

Export Processing Zones: The question of labour rights

A M M SHAWKAT ALI

RESEARCH has led to the finding that the emergence of Export Processing Zones (EPZs) can be traced back to the Roman Empire, which set up free trade zones. The duty free ports of Singapore, Gibraltar and Hong Kong are later additions to the same concept. EPZs, however, have become institutional entities in both developed and developing countries.

Statistical information shows that the highest number of EPZs is in the United States of America (213), followed by China (124). Regionally, North America accounts for the highest number of 320 followed by Asia at 225. Globally, the number is said to be increasing. Even though India was among the earliest countries in Asia to have set up EPZ in 1966, the number now is only seven. Globally again, EPZs operate under more or less similar incentive packages. These include tax holidays, duty free imports and exports, dedicated infrastructure, abundant and relatively cheap labour, and strategic locations and market access.

Social and labour issues

These issues relate to three key areas such as wages, working conditions and labour relations. Inattention to these issues have led some to view EPZs as 'Zones of Oppression', links in the chain of exploitation or 'danger zones'. It is at the same time recognised that such a view cannot be applied across the board. Nevertheless, the negative image still persists. This tends to confirm that all is not well in EPZs across the globe.

Wages and working conditions

These are meant to be in accord with Tripartite Declaration of International Labour Organisation (ILO) which sets out principles for the same. As regards pay, it is either similar to or better than other manufacturing companies outside the zone in the host countries. The principles set by ILO require the multinational investors to "maintain highest standards of safety and health". In addition, the principles also lay down that the workers in EPZs should have the right, consistent with national laws and practice, to collective bargaining. In other words, they should have the right to form trade unions.

Gap between practice and standards

As is always the case, there is a gap between what ought to be and what is there in practice. A survey conducted in Sri Lanka in 1993 indicates that minimum wage standards have not been followed to the extent required by its Board of Investment (BOI) regulations on 'Labour Standards and Relations'. There are a number of concerns in this area. First, the labourers without any written contract are the most vulnerable. There is no means of knowing what the wages are. Second, the practice of maintaining apprentices beyond the maximum period is specified by the regulations. Third, there is the issue of real

choice. The purpose is to preserve, protect and defend their own interests. This right to form associations is not expected to be interfered with by the government.

The other instrument is Convention No. 98 called 'Right to Organise and Collective Bargaining, 1948'. So far, it has been ratified by 124 countries. The aim of this Convention is to guarantee workers' right to organise into some form of associational interest groups or trade unions. The purpose is to protect interference from employers' organisations as well as to promote voluntary collective bargaining.

ILO monitors the extent to which the members' states,

Anti-union practices in other countries

Bangladesh and Pakistan are said to be the 'good examples' of countries, which prohibit trade unions in EPZs. South Korea and Taiwan also have such laws. In some other countries, regulations, not specifically related to EPZs, can be used to restrict workers' rights. These may take the form of declaring EPZ enterprises as "essential services", "activities vital to national interest" or "pioneer industries". Industrial action by workers under the above will be considered illegal. India, the Philippines, Sri Lanka and Malaysia are said to be examples of such countries. In Turkey, ban on union activities is restricted

in question and that the proposals for amending it has been submitted to the appropriate authority. The US Ambassador is reported to have raised the issue with the relevant authorities of the government in the recent past.

Conclusion

A survey report in respect of India points out that the number of EPZ host countries with legislation restricting the exercise of trade union rights is significantly less than those in which such problems have been reported. It also confirms that in virtually all other countries, the national labour laws are applicable to the zones. However, even in such cases, the percentage of trade unions is generally quite low.

In case of Bangladesh, the foreign investors are opposed to workers' rights to collective bargaining in the EPZs. As a leading English Daily (The Daily Star, July 15, 2003) reported, the investors in EPZs threatened to withdraw from the EPZs and go to the court, both domestic and international, if unionism was allowed. On the other hand, the United States Generalized System of Preferences (GSP) law requires the beneficiary country to satisfy certain conditions relating to labour rights. Freedom of association is one such condition. The US labour organisation, AFL/CIO has been pressing hard since 1992 that Bangladesh allows right to form associations and has sought revocation of GSP for Bangladesh unless the right is guaranteed in the EPZs.

Freedom of association and the right to join unions is guaranteed by the Bangladesh Constitution (Article 37) but the EPZs are exempted by law. This is because such rights are subject to any reasonable restrictions imposed by law in the interests of public order or morality. In view of the above and the added pressures by ILO and the US administration, the government appears to have very limited option. It may have to balance between economic gains and the constitutional rights and find out mechanism of reasonable restrictions in the interest of public order. Evidently, the restrictions on grounds of public order appear to have no application in this case. Total ban cannot be defended on grounds of public order.

