty when largely it is a consequence of the organising activities of BIGU; however, after a short period of time these factories often re-open with a new workforce. These closures have culminated in the loss of employment for many of the industry's workers and of statutory entitlements due to them when a factory closed down (Karmaker Interview 1996).

At the same time, BIGU's relationship with AAFLI has implicated the union with an alleged 'conspiracy' to ruin the Bangladeshi garments export industry as a result of the controversial child labour issue. For instance, in 1994 AAFLI flew a BIGU organiser and a former garment worker, Nazma Akhter, to the US to appear before a Senate Committee to testify on the use of child labour (Karmaker Interview 1996). From early 1995, numerous articles appeared in the nations' print media accusing AAFLI of being used and funded by vested interests in the West to bring to international attention the use

of child labour in Bangladesh's export-oriented garment industry. Included in these allegations was the claim that AAFLI's child labour campaign was motivated by US 'protectionism' aimed at destroying the garments export sector by making Bangladeshi garments 'costlier' (*Khabar* 29 January 1995; *Daily Star* 25 May 1995; *Almujadded*, 15 November 1995; *Financial Express*, 8 February 1996). In this respect, AAFLI's alleged role in the child labour issue can be seen as yet another instance of this US labour organisation meddling in a country's political affairs as it had previously done when it intruded into the sovereign affairs of Fiji and the Philippines (Sims 1992, 86-87). Nonetheless, it claims that its role was no more than in an advisory capacity. Specifically, AAFLI publicly took the position that if BGMEA members paid the legally prescribed minimum wage, paid overtime, provided nurseries and other facilities for the workers as required by the labour code of Bangladesh, then adult workers would not be forced to send their children to work. As a result of this stance, AAFLI, and indirectly BIGU, fell victim to BGMEA's vilification campaign for bringing to attention the flagrant violation of the country's labour laws. Nonetheless, the last thing the garment workers and members of BIGU want is the collapse of the industry; rather, they seek nothing more than their statutory rights as industrial workers. This is clearly expressed in a BIGU press statement released in response to allegations that the union was involved in calling for an international boycott of Bangladeshi garments. "The garment industry is our lifeblood and we want nothing more than to see it thrive and to see workers share in the fruits of this industry" (BIGU Press statement, 19 November 1995).

Although AAFLI's relationship with BIGU has been both pivotal and commendable, it can be argued that an underlying political agenda associated with economic payoffs for US garment firms and wider economic interests cannot be discounted. In particular, Sims points out that the AFL-CIO, and by association AAFLI, "conducts its overseas operations through an apparatus that maximizes its international presence while shielding its activities from public view" (1992, 53). Put simply, it does little to advance the interests of the working class, as the notion of class struggle is inconsistent with its support for the global economic and political status quo. "Refusing to question the underlying assumptions and relationships of capitalism, the US federation has demonized radical responses to capitalist exploitation and failed to come to grips with

the fact that “misery breeds militancy” (Sims 1992, 6). In a similar way, Kim Moody writes that for most of the post-war period the AFL-CIO and most of its affiliates have seen the interests of their unions and members closely tied to US-owned corporations, especially since production began to move overseas and restructuring at home wiped out millions of organised jobs (1997, 37).

Overall, it is argued that “left in the wake of AFL-CIO intervention are a collection of don’t-rock-the-boat unions which often prove to be inadequate representatives of their own country’s workers” (Sims 1992, 2). However, in contradistinction to this argument, it can also be argued that the emergence and accomplishment of BIGU has indeed ‘rocked the boat’ in Bangladesh. With the AFL-CIO’s willingness to back US foreign policy and the profit-making interests of big business, it is as if the dominance of the US in phasing out the MFA and the stake of the powerful US textile and clothing lobby cannot be separated from the rise of BIGU. The consequences of this supposed agenda has seen BIGU pitted against local trade union bodies and popular social movements in Bangladesh concerned with struggles to redistribute economic and political resources in a more equitable fashion.

Nonetheless, the emergence of BIGU exemplifies how the pursuit of export-oriented production in Bangladesh has entailed a particular process of reproducing the classes of capital and wage labour that has, in turn, had certain formative outcomes, in particular, the capacity for labour to organise. Importantly, it represents how the female garment workers have engaged in an ongoing struggle to organise that, in many ways, gained stature with the formation and rise to prominence of BIGU. Indeed, a vital sense of class solidarity amongst these female workers had become apparent. They are now hopeful of enforcing their legislative and democratic rights as industrial workers due to the strength collectivity presents, especially an effective degree of bargaining strength in the workplace. Indeed, the growth of working class unity through mutually supportive and concerted practices has surfaced as a fundamental power resource available to them.

We are seeing a gradual emergence of a new kind of organisation among women workers in Bangladesh, somewhat differed from the traditional party-dominated politics of trade unions. Along with the new model offered by BIGU, a number of other organizations have also set up community-based activities with women

workers (Kabeer 2000, 401).

In the long term, this can only prepare them for more effective participation in wider working class struggles, both at a national and international level.

