

A golden opportunity

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BANGLADESH has had a long struggle with gaining duty-free access to the United States for its garment exports. The Progressive Policy Institute in Washington, DC has documented how Bangladesh faces higher duties than the United Kingdom -- \$496 million on just \$3.3 billion in exports -- compared to the \$430 million paid by the UK on \$5.5 billion in exports.

Who is to blame us? Bangladesh is still an LDC that needs this access, and, amidst our economic woes, the rise of the garment industry has made for a sunny economic story. While in the earlier years Bangladesh relied heavily on agriculture for its growth and exports, the yearly floods have made this unsustainable. The manufacturing sector, and in particular the garments industry, soon took over as an unstoppable engine for growth. The industry is now a formidable earner of foreign exchange -- accounting for more than 75 per cent of the total -- and a provider of jobs to over two million women.

The majority of Bangladesh's garment exports is destined for the United States market. But our textiles and garments going into the US are slapped with duties ranging up to 20%. Without such duties, Bangladeshi garment exports would, of course, grow at a much

faster rate, and the industry could potentially hire a million more workers, mostly women.

In a letter dated March 15, Shirin Akhter, president of Karmajibi Nari (Association of Working Women) wrote to the United States Trade Representative: "We strongly believe that the US [and other developed countries] should provide duty free and quota free market access for all products originating from LDCs... You may be aware that more than 75 per cent of export earnings of Bangladesh is contributed by the ready made garment sector. More than 2 million workers of this sector are women, whose livelihoods, along with their family members', are directly related with the export performance of this sector."

A few members of the United States Congress, to their credit, have stepped forward to respond to such calls. For example, Senators Max Baucus, John McCain, Diane Feinstein and Gordon Smith, as well as Representatives Joseph Crowley and Jim Kolbe, have tried repeatedly to pass laws to allow Bangladesh and other poor countries to export garments and other products free of duties.

But such measures have had no success due to pressure from American labour unions and garment and textile producers who have lobbied intensely to hold on to these duties.

The American textile and garment makers constitute a tiny,

almost invisible, fraction of the US labour force, and the membership of US labour unions has declined over the years, but each group has enormous political clout.

A common argument of these groups has been that labour standards in Bangladesh and other poor countries are just too low to justify giving them duty free access for their garments or other manufactured products. They contend that if duties are eliminated, US companies will shift production to Bangladesh, attracted by the low labour costs associated with poor working conditions.

In the Congress, Representative Jim McDermott, a Democrat from Washington, is about to introduce legislation once again to eliminate duties for the poorest countries, including for most of Bangladesh's garment exports.

This time, however, Bangladesh is required to make significant improvements in its labour standards and pay better wages to the workers in order to receive duty free access to the US. As a first step, Bangladesh must pass laws that enshrine the five core labour rights as defined by the International Labour Organisation, as well as demonstrate that these laws are being enforced.

The core labour rights include: (i) freedom of association, (ii) the effective recognition of the right to collective bargaining, (iii) the elimination of all forms of compulsory or

forced labour, (iv) the effective abolition of child labour, including the worst forms of child labour, and (v) the elimination of discrimination with respect to employment and occupation.

This may be a tall order for Bangladesh, but it is also a reasonable demand. It should be seen by the government and business owners as a strong incentive for improvement. For years, we have been asking for the elimination of US duties that penalise our strongest industry. There is now a golden opportunity to get what we want, but only if our government and corporate leaders step up to the challenge of improving labour conditions.

It is no secret that workers' rights in Bangladesh are continually threatened. In several instances, workers have been fired for trying to bargain for fair wages. There is wide documentation, both by local and international NGOs, of abusive behavior and poor conditions in factories.

The government's response has, thus far, been weak. Government officials have been largely oblivious to the issue of unfair wages, and penalties for abusive treatment of workers have been met with nominal fines that are not high enough to change behaviour.

There is rarely any prosecution of violators, and our judicial system is a quagmire as far as labour cases are concerned.