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The fight for the high ground

Once politicised, the whole issue could cut against the president, on Iraq, homeland security and even the war on al Qaeda. Between 1993 and 2001, al Qaeda was responsible for five major bombing attacks, including 9/11. In the two and a half years since, there have been 17 al Qaeda bombings, most recently in Turkey. Bush backers fret that even the capture of Osama bin Laden might yield only short-term political benefits because it is now expected.

JONATHAN ALTER

DID you hear the one about John Kerry? Kerry walks into a bar and the bartender says, "Why the long face?" The joke isn't so funny for the Kerry campaign. The history of presidential elections is that the candidate with the sunny, uplifting "vision thing," as George H.W. Bush put it, usually wins. Richard Nixon, whose narrow triumph over the joyful Hubert Humphrey in 1968 is the exception that proves the rule, clunkily called it "the lift of a driving dream." Ronald Reagan in 1980 beautifully conjured America as a "shining city on a hill." This was a line from John Winthrop, the founder of the Massachusetts Bay Colony and Kerry's ancestor. But for both the Democratic candidate and President Bush, the question remains: Whose city? Whose hill? Beyond the day-to-day negative skirmishing, the real battle is for the high ground.

To John Edwards' "Two Americas," add the idea of "Two Campaigns." The real election in November will involve 100 million voters, most of whom pay little attention until after the World Series. So from now until fall, another, smaller campaign—a mostly cable and Internet event of interest to five or 10 million people—will dominate. But not much of this Cable Campaign will leech into the consciousness of the larger voting public. The irony is that the early noise is mostly for voters who are already committed. Early polls say nothing. Too much can happen in the world. And lightly aligned swing voters will likely swing back and forth several times before making a final decision.

Most Americans know nothing about Kerry, so Bush is trying to draw on the blank slate first. His argument is that Kerry is both a predictable liberal and a flip-flopper. (Which seems like a contradiction in terms, but never mind.) The GOP's Elephant Echo

Chamber will repeat endlessly that Kerry was for and against the No Child Left Behind bill, for and against the Patriot Act, for and against the Iraq war. Because the details are complex, Kerry does not yet have a good argument to blunt that attack. So he'll try to jujitsu, arguing that Bush was the flip-flopper on steel tariffs, nation-building, adding new cops, funding programmes for manufacturers — a "lip-service president" whose Labour Department last week reported an anemic 21,000 jobs created in February, leaving him close to seven million jobs short of what he's promised.

I'm not sure the whole flip-flopper bit works for either side. In 1932, Gov. Franklin D. Roosevelt was widely derided as an unprincipled "corkscrew candidate" who thought the shortest line between two points was a dozen twists and turns. When an aide complained about two drafts of a speech — one protectionist and one for free trade — FDR airily replied, "Weave them together." Politicians have been doing that ever since and rarely get nailed for it. Of course Kerry lacks Roosevelt's buoyant spirit, and he hasn't yet learned the "Fire-side Chat" lesson of conversing with the American people instead of orating to them.

Worse, Kerry's background is mostly that of a critic. But if critics won votes, Paul Krugman would be president. Undecided voters don't dislike Bush or what he has done. They just want to know if Kerry can do better for them on job loss and at least as well as Bush on security. That requires fresh, positive ideas about outsourcing and Iraq condensed into a message so clear and compelling that it compensates for the messenger's long face. Even in the primaries, Kerry's message was fuzzy.

The president is also working at cross-purposes with his own personality. His new ads try an

uplifting message, but the subtext of his campaign is clear: we should be afraid, very afraid, for our physical safety should he lose the White House. Will this play in, say, the suburbs of Cincinnati? The risk is that his fear theme will cut into his likability. Who wants to have a beer (or an O'Doul's) with someone who is scaring them, or, worse, exploiting 9/11? Beyond the firefighters and family members of victims who cried foul last week when Bush's new ads showed footage from the sacred terrain of Ground Zero, other voters might just be tired of being reminded of their old fears.

Once politicised, the whole issue could cut against the president, on Iraq, homeland security and even the war on al Qaeda. Between 1993 and 2001, al Qaeda was responsible for five major bombing attacks, including 9/11. In the two and a half years since, there have been 17 al Qaeda bombings, most recently in Turkey. Bush backers fret that even the capture of Osama bin Laden might yield only short-term political benefits because it is now expected.