### **The Bangladesh Independent Garment Workers Union (BIGU)**

Although BIGU is perceived by its members as a genuine class-based union - formed by the workers for the workers - in effect, the union would not have materialised but for the substantial support of AAFLI. Since commencing its operations in Bangladesh in 1973, AAFLI representatives have worked with a number of trade union federations, largely in the capacity of imparting skills relating to all aspects of running a trade union. Additionally, AAFLI has provided assistance in the development of social projects for workers such as family planning services, health care and apprenticeship training and, when requested, have helped in the formation of trade unions, for example, the Bangladesh National Union of Tea Workers and the Bangladesh Railway Employees League (Khan Interview 1996). With access to international sources of support such as the US Information Agency and the Agency for International Development, more recently AAFLI has offered vital assistance to set up BIGU. Indeed, it has played an indispensable role in organising attempts in the export garments sector in Bangladesh by providing the garment workers with resources such as places where regular meetings can take place, photocopying facilities for dispensing written material, education concerning the rights of workers and with the training of workers in their capacities as union organizers and officials. In this way, the capacity of the female garment workers to comprehend their new social relations increased as did their realisation that through the collective exercise of unionising, they could challenge these relations.

Prominent human rights' lawyer in Bangladesh, Fawzia Karim Firoze, recounts how she became actively involved in the legal counselling of garment workers to ensure their access to the legal system and to coverage under the relevant labour laws. In 1992, she commenced a human rights programme at AAFLI's headquarters in Dhaka; a programme that many garment workers attended and related "the most horrific stories of intimidation and victimisation, as well as the continual abuse of their statutory rights as

industrial workers” (Firoze Interview 1996). It was soon realised that there was an urgent need for a legal programme targeted solely to the needs of these workers and, more importantly, it was acknowledged that a new trade union organisation was required. Importantly, this new union would need to commit itself to assisting and educating the garment workers rather than using them as just ‘political fodder’. After two years of running this human rights’ programme, steps were taken to organise in a massive way and in the union’s founding conference on 16 December 1994, BIGU was formed. As of early 1996, BIGU was the largest garment union in Bangladesh, covering well over 500 garment factories in the main industrial centres of Dhaka and Chittagong with a membership of just on 50,000 workers. So successful had the union been, it was remarked:

Now we don’t really have to go out and organise as there has been and continues to be a positive response – it is tremendous – members just keep coming. At first, one worker would come and sign up and then maybe two or three, now they come in big groups and one factory leads to other factories and BIGU just keeps growing (Sigelakis Interview 1996).

Undoubtedly, the reason behind BIGU’s apparent success is its intent to stay outside of state-sponsored unionism, and the Union’s constitutional requirement that all union officials must either currently be working or have worked in the export garments sector for a cumulative period of a minimum of five years. This provision ensured that union officers are actual garment workers rather than politically inspired professional trade union representatives who have never worked a day in a garment factory. Similarly, to reflect the feminised nature of the workforce in garment production, at least nine of the fifteen official positions must be held by women (*BIGU Constitution* 1995, 5-6). In this way, the needs specific to the female garment workers, such as sexual harassment, lack of access to capital and social subordination, could be addressed.

This is critical for these women as the men representing unions have never been behind a sewing machine and have no idea of the intensity of the problems facing garment workers. They are certainly aware of them, and are staging rallies and demonstrations, however, as there is a hidden political agenda for most unions, the garment workers are more important to them as a show of strength only (Sigelakis Interview 1996).

Only through the formation of a BIGU was it thought possible to address the problems of political affiliation and male domination associated with the culture of mainstream

trade unionism in Bangladesh. Indeed, in a more general sense, it can be argued that BIGU represents a labour organisation that has emerged in response to what has been termed ‘the most difficult revolution’ (Cook *et al.* 1992), that is, one concerned with women’s rights and trade unions (also see Hartman, Spalter-Roth and Collins 1994 and Martens and Mitter 1994).

In BIGU’s two district offices in Dhaka and in their Chittagong office, a number of services are readily accessible to garment workers outside of working hours, whether they be union members or not. Each centre offers legal and medical assistance by having lawyers and doctors in attendance in the evenings as well as regular educative classes on the rights of factory workers in Bangladesh. In relation to the health services provided, BIGU has an agreement with the Dhaka Community Hospital that includes the provision of a doctor for the workers during certain hours. To be eligible for this service, workers need to produce their health card for which they pay Tk5 a month, regardless of whether they use the facility or not. Another particularly significant service is the running of two BIGU schools that are mainly attended by those underage garment workers who were initially thrown out of the factories after the introduction of the Harkin Bill in 1992, and before the finalised MOU was signed in 1995. In early-1996, a third school was planned and, in view of the MOU agreement and on behalf of BIGU, AAFLI was negotiating with the UNICEF and the BGMEA to have stipend monies allocated to help run these schools. However, there seemed little hope that this would occur. Although BIGU had the appropriate documentation concerning the children’s former employment as garment workers, they needed to be certified under the MOU to be eligible for the payment. AAFLI’s country representative in Dhaka elaborated on this by saying:

Regardless of UNICEF being sympathetic, it doesn’t want to push the BGMEA for the sake of only two schools and, considering they are associated with BIGU, which the BGMEA does not approve of, even detests, I doubt they will agree. Probably they think we are educating the kids in subversive activities – perhaps we should! It would be sad if these schools did not receive the same support as those under the MOU because it may mean the children would have to shift to MOU schools. These kids are really happy now in comparison to when they first started. Initially, they were scared, confused and introverted, as education for these poor kids isn’t part of their reality, now they are enjoying learning and leading a more ‘normal’ kid’s life (Sigelakis Interview 1996).