Progressive citizens should have high hopes that Bangladesh can do much better to safeguard the rights of its workers. The traditional response of our government officials and corporate leaders to Western demands for higher labour standards has been that Bangladesh's poverty situation prevents it from doing any better. It may be true that low labour standards are linked to poverty, but such a response is misguided.

Better enforcement of labour standards, such as the right of workers to bargain collectively, would in fact have a salutary effect on poverty. Workers will have the ability to demand better wages without fearing retaliation, and this will have an equalising effect on the income distribution, as well as poverty reduction. Better wages for a factory worker means better living standards for his family.

Our corporate leaders, not only the garment business owners, would be wrong to contend that they are not in a position to offer better wages and conditions. We have seen that, as many businesses have been successful over the years, more and more BMWs have also emerged on Dhaka's streets.

It behoves wealthy business owners, who often are owners of many houses and automobiles, to offer better conditions to the workers who are responsible for their success.



PHOTO: MUSAQASOLIDARITY.ORG

of Bangladeshi garments should come in duty free. However, his proposal adds that further reduction of duties would be offered only when Bangladesh's labour standards resemble those of First World countries. This expectation is more than a little unrealistic, considering that some of the most developed countries are having difficulties maintaining these standards.

Instead, what the US Congress should do is offer a system of gradually reducing duties on exports from

Bangladesh, as labour conditions demonstrably improve. The efforts of the US Congress, however, are a good start and should be welcomed by Bangladeshis.

The government and corporate leaders should take the cue and start working for better labour rights in order to get what they have desired for long in terms of market access to the US.

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Fighting corruption: Who's for real?

MANZOOR HASAN

THE caretaker government's drive against corruption is gradually making corrupt practice a high risk activity. Most people will have no qualms about this, as the "untouchables" of yesterday are losing their sense of impunity. On the other hand, the drive against created an atmosphere of fear within the business community and shaken its confidence. This has caused concern over the medium term prospects for investment, and the ability of the country to sustain its reasonably impressive growth of about 5% per year. The government has recognised the problem and has taken steps to try and address it.

The chief adviser and other senior officials have repeatedly assured the business community that the anti-corruption drive would be properly targeted and

delineated. Some actions to this effect have been taken, including a major conference involving the top leadership and the community.

It was recently announced that the CTG was contemplating the formation of a "Truth Commission," which would provide a venue for businessmen accused of corruption to confess their "sins" and "surrender" their illegally acquired wealth, in exchange for their freedom. But is this the right approach? Will this help ease the uncertainty within the business community and regain their confidence in the government?

The CTG should be congratulated for taking proactive steps to address this problem, which has emerged as a serious, potentially harmful, side effect of this unusually resolute and aggressive (and in many respects welcome) anti-corruption drive.

It clearly recognises that governments do not have the skills to run businesses, particularly in the context of global competition. The vast experience of many countries, developed and developing, with the mismanagement and pathetic performance of state-owned enterprises is a testimony to this.

A government does not have the entrepreneurial skills needed to operate firms and move industry, and the private economy forward, but it has a vital role to play in spurring and sustaining growth to build a robust economy and keep voters/citizens reasonably satisfied through an effective policy and regulatory framework.

Legitimate businessmen are typically not interested in, nor well suited for, government bureaucracy. Their natural focus is on profits, not public good, though there is nowadays a growing acceptance of corporate social responsibility.

But businessmen need the government to provide the necessary social, legal, and physical infrastructure to support their companies and operations. Government and businessmen need each other, and it is with a productive symbiotic relationship between the two that economic growth and poverty reduction proceed rapidly.

The challenge confronting the CTG is how to identify these businessmen within a short period of time, and then engage them in a productive relationship so that they might resume their activities, increase investment, and spur economic growth.

The dilemma faced by the CTG is a little like the problem faced by consumers generally -- how to distinguish good products from bad. Let us take the example of the ubiquitous second-hand car dealer. There are hundreds of used cars that are offered for sale in Dhaka every week.

The typical buyer wants to be able to purchase one in good condition. However, he or she is often not in a position to tell whether a particular used car is in good condition or not.