My sense of this race is that Kerry will fall behind for a while. He's not a good front runner and except for his goal of energy independence by 2020, his city on a hill is still under construction. But he has a way of growing on people. The enlisted men on his Vietnam Swift Boat at first saw him as an Ivy League stiff. Then he proved himself in battle and as a guy and now they swear by him. The real issue is how Bush wears. Any re-election fight is first a referendum on the incumbent. We know his city is heavily fortified and sits well to the right on the hill. But does it shine?

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wages in the absence of the right to collective bargaining. Other concerns include hour of work, overtime and rest periods.

Safety and health

All countries have national laws and regulations that govern safety and health conditions irrespective of their locations in and outside EPZs. Despite this, there had been serious accidents in China (May, 1993) that claimed the lives of 188 workers and injured 469. In November of the same year, in another accident, 87 workers died leaving 40 injured. Concerns for safety and health of workers also stem from the illegal practice of using buildings for multiple purposes. There are also reports of poor lighting, inadequate ventilation and first aid facilities.

Freedom of association and collective bargaining

There are two basic international instruments that seek to govern labour standards. The first of these is ILO Convention No. 87 called 'Freedom of Association and Protection of the Right to Organise, 1948'. This Convention has been ratified by 112 of ILO's 173 member states. The aim of this Convention is to promote and recognise the right of workers and employers to establish organisations of their

which ratified these instruments, follow the standards. It has two Committees, which are responsible for monitoring Paragraph 45 of the Tripartite Declaration of ILO that clearly states, "Special incentives to attract foreign investments should not include any limitation of the workers' freedom of association or right to organise and bargain effectively".

Bangladesh context

Bangladesh has adopted an 'Open Door Policy' to attract foreign investment. The governing law in this respect is The Bangladesh Export Processing Zones Authority Act, 1980. Bangladesh Export Processing Zones Authority (BEPZA) is the official organ to provide special areas to attract and facilitate foreign investment.

Under the Act of 1980, the government has reserved to itself, the right to exempt a zone from the operations of all or any provisions of as many as 16 existing laws. Such exemptions are to be granted by a notification in the official gazette. Three of such laws as they relate to labour standards include: (a) The Employment of Labour (Standing Orders) Act 1965, (b) The Industrial Relations Ordinance, 1969 and (c) The Factories Act, 1965.

for a period of 10 years from the date of start of an enterprise. A Supreme Arbitration Committee settles dispute during this period.

Anti-union activities in Bangladesh

Investors in EPZs are generally happy about the labour relations. This is probably because law does not permit trade union activities. Reports are there to show that there has been occasional labour unrest. The worst case relates to four deaths at the hands of the security forces at one factory during 2000. Not much investigation has been carried out to justify use of such force that led to the loss of lives. Very little indeed is known about the non-legal barriers that prevent the workers in EPZs from pressing home even their legitimate grievances.

Pressure mounting on Bangladesh

It is said that the pressure is mounting on Bangladesh to realign its EPZ law so that it conforms to the requirements of the relevant Conventions of ILO already cited. The Committee of Experts of ILO had reportedly taken up the issue back in 1995. The government is understood to have assured ILO that it will review the provisions of the law

'Things fall apart, centre cannot hold...'

SHIHAB SARKAR

WE hope, Dr Azad will come around and resume his writing, but the diabolic assault on him points to the near-breakdown that our law and order has undergone lately. The political overtone notwithstanding, as many termed the incident an attack on freedom of expression, the blood-spilling nature of it cannot put the assault outside the periphery of law and order. In a completely different area, the depressing news that the European buyers of our ready-made garments will no longer visit Bangladesh thanks to the abrupt slide in the country's law and order is tantamount to a great dampener vis-a-vis our high hopes of earning bulks of foreign exchanges from this sector — on the eve of the post-MFA scenario. The foreign importers have already let our garments manufacturers know that it is our people who should travel all the way to Europe to negotiate on the procedures of the export of their products. In the past, eager foreign buyers themselves would visit Bangladesh to make arrangements for importing our ready-made garment products. The murky development has, undoubtedly, added to the deepening premonitions on the part our garment exporters, thus pointing to the uncertainty that looms large over the once-roaring sector.