The educative classes run by BIGU for the female garment workers were especially important as they not only educated workers on their statutory rights, but also taught them basic English and literacy skills so they could make sense of the paperwork often thrust at them by management for signing. For instance, as factory time-cards are usually printed in English, many garment workers have been cheated out of their rightful earnings because the cards state that workers are in attendance from 8am until 4pm when, in most cases, they work late into the night. Similarly, another unscrupulous practice prevails whereby workers are often asked to sign or place a thumb mark on a piece of paper – at times a blank sheet – under some kind of pretension about what it concerns, only to discover they have signed a voluntary termination agreement. Under the law, then, they cannot collect their termination benefits because they are deemed to have voluntarily resigned. Similarly, garment workers often sign papers which state that they have received benefits due to them. In fact, BIGU officials continually stress to the workers not to sign anything before bringing it to the attention of the Union's lawyers; however, this is often difficult as they are generally forced or coerced into signing papers. Nonetheless, many are now coming to realise the implication of putting a signature on paper and are taking a stand against management in this regard (Firoze Interview 1996).

Overall, the ability of BIGU workers to stand up to management has been greatly facilitated by the education programme run with the assistance of AAFLI. Not only are members issued with a copy of the *BIGU Constitution*, they are also issued with a *Handbook on Worker Rights for Garment Workers* that clearly and succinctly informs them of their entitlements under the labour statutes of Bangladesh. Also, BIGU has its own publication – *Voice of the Worker* – which is a vital adjunct to the ongoing educative process of alerting garment workers about their legal rights and the services BIGU has to offer. As a result, and considering the majority of garment workers have little or no knowledge at all about their rights as industrial workers, the strategy of educating them has been integral to the process of class formation and trade union organisation. BIGU's press secretary in a press release statement expressed this in the following way:

We endured many problems in organising the workers. With a largely female

workforce that has been kept passive by the culture and tradition in Bangladesh, and kept ignorant by poverty and the lack of educational opportunities, ... the workers were hard to educate about their rights (Akhter 1995, 2).

With over 16,000 garment workers having directly participated in educative programmes at the beginning of 1996, it seemed justified for this strategy to be claimed as 'a resounding success' (Sigelakis Interview 1996).

In addition to education, another pivotal strategy of BIGU is the use of the labour laws to address the industrial issues facing the garment workers. BIGU lawyers actually involve themselves in filing cases and using the Labour Courts instead of solely relying on rallies and demonstrations of protest. In this respect, it is important to note the extent to which this form of struggle advanced the women garment workers from the early 1990s. Indeed, whereas Labour Court records indicate the almost total absence of any cases concerning women workers before the 1990s, a 'significant upsurge' was identified in 1992, a shift that can only be explained by the commencement of Firoze's work with the garment workers. Then, again in 1994, another increase in activity can be related to the work of a second lawyer appointed to work for BIGU. With the appointment of a third lawyer in late 1995 to assist with the increasing workload, the number of cases filed with the Labour Courts has further risen (Firoze Interview 1996).

Mostly, the cases filed by BIGU lawyers concern the non-payment of wages and illegal terminations and, of these filed between 1992 and 1995, approximately 65 per cent had been settled informally as owners realised they were in clear violation of the Minimum Wages Ordinance (1961). In fact, as it is a criminal offence under this Act to withhold wages without reasonable cause, factory owners prefer to settle out-of-court rather than face a potential prison sentence. Of the remaining cases filed during this three-year period, roughly 15 per cent fell outside the purview of the law and could not be pursued, and about 25 per cent were contested in court. "Moreover, in virtually all cases contested BIGU has prevailed (Firoze Interview 1996). In this regard, BIGU's notable victories and the expectation of improvement indicate how "the demand for rights and enforcement of existing rights have played an integral part in the women's movement for social change in Bangladesh over the past decade" (Hasan 1994, 70).

In 1995, having filled the statutory requirements for trade union formation, BIGU applied for registration as a single national trade union instead of a federation - involving the separate registration of each affiliated factory union – so that collective bargaining could take place for the industry as a whole. This application was made on the basis of the following arguments: that, under ILO Conventions 87 and 98 - concerning ‘freedom of association’ and ‘the right to organize and collective bargaining’ - BIGU has the freedom to choose the form of labour organisation it prefers; that there already exists in Bangladesh two national trade union bodies, one for the tea plantation workers and one for the inland water workers; and, that, as all garment workers are covered by the same Minimum Wages Ordinance, it is logical to have in place a single national trade union. Notwithstanding these arguments, BIGU’s application was refused by the Registrar of Trade Unions on the grounds that there was no provision under the Industrial Relations Ordinance (1969) that would allow for the registration of a national union; and that BIGU did “not fall within the definition of a Group of Industries ... and that a [national] union cannot be formed with workers or various workers under various establishments” (Habibullah 1995). Subsequently, an appeal was lodged by BIGU citing precedent set by the two existing national labour bodies, but again, the application was refused on the grounds that the tea plantation and inland water workers’ unions were established when there was no formal registration process. Also, in the reply received from the Registrar of Trade Unions, it was explained that these two unions stood to lose their national registration.