Even experienced mechanics can occasionally get fooled. So how then can he or she sort out the good warranties on used cars, for slightly higher than average market prices from the bad? In developed countries, some car manufacturers are offering three to five year.

This warranty is effectively a contract between the car manufacturer and the buyer that assures the latter that the used car he has purchased is in reasonably good condition. The warranty scheme has been introduced to help buyers sort out the good from the bad used cars.

Corruption among business-

men is similar to the used car phenomenon. Basically, there are two types of corrupt businessmen. The first, let us call them type A, are those who have been forced into corruption because the conditions in the country are such that business cannot be done otherwise.

Their choice was either to leave, shut down, stay small, or pay the necessary bribes, and they have chosen the latter. Such businessmen typically have the experience and capacity to compete in the market place, and they are efficient enough to be able to cover the cost of the bribes.

The second, let us label them type B, are those that devote their energies to "directly unproductive profit seeking activities." They make profits (frequently many times the normal level that the market will typically produce) by corrupting politicians, government agencies, the courts, and

other public institutions, to alter rules and regulations to favour their companies.

This type of businessman will typically not survive even a modicum of competition, as he makes very little in the form of real investment to enable him to compete. In the last decade, many of these B-types have made Bangladesh a safe haven for greed-based systemic corruption.

In short, type A businessmen engage in "reactive corruption" in order to sustain and expand their operations. By contrast, type B businessmen engage in "proactive corruption" in order to make money -- corruption, not real investment, is the principal instrument through which they make profits.

The challenge for the CTG then

is how to sort out the type A from the type B businessmen. Perhaps the CTG should consider forming a

small group to formulate a "sorting mechanism" that can effectively address the current dilemma, and invite a few reputable national and international experts to provide advice and guidance.

This can be accomplished relatively quickly, and will enable the CTG to engage the business community effectively in re-energising the economy. Needless to say, a "Truth Commission," as so well propagated in South Africa, may have its place in history in Bangladesh in its proper context and time.

I feel that what we need now is a practical, transparent, effective, and well articulated process of "finding and replacing" type B businessmen, rather than creating further confusion in citizens' minds.

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Will Al run?



PHOTO: HUGO.COM

that he would seek the nomination from the Democratic Party to run for the White House in 2008.

According to these advisers, the Peace Prize makes the strenuous presidential race less appealing to Al Gore because now he has not only the momentum but also a huge, international platform to fight global warming, and may not want to do anything to ebb the enthusiasm of the campaign.

The other school of thought, which is favoured by many left-leaning political activists, is that Gore should run for the White House in 2008. They opine that what the US needs is an activist and visionary president.

Gore, as the leader of the most powerful republic, should be able to rally the rest of the world in recognising the evil of global warming. Gore, manning the highest position in America, should be able to help promulgate environmentally friendly laws to lessen carbon emission, and set an example of what the most powerful nation on earth can do to cut greenhouse gas emission, clean up the waterways, make alternative energy, etc., to make the world truly a green place.

To this effect, quite a few left-leaning activist groups have launched a movement to apply pressure on Al Gore to seek nomination for the 2008 presidential race.

A group of people, calling themselves "grassroots Democrats," has launched a website, "Draft Gore," soliciting citizens on the internet to sign a petition asking Gore to run for the office in 2008.

This group had placed an advertisement at a cost of \$65,000 in the New York Times (dated October 10) asking Gore to run for the White House in 2008. Another cyberspace grassroots organisation (Al

Gore.Org) is also working tirelessly to convince Gore to run for the office. The billion-dollar question is -- will he run in 2008?

Many political pundits think that Al Gore is not going to crowd the field of Democrats this time around. The two frontrunners from the Democratic Party, Sen. Hillary Clinton (NY) and Sen. Barack Obama (Illinois), have amassed \$80 million each to run for the presidency. And he had one last chance for the presidency in his political future. "And he did not want to spend that one more good run at it running against Hillary Clinton. That would divide the Clinton base, the Clinton organisation, and the Clinton money sources. It didn't make sense."

The NPR analyst thinks that Gore will likely use his recent accolades to ensure that climate change is part of the conversation in the 2008 election campaign. And that development would possibly help the Democratic candidate.