The above picture has been cited just to show the extent to which law and order in Bangladesh has deteriorated. This post-editorial does not touch upon the elusive chances of Bangladesh to remain unhurt in the fiercely competitive global market of ready-made garments in the post-MFA world. Rather it focuses on the country-wide reign of terror and fright let loose by the fast slide in law and order. Over the last couple of

months, hardly a day has passed in Bangladesh that has not witnessed at least a dozen cases of mindless killing, robbery, abduction and related crimes, especially in its cities. It is only the sensational cases that are reported in the press, the rest that occur throughout the country remain mostly unnoticed. As is witnessed commonly, in the rural areas a sizeable number of victims of different kinds of crimes prefer to skulk around despite being persecuted socially. Out of the fear for reprisals, they do not report their cases to the law enforcers — which in a way helps given a shot in the arms of the

resort in the Chittagong Hill Tracts (CHT) district of Bandarban slipping into the clutches of a band of obscure kidnappers. To the relief of the resort authorities, the said director was released on 24 February after three weeks, reportedly upon paying Taka 15 lakh in ransom money to his captors, who have fled into the deep forest after being chased by a phalanx of joint forces. Although the director of the highly reputable hill resort managed to secure his freedom, none can deny the fact that tourism in the CHT region from now on will be accompanied by fear and a large amount of

excesses and overkill that mostly result in the arrest of petty criminals. The big honchos of the underground, along with their cache of arms, have remained ever elusive. To put it caustically, the anti-crime operations conducted by the joint forces under different names at different times have not yielded anything which the government can take pride in. Instead, the joint forces' alleged rash behaviour with people and their tendency to go overboard in many cases expedited their isolation from society. This malady has gripped the country for over a decade. Since almost all of us have been bearing the brunt of lawlessness for a long time, we had better refrain ourselves from singling out a particular government for this alarming slide in law and order. Yet the bitter truth is, with days passing by, the overall law and order scenario is only getting grimmer. Despite the government's repeated vow to stem the tide of criminal activities with 'iron hand,' its actions in the field earn little credibility — from which the long-suffering people can take heart. In fact, the anti-crime or anti-terrorism campaigns in Bangladesh have become mere routine exercises. This ill reputation ought to be wiped out. And the sooner the better.

Of late, we have heard a lot of impatient exhortations on the country's ever-sliding law and order from our big donors. Theirs do not appear to be a tall order. Any nation or its government pledge-bound to improve the lot of the people should combine all its efforts to ensure peace in every

Given the pervasive anarchy that has lately beleaguered the country, with no area of society being spared, the star-crossed people cannot but become rueful fatalists. But could this bail us out from the everyday chaos and mayhem we are in?

criminals. The scenario in the city is not much different. Owing to its proximity to the media, people are able to get first-hand information on an urban crime. But still, in the city too many cases of crime go unreported. Those which find a place in the media do not necessarily see a positive outcome. Many murder and abduction cases end up being mere cruel 'mystery plays,' much to the chagrin and nausea of the victims' close ones. The latest spree of abduction, perhaps, began with businessman Jamal Uddin, who was spirited away from his hometown Chittagong quite a few months ago, and is yet to be traced. Many believe, a formidable gang operating in the port city and its adjoining hills is behind his sudden disappearance. Of the series of continued abductions for extracting money in the form of ransom, the one that had triggered country-wide outcry and condemnation was the incident which saw one of the directors of a renowned tourist

jitters. The incident, in which a group of foreign tourists were also traumatised, has every grim potential of leaving a damaging impact on tourism in this idyllic region of the CHT. To speak without mincing words, it has dealt a great blow to our slowly fledgling tourism industry. Already scores of violent and savage acts meted out to foreign tourists over the last few years throughout the country have sullied the national image. With the continuation of apathy towards tourists from abroad coupled with the fast deterioration of law and order, days are not far for the nation to brace for much worse times.

Abductions, some leading to brutal killings, have lately assumed the symbolic shape of a hydra-headed monster. It is high time the authorities concerned put in the best of their efforts to annihilate this nightmare. The authorities can indulge in foot dragging, but that will be at their own peril. Already lawlessness

sector of society. It is the only prerequisite to development. The way things are unravelling in the country only speaks of the government's lackadaisical attitude to this vital issue. It seems, when it comes to improving the country's law and order they could not care less. As a nation, we have, perhaps, become inured to criminalities. All this points to a gangrenous rot that is fast spreading into the deep layers of society. Unless its menacing progress can be stopped, we are headed for an apocalypse of sorts, and will be doomed to become a pariah in the world community.

A great irony of our periodic anti-crime campaign is the launch of operations comprising personnel from different forces. People have great expectations from them. But as if they were performing in an Absurd Play, what the members of these joint operations in reality have done amount to acting out scenes which seem to have their foci on harassment of the commoners,

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