Notwithstanding this anomaly, in 1996 BIGU prepared to lodge another appeal with the Labour Appellate Court, and in the event of another rejection, there appeared a willingness to take the matter to the High Court. However, as such action would take years to materialise and while registration remains pending, BIGU was unable to negotiate with the BGMEA. Ironically though, the Registrar of Trade Unions informed BIGU that when the Bangladeshi Parliament ratifies the proposed new Unified Labour Code – a situation still pending at the end of the 1990s - its application for registration as a national union could be successful. By the same token, it appeared possible that BIGU could be granted national status by the government granting a special ordinance (Sigelakis Interview 1996). Basically BIGU faced a real dilemma at this time with the

issue of registration: not only was the union unable to negotiate with employers while waiting for formal registration, they were also unable to afford the anticipated long delay for the matter to be heard in the High Court because of the actual possibility of BIGU's existing factory-level unions being 'picked off' by other trade union federations. Consequently, and to offset the chance of losing members, BIGU decided to continue with the registration of individual factory-level unions in the hope that these eventually could be affiliated as a national garment workers' trade union body.

In sum, the emergence of BIGU as a competing organisational vehicle represents a widespread dissatisfaction with officially sanctioned and politically affiliated trade unions in Bangladesh because they were achieving very little in the way of meeting the concrete demands of the export garment workers. This is clearly articulated in the following statement from a BIGU press release:

We knew that having our own union was the only chance we had to change our lives for the better. We knew that no one could help us unless we took the first step of helping ourselves. The government of Bangladesh has looked the other way for years while the garment industry violated the labour laws ... Part of the reason for this is a policy that sounds good – the government wanted the industry to grow and relaxed the laws to allow this to happen. There is another, perhaps, more important reason: many high officials in the government own garment factories and are enjoying the enhanced profits attributable to the lack of enforcement of the laws (Akhter 1995,2).

Indeed, it is envisaged that the union will develop into a labour organisation that can represent, battle and achieve some real material improvement for the workers in the area of wages and conditions. Yet, at the end of 1996 the form that BIGU would or would not take remained the subject of an ongoing struggle in Bangladesh: whether it would be legal or illegal; whether it would be allowed to bargain with peak employer groups; and, the range of issues over which it could legitimately speak and negotiate on.

Then, in July 1997, although BIGU lost its appeal to become a single national trade union body, once again on the basis that there was no relevant provision in the IRO of 1969, the Registrar of Trade Unions granted it registration as another federated trade union body in Bangladesh. At the end of the 1990s, the union had covered over 560 factories in Dhaka and Chittagong. It boasted a total membership of 90,000, which included 55,000 actual application memberships and 35,000 welfare and social

memberships, whereby workers have access to educative and other services provided by BIGU. Having been granted status as a federated trade union body, the union was now referred to as the Bangladesh Independent Garmentworkers Union Federation (BIGUF) and continued to remain independent of any affiliation with political parties in Bangladesh. Even though the union missed out on becoming a national trade union, should an avenue open up to expedite this goal, it will certainly be taken. Should this occur, the emergence of organised solidarity within the compass of a single industry in Bangladesh would indeed be an achievement. In the meantime, one thing is certain: as the workers employed in the export-oriented garment sector consider the industry their lifeblood, they have a very real commitment to developing a legitimate, effective and organised voice in Bangladeshi society.

## **Conclusion**

From a passive workforce with low levels of organising, the female garment workers have emerged as an active part of the industrial working class in Bangladesh. Between the late 1970s and the late 1990s, an emerging class consciousness has motivated a substantial portion of these workers to engage in organising and often militant activities. In this way, and against more general propositions about the impact of economic globalisation on labour-organising capacities, the production of garments for overseas markets in Bangladesh has helped generate a critical mass of women workers intent on protecting their rights as industrial workers. Considering these Muslim women comprise a first generation of female industrial workers in Bangladesh, this development is even more impressive as it challenges historical accounts of their cultural subordination. Indeed, the accounts of labour protest and organising described in this chapter, essentially demonstrate how the garment workers have responded to the conflicts emanating from the exploitative relations of production to which they have been subject. From earlier inaction, the garment workers have shown that they are becoming an active part of the class struggle, rather than remaining the passive victims of economic globalisation.