We have to wait and watch and, of course, analyse every word Al Gore says in the next few days. In the meantime, the frontrunners, Sen. Hillary Clinton and Sen. Barack Obama, will keep an eye on the 800-pound gorilla that is sidelined for environmental cause. This author would like to see Al Gore become a world leader and a prophet for a much cleaner orb that we call our Mother Earth.

It was thrilling to read the pieces,

TRIBUTE

The modern man that was Obaidul Huq

SYED BADRUL AHSEN

OBAIDUL Huq was surely one of a kind, part of a breed of good, purposeful men that may have had its day. And there's the pity. When you see men of Huq's calibre of his generation, pass into the ages, you realise with a certain twisting pain in the heart how powerless you and your generation are once that reality comes to be. I never had a chance of working with Obaidul Huq, of being in his tutelage. By the time I made my way into journalism in the early 1980s, Huq was essentially moving on into charming retirement. He had just said farewell to the *Bangladesh Observer* and was already running the show at a newspaper. In the end, that newspaper had an early, premature journey into the twilight. For Obaidul Huq, too, there was that beckoning twilight, the mingling of light and shadow we call dusk. And yet he would go on to serve at other places, in other positions.

My first recollections of Obaidul Huq, or more precisely his writings, are grounded in the early 1970s when he served as editor of the *Observer*. It was a newspaper I read voraciously after December 1971, a special reason being that it carried a series of invigorating articles by Huq on Bangabandhu Sheikh Mujibur Rahman. The Father of the Nation, in Huq's assessment, was the Voice of Thunder, the Bojrokontha who had transformed the collective national dream of freedom into a tangible truth. And so Huq wrote, for days on end and to our intense happiness, a series he called *A Leader With A Difference*.

It was thrilling to read the pieces, for they brought home to me, for the first time, the career that Mujib had spanned till his emergence as Bangladesh's face to the outside world. And then there was the curmudgeonly pleasure of reading Huq's articles because of the quality of the prose in them. It was English I marvelled at. It was lucidity that I envied. I was yet in school, and wondered if ever a time would come when I could emulate Obaidul Huq in the way he wrote articles in English. I wished to see him. There was hardly any chance of that.

One day in the summer of 1972, armed with an envelope of my poems (which I now realise were silly if not exactly puerile), I landed myself at the *Observer*. Hope took shape in me, an expectation that maybe someone would carry those poems to the editor who in turn would call me in. It did not happen that way. The sub-editor (whom I would meet again more than two decades later when I was taken on board at the *Observer*) took one look at the poetry, handed me back the envelope and advised me to develop my English skills a little more.

On that steamy summer afternoon, I missed meeting Obaidul Huq. I did link up with him, though, in later years at various seminars or social occasions. They were not many, and we did not go beyond an exchange of mere pleasantries. But a day did come when I did talk to him. He spoke of books, of values in journalism, of his experience of film-making. It was an individual who had gone through a fullness of life. Like all men of intellectual depth, he demonstrated no hubris in his conversation with the raw, callow young man that I was. I had earlier heard of his wit, of the abundance of humour he brought to life.

And here I was, in the fading light of a quiet day in May, laughing at all the funny tales he related.

Enlightened men also happen to men with a lightness in the heart. That was true of Obaidul Huq. And in the manner of men who read abundantly and thought copiously, he was forever ready and willing to share his knowledge of time and space with others. I asked him about the generation of journalists that had come of age after his went away into the sunset. His response was simple and credible. There was a whole lot that the new breed of journalists needed to do. Read and think, he said. Journalism is not just about editing copies or writing editorials. It is, more fundamentally, about shaping your own, considered response to the world around you. In effect, what he was telling me was that the pen could indeed be made mightier than the sword through having the owner of it

develop a worldview of his own. It was a new step in my education. I was grateful to him for the advice. Obaidul Huq was a modern man. As with all such men, cosmopolitanism came in wonderful combination with his sense of history. And therein lay his appeal to those who yearned to learn a little more about the world that was part of their being.

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