In this process, however, the active assistance of NGOs – both national and international

– has been vital and shows how ‘alternative’ organising mediums to trade unions can contribute to the class struggle by purposefully uniting workers into a relatively cohesive group. In a country where party-political affiliations have often contained independent labour organising, the rise of BIGU may not have come about without the active assistance of AAFLI, an organisation well known for its interventions against ‘political unionism’ in East and South Asia. By providing much needed legal and other assistance to the emerging union, BIGU has shaken up labour relations in Bangladesh’s garment industry. Similarly, while many employers have reacted to the union’s formation by upping their levels of subcontracting, it is important to note that this is not specifically a forced response to globalisation. Difficult as organising is, production for export has been a foundation of recent formal activities by female workers in Bangladesh’s export-oriented garment industry.

## Conclusion

In this thesis I have focussed on the origins and development of export-oriented garment manufacture in Bangladesh between the late 1970s and the late 1990s, in so far as it has contributed to the restructuring the labour force in Bangladesh. In particular, it has identified young female garment workers as a new element in the developing class formation in Bangladesh. In so doing, I have examined the production process involved in producing export quality garments and identified an emerging class consciousness among this segment of industrial workers that has led to attempts to organise. In contradistinction to the NIDL perspective that typifies the literature on female workers in 'global factories', and that considers low levels of organising as inevitable outcomes of production arrangements across nations, I have argued that the production of garments for export in Bangladesh has actually shaped the outlook and organising strategies of garment workers. By uncovering the class realities and lives of these Bangladeshi workers, I have shown how over time their 'agency' - their labour organising pursuits - has become a force affecting capitalist development. However, this is not to argue that the growing militancy of the garment workers has or will undermine the capitalist accumulation process; instead, it is to argue that this category of workers is not passive and powerless. Indeed, their struggle for economic improvement represents how they have emerged as an extension to the historically dynamic industrial working class of Bengal of which Bangladesh is part

The basis of my argument is formed along two main paths. First, in Chapters One and Four I have explored how the rise of the NIDL thesis and dependency theory has overwhelmingly influenced the literature on labour organisation and EOI. Specifically, I have explained how themes in this literature relate to the widely held view that the working class in general, and Third World women in particular, are the passive victims of this current phase of economic globalisation. As class is marginal to these analyses, I have argued that instances of worker militancy and organising attempts are insufficiently explained. Put simply, the pervasive victim view has had the effect of removing agency from Third World women. For that reason, I have argued that the application of class

analysis has more relevance because of its explanatory worth when considering the lines of demarcation in conflict producing processes. Second, I have examined the export garments industry in Bangladesh as a case study of how capitalism has restructured its production arrangements for the international clothing market, and as a concrete experience of a relentless and exploitative labour process that garment workers have been subjected to, a process that has provoked conflict and attempts to form unions. Against the more general propositions about the impact of export-led globalisation on the organising capacities of labour, I have made the observation that international production arrangements have actually helped to generate a consciousness amongst a critical mass of young female workers willing to unionise, a willingness that is also a challenge to historical accounts of their cultural subordination.

I have not attempted to delineate class conflict and class consciousness of the Bangladeshi garment workers as over-determining in this dissertation. Rather, I have emphasised the centrality and importance of these concepts as integral, analytical factors in the seemingly inevitability of the process of globalisation. Moreover, because they are integral, they reveal how globalisation cannot be conceived as a process with its own dynamic taking the global economy into a new epochal phase. Certainly, at the level of appearances, globalisation is a process dependent upon technical innovation, upon macroeconomic conditions and upon institutional restructuring. However, to overemphasise the agency of the global as the NIDL thesis tends to do, is to reduce the role of local workers to one of reaction rather than the active participants in the pursuit of improving their material and political situation. Indeed, underpinning surface manifestations is the ongoing process of class relations and class conflict in particular nations in the global economy.

In this respect, the historical narrative of Bangladesh's political economy contained in Chapter Two is central to the dissertation as it emphasises just how active the Bangladeshi working class has been in response to the development of capitalism in South Asia. By tracing how Bangladesh was gradually drawn into the global economy since the eighteenth century: first, as East Bengal under the British colonial state; then, as East Pakistan under the West Pakistani state; and finally, as Bangladesh under the



new nation state; there emerged a particular form of capitalist relations of production which eventually shaped the Bangladeshi industrial working class. Undoubtedly, the centrality of an historical approach to class analyses cannot be underestimated as it uncovers an ongoing process of class struggle as a basic trajectory or force of human history. This is not to claim that working class struggle is an historical constant. Rather, it is to point out that both its form and content change in response to the structures in a specific economic and political period. For instance, in the British period, the colonial labour movement was co-opted by nationalist leaders as a vital adjunct to the wider political struggle for independence, a reality that continued in the next period as Bangladesh struggled for its independence from West Pakistan. Subsequently, under the new nation state, the legacy of the political accommodation of the labour movement prevailed in Bangladesh to the extent that party-political affiliations have often contained independent labour organising.

In my dissertation I also identify how the policy shift to EOI in post-colonial Bangladesh created the conditions for the emergence of garment production for foreign markets. As discussed in Chapter Three, the volume-based quotas applied under the MFA to the export of garments to most of the developed world has been a significant medium in the rise and continued success of export-led garment manufacture in Bangladesh. Initially, in an effort to skirt the MFA-quota restrictions on their own countries' trade, various East Asian firms – mainly from South Korea, Hong Kong and Taiwan – relocated to Bangladesh to avail themselves of the market openings arising from unmet quotas. Rather than the MFA impeding Bangladesh's opportunities to pursue comparative advantages in labour intensive manufactures, as those who hold to a link between free trade and economic development would argue, the MFA quotas have provided and secured the country with a guaranteed market for stipulated volumes of garments. This is amply demonstrated by Bangladesh's heavy reliance on markets covered by the MFA, such as the US, Canada and Europe, and its poor performance in exporting to non-quota countries like Australia and Japan. Overall, the export garments industry in Bangladesh owes much of its existence to MFA protectionism because in a strictly price-competitive situation the industry would most likely not have expanded as it has since its beginnings in the late 1970s. However, with the MFA due to be phased out in 2005, the BGMEA

needs to prepare the garments sector for the post-MFA period when competition in the world market for clothing is expected to be more severe.

Alongside the guaranteed provision of overseas markets under the MFA, the factor of cheap, unorganised and available female labour was vital to attracting investment from 'quota-hoppers' keen to take advantage of the rapidly growing export-oriented garment sector in Bangladesh. In Chapter Four, I have pointed out that at a time of intensive impoverishment in rural Bangladesh, absolute economic necessity forced many young rural women to leave their village homes to seek out work in the garment factories located in the major urban centres. For this first time, rather than the socio-cultural constraint of *purdah* or female seclusion inhibiting young females from entering the very public space of factory work, they became an integral part of the urban industrial landscape. Viewed in essentialist terms, the notion of *purdah* denotes a number of polarities that divide society into sex-segregated spheres. However, as the example of women workers in the export garments industry of Bangladesh shows, such divisions are never static; rather, they are constantly shifting in the context of economic, political and ideological forces. Furthermore, the convergence of gender relations and class means that options open to Bangladesh women vary considerably across the socio-economic order, depending on their relationship to the means of production and their place within the distribution nexus. By examining this process, it can be seen how gender and class are embedded in and constructed through one another, through both production and reproduction and how their relationship can be observed and analysed through the protests of working people.

In Chapter Five, I have shown how discussed how their first-time experience of assembly line production in the garment factories exposed women workers to a highly exploitative labour process and the non-compliance of comprehensive labour laws. Widespread abuses include punishingly long days, harsh discipline, irregularly paid wages, hazardous working conditions, sexual predation, and the suppression of unionising. Additionally, not only is the extraction of surplus value secured through an intensely controlled work regime, it is also secured through the widespread use of child labour. While for the employers, this can be explained by the endless quest to increase

surplus value, for the state, the general lack of enforcement of Bangladesh's labour laws needs to be understood in the context of post-coloniality, in which rights exist in law but are blatantly contravened because of weak state agencies that are also undermined by corrupt practices. In this chapter, I have further highlighted the weakness of the Bangladeshi state by noting its absence from negotiations around the child labour controversy in the 1990s. I have also shown how, in the wake of the Child Labour Deterrence Bill being tabled in the US Senate in 1992, the international controversy over the use of child labour in Bangladeshi factories emerged, and how this reality resulted in a MOU in 1995 to phase out its usage. Again I have demonstrated how the lengthy and often volatile negotiations on the child labour issue reveals how agencies of the international state - in this instance, the ILO and UNICEF - can impose conditions on a developing country that the nation state has difficulty in meeting. In the discussions that resulted in the 1995 MOU, the BGMEA was the only organisation in Bangladesh to participate. It seems that the common but anecdotal reference to the BGMEA as Bangladesh's 'second parliament' has some credibility in explaining the absence of any state officials in a matter of national importance.

Indeed, the non-participation of state agencies in the child labour controversy and the general lack of enforcement of Bangladesh's labour laws represents in part the problems that a new nation state encounters in its early formative years. Moreover, with the virtues of the global free market increasingly coming into question - especially as they relate to deteriorating labour standards - the whole issue of workers' rights has become a pressing matter for the state as well as for garment manufacturers in Bangladesh. Since the child labour issue intensified in the 1990s, and in the case of garments, the ethical push for 'clean clothes', codes of conduct are increasingly forming a mandatory part of trade contracts between Bangladeshi suppliers and their buyers, mostly from the US and the EU. However, while the MOU has been forced on the garment industry and that codes of conduct have followed, it would not be surprising to discover that these measures have been or will be violated. It is not uncommon for such campaigns and agreements to have a 'band-aid' quality, with success often sporadic and a tendency for any achievements to fizzle out once the pressure is off. In other words, codes of conduct often lead to a great deal of moral posturing that fails to improve conditions on the production line,

especially when they are regarded as nothing more than protectionism in another form, as is the dominant argument in Bangladesh. However, at the same time, the push for enforceable international labour standards has the potential to create the political space for Bangladeshi garment workers to achieve more successes in their organising attempts.

Despite confronting a harsh labour process, my research confirmed that the vast majority of the women garment workers regard their employment positively as it has enhanced their sense of self-esteem and worth. Waged work for the export market has provided these young women with a sense of independence and autonomy as well as new social networks, both inside and outside the workplace. Inside the factory, the preference for centralised in-house production to closely monitor quality standards and to meet shipping schedules has created conditions more conducive to the development of a class consciousness. Outside the factory, informal network systems, such as walking to and from work together, sharing accommodation and taking part in several ‘conscientising’ activities through NGOs and women’s groups have strengthened their class solidarity and resolve to unionise. This paradox of positive subjective evaluations in the context of negative objective conditions is certainly not unique to the Bangladeshi garment workers. In fact, it has epitomised the experience of industrialisation for women workers in many countries. However, by accepting the influential NIDL assumption that such workers are the victims of ‘super exploitation’, is to sacrifice the contradictory and gender-specific implications of such employment in the lives of workers in much the same way as activists who accentuate only the negative aspects of female employment in the Bangladesh export garments industry. By focusing on a context that tends to play down the significance of class struggle and that concentrates instead on the weakness and marginalisation of labour, the working class as a social force is not recognized.

In Chapter Six, I extend this argument by examining the garment worker campaigns to unionise. Although for some time they were not visible in an organising sense, they nonetheless comprised a nascent but active part of the industrial working class through clandestine meetings outside the factories to discuss their grievances. Over time, these workers came to recognise that management was imposing on them unreasonable and

unjust exploitative practices to produce export quality garments in line with delivery dates. Moreover, with the realisation that there existed a plethora of labour laws to protect them as factory workers, and that both employers and the state ignored these, the necessary conditions existed for their potential as an opposition force to grow. With little opportunity to find employment elsewhere, this resolve to resist gained much of its momentum through the assistance of NGOs rather than the existing trade union structure in Bangladesh. In this way, my dissertation points out that formal unionism is not the only form of organised resistance and that NGOs have emerged as significant alternative vehicles of organising.

Even though attempts by organisers were made in the early to mid-1980s to incorporate the female garment workers into various trade unions, most of these proved unsatisfactory. It was soon realised that some trade union organisers were lining their own pockets by cutting deals with management rather than fighting for the statutory rights of the garment workers in accordance with the labour laws. For many, when unions became involved, they acted more like extortionists, taking money from management to keep the employees in line while, at the same time, collecting dues from their members with whom they had very little contact. Additionally, many of the garment workers tired of being called out to swell the numbers in rallies and demonstrations of protest against the structural adjustment of Bangladesh's economy. Rather than taking on the task of effectively organising and representing the specific grievances of the female garment workers, it seems organised campaigns against the privatisation dictates of the IMF and World Bank have occupied much of the time of the labour leaders in Bangladesh in recent years. Indeed, in the absence of an effective labour movement, which was among other things male dominated, to respond to the specific needs of the female garment workers, NGO activity has been integral to raising an awareness of workers' rights.

Certainly, NGOs had become an increasingly important feature of Bangladesh's political economy since gaining independence in 1971, dealing mainly with issues relating to poverty through income-generating projects. However, with the state instigating policy reforms to accelerate EOI in the 1980s and 1990s, which were accompanied by the

incorporation of countless women in public and paid employment, there was an apparent shift in the service delivery of many NGOs. In Chapter Six I have attempted to explain this shift by arguing that, rather than treating female workers as politically exploited, as socially oppressed, as legally ignored and as technologically deprived, numerous NGOs have emerged to build the organisational capacity of women workers. In this way, the sense of empowerment the garment workers already possessed from their new found status as wage earners, was further enhanced by the knowledge imparted in educative classes run by NGOs about their statutory rights as industrial workers. To discover that these rights were actually enshrined in law bolstered an emerging class consciousness forged out of their conditions of work and their capacity to organise evolved and continues to do so.

In sum, from the organising measures identified in Chapter Six, we saw how the garment workers have continued the tradition of activism identified in Chapter Two that extends back over a century. Industrial workers, under both the colonial states of Britain and West Pakistan, have responded in ways that accorded with the ongoing process of class formation, reproduction and conflict in the context of the development of capitalist relations of production. From peasant resistance, to nationalist politics and industrial unrest, the labour movement has been characterised by a continuing tradition of militancy and determination, a history in which the garment workers are now an intrinsic part. Indeed, the struggle of the working class for economic improvement is an historical phenomenon in Bangladesh. However, in the context of new economic and social exigencies generated by a shift to EOI in post-colonial Bangladesh, the labour movement is once again facing shifting circumstances. Changing patterns of rural-urban migration and the massive entry of females into the labour force have both reconstituted the industrial working class and made it into a different class in both objective and subjective terms. With females taking up visible work in factories, the social factor of gender is now a consideration, as is the reality of female industrial workers challenging the Islamic cultural ideals of passivity through their increasing militancy.

While working classes have always been made up of many diverse elements, what is noteworthy in contemporary Bangladesh is the way that political unionism is being

challenged by an increasing number of the female garment workers. Indeed, as I have noted in this chapter, many garment workers have expressed disappointment and disillusionment with mainstream unionism, a reality that has culminated in its rejection of this form of unionism in preference for the formation of BIGU, a new and independent union run solely for and by the garment workers. In this sense, the rise of BIGU in the 1990s as a completely independent union for the garment workers represents a significant break with the tradition of political unionism. In particular, it has drawn attention to the impact of international organisational links on the local organising capacity of the Bangladeshi garment workers. In fact, BIGU may never have been formed were it not for the active assistance of the international labour based NGO, AAFLI, an organisation well known for its interventions against political unionism in other Asian and Pacific countries. An international arm of the powerful AFL-CIO, AAFLI has often been criticised for their pointed interventions in contests between rival labour organizations because such alliances are dangerous for independent and principled unionism, and because they also contradict the AFL-CIO's claim that it backs 'free' trade unions around the world. Nevertheless, without AAFLI's assistance, BIGU would not be the effective union it is, nor would it have materialised in the first place.

BIGU's operations since its formation have attracted much controversy. On the one hand, by having access to generous funds, the union has been able to pay for the services of lawyers to provide legal advice to the workers, and to follow through grievances to the courts, something under-resourced and locally-based unions have been unable to offer the garment workers. At times, this has involved hostile reactions from *mastans* or thugs threatening union delegates with retribution unless they cease their activities. On the other hand, BIGU's relationship with AAFLI has implicated the union in an alleged 'conspiracy' to ruin the export garments sector in Bangladesh because of the child labour controversy. Considered locally as representing nothing more than the politics of protectionism operating internationally, AAFLI played an active role in influencing the outcome of the MOU negotiations. In sum, because BIGU is widely perceived as being under the tutelage of AAFLI, it is often looked upon with suspicion by the BGMEA and by other local NGOs and trade unions.

While there can be little doubt that BIGU's emergence and subsequent success has had an impact on the export garments sector and has unsettled labour relations in Bangladesh, its long-term future is unclear. BIGU's capacity as a new trade union federation to withstand those oppositional forces bent on either totally destroying it or greatly restricting its operations will obviously depend on the unity of its members, the skill of its leadership and the continued financial and other assistance it is able to tap into. Certainly, the road ahead will continue to be littered with economic and political obstacles. Nonetheless, while one must be cautious, it is important to recognise that some significant gains have been made. For the experience of struggle among the rank-and-file, BIGU stands as a testament to the agency of the garment workers and is invaluable in providing a basis for the future enhancement of self-organising. In this respect, more theoretically informed research is required on unionising levels and the organising capacities of the garment workers, and of the Bangladeshi industrial working class more generally.

To conclude, in this thesis, I have moved away from the position that analyses Third World female factory workers as an automatic and inert homogenous group. Instead, by using class analysis and focusing on the active oppositional agency of the Bangladeshi garment workers, I have attempted to show how the reality contradicts the passive stereotype. Certainly, their story is not one of great success in organizing themselves, just one of progress that deserves to be told and one that has the capacity to evolve. Indeed, evidence suggests that the garment workers are replicating history in that while conditions have never been ideal for the Bangladeshi working class, whole segments of workers in major industries have a long history of involvement in unions. In this respect, the garment workers are continuing as agents of the organised resistance to the imperatives of capital in Bangladesh. Indeed, what constitutes the female garment workers as a form of oppositional alliance is a common context of class conflict and struggle.



**Note: For copyright reasons the Appendix (p.221-236 of this thesis) has not been reproduced.**

Table 1.1 - Women's employment in free trade zones in selected countries of Central America and the Caribbean, 1995. *Source: ILO, 1998*

Table 2.1 - The growth of registered trade unions, 1972-97. *Source: Paratian and Torres, 2001*

Table 3.1 - RMG sector exports relative to all exports. *Source: Quddus, 1993; Quddus and Rashid, 2000*

Table 3.2 - Employment in the readymade garment industry 1980s-mid 1990s. *Source: BGMEA, 1996; 1998*

Table 3.3 - Market position of Bangladesh in the US and other apparel markets (1991-1997). *Source: Quddus and Rashid, 2000*

Table 3.4 - Labour cost per hour in the textile and apparel industries by country, 1993 and 1996. *Source: Paratian and Torres, 2001*

Table 3.5 - Product base of garments produced for export (1995). *Source: Siddiqi, 1995*

Table 4.1 - Asian women in the industrial workforce. *Source: Heyzer, 1989*

Table 4.2 - Place of origin of garment employees of Dhaka City. *Source: Hoque, Murayama and Rahman, 1995*

Table 4.3 - Male-female composition of the employees by designation. *Source: Hoque, Murayama and Rahman, 1995*

Table 5.1 - Pay differentials by gender (Taka). *Source: Chandhuri and Paul-Majumber, 1991*

Figure 3.1 - Growth of firms in the garment industry in Bangladesh. *Source: Quddus and Rashid, 2000*

Figure 3.2 - Trend of Bangladesh's exports 1981-82 to 1992-93. *Source: EPB, 1995*

Figure 3.3 - Exports by main products, 1980/81-1996/97. *Source: Paratian and Torres, 2001*

Figure 3.4 - Export of readymade garments of Bangladesh: market share in 1997-98. *Source: Quddus and Rashid, 2000*

Figure 4.1 - Male and female participation in the industrial labour force of Bangladesh 1974...1986. *Source: UNIDO/UBINIG, 1991*

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